



**NATIONAL YOUTH DEVELOPMENT AGENCY**  
**ANNUAL REPORT 2012-2013**



**nyda**

NATIONAL YOUTH DEVELOPMENT AGENCY  
**OUR YOUTH. OUR FUTURE.**



**REPUBLIC OF SOUTH AFRICA**



**nyda**

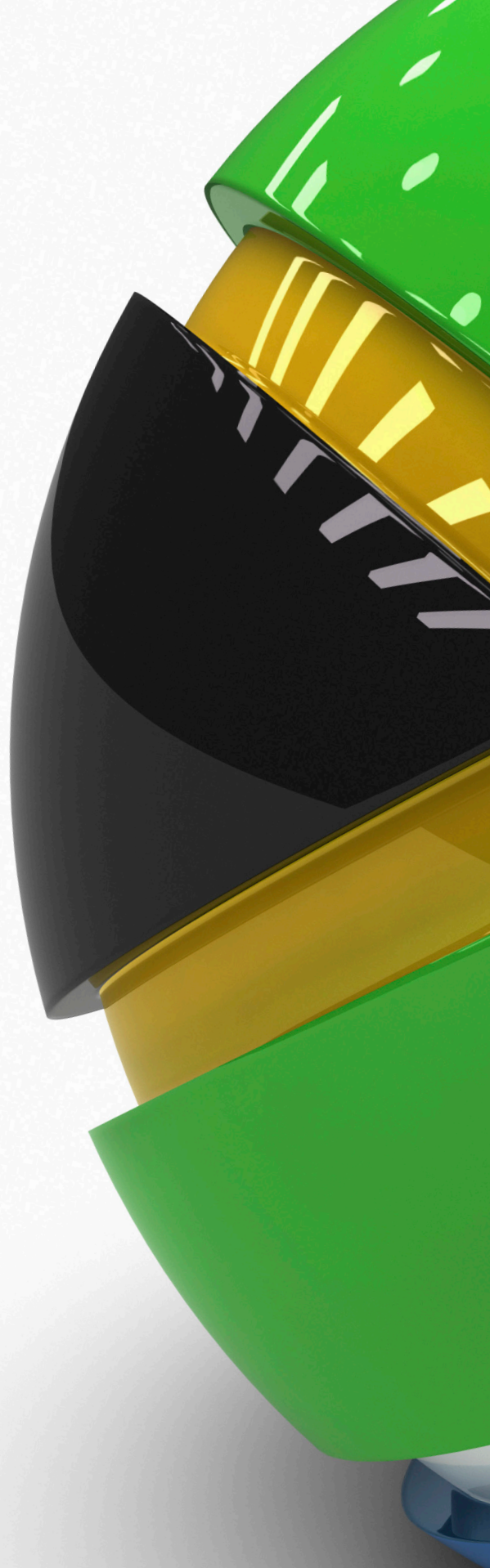
**NATIONAL YOUTH DEVELOPMENT AGENCY  
OUR YOUTH. OUR FUTURE.**





# CONTENTS

Introduction to the National Youth Development Agency .....	2
List of Abbreviations .....	4
Message from the Honourable Minister .....	6
Strategic Overview, Legislative and Other Mandates .....	8
Vision, Mission & Values .....	10
Overview of the NYDA Organisational Structure .....	12
Message from the Executive Chairperson of the Board of Directors.....	14
Acting Chief Executive Officer's Remarks .....	16
Performance for the Period under Review.....	20
NYDA Operations Executive Committee .....	31
Operational Review Report .....	35
Role and Responsibilities of the Board .....	51
Risk Management .....	54
Social Responsibility .....	57
Human Resource .....	58
Beneficiary Stories .....	64
Statement of Corporate Governance.....	70
Annual Financial Statements .....	84







# Introduction to the National Youth Development Agency

---

The National Youth Development Agency (NYDA) was established in 2009 following a merger between Umsobomvu Youth Fund and the National Youth Commission.

The NYDA was formally launched on 16 June 2009, as pronounced by His Excellency President Jacob G Zuma in his 2009 State of the Nation Address. The launch formed part of the National Youth Month events championed by The Presidency.

The Agency derives its mandate from the legislative frameworks, including the NYDA Act (54 of 2008), the National Youth Policy (2009 -2014) and the draft Integrated Youth Development Strategy. The Agency assumed and improved, the operational platform that was developed by both UYF and NYC; and as such, this rendered the Agency operational, immediately. In addition, the staff of its predecessors was also taken over by the Agency.

## Vision

A world – class developmental agency that empowers all South Africa's youth socially and economically for a better life.

## Mission

To promote faster economic participation, job creation, sustainable livelihoods and social cohesion through designing, implementing, initiating, facilitating, integrating, coordinating, mainstreaming and monitoring youth development interventions in partnership with all spheres of government, the private sector and civil society.

## Mandate & Functions

- Advance youth development through guidance and support to initiatives across sectors of society and spheres of government
- Embark on initiatives that seek to advance the economic development of young people
- Develop and co-ordinate the implementation of the Integrated Youth Development Plan and Strategy for the country. The two documents serve as guiding instruments in advancing youth development at all levels of government.

## The NYDA has developed the following Key Performance Areas:

### Economic Participation

This represents a cluster of activities aimed at enhancing the participation of young people in the economy through targeted and integrated programmes.

### Education and Skills Development

Education remains a key to unlocking the future of South Africa's youth. Activities emanating out of this KPA will focus on various interventions aimed at providing access to quality education and skills to both in-school and out of school youth.

### National Youth Service

Through programme interventions emanating from this area, young people will be engaged in meaningful activities that benefit their communities while developing their abilities and various other facets of their lives.

### Social Cohesion

Social cohesion is defined as the process through which individuals or groups are included to participate fully in the society they live. As such the activities to emanate out of the key performance areas will endeavour to create an environment within which young people are able to participate in civil society processes which affect their lives and development.

### Information and Communication

Key to the development of young people is the accessibility of information about various interventions aimed at improving the living conditions of young people. Through this area of work, the NYDA will be able to provide information and communicate its various products and services to the public.

### Policy, Lobbying and Advocacy

This area of work will enable the NYDA to contribute to informing policy and advocacy agenda of the youth development sector. This will be done through the creation of platforms to engage the state, civil society and other social partners in the development of policy aimed at supporting youth development efforts.





### Research, Monitoring and Evaluation

This area remains a key deliverable for the NYDA as it will allow the organisation to conduct and disseminate research that will inform youth interventions within the NYDA and the country as a whole. It is through this area that a body of research knowledge and best practice in the youth development sector will be generated

### Effective and Efficient Management Resources

The NYDA aims to set efficient and effective management processes that will ensure that resources are managed optimally. This will be done through effective financial management process, risk management, legal, improved business processes and the development of controls.

When the South African Government established the NYDA in June 2009, they gave the organisation an extensive mandate of initiating, designing, co-ordinating, evaluating and monitoring programmes aimed at integrating the youth into the economy and society in general. The youth of South Africa have also given the NYDA an uncompromising mandate to ensure that we have a presence everywhere they are found.

### Beneficiaries & Target Audiences

- The NYDA is targeted at youth aged between 14 and 35 years;
- South African youth irrespective of race, gender, colour, creed, geographical location or political affiliations

### The Agency has a bias towards:

- Youth in rural areas
- Out of school youth

- Young with Disabilities;
- Young Women and;
- Unemployed youth
- Youth in conflict with the law

### Values

- The NYDA in pursuit of its vision and mission shall in the conduct of its leadership and employees and in all its programmes and activities, be guided by the following organisational values:
- Developmental - We shall strive to empower young people, protect their dignity and advocate for society to recognise young people as agents and partners in their own development, as well as vital assets for national and community development.
- Service orientation and excellence - We shall strive to attain internationally recognised standards of service quality, a high standard of professionalism and maintain continuous improvement in service delivery to young people.
- Integrity and ethics - We shall at all times conduct our programmes with integrity and inculcate a culture of honesty, respect and accountability among all our employees.
- Transparency and fairness - We shall always ensure transparency in everything we do in order to build trust and confidence with young people and all our stakeholders. We shall treat all our partners, our suppliers and our employees with fairness and equity at all times.
- Prudence - We shall exercise prudence and economy in running the business of NYDA and in pursuance of its vision for youth development and the objectives of government.

## List of Abbreviations

<b>ASB:</b>	Accounting Standards Board
<b>CETA:</b>	Construction Education Training Authority
<b>CIPC:</b>	Companies and Intellectual Property Commission
<b>EIP:</b>	Enterprise Information Portal
<b>GFPA:</b>	Girl Fly Programme in Africa
<b>ICT:</b>	Information Communication Technology
<b>ITAC:</b>	International Trade Administration Commission
<b>IYDS:</b>	Integrated Youth Development Strategy
<b>JOBS:</b>	Job and Opportunities Seekers' Database
<b>KING III:</b>	King Code of Governance Principles
<b>KM:</b>	Knowledge Management
<b>KPA:</b>	Key Performance Area
<b>KPI'S:</b>	Key Performance Indicator
<b>LGU:</b>	Lash-generating Unit
<b>MTEF:</b>	Medium-term Expenditure Framework
<b>NYC:</b>	National Youth Commission
<b>NYDA:</b>	National Youth Development Agency
<b>NYDA ACT:</b>	National Youth Development Agency Act No. 54 of 2008
<b>PAYE:</b>	Plan of Action for Youth Empowerment
<b>PFMA:</b>	Public Finance Management Act No. 4 of 1999
<b>POP:</b>	Purchase Order
<b>PTS:</b>	Project Tracking System
<b>SAPS:</b>	South African Police Service
<b>SARS:</b>	South African Revenue Service
<b>SAWIA:</b>	South African Women in Aviation and Aerospace Industry
<b>SAYA:</b>	South African Youth Awards
<b>SME'S:</b>	Small to Medium Enterprises
<b>STANDARDS OF GRAP:</b>	Standards of Generally Recognised Accounting Practice
<b>SCM:</b>	Supply Chain Management
<b>UYF:</b>	Umsobomvu Youth Fund
<b>WFDY:</b>	World Festival of Youth and Students
<b>YAC's:</b>	Youth Advisory Centres









**Minister in The Presidency:**

Performance Monitoring, Evaluation and Administration  
Collins Chabane



REPUBLIC OF SOUTH AFRICA



# Message from the Honourable Minister

---

I am delighted to make a note on the National Youth Development Agency's fourth annual report as the Executive Authority of this public entity. Without fail, the agency has demonstrated an acceptable record of governance and an improving trajectory on performance on predetermined objectives. In the past four years, Auditor General has awarded this public entity with an unqualified audit opinion albeit emphasis of matter on certain aspects of operation and this year is no different to previous years. Whilst celebrating this achievement, I am fully aware of the magnitude and significance of the task the entity carries for South Africa's development and growth. The newly appointed board is fully cognisant of the all-important role of the agency and together with executive management of the agency under my guidance, they shall ensure that NYDA continues to improve its performance and uphold the highest standards of governance.

The South African government is prioritising youth development as our populace continues to be younger. We acknowledge that South Africa will grow aptly and its people develop if we prioritise youth development. On the 18<sup>th</sup> of April 2013, government and social partners signed the Youth Employment Accord that pledges a concerted and guided approach to alleviating challenges related to youth employment in South Africa. It is through this and many other recent exercises that government is demonstrating its keenness to deal promptly with youth issues and usher South Africa on a path towards growth, prosperity and a better life for all. The NYDA, Department of Economic Development and Presidency are working tirelessly to develop and implement a plan of action for all that are signatories to the accord for youth employment. In the new financial year, we are confident that efforts towards making the Youth Employment Accord a reality will be reported. I am excited and grateful with the manner that government, private and civic sector are responding to this and other national calls geared towards development, especially of our youth.

The agency is entrusted with a role of facilitating and ensuring that all major stakeholders like government, private sector and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges. Furthermore, NYDA is also awarded through a parliamentary vote, public funds to implement some youth development programmes. These programmes are pre-planned with predetermined objectives and budget which must be endorsed by executive authority and treasury before implementation. It is against these

predetermined objectives and budget plan that Auditor General audits the agency and expresses an opinion. Despite operating without the board for a better part of 2012/13 financial year, I am pleased to announce and commend the agency for obtaining yet another unqualified audit opinion from Auditor General. In this financial year, the NYDA achieved 47 out of 55 key performance indicators, an 85% achievement. There were many indicators that were met and exceeded by a greater margin and this was largely due to a concerted effort to garner partners for implementing projects which did bear fruits in many instances. Furthermore, NYDA reduced drastically its irregular expenditure from a high figure in 2011/12 financial year and this is commendable. There are areas of improvement in governance and administration which still require ardent attention but I am confident that 2013/14 financial year report will demonstrate greater improvements in these areas than 2012/13 financial year.

As I note and we all celebrate that NYDA has not received a qualified audit opinion, I also commit that as the Executive Authority we will exercise leadership in guiding NYDA Board and management in addressing issues raised by Auditor General that require improvement. I welcome the new NYDA Board and I'm confident that together with management of the entity and leadership of the Honourable Deputy Minister Obed Bapela, this team will help NYDA reach greater heights. On behalf of the Presidency, I wish to emphasize our strategic commitment to youth development and thus our reliance on NYDA and others to make this goal a reality. If we all work in unison, public, private and civic sector, youth development challenges will soon be surmounted and when that happens South Africa will see better growth and development.



Mr Collins Ohm Chabane

**Minister in The Presidency: Performance Monitoring, Evaluation and Administration**

# Strategic overview, legislative and other mandates

---

The National Youth Development Agency is a South African based organization established by an Act of Parliament, no. 54 of 2008. South Africa's population is estimated at 52 million people. Of this total population 22,25 million people (42%) are regarded as youth. The National Youth Policy of South Africa 2009-2014 provides that the youth category covers ages 14-35. This demonstrates that South Africa is a youthful nation, as such; youth development is the heartbeat of South Africa's developmental agenda. The establishment of the NYDA and its role in the South African youth development landscape; is informed by this reality and influenced by the historical conditions that shape the country.

Young people face multiple challenges such as poverty, social inequality, unemployment, drug and substance abuse etc. In its efforts to respond in an adept manner, the NYDA has developed a multipronged intervention strategy, which simultaneously promotes the development of sustainable livelihood opportunities for youth to reduce poverty, inequality and encourage civic participation.

Given the structural and pervasive nature of youth development challenges in the country, a broad based intervention strategy is required to guide and coordinate the involvement of all major stakeholders. The NYDA plays a leading role in coordinating the contribution of all major stakeholders, i.e. government, civil society and private sector with the aim of finding lasting solutions that address the youth development challenge.

## Legislative and other mandates

This section highlights legislative instruments and policies that shape and influence the National Youth Development Agency's mandate as well as guide its programme design and implementation.

- **NYDA Act no. 54 of 2008**

The NYDA derives its mandate from NYDA act no. 54 of 2008. The Act provides primarily for the NYDA as a unitary structure responsible for implementation of youth development programmes, including the mainstreaming of youth development activities by all stakeholders. The act further mandates the Agency to develop an Integrated Youth Development Strategy (IYDS) and Youth Development guidelines aimed at establishing parameters for youth development activities in the country.

### **Proposed Amendments to NYDA Act**

In its 3 years of existence, the NYDA has experienced challenges in the effective implementation and monitoring of youth development programs at provincial and local levels. This is due to current institutional, administrative and management arrangements that are legislated in the act as well as sections that are either not explicit or incomplete. Upon consultation with relevant affected parties and stakeholders, it was resolved that it will work in the best interest of youth development in the country to amend the Act and tag it as a Section 76 Act from the current Section 75 status. The rationale for this change is to give the NYDA the powers to coordinate and implement youth development at provincial level.

- **National Youth Policy 2009-2014**

Defines youth development as "the intentional comprehensive approach that provides space, opportunities and support for young people to maximise their individual and collective creative energies for personal development as well as development of the broader society of which they are an integral part of" (NYP, 2009-2014).

The policy imperatives which have been identified as necessary in ensuring the development of young people in the context of South Africa include:

- a. Education
- b. Economic Participation
- c. Health and Wellbeing
- d. Social Cohesion and Civic Participation

The NYP further provides parameters for the youth cohort as being ages 14-35.



- **Broad Based Black Economic Empowerment (BBBEE) 2003**

This Act addresses the imbalances of the past by creating a platform for the participation of young black people in the economic mainstream in the country. Two elements (i.e. Preferential Procurement and Enterprise Development) are of importance for young people which require explicit provision of targets for young women and men owned enterprises.

- **National Small Business Amendment Act (2004)**

The Sector of Education and Training Authorities (SETAs) was established with the aim of providing market related skills that are intended to benefit the people including young women and men. This exercise must be coupled with practical placements to enable young people to acquire experience.

- **Municipal Systems Act 2000**

Chapter four of the Local Government Municipality Systems Act, 32 of 2000 encourages a culture of community participation in the programmes of the municipalities. The mainstreaming of youth economic empowerment programmes into IDP and LED strategies for municipalities is one of the development tools that can be used to develop a culture of stakeholder participation in governance including young people.

- **The White Paper for Social Welfare (1997)**

This document places major emphasis on the needs and challenges of the youth as well as the specific interventions to be used to ensure the development of young people. It was the first government policy document to articulate the need to professionalize youth work in an effort challenges faced by the youth within their respective communities.

- **South Africa's New Growth Path (NGP)**

The three focus areas of the NGP that are directly related to the Economic Participation thematic area are Stepping Up Education and Skills Development, Enterprise Development, and Broad-Based Black Economic Empowerment South Africa's

- **National Development Plan**

The National Planning commission of South Africa was established to develop a national plan to propel South Africa to a better society by 2030. The plan lays out an approach with its focus on developing people's capabilities to be able to improve their lives through education, skills development, health care, access to better health care, access to public transport, social protection, rising incomes, housing and basic services, and safe communities.

- **World Programme of Action on Youth (2000)**

The United Nations' (UN) ministers responsible for the youth from different countries adopted the World Programme of Action on Youth for the year 2000 and beyond. This is a 10-year plan aimed at effectively addressing the problems of young people. It is a policy framework that seeks to deliver opportunities that would enhance young people's participation in society and provide practical guidelines for youth development's support by national and international institutions. The plan contains concrete proposals on how countries should improve the well-being and livelihoods of young people in their respective countries.

- **Millennium Development Goals (MDGs)**

MDGs target the eradication of poverty and hunger (MDG1), achieving universal primary education (MDG 2), reducing child mortality (MDG 4) and improving maternal health (MDG 5)

- **United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)**

The UNCRPD recognizes, amongst others, the need to 'promote and to protect the human rights of all persons with disabilities, including those who require more intensive support' (UNCRPD, page 2) as well as the contributions that persons with disabilities (PWD) make to their communities.

- **Common Wealth Youth Charter 2005**

Commonwealth Youth Charter provides guidelines for the development of youth policies in all commonwealth countries. It also promotes participation of young people at all levels of decision making processes. It recognizes the principles of gender inclusivity and values for youth development in general.

# Vision, Mission & Values

## Vision

A world –class developmental agency that empowers all South Africa's youth socially and economically for a better life

## Purpose

The NYDA is established to mainstream and integrate youth development for sustainable livelihoods.

## Mission

To promote faster economic participation, job creation, sustainable livelihoods and social cohesion through designing, implementing, initiating, facilitating, integrating, coordinating, mainstreaming and monitoring youth development interventions in partnership with all spheres of government, private sector and civil society.

## Values

In pursuit of its vision and mission, in the conduct of its leadership, employees and in all its programmes and activities, is guided by the following organizational values:

- **Developmental:** We shall strive to empower young people, protect their dignity and advocate for society to recognise young people as agents and partners in their own development, as well as vital assets for national and community development.
- **Service orientation and excellence:** We shall strive to attain internationally recognised standards of service quality, a high standard of professionalism and maintain continuous improvement in service delivery to young people.
- **Integrity and ethics:** We shall at all times conduct our programmes with integrity and inculcate a culture of honesty, respect and accountability among all our employees.
- **Transparency and fairness:** We shall always ensure transparency in everything we do in order to build trust and confidence with young people and all our stakeholders. We shall treat all our partners, our suppliers and our employees with fairness and equity at all times.
- **Prudence:** We shall exercise prudence and economy in running the business of NYDA and in pursuance of its vision for youth development and the objectives of government.

In furtherance of its vision and mission the NYDA has identified 4 Strategic Outcome Areas which guide the development of Key Performance areas and influence strategic programme choice for the organization. The strategic outcome areas are inter-alia:

- Improved and sustainable livelihood opportunities for young people in South Africa.
- Enhanced enabling environment that promotes youth development in all sectors of South African Society
- Enhanced sustainable social capital for young people between the age of 14 and 35 in South Africa
- Maintaining an accountable, prudent and efficient centre for youth development

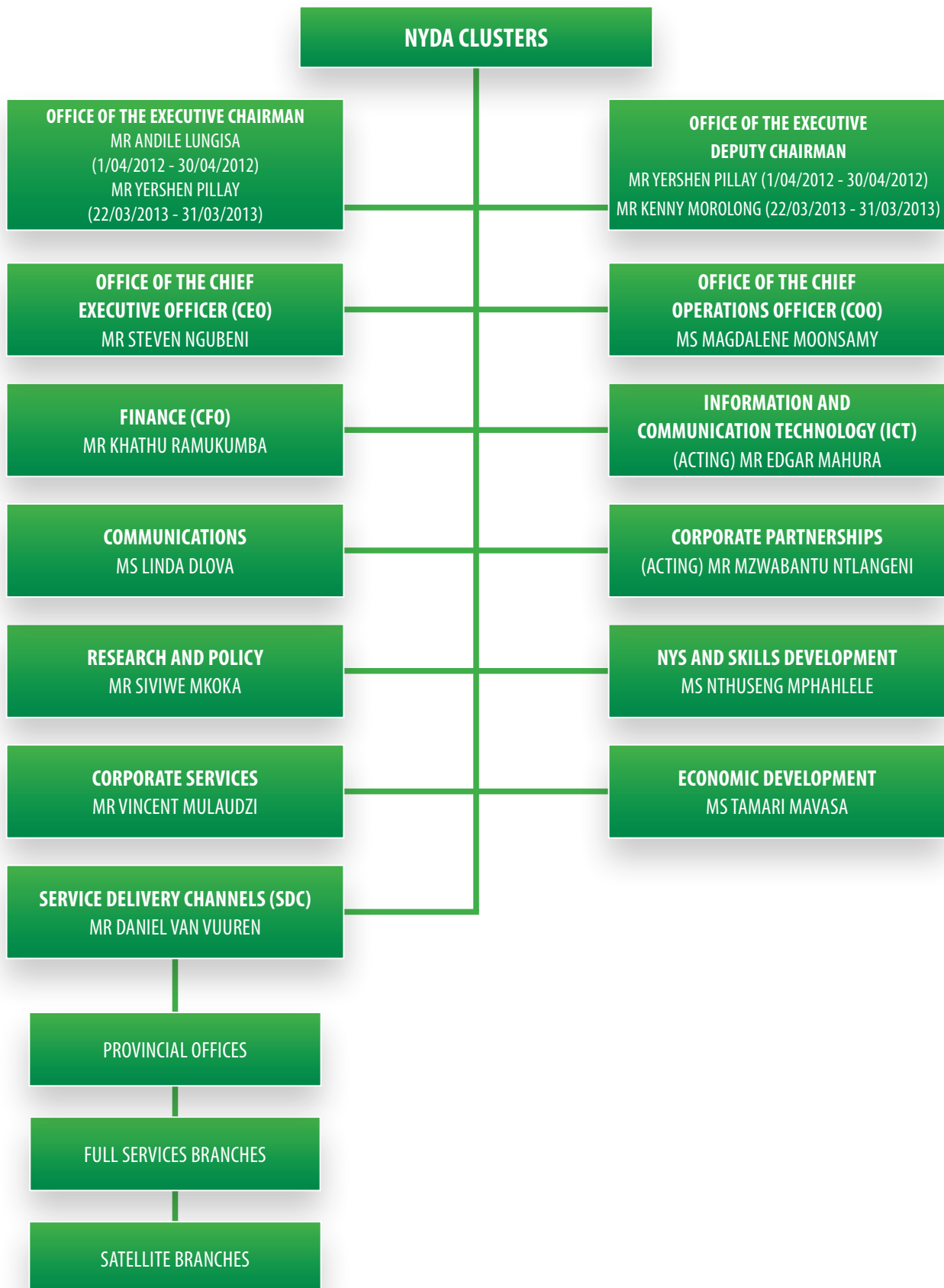


The next section aligns the NYDA's 4 strategic outcome areas to its 10 KPA and further provides definition of each KPA.

Key performance area	Definition	Strategic outcome
<b>Economic Participation</b>	To enhance the participation of young people in the economy through targeted and integrated programmes.	Improved and sustainable livelihood opportunities for young people in South Africa.
<b>Education and Skills Development</b>	To promote, facilitate and provide training and development opportunities to young people to enhance their socio-economic wellbeing	
<b>Policy and Research</b>	To develop a body of knowledge and best practice in the youth development sector to inform and influence policy development, planning and implementation.	Enhanced enabling environment that promotes youth development in all sectors of South African Society
<b>Partnerships and Stakeholder Management</b>	To lobby key stakeholders to implement youth development programmes in accordance with National Youth Policy	
<b>Communication and Advisory Services</b>	To ensure access for youth to information about various interventions aimed at improving the living conditions of young people, including information and career guidance services to young people.	
<b>National Youth Service And Social Cohesion</b>	Promote youth social dialogue and create opportunities for young people to serve their communities	Enhanced sustainable social capital for young people between the age of 14 and 35 in South Africa
<b>Sports Recreation And Arts</b>	To ensure the promotion of sports, arts and culture and raise awareness on the economic value within the fraternity	
<b>Health and Wellbeing</b>	To improve the health and wellbeing of young people to allow them to productively lead fulfilling socio-economic lives associated with a responsible and sustainable nation	
<b>Governance</b>	Ensures that NYDA operations comply with applicable legislation and regulations governing a schedule 3A institution.	Maintaining an accountable, prudent and efficient centre for youth development
<b>National Youth Fund</b>	Establish a mechanism to enable the NYDA to raise funds for purposes of advancing and implementing programmes aimed at improving the livelihoods of the youth.	

# OVERVIEW OF THE NYDA ORGANISATIONAL STRUCTURE

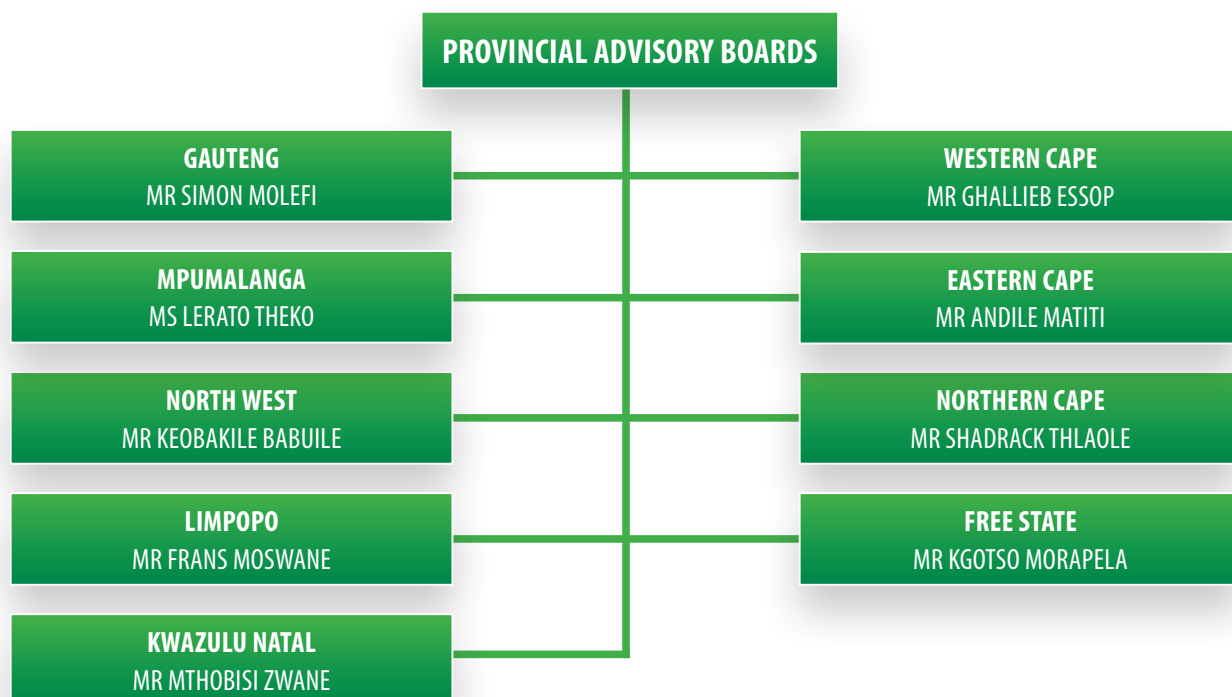
April 2012–March 2013



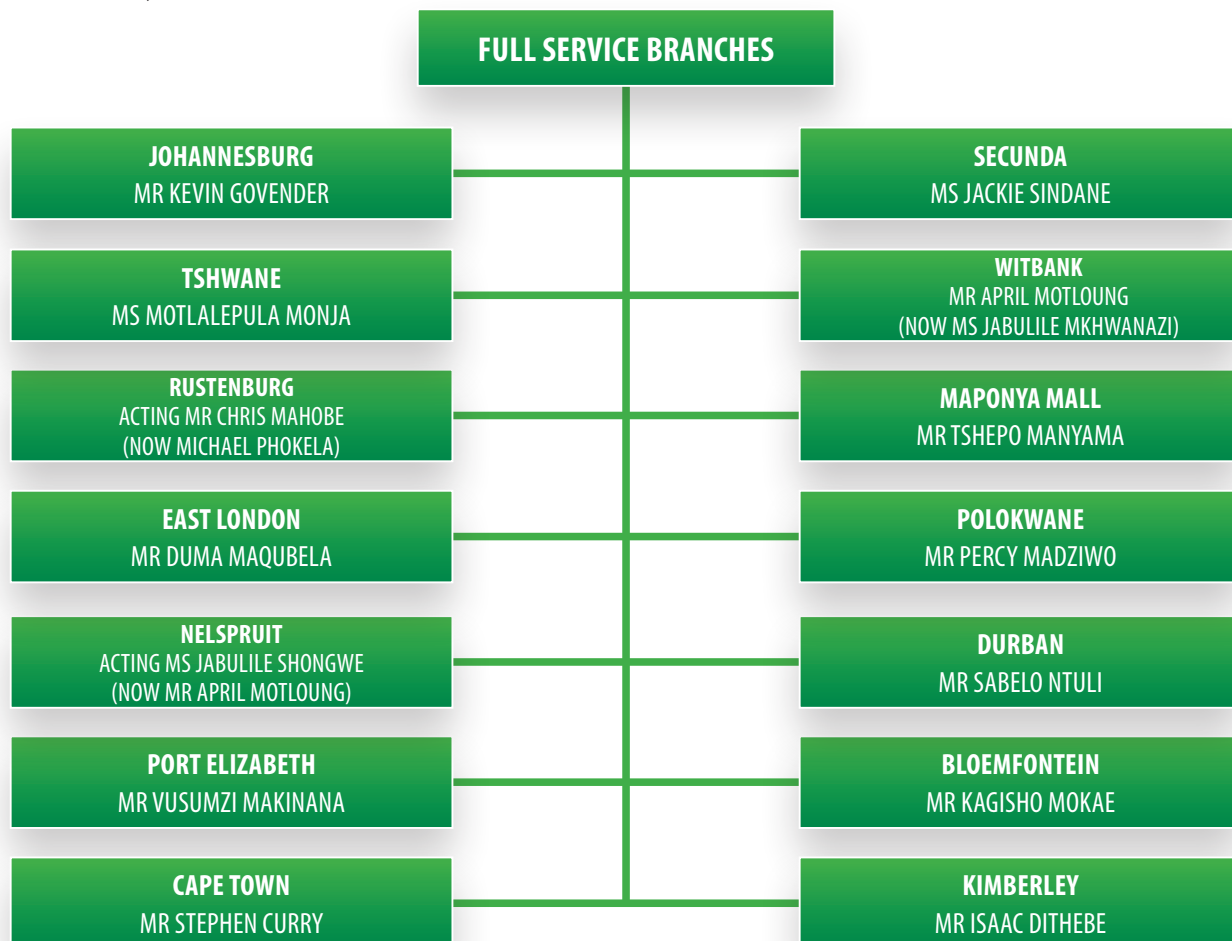


# OVERVIEW OF THE NYDA ORGANISATIONAL STRUCTURE

April 2012–March 2013



Provincial Advisory Board's term ended December 2012





**Executive Chairperson:**  
Yershen Pillay



# Message from the Executive Chairperson of the Board of Directors

It is with great purpose and passion that I write the foreword for the 2012/2013 annual report as the current Executive Chairperson. Despite the fact that during the 2012/2013 financial year the term of the first Executive Board of the National Youth Development Agency, on which I served as the Deputy Executive Chairperson, came to an end and the agency was left without Executive leadership for a full year, good work and solid achievements were realised during this period.

The NYDA is a South African governmental agency, established by an Act of Parliament, primarily to tackle challenges that the nation's youth are faced with. Established to be a single, unitary structure that addresses youth development issues at National, Provincial and Local government levels, the government of South Africa has shown a profound commitment to combat challenges faced by the youth of our country. Similar to many developing countries, South Africa has a large population of youth, those between the ages 14-35; represent 42% of the total population. Given the youthful nature of the South African population much of the socio economic challenges faced by the nation such as poverty, inequality and joblessness, poor health are borne by the youth. The gravity of challenges South Africa is faced with, require multi - pronged efforts, that simultaneously promote the development of sustainable livelihoods, reduce poverty, inequality and prioritise the development of policies which create an enabling environment for youth development.

The NYDA plays a lead role in facilitating and ensuring that all major stakeholders like government, private sector and civil society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges.

As the NYDA we take great pride in the vital role we play in the lives of young people every day. During the 2012/2013 financial year many of the NYDA's flagship programmes excelled in skilling, guiding and enhancing the lives of young people across the country. These programmes include the YouthBuild programme aimed at training and enhancing the lives of young artisans for employment or self-employment through building or renovating community structures such as houses, school facilities or community centres. The NYDA's YouthBuild programme falls under the NYDA's National Youth Service programme which assisted 17,225 youth during the last year. The NYDA mentorship programme which aims to guide young people through the unpredictable world of business by providing them with highly skilled and experienced sector specific mentors has also exceeded targets with 36 164 entrepreneurs supported through non-financial business support measures. The NYDA cannot tackle youth unemployment single headedly similarly the great strides made during the last year could not have been done in isolation and gratitude is owed to the following:

- The Minister in the Presidency for Performance Monitoring, Evaluation and Administration: Mr Collins Chabane, for his continuous support and willingness to lend an ear to the NYDA Board, since its establishment in 2009.
- The Deputy Minister in the Presidency: Performance Monitoring, Evaluation and Administration, Mr Obed Bapela, for the steadfast commitment and passion he has displayed from the very start, and his ongoing guidance, leadership and hands on involvement which will further propel the NYDA to greater heights.
- Members of Parliament and in particular the Standing Committee on

Appropriations for their continued guidance and scrutiny of our plans and ongoing support despite great adversities.

- All civil society and political youth organisations for their willingness to work alongside the NYDA.
- Private sector organisations that have heeded the call for youth targeted interventions and who have united with the NYDA to combat the plight of young people.
- International youth formations, civil society organisations and governments that have always been open to partnering with the NYDA and working towards fruitful bilateral results.
- And last but certainly not least to the NYDA Executive Management team and to each and every staff member who took up the reigns in the absence of a Board and showed great perseverance, commitment and selflessness to achieving the results laid out in this report.

The Youth Employment Accord signed on the 18th of April 2013 by government, organised labour, organised business as well as community and youth formations offers a mass-based, collective and realistic approach to job creation for young South Africans. It recognises the role and responsibilities of all social partners in addressing the youth unemployment collectively. The Accord presents the best and most viable blueprint for job creation in the short term. The Youth Employment Strategy 2055 currently being developed by the National Youth Development Agency (NYDA) will attempt to offer a more long term plan with the aim of halving youth unemployment by 2055. The Accord should in the meantime assist with coordinating efforts at job creation for young people with the aim of making a meaningful contribution towards the creation of five million jobs by 2020.

The new board of the NYDA, together with the Executive Management, has crafted a bold but purposeful vision for the agency. New programmes have been developed. Existing programmes have been reviewed and changes made for better impact. We will report on this vision and its impactful results in the 2013/14 Annual Report.

Our vision for youth development will provide tangible opportunities for youth but it will not stop there. Social commentators and policy makers tell us that we need to "do things for our youth". At NYDA we want to "do things with our youth". Our vision will boldly call on young people to rise up, grab hold of opportunities around them, serve their communities and be partners in their own development. This is the vision that will change young people's sense of entitlement to a sense of purpose. All young people have a part to play in the reconstruction and development of our country. Let's help them play their part.



**Mr Yershen Pillay**  
Executive Chairperson





**Acting Chief Executive Officer:**  
Ayanda Makaula



# Acting Chief Executive Officer's Remarks

Four years of existence, an unbroken record of 4 unqualified audit opinions from the Auditor General of South Africa. This is the success with which we pride ourselves as I present the fourth annual report of the National Youth Development Agency (NYDA). During the period under review, the NYDA adopted 10 Key Performance Areas as follows:

- **Economic Participation:** this operational area initiates programmes and projects that will enhance the participation of young people in the economy, through targeted and integrated programmes.
- **Education and Skills Development:** programmes and initiatives in this area seek to promote, facilitate and provide training and skills development, as well as opportunities for young people to enhance their socio-economic wellbeing.
- **Policy and Research:** this area focuses on developing a body of knowledge and best practice in the youth development sector in order to inform and influence policy development, planning and implementation.
- **Partnerships and Stakeholder Management:** this operational area identifies opportunities for collaboration with other stakeholders in public, civic and corporate sector with the purpose of mainstreaming youth development, and making a significant impact on youth unemployment and the lack of skills.
- **Communication and Advisory Services:** this operational area formulates interventions that seek to inform the public about the business of the NYDA as well as provide career guidance and general information that is required by young people to inform their choices and decision making.
- **National Youth Service and Social Cohesion:** this operational area seeks to promote youth participation in nation-building interventions and to create opportunities for young people to serve their communities.
- **National Youth Fund:** for the NYDA to achieve sustainability, there is a need to establish a mechanism to enable the Agency to raise funds for the purpose of advancing and implementing programmes aimed at improving the livelihoods of the youth.
- **Sports, Recreation and Arts:** this operational area is aimed at promoting participation of youth in sport, arts and culture activities to foster the spirit of nation-building and shared values for the country amongst its youth.
- **Health and well-being:** this operational area initiates interventions that help with increasing awareness of healthy lifestyles that promote good health practices amongst the youth of South Africa.
- **Governance and Administration:** this operational area ensures

that administrative and operational support is provided to service delivery, resources are efficiently and effectively utilised. It is also responsible for improving the organisation's operations, risk management and control, and adhering to applicable statutes and policies.

## Governance and Administration

Our achievements in the past financial years, including the year under review are an indication of our ongoing commitment to promote and practice good governance in keeping with our Key Performance Area on Governance and Administration. This is a demonstration of our commitment to utilising the limited funds we have to the best of our ability in an attempt to stretch the limited resources to the benefit of many young people who look to the NYDA for opportunities that will change their lives for the better.

While we are confident of the strides we take and the interventions we continue to make, we are very much aware of the reality that more and more young people are yet to be brought on board into programmes that have the potential to improve their livelihoods. It is worth noting that due to the magnitude of challenges and the increasing numbers of unemployed youth, the NYDA acting alone will not address the plight of young people. This in no way suggests that these challenges are insurmountable, and we have demonstrated this in our performance as evidence by statistical information contained in this report but more still needs to be done.

During the period beginning April 2012 to March 2013, following the end of term of the NYDA inaugural Board, our institution found itself without the necessary political authority; despite this reality I am proud to say that as the leadership of the institution, together with a dedicated team of youth practitioners, we were able to steer the ship towards the right direction.

## Economic Participation

This annual report is based on a performance plan communicated to Parliament through the Portfolio Committee on Appropriations, which was subsequently approved and made public. Under the KPA on Economic Participation the value of funding provided to young people through the NYDA Economic Development Programme (Micro Finance and SMME) during the period under review was R30,261,150.62, against a target of R30,000,000.00. The NYDA was been able to provide 1,833 young entrepreneurs with funding. These efforts are geared towards providing access to financing, especially micro loans, which have



proven to be the main drivers for economic participation by young people in South Africa. Social enterprises, especially co-operatives, have the potential to improve the livelihood of young people in South Africa, given the climate of high unemployment for young people in South Africa. A total of 3,335 jobs were created against a target of 800 jobs due to the increased number of young people that accessed funding.

A total of 36, 164 young entrepreneurs were also supported through NYDA's non-financial support interventions including entrepreneurship awareness, business management skills, business consultancy services, mentorship and market linkages. The value of business opportunities accessed by young people through Economic Development Programmes like Business Consultancy Services, Market Linkages, Cooperatives, Community Development Facilitation, Ithubalentsha and the Green Economy was R37,015,456.81 during the period under review. This has been achieved against a targeted R5 million worth of business opportunities.

The NYDA further created 1,315 jobs through the Job Opportunities Seekers Database (JOBS) Programme during the period under review against a target of 1,100.

## Education and Skills Development

Under Education and Skills Development, the NYDA has been able to achieve and exceed all its KPI's. The partnership with the ETDSP SETA and Star Schools ensured that more resources are available and hence a total of 2,950 young people were assisted to rewrite their Matric during the period under review. Young people with the ability to further their studies were identified, and 105 provided with bursaries while 11 were assisted to access scholarships.

The NYDA has consistently implemented job-preparedness workshops for young people, after realising that most young people are ill-prepared to present themselves appropriately during job interviews. During the year under review 14,078 young people attended these training workshops aimed at assisting young people in improving their skills in job-hunting, CV preparation and job interviews.

## Policy and Research

Section 3 (1) (b) of the NYDA Act 54 of (2008) requires the NYDA to develop guidelines for the implementation of the National Youth Policy (2009 – 2014) and this particular deliverable was achieved in the period under review. With the Current National Youth Policy coming to the conclusion of its lifespan, a process will develop in earnest towards formulating a Youth Policy that will once again seek to take the development of young people into the mainstream of all sector of society including government, business, labour and civil society. This is strong component of the NYDA's Policy and Research aimed to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation.

Policy submissions were made to different national departments and public entities that advertised for public comment which include but are not limited to: Dangerous Weapons Bill – SAPS; National Energy Efficiency Strategy – Department of Energy; Regulations for Reporting by Public Higher Education Institutions; Draft policy directive on the exportation of ferrous and non-ferrous waste and scrap metal by the Economic Development Department; Employment Equity Amendment Bill – Department of Labour; Infrastructure Bill – Department of Economic Development. During the period under review the NYDA has also been able to generate 86 publications on youth development information and knowledge against a target of 62 publications.

One of the biggest contributions made during the period under review was with regard to organising and hosting the Commonwealth Conference on the Education and Training of Youth Workers under the theme: "Towards professionalising youth work." The conference provided a platform for discussion on education and training in the youth work sector and it also outlined the strategies and actions toward meeting the targets of the Plan of Action for Youth Empowerment (PAYE) in development of the youth work sector across the Commonwealth by 2015 and beyond.

## Partnerships and Stakeholder Management

Cognisant of the fact that the success in addressing the number of challenges facing young people requires more than NYDA interventions, we have taken a bold approach of strengthening our existing partnerships, while also establishing and creating new ones. The private sector in South Africa responded well when a call was made for them to find ways of ensuring that they consciously contribute towards making the situation of young people in the country better as a number of companies were engaged with the NYDA on these discussions during the period under review. The engagements in the public and private sector resulted in 18 partnerships being formulated.

Work undertaken as part of Partnerships and Stakeholder Management included lobbying key stakeholders and institutions in the public, private and civil society sectors including international agencies towards the mainstream and integration of youth development at the core of the work they do. During the year under review, the NYDA lobbied 11 government departments to establish youth directorates and implement youth development programmes. In addition, 20 provincial government departments were lobbied to ensure that they establish proper structures that will integrate and mainstream youth development in executing their mandates. A total of 19 municipalities were also lobbied to establish youth councils and thereby ensure that youth in their areas are served in all their requirements.

## Communication and Advisory Services

We cannot over emphasise the value and importance of access to relevant and reliable information for the millions of young people who everyday seek opportunities of different kinds, in a variety of fields. As a result throughout our

ongoing work we strive to reach out to as many young people as possible with relevant and reliable information upon which they can make informed decisions about their lives. Through our Communication and Advisory Services we have been able to provide 12, 830 young people with one on one career guidance sessions against a target of 2, 600. Providing access to information regarding NYDA products and services as well as referrals to other agencies has been one of our greatest strengths. There were 146,348 young people who visited our branches and local youth offices, seeking information and assistance from the NYDA, while 473,831 youths were reached through outreach events across the country. A total of 583,301 youths accessed information via the NYDA portal.

## National Youth Service and Social Cohesion

In our attempts to promote youth participation in nation-building interventions and create opportunities for them to serve their communities we have been able to enrol 17, 225 young people in various National Youth Service projects. This we achieved against a target of 15 000. Through this intervention we seek to build a culture of community service amongst the youth while providing them with the opportunity of acquiring skills and inculcating a culture of working whilst serving their communities, under our National Youth Service and Social Cohesion KPA. Part of this work is our "Proud to Serve" campaign where a total of 12,133 young people have been reached and involved in activities wherein they made a difference to their own communities. The aim is to encourage young people to do good wherever they are and espouse the principles of "Ubuntu".

## Sports, Recreation and Arts

During the year under review, a total of 3,065 young people participated in sports, arts and culture activities and the partnership with Sports and Recreation South Africa was instrumental in expanding the reach.

## Health and Wellbeing

During the year under review, the NYDA worked closely with SA Breweries on the "You Decide Campaign", and as a result the target was achieved and exceeded as 4,167 young people participated in healthy lifestyle programmes. The campaign was initiated to discourage underage drinking which threatens the future of our country. Various parts of the programme were designed to show young people that the choices they make now can impact on their future in a positive or negative manner.

This is a typical intervention that pools resources from all sides and ensures that young people are the beneficiaries. The other partners include the Department of Trade and Industry as well as several other Provincial Education Departments.

## National Youth Fund

The NYDA managed to raise R65,726,788.64 for the fund during the period under review. The Construction SETA renewed its relationship with the NYDA

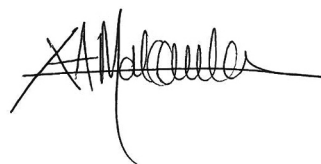
to provide discretionary funding towards the end of the year, and that made a significant difference in performance. With its limited resources, the NYDA will continue to galvanise and secure partnerships to leverage its youth development investment and ensure that more stakeholders are ready and willing to welcome and support the creative ideas of young people.

I wish to extend my sincere gratitude to Minister in the Presidency Responsible for Performance, Monitoring and Evaluation Minister Collins Chabane and Deputy Minister Obed Bapela for their support and continued guidance.

I wish to also take this opportunity to thank all the stakeholders, including Parliament, government departments, municipalities, business, labour, civil society organisation for their continued support. The contribution we continue to make collectively is an investment towards the future. This is necessary to ensure that we secure the future of our country, continent and its youth.

To the employees of NYDA, I would like to thank you for demonstrating commitment to your work and to serving the youth of this country. Without your determined efforts, we would not be able to record the successes that we are reporting in this annual report.

Lastly, to the youth of our country, thank you for working with us and the patience you have exercised; we know of the frustrations you experience at times, we will continue to improve our service to ensure that we respond to your demands. Keep flying the South African flag high and be forever Limitless!



**Ayanda Makaula**  
Acting Chief Executive Officer

# PERFORMANCE FOR THE PERIOD UNDER REVIEW

## Report on Performance against Pre-Determined Objectives

The annual performance information report against pre-determined objectives covers the period from 1 April 2012 to 31 March 2013. It details all the strategic outcome areas, key programme areas, strategic objectives, key performance indicators and targets set by the National Youth Development Agency and approved by the Office of The President for the 2012/13 Financial Year.

### 1. Strategic outcome 1: Improved and sustainable livelihood opportunities for young people in South Africa

Programme area 1: Economic Participation				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To enhance the participation of young people in the economy, aimed at increasing job creation, entrepreneurship participation, skills development, business and funding opportunities	1. Number of young entrepreneurs supported through non-financial support interventions (entrepreneurship awareness, business management skills, business consultancy services, mentorship, market linkages)	20 000 young entrepreneurs supported	361 64 young entrepreneurs	The annual target has been achieved and exceeded by 81%. The NYDA partnered with Prime Stars, BEE 123 resulting in savings on the budget. Targets were achieved during the third quarter. NYDA savings were utilised to implement planned activities which increased the number of entrepreneurs supported.
	2. Number of youth-owned companies assisted to register with CIPC	500 new businesses created	630 new businesses created	The annual target has been achieved and exceeded by 26%. The NYDA reviewed its partnership with the CIPC, which accelerated the process of company registration.
	3. Number of young entrepreneurs funded through Economic Development Programmes (NYDA Micro, SME and external partners)	400 young entrepreneurs funded	1 833 young entrepreneurs funded	Annual target achieved and exceeded by 358%. The additional performance was due to 1 392 entrepreneurs being assisted by external partners.



**Programme area 1: Economic Participation**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
<b>To provide financing support to young entrepreneurs</b>	4. Value of funding accessed through Economic Development Programmes (NYDA Micro, SME and external partners)	R30 million worth of funding accessed	R30 261 150.62 worth of funding accessed	More funding was provided to young people and this KPI was achieved and exceeded by 1%.
	5. Jobs created through Economic Development Programmes (business consultancy services, market linkages, NYDA Micro, SME and external partners)	800 jobs created	3 335 jobs created	The annual target has been achieved and exceeded by 316%. The increase in the number of young people accessing funding resulted in an increase in the number of jobs created.
	6. Value of business opportunities accessed by youth entrepreneurs through Economic Development Programmes (business consultancy services, market linkages, co-operatives, community development facilitations, ithubalentsha and green economy)	R5 million worth of business opportunities accessed	R37 015 456.81 worth of business opportunities accessed	The annual target has been achieved and exceeded by 640%. The value of business opportunities to be accessed by young people was estimated using the average amount of business opportunities likely to be accessed by one person. In this case, the young people were receiving substantially more business opportunities than expected.
<b>To provide business support to young people</b>	7. Number of entrepreneurs accessing business opportunities through Economic Development Programmes (business consultancy services, market linkages, co-operatives, community development facilitations, ithubalentsha and green economy)	50 entrepreneurs accessing business opportunities	57 entrepreneurs accessed business opportunities	The annual target has been achieved and exceeded by 14%. Efforts were increased to seek opportunities for young people and engaging these young entrepreneurs to supply the evidence to the NYDA when they have accessed opportunities.
<b>Implementation of special projects aimed at scaling up youth enterprise support to young entrepreneurs</b>	8. Number of young people supported through Ithubalentsha micro-enterprise interventions	36 projects supported	3 projects supported	The number of young people involved in the projects is 164. The amendment of the APP was supposed to have articulated the target in relation to 'number of young people supported'. The reporting of projects is, therefore, erroneous and the target should have been reported in terms of young people.
	9. Number of young people supported through green economy interventions	50 projects supported	78 projects supported	Annual target achieved and exceeded by 56%. A number of young people were exposed to the green economy concept and areas of application. The recruitment of Rural Development Officers in each of the NYDA branches enabled the Economic Development Division to achieve and exceed the target through the increased operational capacity.

### Programme area 1: Economic Participation

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To facilitate and provide employment opportunities to young people	10. Number of jobs facilitated through placement in job opportunities	1 100 jobs facilitated	1 315 jobs facilitated	Annual target achieved and exceeded by 20% ,largely due to a learnership opportunity with Bhukulani Training which placed 385 unemployed youth towards end of financial year. This opportunity was not in the initial plan.
To provide business support information to young people	11. Number of communications campaigns to educate youth about NYDA business support programmes implemented	Three communication campaigns	Six communication campaign	The annual target has been achieved and exceeded by 100%. The Limitless Youth Campaign was an aggressively driven campaign to position & profile the organisation and ,therefore, educate youth about the organisation's programmes, products & services delivery. Obtaining the services of a PR agency & ad agency contributed greatly to this KPI being exceeded, due to the strategies that were developed and implemented.
To design and implement specific interventions for young women, persons with disabilities and youth in rural areas	12. Number of outreach activities targeted at women, persons with disabilities and youth in rural areas	Four outreach activities	Four outreach activities	All the planned activities were achieved as planned.

### Programme area 2: Education and Skills Development

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To facilitate and implement education opportunities, in order to improve quality education attainment of the youth	13. Number of young people enrolled in the NYDA Matric (Grade 12) re-write programme	2 000 young people	2 950 young people	Annual target achieved and exceeded by 48%. In 2012/13, the NYDA partnered with ETDP SETA and more resources were added to the project. Star Schools also contributed financially to the tune of R1 m.
	14. Number of youth who receive bursaries	10 youths	105 youths	Annual target achieved and exceeded by 950%. There was a typo in the APP, as the target was supposed to be 100 instead of 10 youths.
	15. Number of youth who receive scholarship	10 youths	11 youths	Annual target achieved and exceeded by 10%. An additional young person was awarded a scholarship and requested only additional funding from NYDA.
To facilitate and implement technical training	16. Number of youth attended technical skills training programme	2 000 youths	2 124 youths	Annual target has been achieved and exceeded by 6% as a result of implementation of the Film Production project, which enrolled 800 youth at less cost, compared to the initial costs of skills projects.

Programme area 2: Education and Skills Development				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To facilitate and implement a life and professional skills training programme	17. Number of youth attended job preparedness programme	12 000 youths	14 078 youths	The appointment of additional capacity in provinces assisted by trainers to reach more numbers in rural areas. This led to the annual target being achieved and exceeded by 17%.
	18. Number of youth attended life skills training programme	3 000 youths	4 652 youths	The annual target has been achieved and exceeded by 55%. There was more integration with NYS and Sport & Recreation projects, which provided more numbers for training at no additional cost.

## 2. Strategic outcome 2: Enhanced enabling environment that promotes youth development in all sectors of South African society

Programme area 3: Policy and research				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To create and produce youth development information and knowledge products which inform the public sector, private sector and civil society in developing policy, planning, implementation and review of all [100%] of their programmes related to government priorities	19. Number of youth development information and knowledge products generated by the NYDA through internal resources	62 publications (research, evaluation and policy reports; KM publications)	86 publications	The annual target has been achieved and exceeded by 39%. Knowledge briefs and smart lessons are generated internally (no extra resources needed) and are driven by emerging and pertinent youth development issues in SA society that authors write about. This year, we generated more of these documents than anticipated. We also increased the number of researchers by appointing two interns on a permanent basis and, thereby, increasing our human resources capacity.



**Programme area 3: Policy and research**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
<p><b>To make youth development information and knowledge products accessible and available to the public sector, private sector and civil society to inform policy development, planning, implementation and review of all [100%] of their programmes related to government priorities</b></p>	20. Number of youth development information and knowledge access points in the private, NGO and public sector	8 information dissemination points (partnerships, NYDA dissemination platforms)	15 information dissemination points	The annual target was achieved and exceeded by 88%. Partnerships for disseminating information were entered into and thus more information was disseminated.
	21. Number of youth development information and knowledge products packaged by the NYDA and made available in the different platforms for different stakeholders	59 (research reports; KM publications; policy and KM seminars)	71 information and knowledge publications	The annual target has been achieved and exceeded by 20%. The achievement is attributed to an increase in knowledge publications that were generated due to the fact that the steps between generation and publication are closely interlinked with each other.
	22. Number of requests for youth development information and knowledge products	46 information and knowledge products requested (policy inputs, evaluations, KM seminars)	51 information and knowledge requests	The annual target has been achieved and exceeded by 11%. The increase in interaction with different stakeholders by the NYDA Executive necessitated the demand for information and knowledge products to assist with responding accurately and objectively.
	23. Number of copies (hard and electronic) produced by research & policy cluster and distributed to stakeholders	5 000 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)	31 192 hard and electronic copies	The annual target has been achieved and exceeded by 524%. In anticipation of the publication of the Status of the Youth Report and the subsequent demand, printing was done. The NYDA also ran out of the National Youth Policy and the African Youth Charter, which are printed on demand and many requests came from the public sector, as they improved their planning for youth development in 2012/13.
	24. Number of youth development practitioners who obtained unit standard credits towards the youth work qualification	100 practitioners trained on youth work qualification unit standards	105 practitioners	There was a strong interest and commitment in the practitioner programmes from the following governments departments and organisations: Department of Social Development, Save the Children, SAAYC and SAYC. NYDA staff members were not part of the initial target and were also exposed to this programme during the period. This resulted in a 5% overachievement
<p><b>To facilitate youth development as a recognised profession</b></p>	25. Code of ethics developed for youth work	A code of ethics	Draft code of ethics developed	Approval of the code of ethics will follow the enactment of the professionalization of the youth work bill.

**Programme area 3: Policy and research**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To provide and facilitate capacity-building of youth development practitioners	26. Number of capacity-building interventions conducted for the youth development sector to increase best practice	15 youth development sector interventions	40 interventions	Annual target has been achieved and exceeded by 167%. This indicator is driven by demand from stakeholders that require support. There were a great deal of training interventions to the staff at the Department of Sports and Recreation, National and Provincial to manage the Youth Camps.

**Programme area 4: Partnerships and Stakeholder Management**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To lobby key stakeholders and institutions in the public, private and civic society sectors, including international donor agencies to work with, and support the work of Youth development initiatives	27. Number of government departments lobbied to establish youth directorates and implement Youth Development Programmes	10 government departments	11 government departments	The annual target has been achieved and exceeded by 10%. With direct involvement by the Office of the Chief Executive Officer (NYDA), government departments were more responsive to engage with the NYDA.
	28. Number of provincial government departments lobbied to establish youth directorates and implement Youth Programs	18 Provincial government departments lobbied to establish youth directorates	20 provincial government departments	The annual target has been achieved and exceeded by 11%. With the support of the NYDA East London office, the NYDA was able to meet with and make presentations to a large number of provincial departments in the Eastern Cape.
	29. Number of municipalities lobbied	16 Municipalities lobbied to establish Youth Councils	19 municipalities	The annual target has been achieved and exceeded by 19%. Through the partnership with the South African Youth Council, the NYDA was able to respond and assist a greater number of municipalities with their Youth Councils.
	30. Number of hosted dialogue sessions with young people on racial integration, economic participation, youth work, health and wellness, national youth service and social cohesion	6 dialogue sessions	11 dialogue sessions	The annual target has been met and exceeded by 83%. An additional number of dialogue sessions initially initiated by the Executive Office were carried over from the previous financial year and implemented in the period under review. This added to the annual achievements in the period under review.
	31. Number of engagements with the private sector	20 engagements	30 engagements	The annual target has been achieved and exceeded by 50%. Through direct involvement by the office of the Chief Executive Officer and the Chief Financial Officer of the NYDA, an increased number of corporate companies responded positively to engage with the NYDA.

**Programme area 4: Partnerships and Stakeholder Management**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
	32. Number of young women mobilised to participate in woman development programmes	1 000 young women	1 622 young women mobilised	The annual target has been achieved and exceeded by 62%. Through collaboration with other internal NYDA business units and pooling resources, the implementing unit was able to exceed the annual targets.
	33. Number of partnerships established with government, civil society and the private sector	15 partnerships established	18 partnerships	With increased lobbying and through targeted collaboration in implementing programmes, the NYDA was able to bring on board more partners. The annual target has been achieved and exceeded by 20%.
To enhance relationships with current partners	34. Number of recognition events	1 recognition event	0 recognition events	The event was planned for March 2013 and all preparations were made on time. However, due to the low response rate, the event did not take place.
To host a fundraising event/initiative	35. Number of annual fundraising events/ Initiatives	1 Fundraising event/initiative	0 fund raising events/initiatives	The event was planned for March 2013 and all preparations were made on time. However, due to the low response rate, the event did not take place.

**Programme area 5: Communication and advisory services**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To provide career guidance services	36. Number of youths provided with one-on-one career guidance sessions	2 600 youths	12 830 young people	Annual target achieved and exceeded by 393%. The Start Here Campaign was implemented with additional capacity and activations in EC, LP and MP through the Communications Division. It drew large numbers of young people.
	37. Number of youths provided with group career guidance sessions	397 400 youths	557 263 young people	The annual target has been achieved and exceeded by 40%. The platform was created by the South African Maritime Career Exhibition; by partnering with provincial departments of Education we were also able to reach more schools. We also received funding from MERSETA.



Programme area 5: Communication and advisory services

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To provide access to information regarding products and services of the NYDA and referrals to other agencies	38. Number of people receiving information and/or referrals from NYDA access points through walk-ins	90 000 young people	146 348 young people	Annual target has been achieved and exceeded by 63%. Branches have intensified the focus on training interventions, thereby stimulating the influx of young people into branches. Following the ICT domain name change and migration, all internet cafés in branches are fully operational, further encouraging young people to utilise this free service in branches.
	39. Estimated number of youth provided with information and/or referrals through the NYDA outreach programme	370 000 young people	473 831 young people	Annual target has been achieved and exceeded by 28%. Branches have intensified the focus on outreach activities to reach more young people, particularly in rural areas. In light of the NYDA's limited footprint of only 14 branches, more outreach activities are undertaken to reach more young people. Given the increase in the number of Local Youth Offices, the NYDA also received more requests for outreach events at these Local Youth Offices.
	40. Number of NYDA beneficiary stories published	40 beneficiary stories	295 beneficiary stories	Annual target achieved and exceeded by 640%. The NYDA Communications Division had the support of a Public Relations Agency on a 12-month contract, which assisted greatly with the writing and publicising of NYDA beneficiary stories. A contract with <i>Loocha</i> magazine also resulted in paid-for space of beneficiaries that were published.
	41. Number of portal visits to the NYDA website	330 000 portal visits	583 301 portal hits	The annual target has been achieved and exceeded by 77%. The Limitless Youth Campaign was launched and aggressively publicised in the media and is drawing youth to our website. The vacancies for webmaster and social media strategist were filled. It resulted in a media strategy being developed and implemented with a further concerted effort to draw young people to the website through twitter, facebook, messaging to Call Centre, etc. Brand ambassadors & SABC personalities assisted in widely communicating, tweeting, etc. and drawing youth to our website. There were outreach programmes in creating awareness among youth in all provinces, and information was communicated via the website. The Limitless TV Show was also introduced on SABC and all the publicity drew youth to the website.

### 3. Strategic outcome 3: Enhanced sustainable social capital for young people between the ages of 14 and 35 in South Africa

Programme area 6: National Youth Service and Social Cohesion				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To build a culture of community service among the youth, at the same time providing young people with the opportunity of learning skills and the culture of working while serving their communities	42. Number of young people enrolled in NYS NYDA projects	15 000 youth	17 225 youths	One project, the President's Awards for Youth Empowerment, involved more than 5 767 youth. This was the largest number of young people participating in a single NYS project, which helped to achieve and exceed the target by 15%.
	43. Number of institutions registered	15 institutions	17 institutions	The annual target has been achieved and exceeded by 13%, due to the fact that more institutions which satisfy the NYS registration criteria submitted registration forms.
	44. Number of young people who participate in youth leadership programme	2 000 youths	2 253 youths	The collaboration with the Department of Sports and Recreation during the National Youth Camp assisted in achieving and exceeding the target by 13%.
To promote opportunities for young people to serve their communities	45. Number of young people participating in the NYDA Proud to Serve Campaign	11 000 youths	12 133 youths	The annual target has been achieved and exceeded by 10%. More young people were recruited and participated in the Proud to Serve Campaign, in anticipation of people above the age of 35 applying and these people cannot be included, due to the fact that they are not classified as youth. Interventions are implemented by the entity to achieve higher targets to offset non-youth participants.
To create a platform for young people to participate in and benefit from democratic processes and promote social cohesion	46. Number of young people participating in the Youth Month commemoration event/s	10 000 youths	24 479 youths	The annual target has been achieved and exceeded by 145%. The Youth Express Train was introduced this year which travelled to all nine provinces, and rural, peri-urban and urban areas to reach and engage youth during Youth Month through outreach programmes and activations. Over 24 towns were reached through the Youth Express Train. The number of youth month proposals that we responded to and support also increased.

Programme area 7: Sports Recreation and Arts				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To promote youth participation in sport, and arts and culture activities, so as to ensure that there is a spirit of nation-building and shared values for the country among all youths	47. Number of young people participated in sports, arts and culture activities	2 000 young people	3 065 young people	The annual target has been achieved and exceeded by 53%. The Department of Sports and Recreation requested the NYDA to partner in rolling out a nationwide leadership and sports camp. This assisted in increasing the reach.

Programme area 8: Health and Well-being				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To increase awareness of the healthy lifestyles that promote good health practices among the youth of South Africa, including dangers of substance abuse, unprotected sex, nutrition, sexually transmitted diseases and the impact of HIV infection and AIDS among young people in South Africa	48. Number of young people participating in healthy lifestyle programmes	4 000 young people	4 167 young people	The collaboration between the NYDA and the SA Breweries through the You Decide Campaign, which targeted schools, assisted in reaching and exceeding the target by 4%.

#### 4. Strategic outcome 4: Maintaining an accountable, prudent and efficient centre for youth development

Programme area 9: Governance and Administration				
Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To provide administrative and operational support to service delivery	49. Number of NYDA local youth information dissemination and access points	20 access points	52 access points	The annual target has been met and exceeded by 160%. The NYDA entered into a partnership agreement with the Mpumalanga Department of Social Development. In terms of this agreement, 40 Youth Development Centres located in various Mpumalanga municipalities, are capacitated as Local Youth Offices.



**Programme area 9: Governance and Administration**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
Efficient and effective utilisation of resources through provision of judicious governance, technology and systems, business operations systems, human capital and financial management systems in order to adhere to relevant legislative requirements for public-funded entities	50. Functional integrated IT systems	Completed Project Management System, Asset Management System CRM, LMS, VMS, SharePoint Solution and GP ERP	ICT Asset Management System completed. Project Management System is 50% complete. CRM Phase 3 & 4 is 95% complete. The LMS has been deployed and functionality is being tested. VMS solution is live. SharePoint is 80% completed. Great Plains has been upgraded to 2010 and the project is 50% complete.	PTS upgraded to be completed in May 2013. A broader EPM has been deferred until required business processes have been mapped. Verifying data migration for Loan Management System. Requirements analysis to be developed for added functionality in GP 2013
	51. Number of employees and Board members attending NYDA capacity-building programmes	350 employees	516 employees and Board members	The annual target has been achieved and exceeded by 47%. Re-orientation of NYDA employees on new HR Policies had to be conducted – over 90% of employees attended. The target also includes the staff of Local Youth Offices who were counted as employees, as they are doing work on behalf of the NYDA, while the initial target only included internal staff members.
	52. Enhanced Performance Management system to support organisational performance	The new NYDA performance management framework and processes implemented	End-of-year appraisals completed by all staff members. Templates for performance agreements developed.	The performance agreements will no longer be implemented, due to the postponement requested by the unions. As such, the performance agreements will be implemented in the 2013/14 financial year.
To ensure that internal audit assurance and consulting activities add value to the organisation's operations and improve the effectiveness of the organisation's risk management and control	53. Functional internal audit	Acceptable internal controls	19 internal audit reports are rated as follows: 17 are rated to have weak controls while two are rated to have acceptable controls.	Inadequate capacity to enforce documenting of business process maps, developing of product checklists, and responding to non-compliance to make sure that quality controls are adhered to.
To ensure compliance with all applicable statutes and policies	54. Unqualified NYDA Annual Reports developed	Unqualified Annual Report	Not measurable	KPI was not adequately defined and, therefore not measurable.

**Programme area 10: National Youth Fund**

Strategic objective	Key performance indicator	2012/2013 Target	Annual performance	Reason for variance
To mobilise and leverage financial contributions from third parties to implement programmes outlined in the NYDA Act, so as to increase the number of young people benefitting from youth development programmes in the country	55. Value of funds raised	R50 million	R65 726 788.64	The annual target has been achieved and exceeded by 31%. One of the key partners of the Agency renewed their partnership with the NYDA in the last quarter of the financial year under review.

# NYDA OPERATIONS EXECUTIVE COMMITTEE

## The committee comprises of Executive Managers and General Managers in the CEO's office

### Executive Managers



#### **Ayanda Makaula | Acting Chief Executive Officer**

Ayanda Makaula is currently the Acting Chief Executive Officer of the National Youth Development Agency. She is a Human Resources, Marketing Management and Project Management graduate who previously made the Mandela Bay Business Chamber Top 40 under-40 list, and is no stranger to high-profile positions – she was the head of protocol at the Nelson Mandela Bay Stadium during the 2010 FIFA World Cup. Her responsibilities included the planning and successful execution of airport and stadium operations for Heads of State, FIFA, SAFA and other dignitaries.

She has worked for the University of the Western Cape, in charge of the university's alumni projects and campaigns and the establishment of its nationwide chapters, and also did a stint at Sun International, Boardwalk Casino and Entertainment World as the PR and the Entertainment Manager. She has also held a position as the Head of Marketing at the SABC for Umhlobo Wenene FM.

Ayanda is the winner of a number of accolades such as the 2006 overall winner of the Unilever/SABC 3 Pond's Passport to Success Business Competition, and the 2006 winner of the SABC Youth Award in the Corporate Category. In 2007 she was selected as one of South Africa's 100 Brightest Young Minds. She has been selected as one of 20 Vodacom Change the World Volunteers for 2013 and will spend her year working with Disabled People South Africa in the Eastern Cape as a Volunteer Marketing and Campaigns Coordinator, where her primary focus will include providing marketing, public relations and fundraising support for the organisation.



#### **Magdalene Moonsamy | Chief Operating Officer**

Magdalene Moonsamy holds an LLB degree from the University of Durban-Westville and several other certificates, among which is a certificate in Cultural Diversity that she obtained from the University of Tubigen in Germany. Magdalene is an activist for defeating all forms of oppression. She is also an advocate for a progressive African economy. She is particularly committed to fighting for the most vulnerable in society: women, young girls, youth and the poor. In addition to her role as Chief Operations Officer at the NYDA, she continues to serve in various developmental portfolios focusing on policy development and research, and has interacted at both political and government levels. She has served as Deputy Director of Policy at the National Department of Social Development. Internationally, Magdalene was engaged in the International Union for Socialist Youth and served in numerous international delegations. Magdalene is a National Executive Committee (NEC) member, National Working Committee (NWC) member and spokesperson of the ANCYL. This frequent writer (both print and online) was nominated as one of *Mail & Guardian's* 200 Young South African Achievers in 2012.



#### **Khathutshelo Mike Ramukumba | Chief Financial Officer**

Born in Tshifudi village, Venda in the Limpopo Province, Khathutshelo Mike Ramukumba attended Mphandeli High School. He obtained a BCom Financial Accounting degree from the University of Pretoria, where he was also a radio presenter for the campus radio station, Tuks FM. He obtained a BCom Hons (Financial Accounting) with CTA (Certificate of Theory in Accounting) from the University of KwaZulu-Natal in 2006. In 2009, he completed the Public Practice Examination (Second Board Examination with Independent Regulatory Board for Auditors) and was admitted as a CA (SA) by the South African Institute of Chartered Accountants in 2010.

He served his articles with the Auditor-General of South Africa from 2003 to 2006. In 2006, he joined the Ellerines

Holdings Group as Financial and Compliance Auditor. At the end of 2006, he joined the Rand Water Group and served in various positions, the last being that of Group Internal Audit Manager. His career highlights include being involved in two ministerial directive projects on turnaround strategy and support: one in 2009 for Botshelo Water, and the other in 2010/2011 for Bushbuckridge Water.

Khathu is passionate about youth development, and consequently, continues to serve in various leadership positions within various youth organisations focusing on issues of young people across the board. He was the Chairperson of Youth against Crime at Vhumbedzi District in Vhembe Region in Limpopo, from 2002-2003.



**Daniel van Vuuren | Executive Manager: Service Delivery Channel**

A law graduate from the University of the Free State, Daniel van Vuuren started his career by serving articles of clerkship with Rossouws Attorneys. He subsequently joined the office of The Presidency, where he was one of the architects of both the legislative environment and policy framework governing youth matters. While at The Presidency, he was a national youth commissioner responsible for youth policy development, legislative review and intergovernmental coordination, particularly within the Justice, Crime Prevention and Security (JCPS) cluster. Daniel has also worked in various advisory roles to foreign governments and public institutions in Europe and the Middle East. During his tenure in The Presidency, he represented the South African government in various binational and multinational fora, and addressed diverse international conferences, on invitation.



**Edgar Mahura | Acting Chief Information Officer: Information Communication Technology**

Edgar Mahura started his career by serving articles of clerkship at Deloitte in Pretoria, before joining Deloitte's Computer Assurance Services division as a consultant. He then joined Daimler Chrysler South Africa (DCSA) as a project manager implementing SAP. He later set up the Programme Management Office to manage all DCSA internal projects. Edgar also established his own project management consulting business before joining Umsobomvu Youth Fund as a project manager. He is currently head of the NYDA's Information Communication Technology Cluster. He holds a BCom degree from Rhodes University.



**Linda Yolisa Dlova | Executive Manager: Communications**

Linda Dlova acquired her knowledge and experience in the field of corporate communications during a career spanning 14 years, of which 12 years were spent at Eskom. More recently, she gained further experience at Nedbank. In 1997, Linda commenced her career at Eskom, where she was an experiential learner. She worked her way up through the ranks to Communication & Stakeholder Manager, which entailed internal and external communications, media relations and stakeholder management. In her capacity as the Executive Manager: Communications at the NYDA, Linda's overall role is that of reputation custodian, strategically positioning the NYDA positively in the minds of its various stakeholders by building and maintaining relationships. This is driven through the initiation of dialogue through optimised communication platforms to influence interested and affected parties' opinions and perceptions, in order to solicit support for the NYDA's strategic objectives. All communications, public relations, marketing and branding strategies form part of this portfolio. Linda holds a National Diploma in Public Relations Management from Natal Technikon, as well as BTech and MTech degrees in Public Relations Management from Cape Technikon, now part of the Cape Peninsula University of Technology (CPUT). Linda Dlova is a member of the Public Relations Institute of South Africa.





#### **Mzwabantu Ntlangeni | Acting Executive Manager: Corporate Partnerships**

Mzwabantu Ntlangeni holds a BCom degree from Rhodes University. His career in the development field spans over 15 years, during which he held various positions at, among others, the Transitional National Development Trust, National Development Agency and Umsobomvu Youth Fund. He has acquired extensive experience in project design, monitoring and grant financing for development initiatives. His current responsibilities at the NYDA include forging partnerships between the NYDA and key stakeholders, inclusive of government and the private and civil society sectors. In addition, he is responsible for international partnerships.



#### **Nthuseng Mphahlele | Executive Manager: Skills Development and National Youth Service**

Nthuseng Mphahlele holds an MSc in Development Planning from the University of the Witwatersrand. She has more than 14 years' development sector experience, having held various positions in both government and civil society organisations. Her focus includes infrastructure development, the environment, gender and poverty. She joined Umsobomvu Youth Fund in 2004 as a Programme Manager for the National Youth Service (NYS) programme. In her current position at the NYDA, Nthuseng has been mandated to oversee the implementation of the NYS and skills development programmes, facilitating the mainstreaming of youth development across government, and fostering partnerships with civil society and the private sector to increase development opportunities for young people.



#### **Siviwe Mkoka | Executive Manager: Research and Policy**

Siviwe is responsible for the Research and Policy cluster of the NYDA, which includes policy, research, monitoring and evaluation, and knowledge management. In 2007, Siviwe joined the Gauteng Provincial Department of Health as the manager responsible for strategic policy management, research and, in part, strategic planning.

He worked at the University of Cape Town from 2002-2007 as a lecturer and a researcher in the Faculty of Health Sciences. While completing his master's degree in 2004, he published scientific research papers in local and international peer-reviewed journals. He also presented papers at conferences locally and abroad, including in Barcelona, Spain; Dar es Salaam, Tanzania; Leeds University in the United Kingdom and Lusaka, Zambia. He is a PhD student of the University of Cape Town. Siviwe has also obtained a number of other formal qualifications in strategic public policy management, project management and general management in the public and development sector from various universities across South Africa, including the University of Witwatersrand, the University of South Africa and the University of Pretoria.



#### **Tamari Tlangelani Mavasa | Executive Manager: Economic Development**

Tamari Tlangelani Mavasa holds a master's degree in Built Environment (Property Economics and Valuations) from the Nelson Mandela Metropolitan University, a degree in Quantity Surveying, and a National Diploma in Building Science. She is currently completing two master's degrees, one in Public Administration and another in Development Finance with the University of Stellenbosch (USB). She is a Registered Quantity Surveyor (PrQS) and a member of the Association of South African Quantity Surveyors, the Project Management Institute of South Africa and an Incorporated Member of the Chartered Institute of Building.

Over the past 13 years, Tamari has acquired comprehensive experience in engineering and construction projects, which enabled her to render services as a programme and project manager, quantity surveyor and development practitioner. She has worked in the mining sector; at Eskom Electricity Generation and Distribution; in national, provincial and local government; in the civil society sector; and consulting firms. Her comprehensive experience allowed her to deliver professional services as a quantity surveyor, a cost engineer/estimator, an investment analyst, a programme manager (projects and contracts) and a property manager. Her accomplishments within the projects involved economic development, business and financial management. This includes skills development, mentorship and training to business enterprises. Tamari joined the NYDA in June 2011 as an Executive Manager: Economic Development. Her position at the NYDA is mandated to oversee the rural development and enterprise finance programmes, and business development services.



#### **Vincent Mulaudzi | Executive Manager: Corporate Services**

Vincent Mulaudzi started his career in 1997 as a lecturer at Further Education and Training (FET) Colleges and taught for five years at both FETs and Technical High Schools. He then moved to the corporate sector where he worked for Chris Hani Baragwanath Hospital, Tembisa Hospital, Greater Sekhukhune District Municipality (Groblersdal) and Emalahleni Local Municipality as a Middle Manager in ICT and Administration. Before joining the NYDA, he worked for the Insurance Sector Education and Training Authority (INSETA) as a Corporate Services Manager. He holds a National Diploma in Public Management and Administration, National Higher Diploma in Education and a B-Tech Post School. He is currently reading towards obtaining a Master of Business Administration (MBA) Degree at the Management College of Southern Africa. Vincent remains passionate about education and the community, he currently serves as a member on a School Governing Body and a Community Policing Forum.

---

### **General Managers**



#### **Clayton Peters | General Manager: Strategic Programmes**

Clayton Peters has worked extensively in the youth and development sectors over the past 16 years. He is busy completing his master's degree in Development Management. He was the founder and Chief Executive Officer of the Youth Development Network. Under his leadership, the network extended its programming to 13 countries in the Southern African Development Community (SADC) region. As the editor of South Africa's first journal on youth development, he has written extensively about the subject. He gained invaluable global experience while working on a United Nations project on youth employment. He has worked in Africa, Asia, the Middle East and Latin America. Clayton was a Director at YouthBuild International, based in Boston, USA, where he was responsible for developing new programme areas around the globe. With a team of researchers, he conducted in-depth research on global youth employment models for a World Bank-related study.



#### **Sanjay Hargovan | General Manager: Risk and Internal Audit**

Sanjay Hargovan is a member of the Institute of Risk Management South Africa (IRMSA). He completed his BCom Accounting and a postgraduate diploma in Management Accounting at the University of Natal and a Programme in Risk Management at the University of South Africa's Centre for Business Management. He has nine years' experience in the accounting profession, which has given him insight into enterprise risk management; seven years' experience in risk management; and 10 years' experience in the public sector, specifically public entities. Prior to joining the NYDA in its present form, he established the Risk Unit at Umsobomvu Youth Fund and served with the United Pharmaceutical Distributors and the National Lotteries Board.



#### **Teboho Sejane | General Manager: Corporate Strategy**

Teboho Sejane holds a postgraduate degree in Industrial Sociology from Wits University. She also completed the Executive Education Programme: Nepad African Leadership Programme at Wits Business School. This postgraduate certificate programme explored the notions of leadership, management and development, and their inter-relationships in the context of the challenges present on the African continent. She is part of the InterAction programme, run by the British Council, involving a network of leaders from 19 countries across the African continent and focusing on strengthening leadership skills on the continent. She has worked in the development sector for the past 14 years, including working in six SADC countries: South Africa, Lesotho, Botswana, Swaziland, Mozambique and Zimbabwe while at the Kellogg Foundation. Teboho worked for the National Development Agency (NDA) as Senior Manager: Economic Development before joining Umsobomvu Youth Fund in July 2005 as Manager: Process Cycle Management. She currently holds the position of General Manager: Corporate Strategy within the NYDA.





**OPERATIONAL REVIEW REPORT**



# OPERATIONAL REVIEW REPORT

## AGAINST KEY PROGRAMME AREAS 2012/13 FINANCIAL YEAR

### Introduction

The National Youth Development Agency derives its mandate from the legislative frameworks, including the NYDA Act (54 of 2008), the National Youth Policy (2009-2014) and the draft Integrated Youth Development Strategy (IYDS) as adopted by the Youth Convention of 2006. The institution was established to be a single, unitary structure, established to address youth development issues at National, Provincial and Local Government levels. In furtherance of the NYDA mandate as outlined in the NYDA Act (54 of 2008), the NYDA activities could be summarised as follows:

- Lobby and advocate for integration and mainstreaming of youth development in all spheres of government, the private sector and civil society.
- Initiate, implement, facilitate and co-ordinate youth development programmes.
- Monitor and evaluate youth development interventions across the board and mobilise youth for active participation in civil society engagements.

NYDA products and services offer an integrated approach to the multi-faceted problem of youth development. In addition, the NYDA faces the key challenges of meeting the expectations of the youth and addressing all the challenges that young people face on a daily basis. This requires continued innovation in developing products and services responsive to the challenges of this cohort. The NYDA continued to engage with its Executive Authority, i.e. the Department of Performance, Monitoring and Evaluation to find ways of receiving approval of the Integrated Youth Development Strategy by Cabinet, which will go a long way in creating a common understanding and vision for youth development in the country. In addition, the South African Status of Youth Report will further improve planning for youth development programmes by all external partners and key role players, i.e. government, the private sector and civil society. The NYDA continues to encourage government departments to set up youth directorates, and youth units at local level.

### Strategic Focus

The NYDA's Strategic Planning Process resumed in August 2011, with a strategic planning session at Kievitskroon. The strategic planning session can be viewed as the inaugural strategic planning session of the Agency since its inception. This is so because all levels of NYDA Management both at governance and operational levels were established and were present at the strategic session to define the strategic thrust of the NYDA for the next 5 years. At a governance level, the national board and the provincial advisory boards have been established. At an operational level, the executive management team was appointed. The process followed the phases as outlined here below:

Figure 1: NYDA Strategic Planning Process



As such the focus of the workshop was on the following:

- Redefine vision, purpose, and nature of business,
- Redefine strategic themes, strategic intents and strategic objectives,
- Develop objectives and measures, and
- Develop an implementation plan.

In its strategic planning session, the NYDA aimed towards transforming into a renowned centre of excellence for youth development. Strides towards realising the objective have been made by redefining the Vision, Mission, Purpose and Values of the NYDA. In addition, the NYDA structured all its activities around 4 strategic outcome areas. These are:

- Improved sustainable livelihoods opportunities for young people,
- Enhanced enabling environment that promotes youth development,
- Enhanced sustainable social capital for young people, and
- Maintaining an accountable, prudent, efficient centre for youth development.

During the period under review, the NYDA adopted 10 key programme areas as follows:

- **Economic Participation:** this operational area initiates programmes and projects that will enhance the participation of young people in the economy, through targeted and integrated programmes.
- **Education and Skills Development:** programmes and initiatives in this area seek to promote, facilitate and provide training and skills development, as well as opportunities for young people to enhance their socio-economic wellbeing.
- **Policy and Research:** this area focuses on developing a body of knowledge and best practice in the youth development sector, in order to inform and influence policy development, planning and implementation.
- **Partnerships and Stakeholder Management:** this operational area identifies opportunities for collaboration with other stakeholders in public, civic and the corporate sector with the purpose of mainstreaming youth development, and making a significant impact on youth unemployment and the lack of skills.
- **Communication and Advisory Services:** the operational area formulates interventions that seek to inform the public about the business of the NYDA as well as provide career guidance and general information that is required by young people to inform their choices and decision making.
- **National Youth Service and Social Cohesion:** this operational area seeks to promote youth participation in nation-building interventions and to create opportunities for young people to serve their communities.
- **National Youth Fund:** for the NYDA to achieve sustainability, there is a need to establish a mechanism to enable the Agency to raise funds for the purpose of advancing and implementing programmes aimed at improving the livelihoods of the youth.
- **Sports, Recreation and Arts:** the operational area is aimed at promoting participation of youth in sport, arts and culture activities to foster the spirit of nation-building and shared values for the country amongst its youth.
- **Health and well-being:** the operational area initiates interventions that helps with increasing awareness on the healthy lifestyles that promote good health practices amongst the youth of South Africa.
- **Governance and Administration:** the operational area ensures that administrative and operational support is provided to service delivery, resources are efficiently and effectively utilised, and improving the organisation's operations, risk management and control, and adhering to applicable statutes and policies.

# KEY PROGRAMME AREAS

## 1. Economic Participation

The main goal of the Economic Participation Programme is to enhance the participation of young people in the economy through targeted and integrated programmes. Programmes that are implemented by the NYDA against this Key Performance Area (KPA), aim to facilitate and provide employment opportunities to young people, to enhance the participation of young people in the economy aimed at increasing job-creation, entrepreneurship participation and skills development, and to provide business support to young people.

**Table 1:** Activities Promoting Economic Participation of Young People

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of young entrepreneurs supported through non-financial support interventions (entrepreneurship awareness, business management skills, business consultancy services, mentorship, market linkages)	20 000 young entrepreneurs supported	14 077 young entrepreneurs supported	5 490 young entrepreneurs supported	6 175 young entrepreneurs supported	10 422 young entrepreneurs supported	36 164 young entrepreneurs supported
Number of youth owned companies assisted to register with CIPC	500 new business created	319 new businesses created	304 new businesses created	1 new business created	6 new businesses created	630 new businesses created
Number of young entrepreneurs funded through Economic Development Programmes (NYDA Micro, SME and external partners)	400 young entrepreneurs funded	566 young entrepreneurs funded	358 young entrepreneurs funded	627 young entrepreneurs funded	282 young entrepreneurs funded	1 833 young entrepreneurs funded
Value of funding accessed through Economic Development Programmes (NYDA Micro, SME and external partners)	R30 million worth of funding accessed	R2 794 832.09 million worth of funding accessed	R9 385 579.05 million worth of funding accessed	R16 098 700.76 million worth of funding accessed	R1 982 038.72 million worth of funding accessed	R30 261 150.62 million worth of funding accessed
Jobs created through Economic Development Programmes (business consultancy services, market linkages, NYDA Micro, SME and external partners)	800 jobs created	839 jobs created	696 jobs created	1 106 jobs created	694 jobs created	3 335 jobs created
Value of business opportunities accessed by youth entrepreneurs through Economic Development Programmes (Business Consultancy Services, Market Linkages, Cooperatives, Community Development Facilitations, Ithubalentsha and Green Economy)	R5 million worth of business opportunities accessed	R27 716 075.05	R1 710 545.57	R5 650 508.63	R1 938 327.56	R37 015 456.81
Number of Entrepreneurs accessing business opportunities through Economic Development Programmes (business consultancy services, market linkages, Cooperatives, Community Development Facilitations, Ithubalentsha and Green Economy)	50 entrepreneurs accessing business opportunities	17 entrepreneurs accessing business opportunities	16 entrepreneurs accessing business opportunities	17 entrepreneurs accessing business opportunities	7 entrepreneurs accessing business opportunities	57 entrepreneurs accessing business opportunities
Number of young people supported through Ithubalentsha Micro-Enterprise interventions	36 projects supported	2 projects supported	0 projects supported	1 project supported	0 projects supported	3 projects supported
Number of young people supported through Green Economy interventions	50 projects supported	0 projects supported	32 projects supported	27 projects supported	19 projects supported	78 projects supported
Number of jobs facilitated through placement in job opportunities	1,100 jobs facilitated	371 jobs facilitated	203 jobs facilitated	99 jobs facilitated	642 jobs facilitated	1,315 jobs facilitated
Number of communications campaigns to educate youth about NYDA business support programmes implemented	3 communication campaigns	2 communication campaigns	1 communication campaign	1 communication campaign	2 communication campaigns	6 communication campaigns
Number of outreach activities targeted at women, persons with disabilities and youth in rural areas	4 outreach activities	1 outreach activity	1 outreach activity	1 outreach activity	1 outreach activity	4 outreach activities



## Enhancing participation of young people in the economy

The non-financial support given to young entrepreneurs assist young people to prepare adequately for operating their businesses and/or enhancing their already established businesses through accessing: entrepreneurship awareness, business management training, business consultancy services, mentorship and market linkages. The structured business management training makes use of the training material developed by the Small Enterprise Development Agency (SEDA) which includes the following: entrepreneurial profile, research, legal aspects, marketing strategy, management functions, finance management, business administration and business plans. The young entrepreneurs are also supported with different vouchers to assist them with accessing the following business development services:

- Business Viability Study (Business Feasibility, Due Diligence)
- Business Management Training Programmes (Business Plan Development Training, Business Plan Moderation Assessment and Sign off, Marketing Strategy and Plan Training, Tender Training, BBBEE Training and Certification, Bookkeeping and Financial Administration Training)
- Branding and Design (Logo, Brochures and Flyers, Presentation Folders and Posters, Letterheads, Fax covers, Memos, Continuous sheets and Complementary slips, Business Cards, Web Page Graphics). Other items, e.g. pull-up banners, light boxes, lamp posts, car signage)
- Printing of Marketing and Promotional Material (Brochures and Flyers, Letterheads, Fax covers, Memos, Continuous sheets and Complementary slips, Business cards, Invoice books and Quotation books)
- Business Operation Services and Systems (Operations and Procedure Manuals, Financial and Accounting Systems)
- Companies and Intellectual Property Commission (CIPC) Registration

A total of 36,164 young entrepreneurs have been supported with entrepreneurship awareness, business management skills, business consultancy services, mentorship and market linkages.

The NYDA has been running a programme that assists young people to register their companies through the Companies and Intellectual Property Commission (CIPC). The aim of this effort is to increase the market share of youth-owned companies competing in the open business market and meeting all the regulatory requirements to access tendering opportunities provided by the public and private sectors. This process allows youth-owned businesses to access financing for their businesses and to comply with statutory requirements for businesses in South Africa. The NYDA was able to register 630 new businesses that are owned by young South Africans during the current financial year.

## Provision of financial support to young entrepreneurs

During the year under review, the NYDA has been able to provide 1,833 young entrepreneurs with funding. These efforts are geared towards providing access to financing, especially micro loans, which have proven to be the main drivers for economic participation by young people in South Africa. Social enterprises, especially co-operatives, have the potential to improve the livelihood of young people in South Africa, given the climate of high unemployment for young people in South Africa. The bigger impact will also be realised through leveraging the resources from State Agencies set for this particular purpose and as such, young people are bound to benefit in a big way from the partnership frameworks that will be established with both the Independent Development Corporation (IDC) and Small Enterprise Finance Agency (SEFA) in the 2013/14 financial year.

## Provision of business support to young people

During the year under review, the NYDA set a target of 50 young entrepreneurs that will access business opportunities after receiving interventions under business development programmes. A total of 57 young people have been able to report accessing business opportunities and it was possible to surpass the target as a result of the obtaining the buy-in from young people as they agreed to share the necessary evidence with us as soon as they access business opportunities.

The value of funding provided to young people during the period under review was R30,261,150.62. A total of 3,335 jobs were created in comparison to 800 jobs due to the increased number of young people that accessed funding. The value of business opportunities accessed by young people during the period under review was R37,015,456.81.

## **Implementation of special projects aimed at scaling up youth enterprise support to young entrepreneurs**

The focus on Green Economy interventions was informed by the NYDA Green Economy Strategy and Action Plan. The New Growth Path (NGP) Framework also identified 5 job drivers of which one of those relates to being able to take advantage of new opportunities in the knowledge and green economies. The National Development Plan (NDP) pillar on “Transition to a low carbon economy” also spurred the NYDA to conduct a number of interventions that are in line with the six Green Economy Strategic thrusts of:

- Waste Management
- Renewable Energy and Energy Efficiency
- Water and Waste Water Management
- Integrated Agribusiness Development
- Air Quality Management and Climate Change
- Professional Development and Training

The young entrepreneurs were positioned to take advantage of the opportunities that may appear in this area as a result of concerted policy development and investment made by government.

A number of young entrepreneurs were supported under 3 Ithubalentsha Micro Enterprise interventions including: the DJU Music Equipment Project, Amka Hair Salon Project as well as the DJU Music Production Project. The participants in the projects received entrepreneurial training, a micro loan, and technical training. They will also continue to access mentorship from experienced business people in the specific fields as well as linkage to market opportunities. This holistic packaging of financial and non-financial interventions is synonymous with increased success of young entrepreneurs.

## **Facilitation and provision of employment opportunities to young people**

The NYDA created 1 315 jobs through the Job Opportunities Seekers Database (JOBS) Programme during the period under review against a target of 1 100.

## **Provision of business support information to young people**

A total of 6 communication campaigns were executed during the period under review with the aim of educating youth about implemented NYDA business support programmes. Chief amongst the campaigns, was the Limitless Youth Campaign which was an aggressively driven campaign to position and profile the organisation and therefore educate youth about the organisation’s delivery on programmes, products and services.

## **Designing and implementing specific interventions for young women, persons with disabilities and youth in rural areas**

The NYDA implemented a total of 4 outreach activities that are targeted at young women, persons with disabilities and youth in rural areas. The Youth Express Train reached thousands of young people throughout the rural areas of South Africa, a Young Women’s Assembly was conducted in Bloemfontein, specific interventions were conducted at Ekurhuleni School for the Deaf, and the NYDA also organised the International Women’s Event in Mpumalanga Province.

## 2. Education and Skills Development

The main goal of the Education and Skills Development Programme is to promote, facilitate, and provide education and skills development opportunities to young people to enhance their socio-economic well-being, with the objective of facilitating education opportunities. The aim is to improve access to quality education, and to facilitate and implement technical skills, life skills, job-preparedness, provision of bursaries, provision of scholarships and assisting young people to rewrite their matric.

Table 2: Activities Increasing Involvement of Young People in Education and Skills Development

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of young people enrolled in the NYDA Matric (Grade 12) re-write programme	2 000 young people	0 young people	0 young people	0 young people	2 950 young people	2 950 young people
Number of youth who receive bursaries	10 youths	0 youth	0 youth	0 youth	105 youth	105 youth
Number of youth who receive scholarship	10 youths	0 youth	1 youth	0 youth	10 youth	11 youth
Number of youth attended technical skills training programme	2 000 youths	484 youth	62 youth	98 youth	1 480 youth	2 124 youth
Number of youth attended job preparedness programme	12 000 youths	5 330 youth	4 703 youth	3 012 youth	1 033 youth	14 078 youth
Number of youths attended life skills training programme	3 000 youths	1 075 youth	650 youth	193 youth	2 734 youth	4 652 youth

### Facilitation and implementation of education opportunities

The NYDA has been able to achieve and exceed all its KPI's under this strategic objective. The partnership with the ETDP SETA and Star Schools ensured that more resources are available and hence a total of 2 950 young people were assisted to rewrite their Matric during the period under review. Young people with the ability to further their studies were identified, and 105 provided with bursaries while 11 were assisted to access scholarships during the period under review.

### Facilitation and implementation of technical training programme

A total of 2 124 young people have been able to access the technical skills training programme. The young people accessed skills related to: film production, music and entertainment skills, multi-disciplinary drawing office practice, construction trades, and a long-term partnership with MerSETA resulted in placement of a number of young people in various engineering fields.

### Facilitation and implementation of life and professional skills training programmes

The NYDA has consistently implemented job-preparedness workshops for young people, after realising that most young people are ill-prepared to present themselves appropriately during job interviews. During the year under review 14 078 young people attended these training workshops aimed at assisting young people in improving their skills in job-hunting, CV preparation and job interviews. A total of 4 652 young people attended life skills training programmes during the year under review. The programmes assist young people with demonstrating the different options that are available for them and how to go about looking for additional help in dealing with life's challenges.



### 3. Policy and Research

The goal of the policy and research key programme area is to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation. The fundamental aim of this area is to ensure that policies and frameworks that drive youth development are developed, based on a body of knowledge and facts that are relevant to the developmental needs of the youth of South Africa, as well as giving South Africa a competitive edge, globally.

**Table 3:** Performance Against Targets for Policy and Research

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of youth development information and knowledge generated by the NYDA through internal resources	62 publications (research, evaluation and policy reports; KM publications)	12 publications	31 publications	21 publications	22 publications	86 publications
Number of youth development information and knowledge access points in the private, NGO and public sector	8 information dissemination points (partnerships, NYDA dissemination platforms)	0 information dissemination points (partnerships, NYDA dissemination platforms)	15 information dissemination points (partnerships, NYDA dissemination platforms)	0 information dissemination points (partnerships, NYDA dissemination platforms)	0 information dissemination points (partnerships, NYDA dissemination platforms)	15 information dissemination points (partnerships, NYDA dissemination platforms)
Number of youth development information and knowledge packaged by NYDA and made available in the different platforms for different stakeholders	59 (research reports; KM publications; policy and KM seminars)	12 (research reports; KM publications; policy and KM seminars)	26 (research reports; KM publications; policy and KM seminars)	16 (research reports; KM publications; policy and KM seminars)	17 (research reports; KM publications; policy and KM seminars)	71 (research reports; KM publications; policy and KM seminars)
Number of requests for youth development information and knowledge products	46 information and knowledge products request (policy inputs, evaluations, KM seminars)	8 information and knowledge products request (policy inputs, evaluations, KM seminars)	15 information and knowledge products request (policy inputs, evaluations, KM seminars)	15 information and knowledge products request (policy inputs, evaluations, KM seminars)	13 information and knowledge products request (policy inputs, evaluations, KM seminars)	51 information and knowledge products request (policy inputs, evaluations, KM seminars)
Number of copies (hard and electronic) produced by research & policy cluster and distributed to stakeholders	5 000 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)	9 156 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)	8 849 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)	5 595 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)	7 592 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)	31 192 hard and electronic copies distributed (IYDS, NYP Guidelines, Status of Youth Report, Journal)
Number of youth development practitioners who obtained unit standard credits towards the Youth Work Qualification	100 practitioners trained on youth work qualification unit standards	18 practitioners trained on youth work qualification unit standards	32 practitioners trained on youth work qualification unit standards	48 practitioners trained on youth work qualification unit standards	7 practitioners trained on youth work qualification unit standards	105 practitioners trained on youth work qualification unit standards
Code of ethics developed for youth work	A code of ethics	Nothing achieved	Nothing achieved	Terms of reference established for development of a Youth Work Code of Ethics. Roles and responsibilities and budgetary contributions clarified.	Draft code of ethics developed	Draft code of ethics developed
Number of capacity building interventions conducted for the youth development sector to increase best practice	15 youth development sector interventions	8 youth development sector interventions	23 youth development sector interventions	8 youth development sector interventions	1 youth development sector interventions	40 youth development sector interventions

## Creating and producing youth development information

During the year under review, the NYDA was able to generate 86 publications in comparison with a target of 62 publications. Section 3(1)(b) requires the NYDA to develop guidelines for the implementation of the National Youth Policy and this particular deliverable was achieved in the period under review. Policy submissions were made to different national departments and public entities that advertised for public comment. The following policy submissions were generated:

- Dangerous Weapons Bill - SAPS
- National Energy Efficiency Strategy - Department of Energy
- Tourism Bill - Department of Tourism
- Regulations for Reporting by Public Higher Education Institutions
- Draft policy directive on the exportation of ferrous and non-ferrous waste and scrap metal by the Economic Development Department
- Tariff application list 5/2013 on creation of a temporary rebate of customs duty on aluminium slugs to the International Trade Administration Commission of South Africa
- Road Accident Benefit Scheme Bill - Department of Transport
- Tariff application list 4/2013, to the International Trade Administration Commission (ITAC)
- Infrastructure Bill - Department of Economic Development
- Employment Equity Amendment Bill - Department of Labour
- Employment Services Bill - Department of Labour
- Health content policy framework for television broadcasting in South Africa - Department of Communications
- Draft Finance Misconduct Regulations to the National Treasury
- Draft Regulations regarding the qualifications of Inspectors to the Department of Energy
- Spatial Planning and Land Use Management Bill 2012 to the Department of Rural development and land reform.
- Draft Agricultural Sector Code (AgriBEE) 2012 - Department of Trade and Industry
- Construction Industry Development Board Regulations Amendment 2012 - Department of Public Works
- Financial Sector Code for Broad Based Economic Empowerment - Department of Trade and Industry

## Making youth development information available and accessible

The NYDA has 15 information dissemination points; the 14 NYDA branches spread throughout the country as well as the Parliamentary Library in Cape Town. We make use of the dissemination points to share hard copies and electronic copies of all the publications that are produced through resources located in the Research and Policy Division of the NYDA. A total of 71 publications were packaged during the year under review and the high performance is due to the fact that the steps between generation and packaging were interlinked thus the increased performance on information generation has a positive spin-off on information packaging. During the year under review, 51 requests for youth development information products were made. The NYDA managed to distribute 31,192 hard and electronic copies of youth development publications to the different stakeholders during the year under review.

## Facilitation of youth development as a recognised profession

The NYDA acquired accreditation by the ETDP SETA with accreditation number 10242 to offer the following Unit Standards:

- Facilitate learning using a variety of given methodologies (US 117871), and
- Describe youth development paradigms (US 230447).

A total of 105 practitioners have been trained on any of the above listed unit standards during the year under review. A draft code of ethics has been drafted and its approval will be preceded by the enactment of the professionalisation of youth work which will be taking place during the 2013/14 financial year.

## Provision and facilitating capacity-building of youth development practitioners

A total of 40 youth development sector interventions were conducted during the year under review. Significant performance was made related to training on the two unit standards that the NYDA is accredited to offer, as well as on offering teambuilding sessions for the different national and provincial departments. One of the biggest contributions made during the period under review was with regard to organising and hosting the Commonwealth Conference on the Education and Training of Youth Workers under the theme: "Towards professionalising youth work." The conference provided a platform for discussion on education and training in the youth

work sector and it also outlined the strategies and actions toward meeting the targets of the Plan of Action for Youth Empowerment (PAYE) in development of the youth work sector across the Commonwealth by 2015 and beyond.

## 4. Partnership and Stakeholder Management

The aim of the Partnership and Stakeholder Management key programme area is to identify opportunities for collaboration with other stakeholders in public, civic and corporate sectors with the purpose of mainstreaming youth development and making a significant impact on youth unemployment and the lack of skills.

**Table 4:** NYDA Performance Against Partnership and Stakeholder KPA

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of government departments lobbied to establish youth directorates and implement Youth Development Programs	10 Government Departments	4 Government Departments	4 Government Departments	1 Government Department	2 Government Departments	11 Government Departments
Number of Provincial Government Departments lobbied to establish youth directorates and implement Youth Programs	18 Provincial Government Departments lobbied to establish youth directorates	0 Provincial Government Departments lobbied to establish youth directorates	5 Provincial Government Departments lobbied to establish youth directorates	10 Provincial Government Departments lobbied to establish youth directorates	5 Provincial Government Departments lobbied to establish youth directorates	20 Provincial Government Departments lobbied to establish youth directorates
Number of Municipalities lobbied	16 Municipalities lobbied to establish Youth Councils	12 Municipalities lobbied to establish Youth Councils	4 Municipalities lobbied to establish Youth Councils	3 Municipalities lobbied to establish Youth Councils	0 Municipalities lobbied to establish Youth Councils	19 Municipalities lobbied to establish Youth Councils
Number of hosted dialogue sessions with young people on Racial Integration, Economic Participation, Youth Work, Health and Wellbeing, National Youth Service and Social Cohesion	6 dialogue sessions	5 dialogue sessions	2 dialogue sessions	3 dialogue sessions	1 dialogue sessions	11 dialogue sessions
Number of engagements with the Private Sector	20 engagements	11 engagements	9 engagements	6 engagements	4 engagements	30 engagements
Number of young women Mobilised to participate in women development programmes	1 000 young women	82 young women	96 young women	1 184 young women	260 young women	1 622 young women
Number of partnerships established with government, civil society and the private sector	15 partnerships established	1 partnerships established	9 partnerships established	3 partnerships established	5 partnerships established	18 partnerships established
Number of Recognition Events	1 Recognition Event	Nothing achieved	Nothing achieved	Nothing achieved	Nothing achieved	0 recognition events
Number of Annual Fund-Raising Events/Initiatives	1 Fund-Raising Events/Initiatives	Nothing achieved	Nothing achieved	Nothing achieved	Nothing achieved	0 fund-raising events/initiatives

### Lobbying key stakeholders and institutions in the public, private and civic society sectors, including international donor agencies

During the year under review, the NYDA lobbied 11 government departments to establish youth directorates and implement youth development programmes. In addition, 20 provincial government departments were lobbied to ensure that they establish proper structures that will integrate and mainstream youth development in executing their mandates. A total of 19 municipalities were also lobbied to establish youth councils and thereby ensure that youth in their areas are served in all their requirements. A total of 11 dialogues sessions were held with young people throughout the country covering the following themes: Racial Integration, Economic Participation, Youth Work, Health and Wellbeing, National Youth Service and Social Cohesion.

The private sector in South Africa responded well when a call was made for them to find ways of ensuring that they consciously contribute towards making the



situation of young people in the country better as 30 companies were engaged with the NYDA on these discussions during the period under review. The engagements in the public and private sector resulted in 18 partnerships being formulated. A total of 1,622 young women were mobilised to participate in women development programmes across the country.

## Enhancing relationships with current partners

This key performance indicator could not be achieved during the year under review; all the preparations had been made on time, but the response did not meet the threshold.

## Hosting a Fund-raising Event/Initiative

The NYDA has not been able to achieve the KPI, as the turn-out was lower than expected.

# 5. Communication and Advisory Services

The main aim of the Communication and Advisory Services key programme area is to ensure access to information about various interventions, aimed at improving the living conditions of young people, including information and career guidance services. The KPA's objectives are to provide career guidance services, access to information regarding products and services of the NYDA, and referrals to other agencies.

**Table 5:** NYDA Performance Against Provision of Information and Advisory Services KPA

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of youths provided with one on one career guidance sessions	2 600 youths	1 521 youths	1 773 youths	1 099 youths	8 437 youths	12 830 youths
Number of youths provided with group career guidance sessions	397 400 youths	169 529 youths	175 156 youths	51 657 youths	160 921 youths	557 263 youths
Number of people receiving information and/or referrals from NYDA access points through walk-ins	90 000 young people	23 144 young people	26 359 young people	30 325 young people	66 520 young people	146 348 young people
Number of estimated youth provided with information and/or referrals through NYDA outreach programme	370 000 young people	169 357 young people	186 917 young people	71 942 young people	45 615 young people	473 831 young people
Number of NYDA beneficiary stories published	40 beneficiary stories	54 beneficiary stories	68 beneficiary stories	71 beneficiary stories	102 beneficiary stories	295 beneficiary stories
Number of portal visits to the NYDA website	330 000 portal visits	126 100 portal visits	171 200 portal visits	133 315 portal visits	152 686 portal visits	583 301 portal hits

## Provision of career guidance services

During the year under review, the NYDA managed to interact with a huge number of young people. The NYDA interacted with 12 830 young people who accessed one-on-one career guidance services. On the other hand, the NYDA interacted with 557 263 young people through group career guidance sessions. The funding from MerSETA as well as partnerships with the Maritime Career Exhibition and Provincial Departments of Education made it possible to achieve and exceed the target.

## Providing access to information regarding products and services of the NYDA and referrals to other agencies

There were 146 348 young people who visited our branches and local youth offices, seeking information and assistance from the NYDA, while 473 831 youths were reached through outreach events across the country. A total of 583 301 youths accessed information via the NYDA portal. Expanding and increasing accessibility of information to youth through ICT platforms must be optimised to reach as many young people as possible with relevant and up-to-date information and to allow the NYDA to grow. An impressive 295 beneficiary stories were published during the period under review to give hope to other young people that their dire situations should not determine their destiny and that they can conquer if they commit and seek proper guidance.

## 6. National Youth Service and Social Cohesion

The goal of the National Youth Service and Social Cohesion key programme area is to promote youth participation in nation-building interventions and create opportunities for young people to serve their communities. The KPA seeks to build a culture of community service amongst the youth while providing young people with the opportunity of acquiring skills and inculcating a culture of working whilst serving their communities; promote opportunities for young people to serve their communities; and create a platform for young people to participate in and benefit from democratic processes and promote social cohesion.

**Table 6:** Activities for Implementing National Youth Service and increasing Social Cohesion Amongst the Youth of South Africa

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of young people enrolled in NYS NYDA projects	15 000 youth	111 youth	5 982 youth	1 234 youth	9 898 youth	17 225 youth
Number of institutions registered	15 institutions	7 institutions	2 institutions	2 institutions	6 institutions	17 institutions
Number of young people who participate in youth leadership programme	2 000 youths	0 youth	0 youth	1 733 youth	520 youth	2 253 youth
Number of young people participating in the NYDA Proud to Serve Campaign	11 000 youths	6 317 youth	4 068 youth	1 748 youth	0 youth	12 133 youth
Number of young people participating in the Youth Month commemoration event/s	10 000 youths	24 479 youth	0 youth	0 youth	0 youth	24 479 youth

### Building a culture of community service amongst the youth

The NYDA managed to achieve and exceed all the key performance areas under this strategic objective. There were 17 225 young people that were enrolled in NYS projects managed by the NYDA. Other stakeholders showed their interest to align their implementation with legislation as demonstrated by 17 institutions that were registered in the database of NYS projects. The collaboration with Sports and Recreation South Africa on executing the Youth Camps, contributed towards ensuring that 2 253 young people participate in a youth leadership programme.

### Promoting opportunities for young people to serve their communities

Through the NYDA Proud to Serve Campaign, a total of 12 133 young people have been reached and involved in activities wherein they made a difference to their own communities. The aim is to encourage young people to do good wherever they are and espouse the “Ubuntu” principles.

### Creating a platform for young people to participate in and benefit from democratic processes and promote social cohesion

A total of 24 479 young people participated in the youth month activities through the Youth Express Train which reached 24 towns through South Africa. The Nelson Mandela Metropolitan Municipality also contributed significantly as they organised buses to ferry young people from within the metropole.

## 7. Sports, Recreation and Arts

The goal of the Sports, Recreation and Arts key programme area is to promote participation of youth in sport, arts and culture activities to ensure the spirit of nation-building and shared values for the country amongst all youths.

**Table 7:** Extent of Involvement of Young People in Sports, Recreation and Arts Activities

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of young people participated in sports, arts and culture activities	2 000 young people	0 young people	68 young people	1 754 young people	1 243 young people	3 065 young people

During the year under review, a total of 3 065 young people participated in sports, arts and culture activities and the partnership with Sports and Recreation South Africa was instrumental in expanding the reach.

## 8. Health and wellbeing

The goal of health and wellbeing key programme area is to initiate interventions that helps with increasing awareness on the healthy lifestyles that promote good health practices amongst the youth of South Africa.

**Table 8:** Extent of involvement of young people in Health and Well-being activities

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of young people participating in healthy lifestyle programmes	4 000 young people	309 young people	3 512 young people	0 young people	346 young people	4 167 young people

During the year under review, the NYDA worked closely with SA Breweries on the “You Decide Campaign”, and as a result the target was achieved and exceeded as 4 167 young people participated in healthy lifestyle programmes. This is a typical intervention that pools resources from all sides and ensures that young people are the beneficiaries. The other partners include the Department of Trade and Industry as well as several other Provincial Education Departments. The campaign was initiated to discourage underage drinking which threatens the future of our country. Various parts of the programme were designed to show young people that the choices they make now can impact on their future in a positive or negative manner. The campaign included school visits through an interactive roadshow on underage drinking; an inter-school competition to solidify and drive home the message; lesson plans that are aligned to the curriculum for teachers; a practical guide for parents; resources for teens included counselling, reading material, website, Facebook page and a teen ambassador programme.

## 9. Governance and Administration

The goal of the Governance and Administration key programme area is to ensure that administrative and operational support is provided to service delivery, that resources are efficiently and effectively utilised and improving the organisation's operations, risk management and control whilst adhering to applicable statutes and policies.

**Table 9:** NYDA Performance Against Governance and Administration Indicators

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Number of NYDA local youth information dissemination and access points	20 access points	4 access points	43 access points	1 access point	4 access points	52 access points

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
<b>Functional integrated IT systems</b>	Completed Project Management System, Asset Management System CRM, LMS, VMS, SharePoint Solution and GP ERP	Staff training for implementing SharePoint conducted. GP 8.0 was successfully upgraded to GP 2010 and SQL2008. Active Planner Server and GL Cubes were successfully migrated to the new domain. Upgrading CRM 4 to CRM 2011 and MOSS 2007 to Sharepoint 2010 is 50% complete. The ICT Asset Management System deployed.	CRM Phase 3 Progress is 71% completed. The report centre has been configured on the staging environment. SQL server for the Employee Self Service module of Softline VIP installed. CRM and Sharepoint progress is 98% complete-upgraded CRM 4 to CRM 2011 and MOSS 2007 to Sharepoint 2010. Softline VIP updated to 4.0a.	Capital expenditure raised for acquisition of 2 DELL servers for Sharepoint deployment; the SCM process concluded and the SQL production servers were installed. Load balancing was completed. CRM version 4.0 was upgraded to CRM version 2011. Conducted inventory and data clean-up of the internal drives; design standard/ custom folder structure; document library structure; draft file type and quota guidelines; data migration to Sharepoint; content and document types finalisation and Sharepoint Governance Framework. The PTS was reviewed and comparison made for combining MS project with Sharepoint to establish an EPM.	The data import for BOSS has been completed and handed over for testing. Issues dealt with on Softline VIP included errors on GL for loading new employees onto the system, issues regarding GL and leave provisions, problem with GL and printing of payslips. Requirements for Outreach functionality were provided. The specification for Outreach product was supplied. Internal workshops conducted to discuss changes on CRM for the functionality of the products: EDP and Career Guidance.	ICT Asset Management System completed. Project Management System is 50% complete. CRM Phase 3 & 4 is 95% complete. The LMS has been deployed and functionality is being tested. VMS solution is live. SharePoint is 80% completed. Great Plains has been upgraded to 2010 and the project is 50% complete.
<b>Number of employees and Board members attending NYDA capacity building programmes</b>	350 employees	135 employees	267 employees	25 employees	89 employees	516 employees and Board members
<b>Enhanced Performance Management system to support organisational performance</b>	The new NYDA performance management framework and processes implemented	Nothing achieved	Performance Agreements and Performance Appraisal Templates submitted for version control and loaded on EIP.	Performance Agreements and Half Year Appraisal templates sent to staff to complete. Unions lodged dispute regarding performance appraisals and performance agreements.	Meetings conducted between Management and Unions. Request signed for halting of implementing performance agreements.	End-of-year appraisals completed by all staff members. Templates for performance agreements developed.



Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Functional internal audit	Acceptable internal controls	Nothing achieved	3 internal audit reports are rated as follows: all have weak controls	5 internal audit reports are rated as follows: all have weak controls	11 internal audit reports are rated as follows: 2 have acceptable controls while 9 have weak controls	19 internal audit reports are rated as follows: 17 are rated to have weak controls while 2 are rated to have acceptable controls.
Unqualified NYDA Annual Reports developed	Unqualified Annual Report	Nothing achieved	Nothing achieved	Nothing achieved	Nothing achieved	Not measurable

## Providing administrative and operational support to service delivery

During the year under review, the NYDA managed to achieve 52 access points throughout the country. The relationship with Mpumalanga Department of Social Development resulted in 40 Youth Development Centres being capacitated as Local Youth Offices and in this way, the pooling of resources is bound to increase the success of the facilities as more young people will obtain relevant and useful services from them.

## Efficient and effective utilisation of resources

The performance of the NYDA against the KPI "Functional integrated IT systems", could not be achieved based on the following assessment: the ICT Asset Management System was completed, the Project Management System was 50% complete, the Customer Relationship Management Phase 3 & 4 was 95% complete, the Loan Management System has been deployed and functionality is being tested, the Voucher Management System solution was live, SharePoint was 80% completed while Great Plains has been upgraded to 2010 and the project was 50% complete.

During the year under review, 516 employees and Board Members attended capacity-building programmes. The Re-orientation of NYDA employees on new HR Policies had to be conducted and over 90% of employees attended. The target also includes the staff of Local Youth Offices who were counted as employees as they are doing work on behalf of the NYDA while the initial target only included internal staff members.

The NYDA has been able to conduct end-of-year performance appraisals for its employees and managed to develop the performance agreements templates. However, the agreements could not be entered into as the two recognised unions, i.e. NEHAWU and PSA both requested that the signing of performance agreements be postponed until staff have been properly oriented on how to implement them properly. As such, the performance agreements will be implemented in the 2013/14 financial year.

## Ensuring that internal audit assurance and consulting activities add value to the organisation's operations

A total of 19 "rated" internal audits were conducted during the period under review. There were 17 internal audits that were rated to have weak internal controls while 2 internal audits had acceptable internal controls.

## Ensuring compliance with all applicable statutes and policies

The NYDA did not achieve the key performance indicator related to this strategic objective as it was inadequately defined and as such not measurable.

## 10. National Youth Fund

The goal of the National Youth Fund key programme area is to create a facility that recognises that for the NYDA to achieve sustainability, there is a need to establish mechanisms to enable the Agency to raise funds for purposes of advancing and implementing programmes aimed at improving the livelihood of the youth.

**Table 10:** NYDA Performance Against the National Youth Fund KPI

Key Performance Indicator	2012/13 Target	Q1	Q2	Q3	Q4	Actual Performance 2012/13
Value of funds raised	R50 million	R500 000.00	R16 428 188.64	R26 998 600.00	R21 800 000.00	R65 726 788.64

The NYDA managed to raise R65 726 788.64 during the period under review. The Construction SETA renewed its relationship with the NYDA to provide discretionary funding towards the end of the year, and that made a significant difference in performance.

## Conclusion

The NYDA has achieved 85.5% of its key performance indicators during the year under review. This performance accounts for a drop of 4.5% in performance from the 2011/12 financial year. The NYDA had to focus on achieving its 55 key performance indicators whilst keeping sight of adhering to the National Treasury requirement of adhering to its staff expenditure threshold. By its nature, the interventions of the NYDA require greater interaction with young people through its own staff members. The organisation was therefore forced to work closely with institutions which have similar interventions in order to reach as many young people who require assistance and support in areas that are aligned to the NYDA mandate. The continual lobbying and influencing different stakeholders to establish youth directorates and/or youth councils will reap rewards of increasing integration of youth development during implementation. The frank discussions with Local Municipalities highlight the need to have influence over budgets at a local level and an increased understanding of how to achieve core mandates whilst prioritising youth development. The formulation of youth councils at Local Municipalities will increase empowered behaviour and ensure that youth are in charge of their own destiny. Remaining focused on the core mandate requires that the NYDA must clarify its roles to other stakeholders in the private sector, public sector and the civil society sector. The amendment of the NYDA Act will ensure that resources are leveraged from the provincial levels, increasing buy-in, that duplication of efforts is removed and ensuring that the organisation does not remain top heavy. This amendment will be concluded in the 2013/14 Financial Year and will ensure that the NYDA is not seen as a panacea to all youth problems and that co-ordination is increased amongst different stakeholders.

# ROLE AND RESPONSIBILITIES OF THE BOARD

The Board accepts that it is ultimately accountable and responsible for the affairs of the Agency. To this end, the Board shall:

- a. Retain full and effective control of the Agency;
- b. Be responsible for implementing the "Objects of Agency" and "Principles of Youth Development" as defined in the Act;
- c. Fulfil the Agency's responsibility in terms of 'Reporting by Agency' as defined by the Act;
- d. Appoint the Chief Executive Officer ;
- e. Determine the Agency's values;
- f. Determine the strategy to achieve its purpose;
- g. Approve, on an annual basis, the Business Plan, Budgets and Reporting Framework of the NYDA;
- h. Exercise leadership, enterprise, integrity and judgement in directing the Agency so as to achieve sustainability for the Agency;
- i. Monitor and evaluate the implementation of Strategies, Policies and Management performance criteria and business plans;
- j. Identify key risk areas and key performance indicators of the Agency in order for it to achieve its objectives in a sustainable manner so as to enhance stakeholder value;
- k. Regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management;
- l. Identify and monitor relevant non-financial matters;
- m. Ensure that the Agency complies with all relevant laws, regulations and codes of best practice;
- n. Ensure that technology and systems are adequate to run NYDA properly and for it to provide world class products and services through efficient use of its assets, processes and human resources;
- o. Creation, enforcement, monitoring and auditing of development and progress of an organisational culture, structures and process that seek to support the development of people and the optimisation of their potential;
- p. Address and correct any inequalities in staff profiles and organisational practices;
- q. Establish procedure for the induction programme for incoming Directors;
- r. Regularly assess Board performance and effectiveness as a whole, and that of individual directors, including that of the Chief Executive Officer;
- s. Ensure that the Agency has developed a succession plan for the Executive Directors and Senior Management;
- t. Ensure that the Agency communicates with Shareholders and relevant Stakeholders openly and promptly;
- u. Approve the Shareholders Compact and any amendments thereof prior to submission to the Executive Authority for conclusion;
- v. Recommend proposals of transaction in terms of S54 of the PFMA to the Executive Authority;
- w. Recommend remuneration of directors and independent specialist for approval by the Executive Authority; and
- x. Approve a proposal to remove a director prior to submission to the Executive Authority.

## Board charter

The Board's Charter sets, amongst others, the role and responsibilities of the Board, the Composition, size and appointment of the Board, the roles of the Board members including their fiduciary duties, the type of matters reserved for Board, etc. The Board Charter is reviewed annually to ensure that it abides to changes in laws and practises and the Company Secretary is appointed to ensure that the Board complies with its Charter when carrying out its duties. In addition, before any meeting starts, the Board members have a duty to disclose any conflict of interest that may arise

## Composition of the Board

The National Youth Development Agency Act provides that the Board of the NYDA consists of (a) seven members, two (2) of whom are executive directors; and (b) the Chief Executive Officer, who is an ex-officio member of the Board without voting rights.

The Board members of the NYDA must be appointed by the President on the recommendation of Parliament. The Members must be appointed in a manner ensuring (a) participation by youth in the nomination process; (b) transparency and openness; and (c) that a short-list of candidates for appointment is published. In the current year, the Board met once and for the remainder of the year, the Presidency appointed the Chief Executive Officer as the Transitional Accounting Authority in terms of Section 49(3) of the Public Finance Management Act 1 of 1999. This appointment of the Chief Executive Officer as Transitional Authority was made because the Board period ended on the 30<sup>th</sup> April 2012 and the Parliamentary process for the appointment of the Board was only completed on the 22<sup>nd</sup> of March 2013.

On the 30 <sup>th</sup> of April 2012 the following Board members three (3) year period ended:	
Mr Andile Lungisa	Executive Chairperson
Mr Yershen Pillay	Deputy Executive Chairperson
Ms Pholisa Makeleni	Non-executive
Mr Mcebo Khumalo	Non-executive
Ms Innocentia Motau	Non executive
Ms Maria Tshabalala	Non- executive
Mr Francois Slabber	Non-executive

On 22 March 2013 the following Board members were appointed for a three (3) year period	
Mr Yershen Pillay	Executive Chairperson
Mr Kenny Morolong	Deputy Executive Chairperson
Mr Mothupi Modiba	Non-executive
Mrs Ayanda Makaula	Non- executive
Ms Maropene Ramokgopa	Non-executive
Ms Zandile Majozi	Non-executive
Ms Nyalleng Potloane	Non-executive

## Committees of the board

In the current year the Board established the following Committees:

1. Credit, Risk and Investment Committee
2. Human Resources Management Committee
3. Audit Committee
4. Development Committee
5. Executive Management Committee

Committee	Meetings held	Number of members	Board members
Credit, Risk and Investment Committee	1	3	Innocentia Motau Maria Tshabalala Steven Ngubeni
Audit Committee	3	3	Rachel Kalidass Tayron Tshitaudzi Zandile Majozi
Human Resources and Remuneration Committee	0	3	Francois Slabber Pholisa Makeleni Joy Ndlovu
Executive Management Committee	0	3	Andile Lungisa Yershen Pillay Steven Ngubeni
Development Committee	0	2	Mcebo Khumalo Maria Tshabalala

## Remuneration of board members

The NYDA Board is remunerated in terms of the A2 Category of the National Treasury schedules that were published by National Treasury for Office Bearers of Statutory Institutions.



Section 9(11) of the NYDA Act provides that Board Members who are employed by an organ of state are not entitled to remuneration, or any allowance, but must be reimbursed for out-of-pocket expenses by the Board.

## The Board Members were paid as follows

Name	Remuneration	Other allowance	Other re-imburements	Total
Andile Lungisa	62 000.00	8 000.00	0	70 000.00
Yershen Pillay	50 000.00	8 000.00	0	58 000.00

## How remuneration of Board members is determined

Remuneration of Board Members is determined by National Treasury in line with the Service Benefit Packages for Office Bearers of Certain Statutory and Other Institutions.

## Compliance with laws and regulations

The NYDA compiles checklists of all the legislations such as the National Credit Act, Public Finance Management Act, Labour Relations Act, Employment Equity Act, etc.

## Code of Conduct

The Code of Conduct ("Code") has been adopted by the NYDA Board to maintain the standard of business conduct for The National Youth Development Agency and the Code is applicable to all NYDA Staff.

The code gives guidance to employees and regulates how they manage the following amongst other matters: personal conduct and discipline, management of private duties and interests, management of relationships with internal and external stakeholders, use and safeguarding of NYDA information, property and resources. The implementation of the code is supported by other organisational policies. Breach of the code of conduct is regarded as misconduct which is subject to correction through a disciplinary procedure of NYDA.



**RISK MANAGEMENT**

# RISK MANAGEMENT

## Nature of Risk Management

The Risk unit of the NYDA provides risk policies and methodologies in order to mitigate the main inherent strategic, operational and product risks that the Agency is exposed to.

With the assistance of the Risk unit each division is required to identify prioritised risks and develop action plans to address these risks.

The Risk unit identifies emerging risks on an on-going basis and brings them to management's attention for mitigation.

The Audit Committee is delegated by the Board to oversee the Risk Management function of the Agency.

## Governance

Divisions are responsible for developing policies applicable to their operations and products. The risk unit ensures that the policies are in line with the Delegations of Authority policy and where necessary advises on changes to the delegation policy.

The unit is the custodian of final signed-off policies and charters which is registered in the Policy Register.

The unit facilitates the development of the strategic risk register and monitors and reports on progress made in mitigation of risks to management and the Board.

## Insurance

The Risk unit is responsible for ensuring the insurance requirements of the Agency are met. To this end limits are reviewed annually and claims are managed.

## Business Continuity

The Risk Unit ensures that the Business Continuity Plans of the Agency are updated and in line with current operations.

## Risk Management Strategies

The Agency has implemented a risk management strategy which has been approved by the Board.

The strategy highlights the following areas:

1. The risk management policy statement
2. Definition of risk
3. Cultural approach and communications
4. Criteria for risk management
5. Risk management responsibilities
6. Training and awareness
7. Operational framework
8. Control assurance
9. Risk management framework process
10. Business continuity
11. Types of risks

Risks rating scales and categories have been defined.

## Progress made in addressing risks identified

On a quarterly basis progress made in implementation of action plans to mitigate strategic risks are tracked. In addition emerging risks are tracked monthly.

Although progress has been made in implementing action plans, a number of action plans are still outstanding from an implementation point of view.

## Internal audit unit

During the year under review an in-house internal audit unit was established. The unit was capacitated with 5 staff members. In addition a co-sourced partner, namely Nexia SAB&T was procured to perform specialist audits.

The internal audit manual which includes the internal audit methodology was developed with the assistance of National Treasury supported by the Office of the Accountant General. Quality assurance of the work performed in-house was provided by an independent service provider.

A risk-based 3-year strategic rolling plan and annual operational plan was approved by the audit committee and the Board. For the year under review 32 audits were completed.

The Audit Committee reviews the work of the internal audit on a quarterly basis.

## Fraud and corruption

The Agency has a Fraud Prevention Strategy and a Fraud Prevention plan, duly approved by the Board. Fraud awareness programmes are implemented for staff.

The Agency has a toll free fraud hotline. All allegations received are followed up upon, and if necessary, investigations are conducted. The Agency strives to create an environment where it is safe to report suspicious activity in line with the Protected Disclosures Act, No.26 of 2000. Where it can be proven that fraud, collusion or theft has been perpetrated criminal charges are laid against the perpetrators.

In order to pro-actively mitigate the risk of fraud, a fraud risk assessment is conducted annually on high risk areas. Staff are required to complete a Declaration of Interest on an annual basis to ensure that there is no conflict with service providers on the supply chain management database.



# SOCIAL RESPONSIBILITY

The National Youth Development Agency implements its programmes and projects in line with the key performance areas and is guided by policy. There are many programme and projects that are implemented by young people and/or youth development organisations that fall outside of the NYDA's programmes and project policies and guidelines. As part of its efforts to therefore mainstream young people into the economy and to develop their livelihoods, the NYDA has a Corporate Social Investment budget, which is utilised to provide donations & sponsorship funding to projects run by young people, or projects that are aimed at developing young people. All initiatives that the NYDA supports through donations and sponsorships is therefore directly in line with the organisational key performance areas.

All donations & sponsorship requests are evaluated by the Donations & Sponsorships Committee, as per the composition in the Donations and Sponsorships Charter.

## Donations and sponsorship definitions

### 1. Donations

Any donation of cash or a redundant NYDA physical resource may be made. No return on investment is expected from the expenditure on donations; except that it should promote NYDA's image as a socially responsible and caring organization to create goodwill among the public. Donations are inherently of a charitable nature.

Donations are approved in three categories: philanthropic, asset or strategic donations

#### 1.1 Philanthropic Donations

A donation to a philanthropic cause is a once-off payment to youth or organisations as defined in 5.1 and 5.2 that are deemed to add value to the objectives of that individual or organization which needs to be directly aligned to NYDA's mandate primarily aimed at disadvantaged youth/disadvantaged communities. Examples include:

- Facilitate partnership between young people and other institutions
- Show Clear Impact
- Have a broad community impact

#### 1.2 Asset Donations

An asset donation includes redundant movable or fixed NYDA assets. These assets are disposed of in accordance with NYDA's finance and procurement policy.

### 1.3 Strategic Donations

Strategic donations will be considered for approval where they are deemed fit for the strategic importance of the organisation and the nature of the business. This type of donation will be given to initiatives or projects such as:

- There are significant commemorative days recognized in South Africa. The National Youth Development Agency (NYDA) will identify which days it will participate in annually based on the organisational priorities.
- A strategic donation is a payment towards a cause (e.g. disaster relief) administered by such organizations that are deemed of strategic importance to NYDA's objectives and nature of business.
- A donation that is deemed of a strategic nature and is a business imperative aligned with NYDA's core business offering.
- If a strategic donation is not approved, NYDA's operations may be negatively affected.
- Such donations are deemed of a strategic importance to NYDA and shall convey that NYDA is a committed and respected role player in local communities.

### 2. Sponsorships

Sponsorships are given for business reasons. They are leveraged, tracked and measured to ascertain their return on investment. A sponsorship is an investment which creates the expectation of future returns. The difference between a donation and sponsorship lies in the motivation for the NYDA.

Through sponsorships, the NYDA strives to:

- Build the reputation of the organisation
- Forge new relationships and/or strengthen current ones
- Contribute towards social cohesion (nation building)
- Address social priorities (community and national needs)
- Build Brand Loyalty
- Create visibility and awareness
- Drive business imperatives and showcase NYDA's work

As a result, a number of our support to youth and/or organisations meaningfully contributing to the development of youth, we have been able to touch and impact positively on the lives of many young South Africans, however this continues to be a drop in the ocean given the vast needs of young people who require our services against our financial capacity to respond adequately to all the youth in need, but we continue to forge ahead.





HUMAN RESOURCES



# OVERVIEW OF NYDA'S HUMAN RESOURCE INFORMATION

April 2012 – March 2013

## Introduction

### Overview of HR matters of the NYDA

The Agency continues to align its human resource to its mandate as outlined in the National Youth Development Act of 2008 as well as its strategic plan, albeit the financial limitations it has endured within the last three years. This has necessitated the Agency to regularly assess its existing human resources against the expectations for it to be relevant, accessible and visible to all young people in the country.

This alignment is done whilst the organisation is still dealing with the disparities that it inherited during the merger of the Umsobomvu Youth Fund and National Youth Commission which resulted in the formation of the NYDA. The NYDA acknowledges that these disparities and challenges will continue to be part of its make-up for some time.

### Set HR priorities for the year under review and the impact of these priorities

The appointment and placement of competent and skilled employees at Branch level. Up skilling/development of employees aimed at improve the Agency's performance through training.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

According to the information and commitment given to National Treasury with regards to management of structure and complement, NYDA will cap the number of employees to a maximum of 500 over the next 3 years.

### Employee performance management framework

NYDA has developed and implemented a performance management system for the individual employees as these are the primary and key resources through which the Agency implements programmes and deliver services.

### Employee wellness programmes

NYDA has undertaken HIV/AIDS and Health promotion programmes to reduce the risk of exposure through awareness campaigns.

### Health, Safety and Environmental Issues

The Agency has developed the Employee Health and Wellness Policy. This policy focuses on occupational health issues as well as general employee wellness. In the last financial year, the Agency did not experience any occupational injuries or incidents, however the Agency does acknowledge the need for it improve on the general physical working conditions of employees. In the area of employee wellness, the Agency has implemented the Employee Assistance Programme which provides counselling, advice and educational programmes to its employees and their families.

Over the medium term, the Agency will be monitoring and evaluating clusters implementation plans on employee health and wellness with the necessary tools and technologies. The Agency will also provide the necessary support to ensure that 80 per cent of prioritised service delivery channel branches are implementing employee health and wellness programmes thoroughly.

NYDA shall strive to provide a safe and healthy working environment, both within the organisation and as part of the society and comply with all regulations relating to the preservation of the environment to the extent applicable.

NYDA is also implementing youth development programmes that aim to deal with the environmental issues nationally such as the Green Economy project.

## **Policy development**

### **Highlight achievements**

11 Human Resource Policies and 2 collective agreements were approved. Employment Equity Plan was approved and submitted in January 2013.

### **Challenges faced by the public entity**

The NYDA is still dealing with the implications/impact of the merger between former Umsobumvu Youth Fund and National Youth Commission. Due to the merger the Agency is experiencing a high staff turnover. There will not be a significant increase in the budget of NYDA in the next 3 years and therefore the status of NYDA will remain as is.

### **Future HR plans /goals**

- To maximise human resource utilisation.
- To implement succession planning and retention strategy.
- To ensure that harmonisation within NYDA continues.



# HUMAN RESOURCES OVERSIGHT STATISTICS

April 2012 – March 2013

## Personnel Cost by programme

Programme	Total Expenditure for the entity R'000	Personnel Expenditure R'000	Personnel expenditure as a % of total expenditure R'000	Number of employees	Average personnel cost per employee R'000
Office of the Chief Executive Officer	17 993 387.60	10 226 134.00	56.83	16	639 133.38
Office of the Chief Operations Officer	6 173 092.81	4 568 906.00	74.01	13	351 454.31
Finance and Supply Chain	18 967 607.73	10 180 872.00	53.67	23	442 646.61
Information Technology and Communication	29 097 961.78	7 039 196.00	24.19	12	586 599.67
Communications	62 432 511.75	7 547 595.00	12.08	17	443 976.18
Corporate Services	24 007 207.82	11 506 294.00	47.92	33	348 675.58
Corporate Partnerships	13 557 837.92	7 926 183.00	58.46	15	528 412.20
Economic Development	60 722 587.29	17 615 462.00	29.00	38	463 564.79
National Youth Services and Skills Development	66 601 734.31	17 041 850.00	25.58	32	532 557.81
Research and Policy	13 317 152.47	8 957 795.58	67.26	17	526 929.15
Service Delivery Channels	69 908 567.89	46 154 933.00	66.02	175	263 742.47
Office of the Executive Board	11 022 893.91	4 330 682.00	39.28	13	333 129.38
Provincial Advisory Board	12 689 639.11	9 231 147.00	72.74	16	576 946.69

## Personnel cost by salary band

Level	Personnel Expenditure R'000	% of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee R'000
Top Management (E1 - E5)	8 783 524.64	5.41	7	1 254 789.23
Senior Management (D3 - D5)	13 943 228.39	8.59	18	774 623.80
Professional qualified (D1-D2)	52 045 464.96	32.08	51	1 020 499.31
Skilled (C1 - C5)	64 253 931.08	39.60	202	318 088.77
Semi-skilled (B1 - B5)	21 945 966.07	13.52	122	179 884.97
Unskilled (A1 - A3)	1 285 934.44	0.79	20	64 296.72
<b>TOTAL</b>	<b>162,258,049.58</b>	<b>100.00</b>	<b>420</b>	<b>3 612 182.80</b>

## Performance Rewards

Programme	Performance rewards	Personnel Expenditure R'000	% of performance rewards to total personnel cost
Top Management	1 595 839.06	8 783 524.64	18.17%
Senior Management	1 615 251.43	13 943 228.39	18.39%
Professional qualified	1 574 015.88	52 045 464.96	17.92%
Skilled	1 723 324.20	64 253 931.08	19.62%
Semi-skilled	1 059 089.99	21 945 966.07	12.06%
Unskilled	21 238.10	1 354 934.44	0.24%
<b>TOTAL</b>	<b>7 588 758.66</b>	<b>162 327 049.58</b>	

**NB:** This is the amount for bonuses declared in the previous financial year.

## Training Costs

Directorate/ Business Unit	Personnel Expenditure R'000	Training Expenditure R'000	Training Expenditure as a % of Personnel Cost	Number of employees trained	Avg training cost per employee
National Youth Development Agency	162 258 049.58	267 702.10	0.16	202	1 325.26

**NB:** This amount only reflects what was paid to training providers and exclude travel costs related to training as well as in-service programmes conducted internally.

## Employment and vacancies

Programme	2011/2012 Number of Employees	2012/2013 Approved Posts	2012/2013 Number of Employees	2012/2013 Vacancies	% of vacancies
Office of the Chief Executive Officer	15	28	16	12	2.33
Office of the Chief Operations Officer	6	18	10	8	2.25
Finance and Supply Chain	25	28	22	6	4.67
Information Technology and Communication	11	28	12	16	1.75
Communications	13	24	19	5	4.80
Corporate Services	21	44	33	11	4.00
Corporate Partnerships	20	17	14	3	5.67
Economic Development	39	53	27	26	2.04
National Youth Services and Skills Development	36	44	32	12	3.67
Research and Policy	11	35	16	19	1.84
Service Delivery Channels	131	303	167	137	2.21
Office of the Executive Board	14	14	10	4	3.50
<b>TOTAL</b>	<b>342</b>	<b>636</b>	<b>406</b>	<b>230</b>	<b>18.28</b>

Delays in the filling of vacant posts were as a result of, amongst others, challenges in the availability of panellists and nominated candidates having to serve notice with their respective employers or none acceptance of offer.

## Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management (E1 - E5)	7	0	0	7
Senior Management (D3 - D5)	25	2	9	18
Professional qualified (D1-D2)	45	5	13	37
Skilled (C1 - C5)	206	12	16	202
Semi-skilled (B1 - B5)	103	32	13	122
Unskilled (A1- A3)	11	11	2	20
<b>TOTAL</b>	<b>397</b>	<b>62</b>	<b>53</b>	<b>406</b>

## Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	0.24
Resignation	27	6.65
Dismissal	3	0.73
Retirement	1	0.24
Ill health	0	0
Expiry of contract	21	5.17
Other	0	0
<b>TOTAL</b>	<b>53</b>	<b>13.05</b>

## Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	2
Dismissal	3

## Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (E1 - E5)	3	3	0	0	0	1	1	1
Senior Management (D3 - D5)	9	9	0	1	2	2	0	1
Professional qualified (D1-D2)	21	21	1	1	3	0	0	0
Skilled (C1 - C5)	71	71	5	5	0	0	0	0
Semi-skilled (B1 - B5)	50	50	2	2	1	1	0	0
Unskilled (A1 - A3)	3	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>157</b>	<b>157</b>	<b>8</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>2</b>

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management (E1 - E5)	2	2	0	1	1	1	0	0
Senior Management (D3 - D5)	7	7	0	1	0	1	0	1
Professional qualified (D1-D2)	7	7	0	0	2	2	3	3
Skilled (C1 - C5)	113	113	13	0	0	0	0	0
Semi-skilled (B1 - B5)	63	63	6	6	0	0	0	0
Unskilled (A1 - A3)	17	17	0	0	0	0	0	0
<b>TOTAL</b>	<b>209</b>	<b>209</b>	<b>19</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management (E1 - E5)	0	0	0	0
Senior Management (D3 - D5)	0	1	0	1
Professional qualified (D1-D2)	4	0	0	1
Skilled (C1 - C5)	0	1	0	1
Semi-skilled (B1 - B5)	0	1	0	1
Unskilled (A1 - A3)	0	0	0	0
<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>4</b>





**BENEFICIARY STORIES**



# Inaugural South African Youth Award winner Lebogang is making a difference in the lives of abused women and children



Lebogang giving her acceptance speech at the Inaugural South African Youth Awards

**L**ebogang Bogopane, inaugural South African Youth Award winner, founded the Mothotlung Network, a Non-Government Organisation (NGO), for abused women and children after the rape of an 8-year old girl sparked an outcry in her community.

The inaugural South African Youth Awards were hosted by the National Youth Development Agency (NYDA) in July 2012 and aimed at acknowledging young people who had achieved against all odds and also youth who continue to give back to their communities.

Twenty-nine year old Bogopane, from the North West province, scooped the award for the Social Cohesion category, quit her job in retail in 2005 after an eight-year old girl was raped by five men and infected with HIV in her community.

"This cruel act served as a wakeup call to my community where people were very ignorant about dealing with issues of domestic violence, child abuse, child neglect and dysfunctional family units. Women and children who reported abuse often faced the challenge of having nowhere to go and had to resort to sleeping in police stations or public benches," she said.

Bogopane also described growing up in an abusive environment where her father was continuously abusive towards her, her siblings and her mother.

"In 2005 when I found out about the rape of the girl, I immediately quit my job as a retail manager as it gave me no fulfilment whatsoever and began working towards forming an NGO", she said.

Mothotlung Network accommodates and counsels victims of abuse; the NGO also runs various awareness and advocacy programmes focussed on abuse and drug awareness together with skills development initiatives for victims. They also plan to launch a bakery scheme which will be run by victims who will be paid stipends while all remaining funds will be generated back into the NGO.

In addition to these services the Mothotlung Network also runs workshops to educate farm workers on their rights and responsibilities as well as the basic conditions of employment with the main objective of empowering them. This service currently reaches 20 rural farms.

According to Bogopane, "Running an NGO is not easy as we have to rely on funding for sustainability and as the founder I am often viewed as a beggar or charity case."

Since accepting the South African Youth Award, Bogopane has received numerous requests nationally from people who want to form their own NGO's for abused women and children. She currently spends a great deal of her time travelling to the rural areas of South Africa and mentoring community members and start-up NGO's.

# 800 Limpopo youths trained in film production

In 2006 Motlalepula Matlhobogwane lost her parents. In 2010 she failed her matric. After enrolling for an IT course in a local college she had to drop out as she had run out of funds to continue her studies. This is all in the past now. The 20-year-old has been given a new lease in life.

For two weeks Motlalepula and 799 other young people were trained in Film Production. The project, a brainchild of the National Youth Development Agency (NYDA) and radio and television personality, AshifaShabba's Entertainment, saw these two entities together with their partners set up workshops and seminars in five Limpopo districts with the aim to skill young people to become part of the growing film industry.

"Through this programme, we aim to create young story tellers who will take our film industry to new heights. This is growing industry and as the NYDA we would have contributed to getting our youth to tell our untold stories. Who better to tell the South African story than an African child?" asked Steven Ngubeni, CEO of the NYDA. He added that the projects also relates to the NYDA's Education and Skills Development key performance area, where youth are empowered with the aim of improving their socio-economic wellbeing.

Participants of the Film Production Project were sourced in Mopani, Sekhukhune, Vhembe, Waterberg and Capricorn districts. They will receive theoretical and practical training to produce a total of 10 short films by the end of 10 weeks. These films will then be shown to communities in the province.

It took 10 weeks to conduct the training – each district had 160 participants attending the training. The young people were then required to produce two short-films. The 25 top performers, five from each district, would get a chance to showcase their films at the Polokwane International Film Festival which would take place in June. They would also get an opportunity to interact with and learn from industry experts.

Motlalepula's grandparents, who are also her legal guardians, were excited about the project, she says.

"They have been very supportive. I have hope that this opportunity will give me a better chance of getting a job. We've been dependent on my grandparent's pension all this time, it's time I give back to them," says Motlalepula.

Twenty-six year old Clifford Kgomo was also upbeat about the programme. The self-taught, part-time photographer was forced to abandon his Safety Management studies at a local university after a programme he was enrolled in was cancelled. He had been using a stipend he received from this project to fund his studies.

"I had to halt my studies and focus on taking photographs and videos in my community in order to help out at home. We survive on my father's disability grant. I'm hopeful that this will put me in a better position in the job market," Clifford says. The Film Project took place in April.





# Top accolade awarded to the first black female pilot in the South African Police Service

**R**efilwe Ledwaba, first black female pilot in the South African Police Service (SAPS) and founder of the South African Women in Aviation and Aerospace Industry (SAWIA), has young girls all across South Africa inspired to pursue careers in the aviation industry.

Ledwaba who took the Entrepreneurship Award in the 2012 Inaugural South African Youth Awards, hosted by the National Youth Development Agency (NYDA), noticed a need for mentorship and resources to encourage females to get involved in the aviation and aerospace industry.

She realised that empowerment of females needs to start at an early age; hence the introduction of Girl Fly Programme in Africa (GFPA); a SAWIA educational plan aimed at primary and high school students. The goal is to expose girls to careers in aviation while highlighting the achievements of women in aviation and space through a 5 day-long job shadowing programme within an aviation company.

“We have more girls now thinking about aviation as a viable career option, although the primary objective of SAWIA is the advancement of women in aviation, we acknowledge the importance of reaching and connecting males and females to opportunities which will ensure the South African aviation industry grows. A number of girls and boys that have gone through our programme and are currently studying aeronautical engineering or doing flight training,” she said.

According to the 33-year-old originally from Lenyenye, a township outside Tzaneen in Limpopo, she was never exposed to the viable career opportunities existing in aviation and aerospace, instead she was motivated to become a teacher or a nurse. She realised that females could be pilots at the age of 17, on a flight to Cape Town when she heard the female pilot make an announcement. In 1999, she completed a Biochemistry and Microbiology Degree (B.Sc) and later went on to train and work in the police service as a pilot, making her the first black South African woman to work as a helicopter pilot for the SAPS in 2005.

“Working as a helicopter pilot in the SAPS is an awesome job and best flying experience you can ever get. I would not really call it a job, more like a passion.

I get to fly and work with the community both of which I am passionate about. My job entails providing air support during policing operations aimed at the prevention and investigation of crime, as a quick response to crime callout, search and rescue, border patrols, illegal substance and stock theft operations,” said Ledwaba.

Ledwaba currently lives between Durban, where her air-base is located, and Johannesburg where the SAWIA head office is. She flies almost every day and her favourite helicopter is an AS 350 B3, a French made helicopter, known as the ‘squirrel’.



Refilwe Ledwaba in action

“The squirrel is [a] beautiful, versatile, powerful and appropriate for the work we do in the SAPS. I have also just started my revalidation on to aircrafts, having flown them a while ago, and am busy with multi-engine, IF CPL fixed wing license.”

When asked if she considers herself a junkie for speed or adventure, Ledwaba opted for adventure describing her recent bungee jump from Bloukrans Bridge, between the Eastern and Western Cape, as the craziest thing she has ever done.

Ledwaba names her mother as one of her role models, “to this day I don’t know how my mother managed to raise and educate seven children all by herself. She is an incredible woman, strong, fearless, resilient, humble and hard working. She is so oblivious to the fact that she is an amazing human being, never asking for recognition or even a thank you.”

She also admires Captain Margaret Viljoen, British Airways captain, whom she describes as the essence of what women are able to achieve given the opportunity.

She said that winning the NYDA’s South African Youth Award was an indescribable feeling as she was recognised for doing something she is so passionate about.

“My entrepreneurial spirit was ignited by a desire to give back to my community, without whom I would not be where I am today. Winning the South African Youth Award has also given SAWIA additional credibility, needed to propel the organisation to future growth and success,” she said.



NYDA and staff from the merSETA at the launch of the partnership in Ekangala, Mpumalanga.

## NYDA & merSETA forms a partnership to strengthen ties for youth development

The National Youth Development Agency (NYDA) and the Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) celebrated a partnership between the two organisations towards the end of 2012.

The partnership focuses on bringing Career Guidance services to youth across South Africa with the aim of assisting them in making informed career choices under the theme "Guided Growth". Ekangala Comprehensive School in Ekangala, Mpumalanga which is a technical school, hosted the launch as they were among the first schools to receive Career Guidance services from the partnership.

The merSETA has committed R4 million to the initiative while the NYDA is dedicated to providing administration, implementation, co-ordination, IT and communications services as well as project management of the programme.

According to the NYDA's Annual Report for 2011/2012, one-on-one career guidance was provided to 7125 young people while group career guidance

services were provided to 556 918 pupils in schools around South Africa. Furthermore, in August this year alone, over 9000 grade nine pupils in technical schools around Gauteng received free Career Guidance through a partnership between the NYDA, merSETA and the Gauteng Department of Education.

Mr Christo Basson, Education Training Quality Assurance Senior Manager of the merSETA, claims this partnership has made it possible to offer career guidance to youth by using simple tools administered by trained practitioners and teachers effectively.

In recognition of this crucial partnership, the NYDA CEO Steven Ngubeni said: "We at the NYDA applaud the merSETA for partnering with us in allowing for our career guidance offering to reach even more young people in the next financial year. It is critical for young people to make informed, accurate career decisions. The NYDA also encourages youth to visit our website and our branches to find out more about the Start Here Campaign which will take [took] place in February 2013."



# Young entrepreneurs benefit from business mentorship programme



2012 Yepstars after their return from the US

14 young South African entrepreneurs are back from a six-week business mentorship programme in the United States (US) that is designed to propel their businesses to success.

The young entrepreneurs were paired with seasoned US-based entrepreneurs who will continue to provide them with support in South Africa. The young entrepreneurs also benefited from in-classroom business theory training at Sierra Nevada College and Lake Tahoe Reno.

An initiative of the National Youth Development Agency (NYDA) in partnership with Evo Media and IBA-Global, the Young Entrepreneurship Programme's (YEP) six weeks mentorship in Lake Tahoe Reno, New York and California provides young entrepreneurs with exposure to mentors who share knowledge and provide business guidelines to help with business profitability and sustainability.

The businesses that benefited include a company that customizes rare vintage bicycles; a fashion label; a premier restaurant at Mandela Park township; a

company that collects, transports and disposes waste oil; a publishing and language agency and a company that manufactures handmade toxin free natural skin and hair care products.

The YEP, one of the initiatives that the NYDA is involved in to increase South Africa's entrepreneurship activity, is running for the third year. According to the Total Entrepreneurship Activity Index, South Africa's total entrepreneurship activity stands at 8.9% compared to Brazil at 17.5%, China at 14.4% and India at 12.1%.

The US-based mentors are expected to visit South Africa in August 2012 so that they can see first-hand how the young South African entrepreneurs have gone about implementing what they have learnt in the YEP and offer additional advice and assistance.



STATEMENT OF CORPORATE GOVERNANCE

# STATEMENT OF CORPORATE GOVERNANCE

31 March 2013

## Regulatory Environment and Statutory Compliance

The National Youth Development Agency is a public entity listed under Part A of Schedule 3 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA); and the National Youth Commission is a public entity listed under Part A of Schedule 3 of the PFMA, pursuant to Section 21(2) of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008, the NYDA Act), and is classified as a public entity listed under Part A of Schedule 3 of the PFMA.

The NYDA, being a public entity, is subject to the applicable provisions of the PFMA, among others, and has adopted the Protocol on Corporate Governance for the Public Sector, and has adopted and approved the materiality framework, as required in terms of Treasury Regulation 28.3. Furthermore, the NYDA is guided and governed by the provisions of the NYDA Act in its structure and operations. From its first year of operations, the NYDA has remained and recognises that Corporate Governance is an important element of management and operations of the Agency.

The Board established governance structures in line with the provisions of the NYDA Act to ensure that the NYDA meets the need for accountability, integrity and transparency. In developing these structures, the Board took cognisance of the work done by the former entities and, consequently, the policies, processes and governance structures within these entities formed the basis during the development of the Board, Board Committee Charters, and related policies and processes that would guide and govern the operations of the NYDA, in line with the provisions of the NYDA Act, to ensure that the NYDA continues to deliver services to the young people of South Africa.

The Board, Board Committee Charters and related policies and processes provide a comprehensive set of governance policy directives and guidelines to promote the highest standards of corporate governance within the NYDA, and the Board will continue to develop and improve its corporate governance practices to ensure that it meets with best practice. To ensure this, the NYDA continues to assess its compliance with good corporate governance practices. Where instances of non-compliance have been noted, the Board has duly implemented measures to address this non-compliance.

The process of the merger of the two erstwhile institutions was completed in the 2011/2012 financial year and, subsequently, a management structure has been put in place to ensure the provision of services to young people, as directed by the NYDA Act.

## Governance Principle

The Code of Conduct and Fraud Prevention Plan commit the NYDA's management and staff to the highest standard of ethical and professional behaviour, including a fundamental respect for the law, and require that all employees act in utmost good faith and integrity in all transactions and with all stakeholders with whom they interact.

Systems and procedures have been implemented to ensure that the Code of Conduct and Fraud Prevention Plan are communicated and adhered to by all employees and the Board. The Code of Conduct, together with the Human Resource Policy, clearly articulates how the provisions contained therein should be adhered to and dealt with in instances of non-compliance.

## Governance Structures

### Board of Directors

The NYDA is led and controlled by an effective and efficient unitary Board, comprising eight members, five independent non-executive directors, two executive directors, designated Chairperson and Deputy Chairperson, and the Chief Executive Officer as an ex officio Board member with no voting rights. The Board is appointed by the President of the Republic of South Africa on recommendation of Parliament, except for the Chief Executive Officer, who is appointed by the Board.

The NYDA reports to the Minister in The Presidency, Minister Collins Ohm Chabane, and, therefore, its Executive Authority.

In terms of Section 49 of the PFMA, the Board is the accounting authority of the NYDA and retains full and effective control over the NYDA. Its fiduciary and general responsibilities are listed in Section 50 of the PFMA, as well as those responsibilities which have been incorporated in its Charter.

The duties and responsibilities of the Board were determined primarily with reference to the Protocol on Corporate Governance for the Public Sector, the PFMA and the NYDA Act. These duties and responsibilities comprise, among others:

- Formulating corporate strategy and setting targets
- Approving budgets to procure the necessary resources to execute the corporate strategy
- Reviewing actual performance, in relation to targets
- Ensuring that risks arising from the execution of the strategy are effectively managed and controlled.

The Chief Executive Officer, who is appointed by the Board, together with his executive team (Operations Executive Committee), manages the day-to-day affairs of the NYDA and ensures that the Board's strategies, policies and resolutions are sustainably implemented and managed. The Board, in carrying out its tasks under its terms of reference, may obtain outside or other independent professional advice, as it considers necessary, to carry out its duties and responsibilities, at the NYDA's expense. Selection and appointment of professional advisors are in accordance with the NYDA's standard supply chain management policies and processes.

The Chief Executive Officer and his executive team provide the Board with the relevant information to assess the performance of the NYDA, in relation to approved targets, and meet with the Board, from time to time, to discuss performance and review corporate strategy, targets and budgets. The Board has unrestricted access to accurate, relevant and timely information.

The Board has been operating under the provisional arrangements and frameworks that were put in place when the NYDA was established. The process of incorporating the Board into the National Treasury's administration system for office bearers of statutory institutions is underway. The Board is currently going through a formal evaluation and the outcomes will assist in concluding and formalising the Board's terms and conditions for the Executive Board members, as well as other agreements between the Executive Authority and the NYDA Board.

The Executive Authority evaluates the mix of skills, experience and other relevant qualities inherent in the Board on an annual basis, in order to ensure that the Board is capable of discharging all its responsibilities towards the NYDA. The Executive Authority believes the Board is well constituted in this regard.

The Board has established its Committees, as required by the NYDA Act (except for the Development Committee and Executive Management Committee), to assist the Board in efficiently and effectively advancing the business of the Board, and to adequately and properly discharge the Directors' responsibilities. However, the Board remains accountable and responsible for the performance and affairs of the NYDA. The mandates of these Committees are contained in their respective Charters and are duly approved by the Board.

## The NYDA's Board

The NYDA's Board is assisted in discharging its duties by the following Committees:

- Audit Committee (established in terms of Section 77 of the PFMA)
- Human Resources and Remuneration Committee
- Credit, Risk and Investment Committee
- Executive Management Committee
- Development Committee.

A summary of the NYDA's Board and Board Committee structure is outlined below, as at 31 March 2013.



Name	Designation	Date appointed	Date resigned	Other Committees	No. of meetings
Mr Andile Lungisa	Executive Chairperson	01/05/09	30/04/12	Board	1
				Executive Management Committee	0
Mr Yershen Pillay	Deputy Executive Chairperson	01/05/09	30/04/12	Board	1
				Executive Management Committee	
Mr Mcebo Khumalo	Non-Executive Board Member	01/05/09	30/04/12	Board	1
				Development Committee	0
Ms Pholisa Makeleni	Non-Executive Board Member	01/05/09	30/04/12	Board	1
				HRM	0
Ms Innocentia Motau	Non-Executive Board Member	01/05/09	30/04/12	Board	1
				Investment Committee	1
				Audit Committee	0
Ms Maria Tshabalala	Non-Executive Board Member	01/05/09	30/04/12	Board	1
				Investment Committee	1
Mr François Slabber	Non-Executive Board Member	01/05/09	30/04/12	Board	1
				HRM	0
Mr Yershen Pillay	Board Executive Chairperson	22/03/13	N/A	Executive Management & Investment Committees	0
Mr Kenny Morolong	Deputy Executive Chairperson	22/03/13	N/A	Executive Management & Investment Committees	0
Mr Mothupi Modiba	Non-Executive Board Member	22/03/13	N/A	HR & Development Committees	0
Ms Ayanda Makaula	Non-Executive Board Member	22/03/13	N/A	Development Committee	0
Ms Nyalleng Potloane	Non-Executive Board Member	22/03/13	N/A	Social, Ethics Committee	0
Ms Maropene Ramagopa	Non-Executive Board Member	22/03/13	N/A	Investment & Social, Ethics Committees	0
Ms Zandile Majazi	Non-Executive Board Member	22/03/13	N/A	Audit and HR Committees	0

## Delegation of Authority

The ultimate responsibility for the NYDA's operations rests with the Board. The Board retains effective control through a well-developed governance structure of Board Committees which specialise in certain areas of the business. The Board of Directors delegates specific authorities to these committees and to the Chief Executive Officer. The Operations Executive Committee, which comprises the heads of each division of the NYDA, assists the Chief Executive Officer in discharging his duties and the duties of the Board, when it is not in session. However, certain responsibilities are still reserved by the Board. Delegating authorities to Board Committees or Management does not in any way mitigate or dissipate the Board's duties and responsibilities.

## Induction Programme

The Board, primarily the Board Chairperson, is responsible for ensuring that induction is provided to new Directors, and education and training is offered to existing directors, in order to improve and maintain the effectiveness of the entire Board. The Directors are informed of the NYDA's programmes and operations, senior management and the business environment, as well as the Directors fiduciary duties, responsibilities and expectations. The induction programme is reviewed from time to time to ensure its effectiveness when inducting new Board and Board Committee members.

## Secretary of the Board

The Board Secretary, who is appointed by and reports to the Board, ensures that the Board functions effectively. This is achieved by providing detailed guidance on the nature and extent of the Board, and individual Director duties and responsibilities. The Company Secretary is a central source of guidance and advice to the Board

on matters of business ethics and good governance. The Board Secretary also serves as secretary for the Board Committee. The performance of the Board Secretary is appraised in the same manner as the directors.

## Directors' Interest in Contracts

Every Board member is required to disclose their business interests in other listed and non-listed companies and entities in the Board Secretary's Register of Interests. Board members are prohibited from dealing in or owning shares, securities or similar interests in any of the NYDA's clients, agents or service providers. Except to the extent disclosed in these financial statements, none of the directors dealt in any shares, securities or similar interests in any of the NYDA's clients, agents or service providers.

## Board statutory committees

### Audit Committee

The National Youth Development Agency has had a constituted Audit Committee as from November 2012, comprising three members (a non-executive Board member and two independent members).

#### The Audit Committee is further responsible for ensuring the following:

- The NYDA's audit, financial and risk areas are adequately addressed
- Appropriate policies and internal control recommendations by internal audit and the Auditor General are implemented
- The annual financial statements and annual report have been properly prepared by management and reviewed by the Auditor-General, before recommendation to the Board of Directors for approval
- Periodic evaluation of the suitability and performance of auditors
- Review of policies and making recommendations to the Board for approval.

The independent specialists are remunerated based on the guidelines issued by the National Treasury, from time to time, for each meeting attended.

### Audit Committee Members and Meetings

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings
Ms Rachel Kalidas	CA (SA)	External		November 2012		3
Mr Tyron Tshitaudzi	Senior Certificate	External		November 2012		3
Ms Zandile Majoji	BBA (current)	Internal	Non-executive Board member	March 2013		0

### Credit, Risk and Investment Committee

The Committee is comprised of three members, two of which are non-executive and the Chief Executive Officer. Its purpose is to ensure that commitments which the NYDA seeks to make to projects are aligned with the objectives of the NYDA, and the Committee reviews the portfolio of loans and projects funded. It further considers for approval, projects recommended by the NYDA's Management Committee, where the NYDA would have a funding exposure to any particular project of between R10 million and R20 million. The Committee reports to the Board on a quarterly basis.

#### The Committee is further responsible for ensuring the following:

- Projects fit the detailed programme criteria established by the NYDA
- The NYDA does not have undue exposure to any particular project and/or service provider organisation
- Adequate controls and mitigating measures are in place for managing project risks which have been identified
- Recommendation of the approval of projects to the Board, in cases where any single commitment exceeds R20 million.

The full terms of reference of this Committee are contained in its Charter.

The Committee meets on a quarterly basis and when projects are recommended to it for approval. The Board reviews the mandate and powers of the Investment Committee on an annual basis, in order to ensure that the rules governing the Committee are still relevant and applicable.

## Details of attendance by members of the Committee for the period 1 April 2012 to 31 March 2013

Names of members	Meetings attended	Date appointed	Date resigned
Ms Innocentia Motau (Chairperson)	1	01/05/09	30/04/12
Ms Maria Tshabalala	1	01/05/09	30/04/12
Mr Steven Ngubeni	1		

## Human Resources and Remuneration Committee

The Committee is comprised of an independent specialist and four members, of which two are non-executive Directors. Its purpose is to provide advice and guidance to the Board on matters relating to human resources, which is considered vital to ensure that the NYDA subscribes to good and fair labour practices, and has the relevant human resources to achieve its mandate. The Committee reports to the Board on a quarterly basis.

### The Committee is further responsible for the following:

- Recommending all policies for conditions of employment of staff
- Determining all essential components of remuneration
- Establishing remuneration credibility with all key stakeholders
- Advising on effective retention strategies
- Determining the basis for measuring the performance of executive directors and senior management
- Recommending annual salary increments and rewards.

The Committee has access to independent surveys and consultants, in order to consider market-related remuneration and related benefits. The full terms of reference of this Committee are contained in its Charter, which was duly approved by the Board.

The Board reviews the mandate and powers of the Committee on an annual basis, in order to ensure that the rules governing the Committee are still relevant and applicable.

## Details of attendance by members of the Committee for the period 1 April 2012 to 31 March 2013

Names of members	Meetings attended	Date resigned
Ms Pholisa Makeleni (Chairperson)	0	30/04/12
Mr François Slabber	0	30/04/12
Mr Steven Ngubeni	0	
Ms Joy Ndlovu	0	

## Executive Management Committee

The Executive Management Committee is comprised of the Chairperson of the Board, Deputy Chairperson of the Board and the Chief Executive Officer.

### The Committee considers the following strategic issues:

- Monthly review and approval of the NYDA programme and financial performance
- Review and approval of all quarterly reports, prior to such reports being submitted to the Executive Authority
- Review of progress on the implementation of the Board's projects
- Review of progress on the implementation of strategic partnerships
- Identification and review of strategic risks as they arise
- Review of the minutes of all committees led by the CEO, excluding the Procurement Tender Committee

- Review of progress on the implementation of the NYDA communication strategy
- Prioritising the allocation of capital, and technical and human resources
- Attending to any other matters, as delegated by the Board.

## Details of attendance by members of the Committee for the period 1 April 2012 to 31 March 2013

Names of Members	Meetings attended	Date appointed	Date resigned
Mr Andile Lungisa (Chairperson)	0	01/05/09	30/04/12
Mr Yershen Pillay	0	01/05/09	30/04/12
Mr Steven Ngubeni	0		

## Development Committee

**The Development Committee is comprised of three members, two non-executive Directors and the Chief Executive Officer. The Committee reports to the Board on a quarterly basis.**

### The Committee is responsible for the following:

- Advising the Board on the way forward regarding programmes referred to the Board by the PAB
- Guiding the Board on defining the youth development interventions and programmes, as envisaged in Section 4 of the Act
- Providing guidance to the Board on issues to be included in conducting youth development research
- Providing guidance to the Board on issues that would ensure that youth development is included in national priorities and subsequent government programmes
- Providing guidance to the Board on issues that would ensure that youth interventions are in line with the IYDS
- Providing input to the Board on the review of the capacity of the NYDA to implement programmes.

The Board reviews the mandate and powers of the Committee on an annual basis, to ensure that the rules governing the Committee are still relevant and applicable.

## Details of attendance by members of the Committee for the period 1 April 2012 – 31 March 2013

Names of members	Meetings attended	Date appointed	Date resigned
Mr Mcebo Khumalo (Chairperson)	0/0	01/05/09	30/04/12
Ms Maria Shabalala	0/0	01/05/09	30/04/12
Mr Steven Ngubeni	0/0		

## Committees Led by the Chief Executive Officer

The following Committees, some of which are led by the Chief Executive Officer, have been delegated with the day-to-day operations and decisions of the NYDA.

- Operations Executive Committee
- Project and Programmes Approval Committee, previously known as the Management Committee
- Bid Adjudication Committee
- Skills Development and Employment Equity Committee
- Occupational Health and Safety Committee
- Loans Approval and Review Committee
- Micro and Small Loans Approval Committee
- Branch Loans Approval and Review Committee
- NYDA Bursary and Scholarship Committee
- NYDA Sponsorship and Donation Committee



## Operations Executive Committee

The Committee is responsible for strategic and operational matters, including the day-to-day management of the business of the NYDA, in terms of its delegated authority, approved by the Board of Directors. This Committee facilitates the effective control of all operational activities, acting as a medium of communication and coordination between the various business units, and the Board. It is also responsible for recommendations of policies and strategies to the Board, and monitoring their implementation, in line with the Board's mandate. This Committee meets once a month.

### Members of the Operations Executive Committee, as at 31 March 2013

Names of members	
Mr Steven Ngubeni (Chairperson)	Chief Executive Officer (CEO)
Ms Magdalene Moonsamy	Chief Operations Officer (COO)
Mr Khathutshelo Ramukumba	Chief Financial Officer (CFO)
Mr Daniel van Vuuren	Executive Manager: Service Delivery Channel
Mr Edgar Mahura	Chief Information Officer (Acting)
Ms Linda Dlova	Executive Manager: Communications
Mr Mzwabantu Ntlangeni	Acting Executive Manager: Corporate Partnerships
Ms Nthuseng Mphahlele	Executive Manager: NYS & Skills Development
Mr Siviwe Mkoka	Executive Manager: Research & Policy
Ms Tamari Mavasa	Executive Manager: Economic Development
Mr Vincent Mulaudzi	Executive Manager: Corporate Services

### The following managers have a standing invitation to attend Executive Committee meetings

Ms Teboho Sejane	General Manager: Corporate Strategy
Mr Sanjay Hargovan	General Manager: Risk and Internal Audit
Mr Clayton Peters	General Manager: Strategic Programmes

The Operations Executive Committee met 15 times during the year under review.

## Project and Programmes Approval Committee, previously known as the Management Committee

The Project and Programmes Approval Committee ensures that commitments which the NYDA seeks to make to projects are aligned with the objectives of the NYDA. It has decision-making authority, in respect of project grants with a value of less than R5 million.

The Projects and Programmes Approval Committee is responsible for ensuring the following:

- Projects submitted are aligned to the aims and objectives of the NYDA
- Projects comply with the detailed programme criteria established by the NYDA
- The NYDA does not have undue exposure to any particular project and/or service provider organization
- Adequate controls and mitigating measures are in place to manage risks which have been identified
- Recommending approval of projects to the Investment Committee, in cases where any single commitment exceeds R5 million.

The Projects and Programmes Approval Committee is comprised of the Chief Executive Officer, as the Chairperson, and Executive Managers.

The Projects and Programmes Approval Committee met nine times during the year under review to evaluate grant-funded programmes.

## Bid Adjudication Committee, previously known as the Procurement and Tender Committee

The objective of the Bid Adjudication Committee (BAC) is to ensure that goods and services are procured, in accordance with the procurement policy of the NYDA and the full terms of reference contained in its Charter, duly approved by the Board.

### The BAC is responsible for the following:

- The development and implementation of a sound and fair procurement policy, guided by the relevant regulatory framework
- The introduction of proper procedures, processes and systems to give effect to the procurement policy
- The adjudicating of bids.

The BAC was chaired by the Chief Executive Officer until September 2012, when the Supply Chain Policy was revised. It is now chaired by the Chief Financial Officer and the members are: the Chief Operations Officer; Executive Managers: Service Delivery Channel and Economic Development; the General Manager: Strategic Programmes in the CEO's Office and the Senior Manager: Procurement. The General Manager: Risk and Internal Audit has a standing invitation to the Committee meetings. The BAC members are appointed by the Chief Executive Officer, except for the CFO, whose membership is regulated.

Bid specification and bid evaluation committees are established with a limited mandate to support the BAC with procurement for programme or project-specific requirements. The effectiveness and compliance of procurement and tendering management are monitored through formal reporting by the Supply Chain Manager to this committee, which includes the achievement of best quality, cost-effectiveness, and optimum delivery of products and services to the NYDA, and its programmes. Emphasis on Black Economic Empowerment and Youth-Owned SMMEs is a key objective of the NYDA's preferential procurement strategy.

The Committee met 12 times during the year under review.

## Skills Development and Employment Equity Committee

The objective of the Skills Development and Employment Equity Committee (SDEEC) is to ensure that the NYDA complies with legislation relating to skills development and employment equity.

### The SDEEC is further responsible for the following:

- Monitoring implementation of the workplace skills plan and employment equity plan
- Making recommendations to the NYDA management, regarding skills development and training for all employees
- Ensuring that the principles which underpin skills development and employment are applied fairly to all employees of the NYDA.

The SDEEC is chaired by staff members appointed by the Executive Committee, and reports directly to the Chief Executive Officer. The Committee is comprised of 11 members who are representative of the demographics of the NYDA, in respect of gender, race, job level and disability.

The Committee met three times during the year under review.

## Occupational Health and Safety Committee

The objective of the Occupational Health and Safety Committee (OHSC) is to ensure that the NYDA complies with legislation relating to health and safety issues affecting employees. The NYDA has appropriate policies and practices in place to ensure compliance with the provisions of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), and the safety of all employees and contractors on the NYDA premises.

### The OHSC is responsible for the following:

- Ensuring that the NYDA adopts, maintains and applies appropriate health, safety and environment policies and procedures
- Ensuring that the NYDA maintains effective health, safety and environment-related internal control and risk management systems
- Ensuring that effect is given to the applicable legislation.

The OHSC is chaired by a senior staff member, appointed by and reporting directly to the Chief Executive Officer, in accordance with the provisions of the Act. The members are comprised of: the Executive Manager: Corporate Services (CEO's designate); the Manager: Facilities; an OHS representative; and a representative from the Risk Unit.

The Committee met twice during the year under review.

## Operational Project Committee

The Operational Project Committee is chaired by the Chief Operations Officer and the members are: Executive Managers: Service Delivery Channel, Corporate Services, and Communications; Senior Manager: ICT Projects; and Senior Manager: Finance. The General Manager: Risk and Internal Audit has a standing invitation to all committee meetings.

### Responsibilities of the Committee are as follows:

- Reviewing and recommending the project's business case, budget and functional specifications, and presenting these to the Operations Executive Committee
- Ensuring that all operations projects approved by the Operations Executive Committee and the NYDA Board are implemented on time and within budget
- Giving recommendations to the Operations Executive Committee on the establishment, dissolution and terms of reference of any subcommittees and task teams to be established, and monitoring their performance
- Reviewing and monitoring the implementation of projects throughout their implementation lifecycle through the Projects Status Report, submitted by the project managers
- Approving and ratifying any decision taken by its subcommittees and task teams
- Reviewing and recommending for approval to the Operations Executive Committee any request for change (RFC), with respect to the functional specifications, budgets and project plans of all projects being implemented, based on the delegation of authority policy
- Reporting on the status of projects and operations to the Operations Executive Committee.

## Loans Approval and Review Committee

The Loans Approval and Review Committee, referred to as LARCOM, is a Committee responsible for approving loans between R300 000 and R5 000 000. The Committee is chaired by the Chief Financial Officer, and the members are: Executive Managers: Corporate Services, and Economic Development; Senior Manager: Investments (Finance); and General Manager: Strategic Programmes (CEO's Office)

## Micro and Small Loans Approval Committee

The Micro and Small Loans Approval Committee (MSLAC) reviews and approves the investment scope, rationale and objectives, and takes into account the risks and impact the investment will have on the NYDA's strategic and mandated objectives. MSLAC is chaired by the Executive Manager: Economic Development, as delegated by the Chief Executive Officer, and is comprised of the following members: Senior Manager: Enterprise Finance; General Manager: Service Delivery Channel; and Senior Manager: Investment (Finance). The Risk Unit has a standing invitation to the Committee's meetings and has no vote.

MSLAC has the following mandate:

- Reviewing all submissions for compliance with policy, including adherence to the NYDA Micro Finance policy and the NYDA SME credit policy
- Approving investments over R50 000, but not exceeding R300 000, to new and existing recipients
- Establishing the best lending practices and functional standards.

## Branch Loans Approval and Review Committee

The Branch Loans Approval and Review Committee (BLARC) reviews and approves the investment scope, rationale and objectives, and takes into account the risks, and the impact the investment will have on the NYDA's strategic and mandated objectives. The BLARC is chaired by the Branch Manager and, in his absence, he may delegate to another committee member.

The Committee is comprised of the following members:

Branch Manager

Coordinator — Business Development Services

Coordinator — Enterprise Finance.

### The BLARC has the following mandate:

- Reviewing all submissions for compliance with policy, including adherence to the NYDA Micro Finance
- Approving loan requests of between R1 000 and R50 000
- Reviewing loans of between R50 000 and R100 000, which are forwarded to MSLAC for approval
- Should the exposure of the NYDA exceed R50 000 for a client, the loan will be approved by MSLAC, informing the best lending practices and functional standards
- Reviewing the portfolio of the branch and suggesting corrective actions.

## NYDA Bursary and Scholarship Committee

The purpose of the NYDA Bursary and Scholarship committee is to review bursary and scholarship applications and make recommendations to the CEO for approval. The Committee is chaired by the Executive Manager: National Youth Service and Skills Development. Members of the Committee are appointed by the Chief Executive Officer.

### Roles and Responsibilities of the Committee:

- Reviewing and recommending bursary and scholarship grants to young people to the CEO for approval
- Reviewing and monitoring the implementation of bursary and scholarship grants throughout their implementation lifecycle through the project's status report submitted by the project managers
- Making policy review recommendations based on the applications and conditions of young people.

## NYDA Sponsorship and Donations Committee

The Committee is chaired by the Senior Manager: Marketing and Branding, and in their absence, the Senior Manager: Communications (or a delegated member of the Committee) shall chair the meeting. Members of the Committee are comprised of the Senior Manager: Skills Development; and Senior Manager: Service Delivery Channel Communication Division will provide secretariat and administrative services to the Committee.

### Roles and Responsibilities of the Committee

- Reviewing and approving sponsorship and donation proposals on a monthly basis
- Identifying and reviewing potential projects for sponsorships
- Reviewing progress on implementation of the NYDA sponsorship and donations policy
- Prioritising the allocation of financial and human resources for sponsorship purposes
- Ensuring that the NYDA obtains the necessary mileage (media and otherwise) from its sponsored projects.

The Committee was not in place during the year under review.



# Risk Management

## Board Responsibility on Risk Management

The Board is responsible for the total process of risk management, which includes the system of internal control. It is responsible for ensuring that a risk assessment is undertaken at least on an annual basis, as well as that it regularly receives and reviews reports on the risk management process at appropriate intervals. Its responsibility further includes ensuring that proper processes and structures are in place for identifying, evaluating, mitigating and communicating the risks to which the NYDA is exposed, and further significant risks that affect decisions by stakeholders (including the shareholder) in their dealings with the NYDA. In order to effectively discharge these responsibilities, the Board has institutionalised several structures within the NYDA, including the Audit Committee, and it's in the process of setting up the Risk Management Committee, which will be a subcommittee of the Audit Committee. The Risk Management Committee is coordinated by the Risk Management Unit, in order to assist in the execution of the risk management process.

## Audit Committee Responsibility

The Audit Committee has the responsibility of assisting the Board in ensuring that all material risks to which the NYDA is exposed are properly managed. In this regard, the Audit Committee will work in close co-operation with the Risk Management Committee.

## Risk Management Responsibility

The NYDA's Risk Management Unit, reporting to the Office of the Chief Executive Officer, monitors the entire risk profile, ensuring that major risks are identified and reported, and provides and maintains the risk management infrastructure to assist management in fulfilling its responsibilities. The Risk Manager assists in the execution of the risk management process, but the primary responsibility still remains with the Board. The Risk Manager has a standing invitation to attend the Board Audit Committee.

The NYDA's approach to risk management is to identify as many of its business risks as possible, in order to formulate and implement policies to counter, manage, control, reduce or eliminate these risks. Risk policies are developed and reviewed from time to time to take account of new business imperatives.

The NYDA's policy on, approach to and management of risk are documented in the NYDA Risk Management Strategy and distinguish between the following identified areas of risk:

- Business and operational risks (corporate governance, sustainability, programmes, support)
- Credit and market risks
- Human Resources risks
- Information and technological risks
- Business continuity and disaster recovery
- Physical, health and safety risks
- Political, social and economic risks.

The NYDA views risk management as an ongoing process and, during the year under review, it continued to review its enterprise-wide risks, risk management policies and procedures at regular intervals, in order to ensure that its management of business risk is progressive and adjusted to changing circumstances.

## Internal controls

The NYDA's internal controls and systems are designed to provide cost-effective, reasonable, but not absolute, assurances as to the integrity and reliability of the annual financial statements, so that assets are adequately safeguarded against material loss or unauthorised loss, and transactions are properly authorised and recorded. Such controls are based on established written policies, procedures, structures and approval frameworks, which are monitored throughout the NYDA and are applied by trained, skilled personnel with appropriate segregation of duties through clearly defined lines of accountability and delegation of authority.

The control system includes comprehensive reporting of critical risk areas, which are identified by operational risk management and confirmed by management. Both management and internal auditors closely monitor the controls and ensure actions are taken to correct deficiencies as they are identified.

## Internal audit

Internal Audit is an integral part of the NYDA and is prescribed by the King II Report, the PFMA and the Protocol on Corporate Governance. Functionally, it reports to the Board Audit Committee and, administratively, to the Executive Management of the NYDA. Internal Audit operates under formal terms of reference, approved by the Board, and acts in accordance with the standards set by the Institute of Internal Auditors. Internal audit is aimed at providing reasonable assurance of the effectiveness of the NYDA's corporate governance, risk management processes and the system of internal control, and has been outsourced to an audit firm.

The internal auditors have unrestricted access to members of the Audit Committee and the Chairperson of the Board, and have a standing invitation to all Audit Committee meetings.

### **Internal Audit is further used as a tool by management for the following:**

- Assisting the NYDA to achieve its mandated objectives
- Recommending improvements to the NYDA's operations
- Mitigating losses, illegality and damage to reputation.

## Fraud prevention and whistle-blowing

Fraud, or fraudulent activities, in any form, as defined in the NYDA's Fraud Prevention and Whistle-blowing Policy, is not tolerated, and is investigated and followed up by the application of all remedies available within the full extent of the law.

The NYDA maintains a fraud/whistle-blowing hotline, which is outsourced to an independent external service provider. Employees, service providers and beneficiaries of the NYDA are encouraged to report any suspected fraudulent, corrupt or unethical activities. The policy enables the protection of those that report these offences within their rights as afforded by legislation, such as the Protected Disclosures Act, 2000 (Act No. 27 of 2000).

The Risk Management Unit follows up on every report received and updates the Audit Committee on the status or progress of reported incidents.

## Financial Intelligence Centre Act

The NYDA believes that it is fully compliant with the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001, FICA), and all employees receive compulsory training on the awareness and obligations of the NYDA, in respect of FICA, to support the international fight against money-laundering activities.

## Employment practices

The Board has managed the transfer of employees from the former UYF and the NYC, in line with the NYDA Act, and in compliance with Section 197 of the Labour Relations Act, 1995 (Act No. 66 of 1995). The Board has further adopted a new set of terms and conditions of employment that seek to achieve equity and parity within its employment practices, as well as policies that are designed to attract, motivate and retain relevant and quality human resources that would enable it to achieve its mandate.

## Communication and Corporate Affairs

The NYDA enters into dialogue with institutional stakeholders for constructive engagement, in order to form mutual partnerships to achieve the objectives of youth development. Due regard is taken of statutory, regulatory and other directives that regulate the dissemination of information by the NYDA's Directors and officials.

Executive Managers and officials of the NYDA are expected to take cognisance of the fact that society demands greater transparency, accessibility and accountability regarding reports and communication. As such, the NYDA makes every effort to ensure that information is readily available to its staff and is distributed to its stakeholders, including youth, via a broad range of communication channels, which include its internet portal ([www.youthportal.org.za](http://www.youthportal.org.za)), the NYDA call centre (08600 YOUTH), the national network of Youth Advisory Centres, Government Thusong Service Centres, constituency offices, its service providers and outreach events.

The NYDA is in the process of developing a Manual of Information, as required by the Promotion of Access to Information Act, which will be available on the NYDA website.

## **National Credit Act**

The NYDA is registered, in terms of the National Credit Act (NCA), as a credit provider, and has implemented relevant processes, in order to ensure that it complies with the relevant provisions of the Act.



**ANNUAL FINANCIAL STATEMENTS**



# Accounting Authority's Responsibilities and Approval

The National Youth Development Agency (NYDA) was established by the National Youth Development Agency Act, 2008 (Act No. 54 of 2008 NYDA Act) through the merger of the National Youth Commission (NYC) and the Umsobomvu Youth Fund (UYF). The merger was pursuant to Section 21(2) of the NYDA Act, effective from 1 October 2009. This report and the accompanying financial statements cover the period 1 April 2012 to 31 March 2013.

The term of the previous Board expired on 30 April 2012 and the Chief Executive Officer was appointed by the Presidency as the acting Accounting Authority. The appointment of the new Board was concluded by the Presidency in March 2013 and new Board members commenced their duties on 22 March 2013.

The Accounting Authority is required by the Public Finance Management Act No. 1 of 1999 (PFMA), as amended, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the NYDA as at the end of the financial period, and the results of its operations and cash flows for the period then ended, in conformity with Standards of Generally Recognised Accounting Practice (Standards of GRAP), and directives and guidelines issued by the Accounting Standards Board (ASB) from time to time. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with Standards of GRAP, including any interpretations, guidelines and directives issued by the ASB. These annual financial statements are based upon appropriate accounting policies which were consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the NYDA, and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the authority sets standards for internal control, aimed at reducing the risk of errors in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties, to ensure an acceptable level of risk. These controls are monitored throughout the NYDA and all employees are required to maintain the highest ethical standards in ensuring that the NYDA's business is conducted in a manner that is above reproach, in all reasonable circumstances.

The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risks across the NYDA. While operating risk cannot be fully eliminated, the NYDA endeavours to minimise risk by ensuring the appropriate management and application of infrastructure, controls, systems and ethical behaviour, within predetermined procedures and constraints.

The Accounting Authority was of the opinion that the system of internal control provided reasonable assurance that the financial records were reliable for the preparation of these annual financial statements based on the report of the Audit Committee. However, any system of internal control can only provide reasonable, and not absolute assurance against material misstatement or loss. The annual financial statements for the year ended 31 March 2013, which were prepared on a going concern basis, were approved by the Accounting Authority and were signed on its behalf by:



**Mr Khathutshelo Ramukumba**  
Chief Financial Officer

31 July 2013



**Mr Yershen Pillay**  
Chairperson

31 July 2013

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL YOUTH DEVELOPMENT AGENCY

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the National Youth Development Agency (NYDA) set out on pages 95 to 146, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget information with the actual information for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 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.

### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.
4. 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.

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

### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Youth Development Agency as at 31 March 2013 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice and the requirements of the PFMA.

### Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Material impairments

8. As disclosed in note 19 to the financial statements, material impairments to the amount of R31 571 000 (2012: R18 957 000) were incurred in the current year as a result of the impairment of loans advanced by the NYDA. At 31 March 2013 of the total gross loans receivable of R212 220 000, (2012: R192 894 000) had been impaired as the recoverability of these loans are doubtful.

## Report on other legal and regulatory requirements

9. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the report on predetermined objectives of the NYDA for the year ended 31 March 2013 as set out on pages 20 to 30 of the annual report.
11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable, and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

12. There were no material findings on the report on predetermined objectives concerning the usefulness and reliability of the information.

### Compliance with laws and regulations

13. I performed procedures to obtain evidence that the NYDA has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

### Annual financial statements

14. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 55(1)(b) of the PFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and irregular expenditure identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

### Expenditure management

15. The accounting authority did not take effective steps to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 51(1)(b)(ii) of the PFMA.
16. Effective and appropriate disciplinary steps were not taken against officials who incurred and/or permitted irregular expenditure and fruitless and wasteful expenditure, as required by section 51(1)(e)(iii) of the PFMA.

### Revenue management

17. The accounting authority did not take effective and appropriate steps to collect all money due, as required by section 51(1)(b)(i) of the PFMA and TR 31.1.2(a) and 31.1.2(e)

### Procurement and contract management

18. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1 read with National Treasury Practice Note 8 of 2007-08. Deviations were approved by the accounting authority even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4.
19. Contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of Treasury Regulations 16A6.3(b) and the Preferential Procurement Regulations.
20. Contracts were awarded to bidders who did not submit a declaration of past supply chain practices such as fraud, abuse of SCM system and non-performance, which is prescribed in order to comply with Treasury regulation 16A9.2

### Compliance with the National Credit Act

21. The NYDA, registered in terms of the National Credit Act, 2005, (Act no.34 of 2005) (NCA), as a credit provider, did not submit its annual report to the National Credit Regulator (NCR) by the deadline stipulated by the NCR, thus not complying with the requirements of section 52(5)(f) of the NCA.

### Internal control

22. I considered internal control relevant to my audit of the financial statements, the report on predetermined objectives and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

### Leadership

23. The leadership did not exercise adequate oversight responsibility regarding financial reporting and compliance with laws and regulations.

### Financial and performance management

24. Management did not monitor the controls designed to ensure accurate and complete financial statements, and compliance with laws and regulations.

## Other reports

### Agreed-upon procedures engagements

25. I issued a factual findings report on 12 October 2012, following an agreed-upon procedures engagement. I was engaged by the NYDA to conduct procedures relating to their compliance with regulation 68 of the regulations to the National Credit Act, 2006 ("the regulations"). My report covered the period 1 April 2011 to 31 March 2012 and was issued to the NYDA and the National Credit Regulator.

### Investigations

26. Investigations were conducted into the awarding of loans in the previous Umsobomvu Youth Fund loan book. The investigation focused on potential fraud with regard to the employment of funds by the loan recipient. The investigation has been concluded internally and has been handed over to the relevant law enforcement agencies.

27. An investigation by the Public Protector to probe whether the hosting of the World Festival of Youth and Students held in December 2010 was within the NYDA's mandate, if the allocated funds were not misappropriated and whether the relevant supply chain management prescripts were followed, continued during this financial year. The initial scope of this investigation has been extended during this financial year to include queries regarding salary structures and travel and subsistence allowances, as well as the execution of the legislative mandate by the NYDA, including objectives, duties and functions.
28. A review is being conducted with regard to the awarding of contracts related to significant projects of the entity. The review aims to establish whether the awarding of the contracts were within the relevant supply chain management prescripts and whether there may have been fraudulent activities in respect of such awards.



31 July 2013

Pretoria



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



# Audit Committee Report

The committee is pleased to present its final annual report for the financial year ending 31 March 2013.

This report is presented in accordance with the requirements of the Public Finance Management Act No. 1 of 1999, as amended and the recommendations contained in the third King Report on Governance for South Africa and the King Code of Governance Principles (King III).

## Audit Committee members and attendance

The National Youth Development Agency has had a constituted Audit Committee as from November 2012, comprising three members (a non-executive Board member and two independent members).

During the current financial year, three audit committee meetings were held. Interactive meetings are held between the chairperson and management as the need arises. The meeting attendance details during the 2012/2013 financial year were as follows:

Name of member	Number of meetings attended
Ms Rachel Kalidass (Independent non-executive chairperson appointed November 2012)	3
Mr Tayron Tshitauzi (Independent non-executive member appointed November 2012)	3
Ms Zandile Majozi (Non-executive member of board - appointed March 2013)	0

## Audit Committee responsibility

We report that we have adopted appropriate formal terms of reference in our Charter in line with the requirements of Section 38(1) of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

## The effectiveness of internal control

The system of internal controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The system of internal control applied by the NYDA over financial and risk management is partially effective, efficient and transparent.

In accordance with the PFMA and the King III Report on Corporate Governance requirements, internal audit provided the audit committee and management with assurance that the internal controls are appropriate and effective.

This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the internal controls and processes. From the various reports of the internal auditors, the audit report on the annual financial statements and the management letter of the Auditor-General, it was noted that there has been a significant improvement since the previous financial year. This could be demonstrated by the strides made by management and the Board in reducing the extent of non-compliance to laws and regulations, in particular, irregular expenditure.

However, the committee remains concerned about the progress on the implementation of management actions to address audit findings, irregularities and reputational risks associated with the Agency.

Accordingly, we can report that the general system of internal control for the period under review was partially effective and efficient.

# Audit Committee Report

## The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA and Division of Revenue Act

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the NYDA during the year under review, which significantly improved from the previous financial year.

The audit committee will monitor the processes and procedures designed and implemented to ensure that there is consistency and further improvement in the quality of performance information for the forthcoming financial year and achievement of all planned targets.

### Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the Annual Report, with the Auditor-General and the Accounting Authority
- reviewed the Auditor-General of South Africa's management report and management's response thereto
- reviewed the Agency's compliance with legal and regulatory provisions
- reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited financial statements should be accepted was together with the report of the Auditor-General of South Africa.

### Internal audit

We are satisfied that the internal audit function is operating effectively, despite the limited resource allocation, and that it has addressed the risks pertinent to the NYDA in its audit. Auditing firm SAB&T has been appointed as the co-sourced internal auditors during the year under review.

### Auditor-General of South Africa

We have met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

### Conclusion

The audit committee received a number of allegations through the whistle-blowing hotline. These were referred to internal audit to determine their validity thereof

We would like to extend our appreciation to the Accounting Authority, management, and internal and external auditors for their tireless efforts in supporting and co-operating with us during the year. We look forward to an improved audit outcome in the 2013/2014 financial year.



Ms Rachel Kalidass  
Chairperson of the Audit Committee  
31 July 2013

# Accounting Authority's Report

The Accounting Authority of the National Youth Development Agency is pleased to submit its report, together with the NYDA's annual financial statements for the year ended 31 March 2013.

## 1. Establishment, mandate and operations of the NYDA

The NYDA was established by the South African Government through the NYDA Act. This Act, in particular Section 21(2), made provision for the merger between the UYF and the NYC, to form the NYDA. It is classified as a national public entity under Part A of Schedule 3 of the PFMA, as amended. The NYDA's mandate is to lobby and advocate for integration and mainstreaming of youth development in all spheres of government, the private sector and civil society. The mandate also includes initiating, implementing, facilitating and coordinating youth development programmes as well as monitoring and evaluating youth development interventions across the board, and mobilising for active youth participation in civil society engagements.

## 2. NYDA and Corporate Governance

The Accounting Authority established its governance structures, as stipulated in the NYDA Act. The Board established its board committees which are supported by the related charters that govern their activities. The Board also developed a draft Corporate Governance Manual, informed by the Protocol on Corporate Governance for the Public Sector and the King III Report on Corporate Governance, which once approved will provide a comprehensive set of governance and policy directives, and guidelines to promote the highest standards of corporate governance within the NYDA. The Corporate Governance Manual will be adopted during the 2013/2014 financial year.

In line with the NYDA mandate, as articulated in the NYDA Act, the Board adopted 10 key performance areas (KPA's) which it believes adequately responds to the mandate of the NYDA. In the performance report for the period under review, these KPA's are outlined in detail and performance against predetermined objectives/goals are presented.

## 3. Review of financial results and activities

The review of the financial results and activities of the NYDA is contained in the reports of the Accounting Authority, Chief Executive Officer and annual financial statements. The financial results and position of the NYDA for the period under review are set out on pages 54 to 115.

The salient results of youth development funding are as follows:

	31 March 2013	31 March 2012
	R'000	R'000
<b>Disbursements</b>		
Project disbursements	245 830	218 302
Investment in Small and Medium Enterprises	4 756	5 074
Micro Finance Loans and Co-operatives	22 507	11 943
<b>Amounts Disbursed</b>	<b>273 093</b>	<b>235 319</b>

## Capitalisation and going concern

Through the Medium-term Expenditure Framework process, the NYDA was capitalised by R376 million for the year ending 31 March 2013. Furthermore, the NYDA was recapitalised through the 2013 Medium-term Expenditure Framework (MTEF) by R1.2 billion, over the MTEF period, with R393 million for the financial year 2013/2014. This allocation was against a request of R3.4 billion required by the NYDA over the same MTEF period in order to meet the demands and expectations of young people within the mandate as provided for by the NYDA Act. The R1.2 billion allocation over the MTEF period as referred to above is after National Treasury reduced the NYDA's allocation in the same MTEF period by R25 million which was taken from the NYDA to fund the Presidential Infrastructure Co-ordinating Committee financial requirements for its infrastructure development programme. This funding allocation which is below what is required to meet the mandate of the Agency as provided for by the Act has, and will continue to adversely impact service delivery for young South Africans, until such time that it is adequately addressed.

However, the Accounting Authority has noted the continuous demonstration by the South African government towards the youth of the country and is therefore confident that this challenge of an underfunded mandate will be overcome in the immediate future.

The Accounting Authority made an assessment of the NYDA's ability to continue as a going concern, and is satisfied that the NYDA has adequate resources and measures in place to continue operating as a going concern in the next 12 months, after the approval of the annual financial statements. At the time of making the assessment, the Accounting Authority was not aware of any intention by the government to either liquidate or curtail the operations of the NYDA in the next 12 months. Consequently, the NYDA has adopted its viability as a going concern as the basis for the preparation of these financial statements.

## 6. Significant matters

### Impairment of financial assets

The Accounting Authority has noted the continuous significant amounts allocated to the provision for impairment in the current financial year as in previous financial years. The Accounting Authority noted that key contributors amongst others are:

- The current economic conditions characterised by the slow recovery of the global economy and recessions experienced in Europe
- Lack of confidence by the markets on the abilities of youth-owned enterprises to deliver the right quality and quantity timeously
- Most importantly, in South Africa which is a developing economy, that many young people who apply for enterprise funding are not necessarily individuals with the passion for entrepreneurship, but do so in order to give entrepreneurship a try as an alternative to employment since they cannot find employment which is their first option in pursuit of a better life.

The Accounting Authority has also noted that some young people have the means to repay their loans, but deliberately do not honour their commitment. These young people are being taken to court in an endeavour to recover these loan advances. The Accounting Authority continues to implement measures to ensure that defaulters pay the NYDA which includes amongst others, rescheduling of the loan terms, assisting their business with market linkages, providing mentorship and the provision of the relevant NYDA voucher services in line with business requirements to enable greater success.

### Irregular expenditure

The Accounting Authority has noted a significant improvement in the reduction of irregular expenditure which dropped from R133 million reported in the 2011/2012 financial year to the current year's R62 million. This is a 53% reduction (improvement) from the previous financial year. While the Accounting Authority is pleased with this significant progress, it continues to implement measures aimed at total prevention of any irregular expenditure. The NYDA has implemented the following interventions to avoid irregular expenditure:

- The introduction of a checklist process where all procurement is verified by Supply Chain Management on compliance before service providers are engaged
- The appointment of travel and accommodation service providers through a tender process
- All service providers on the database and new ones were required to submit valid tax clearance certificates
- The template for requesting quotations has been updated to include the evaluation method, i.e 80/20. Quotations are now filed properly by SCM and on the purchase order system
- Suppliers on the database have been requested to submit Supplier Database forms.

### Financial performance

The Accounting Authority noted that the Agency has reported a deficit of R41 million for the period under review. The key contributor is the late receipt of the last tranche in the 2011/2012 financial year from the Presidency. This delayed the implementation of programmes that were earmarked to commence in the last quarter of that financial period. Accordingly, in line with the provisions of the PFMA, the NYDA applied to National Treasury for a roll forward of those funds to the 2012/2013 financial year. Approval was granted by National Treasury resulting in the funds being spent in the 2012/2013 financial year.

In addition, the last tranche received by the NYDA from the Presidency in the 2011/2012 financial year had a shortfall of R9.8 million. The roll forward of these funds was also applied for and approved by National Treasury.

The following projects were implemented in the current financial year utilising roll over funds:

- Advertising and Public Relations at R20.4million



- SME loans of R632 000
- Ithubalentsha Micro-Finance Programmes that include airtime distribution of R2 million, DJ and music production with Madlosi Entertainment cc to the value of R26.8 million and a voucher programme with A1 Chemicals to the value of R4.7 million
- National Youth Service Monyetla Internship Programme of R9.6 million
- Waterberg Further Education and Training Youth Build Programme of R1.7 million
- Ivory Park Youth Build programme of R324 000
- Bophelo Impilo Campaign of R206 000
- Curriculum development of R210 000
- National Youth Service Technical Assistance Programme of R310 000
- Community Enterprise Development Officer Programme of R270 000
- Promotion of volunteerism at R80 000.

## Board

The members of the NYDA Board of Directors for the period 1 April 2012 to 30 April 2012 were as follows:

<b>Executive Directors</b>	
Mr Andile Lungisa	Chairperson of the Board
Mr Yershen Pillay	Deputy Chairperson of the Board
<b>Non-executive Directors</b>	
Mr Mcebo Khumalo	
Ms Maria Tshabalala	
Ms Innocentia Motau	
Mr Francois Slabber	
Ms Pholisa Makeleni	
<b>Ex Officio</b>	
Mr Steven Ngubeni	Chief Executive Officer

The term of this Board expired on 30 April 2012. The appointment of a new Board was concluded on 22 March 2013.

Between the period 01 May 2012 and 22 March 2013, the Minister responsible for the NYDA by delegation of the President of the Republic, the Honourable Mr Ohm Collins Chabane, appointed the Chief Executive Officer to be the acting Accounting Authority.

Following the official appointment of the new Board on 22 March 2013, the Board of the NYDA was made up of the following members, between 22 March 2013 and 31 March 2013

<b>Executive Directors</b>	
Mr Yershen Pillay	Chairperson of the Board
Mr Kenny Morolong	Deputy Chairperson of the Board
<b>Non-executive Directors</b>	
Ms Ayanda Makaula	
Ms Maropene Ramokgopa	
Mr Mothupi Modiba	
Ms Nyalleng Potloane	
Ms Zandile Majozi	
<b>Ex Officio</b>	
Mr Steven Ngubeni	Chief Executive Officer

The Chief Executive Officer is an ex officio member of the board without voting rights. Remuneration of the board and senior management is set out in note 26.

## Subsequent events

The Accounting Authority is not aware of any matter or circumstances arising between 31 March 2013 and the date of this report, not dealt with in the annual financial statements, which would significantly affect the operations of the NYDA. The following events took place after the balance sheet date, which do not affect the operations of the NYDA and are sufficiently dealt with in the annual financial statements:

- The NYDA's Chief Executive Officer, Steven Ngubeni was suspended on 24 July 2013, after a review was conducted into the awarding of contracts relating to significant projects during the financial year.
- The NYDA's assets held for sale as presented in the annual financial statements are currently being disposed of in line with the PFMA, with the disposal process having been initiated in April 2013.
- The NYDA Board has taken a decision to discontinue loan financing as a means of supporting young entrepreneurs and replaced it with micro-grant funding for young entrepreneurs limited to R 100 000 per transaction (refer to note 32: Events after the reporting date).
- The NYDA Board has taken a strategic shift in terms of interventions of the NYDA in the lives of young people by reducing the key performance areas to only five and reducing key performance indicators to only 27, with a special focus on Education and Skills Development.
- The Board has established a Social Ethics Committee which will focus on the promotion of ethical behaviour within the organisation and implement corrective actions where non-compliance occurs.

## 8. Bankers

Standard Bank of South Africa Limited  
Absa Bank Limited

## 9. Auditors

Auditor-General of South Africa

## 10. Company Secretary

Mr Neo Eugene Chuene

The annual financial statements for the year ended 31 March 2013, as set out on pages 54 to 115, which have been prepared on the going concern basis, were approved by the Accounting Authority and signed on its behalf by:



**Mr Khathutshelo Ramukumba**  
**Chief Financial Officer**  
**31 July 2013**



**Mr Yershen Pillay**  
**Chairperson**  
**31 July 2013**

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note(s)	2013 R '000	2012 R '000
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	2	7 786	15 116
Cash and cash equivalents	3	75 079	99 147
Loans receivable from exchange transactions	7	7 410	11 317
		<b>90 275</b>	<b>125 580</b>
<b>Non-Current Assets</b>			
Equipment	4	15 480	18 084
Intangible assets	5	9 536	10 062
Investments in associates	6	2 119	4 501
Loans receivable from exchange transactions	7	11 916	15 902
Rental deposits		995	1 127
		<b>40 046</b>	<b>49 676</b>
<b>Total Assets</b>		<b>130 321</b>	<b>175 256</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	8	891	175
Trade and other payables from exchange transactions	9	41 501	51 312
Employee cost accruals	10	15 556	15 507
Deferred income	11	6 042	1 778
		<b>63 990</b>	<b>68 772</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	8	1 190	184
<b>Total Liabilities</b>		<b>(65 180)</b>	<b>(68 956)</b>
<b>Net Assets</b>		<b>65 141</b>	<b>106 300</b>
<b>Net Assets Reserves</b>			
Accumulated reserves		106 300	80 223
(Deficit)/Surplus for the year		(41 159)	26 077
		<b>65 141</b>	<b>106 300</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2013 R '000	2012 R '000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Interest income	13	22 006	24 205
Other income	14	1 954	3 309
Fair value adjustments	15	439	432
Bad debts recovered		4	8
Gains on disposal of assets		-	95
<b>Revenue from non-exchange transactions</b>			
Donor-funding income		6 710	274
Grant income - Office of the Presidency		376 010	384 564
World Festival of Youth and Students Sponsorship	22	-	16 000
		<b>407 123</b>	<b>428 887</b>
<b>Expenses</b>			
Operating expenses	16 - 20	(195 050)	(182 850)
Donor-funding disbursements		(6 710)	(274)
Finance costs		(675)	(41)
Project disbursements	21	(245 830)	(218 302)
World Festival of Youth and Students expenses	22	-	(1 343)
Loss on disposal of assets		(17)	-
		<b>(448 282)</b>	<b>(402 810)</b>
<b>(Deficit)/Surplus</b>		<b>(41 159)</b>	<b>26 077</b>



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus R '000	Total net assets R '000
<b>Balance at 31 March 2011</b>	<b>80 223</b>	<b>80 223</b>
Surplus for the year	26 077	26 077
<b>Balance at 31 March 2012</b>	<b>106 300</b>	<b>106 300</b>
Changes in net assets		
Deficit for the year	(41 159)	(41 159)
<b>Total changes</b>	<b>(41 159)</b>	<b>(41 159)</b>
<b>Balance at 31 March 2013</b>	<b>65 141</b>	<b>65 141</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## CASH FLOW STATEMENT

	Note(s)	2013 R '000	2012 R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants received		385 843	374 722
Interest income		5 868	8 565
World Festival of Youth and Students Sponsorship		-	16 000
Other receipts	14	1 954	3 309
Bad debts recovered		4	8
Loan-capital repayments received		18 253	21 417
		<b>411 922</b>	<b>424 021</b>
<b>Payments</b>			
Employee costs		(162 209)	(151 666)
Suppliers		(243 834)	(217 889)
Changes in working capital		(1 619)	23 405
Loans disbursed		(27 263)	(17 017)
		(434 925)	(363 167)
<b>Net cash flows from operating activities</b>	<b>23</b>	<b>(23 003)</b>	<b>60 854</b>
<b>Cash flows from investing activities</b>			
Purchase of equipment	24	(2 434)	(3 874)
Proceeds from disposal of equipment		76	178
Purchase of intangible assets	5	(1 050)	(1 505)
Repayments received from investment in associates		2 821	2 916
<b>Net cash flows from investing activities</b>		<b>(587)</b>	<b>(2 285)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(478)	(184)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(24 068)</b>	<b>58 385</b>
Cash and cash equivalents at the beginning of the year		99 147	40 762
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>75 079</b>	<b>99 147</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R '000	R '000	R '000	R '000	R '000
National Government Grant	376 010	-	376 010	376 010	-
Fair value adjustment	-	-	-	439	(439)
Interest income	4 200	-	4 200	22 006	(17 806)
Other income	-	-	-	1 954	(1 954)
Bad debt recovered - micro finance loans	-	-	-	4	(4)
Donor-funded income	-	-	-	6 710	(6 710)
<b>Total income</b>	<b>380 210</b>	<b>-</b>	<b>380 210</b>	<b>407 123</b>	<b>(26 913)</b>
Administration and overheads	25 174	-	25 174	19 349	5 825
Communication and PR	18 000	20 371	38 371	33 731	4 640
Employee costs	177 742	-	177 742	162 258	15 484
Information technology	15 417	-	15 417	19 152	(3 735)
Outsourcing and external services	9 393	-	9 393	9 032	361
Seminars and training	6 114	-	6 114	3 146	2 968
Travel and accommodation	8 177	-	8 177	12 043	(3 866)
Interest paid	-	-	-	675	(675)
Project disbursements (excluding payroll)	120 193	26 448	146 641	147 781	(1 140)
Impairment and write-off	-	-	-	34 388	(34 388)
Donor-funded expenditure	-	-	-	6 710	(6 710)
Loss on disposal of assets	-	-	-	17	(17)
<b>Total expenditure</b>	<b>380 210</b>	<b>46 819</b>	<b>427 029</b>	<b>448 282</b>	<b>(21 253)</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## ACCOUNTING POLICIES

### 1. Basis of preparation

The NYDA was established by the South African Government through the National Youth Development Agency Act, 2008 Act, (No. 54 of 2008). This Act, in particular Section 21(2), made provision for the merger between the Umsobomvu Youth Fund and the National Youth Commission, to form the NYDA. It is classified as a National Public Entity under Part A of Schedule 3 of the Public Finance Management Act of South Africa, 1999(Act No. 1 of 1999 )as amended.

#### Statement of compliance:

The annual financial statements were prepared in accordance with the Standards of Generally Recognised Accounting Practice, including any interpretations, guidelines and directives issued by the Accounting Standards Board.

#### Basis of measurement:

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless otherwise specified. The NYDA's functional currency is the South African Rand and the annual financial statements are presented in South African Rand.

Assets, liabilities, revenues and expenses have not been offset, except where offsetting is required, or permitted, by a Standard of GRAP.

#### Standards not yet effective:

The following Standards of GRAP have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The NYDA has not early-adopted any of these new Standards or amendments thereto. The following standards are not yet effective and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already applied by the NYDA.

- GRAP 25 - Employee Benefits

The following approved Standards and Interpretations of GRAP, which are not yet effective, are not likely to significantly affect the value of items recognised in the annual financial statements when they are adopted:

- IGRAP 7 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction
- GRAP 18 - Segment Reporting
- GRAP 20 - Related Party Disclosures
- GRAP 105 - Transfers of Functions between Entities Under Common Control
- GRAP 106 - Transfers of Functions Between Entities Not Under Common Control
- GRAP 107 - Mergers

### 1.1 Significant estimates, assumptions and judgements

The key assumptions concerning the future and other key sources of estimations, and uncertainty at reporting date, which hold a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

---

## ACCOUNTING POLICIES

### Financial assets and liabilities

Management makes assumptions when determining the fair value of investments in associates. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arms-length transaction. The NYDA uses the discounted free cash-flow valuation technique or net asset value as the primary basis of valuing investment in associates. The NYDA uses discount rates of 20-40% to discount estimated future cash flows. Where reliable information necessary for the application of the discounted free cash flow valuation technique is not available, the investments are carried at cost. In circumstances where the NYDA makes a loan to an associate and such a loan is impaired, this will be regarded as an impairment indicator of the investment. The NYDA does not have any financial instruments which are actively traded in the financial markets.

### Determination of recoverable amount and impairment of non-financial assets

Where impairment indicators exist, the determination of the recoverable amount of non-financial assets requires management to make assumptions to determine the recoverable amount. On each reporting date, the NYDA assesses whether there is an indication that an asset may be impaired. If any such indication exists, the NYDA estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's fair value less costs to sell and its value in use, and is determined for an individual asset. If the asset cannot be assessed individually, it will be assessed as part of a cash-generating unit (CGU). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### Determination of recoverable amount and impairment of financial assets

Where impairment indicators exist, the determination of the recoverable amount of financial assets requires management to make assumptions to determine the recoverable amount. On each reporting date, the NYDA assesses whether a financial asset is impaired. Individual financial assets are reviewed for any indicators of impairment. If there is objective evidence that an impairment loss on a financial asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate (the effective interest rate computed at initial recognition). When an amount is outstanding in excess of 90 days, this is considered by management as objective evidence that an impairment loss has occurred. However, there may be other objective evidence, either indicating or not indicating impairment, which management considers when assessing a financial asset.

### Equipment

#### Depreciation and carrying value of equipment

Residual values are determined with reference to the net realisable value obtained at the end of the asset's useful life. The estimation of useful lives and residual values of assets is based on management's judgement. Any material adjustments to the estimated remaining useful life and residual value of assets will have an impact on the carrying value of those items.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

---

## ACCOUNTING POLICIES

### 1.2 Investments in associates

An associate is an entity in which the NYDA has significant influence and which is neither a subsidiary nor a joint venture. The NYDA invests in equity of young, rapidly growing companies that have the potential to develop into significant economic contributors and expanding companies that also create jobs in the economy. The NYDA meets the definition of the venture capital organisation as it invests in new companies with limited operating history, which are too small to raise capital in the public markets, and have not reached a point where they are able to secure a bank loan or complete debt offering. The NYDA has therefore opted to elect the venture capital organisation exemption and these investments in associates, upon initial recognition, are designated as at fair value through surplus or deficit in accordance with GRAP 104. Fair value adjustments are recognised through surplus or deficit. The NYDA uses the discounted free cash flow valuation technique or net asset value as the primary basis for valuing investments in associates. The NYDA uses discount rates of 20–40% to discount estimated future cash flows. Where reliable information necessary for the application of the discounted free cash flow valuation technique is not available, the investments are carried at cost. In circumstances where the NYDA makes a loan to an associate and such a loan is impaired, this will be regarded as an impairment indicator of the investment.

### 1.3 Joint ventures

A joint venture is a binding arrangement, whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operational decisions relating to the activity require unanimous consent of the parties sharing control (the venturers). The binding agreement establishes joint control over the joint venture. Such requirement ensures that no single venturer is in a position to unilaterally control the activity.

#### Jointly controlled operations

Where the operation of a joint venture comprises the use of the venturer's assets and other resources, without the establishment of a separate entity, the joint venture is referred to as a jointly controlled operation.

The entity recognises, in its separate annual financial statements and, consequently, in its annual financial statements:

- the assets that it controlled and the liabilities that it incurred
- the expense that it incurred and its share of the revenue that it earned from the sale or provision of the goods or services by the joint venture.

#### Jointly controlled assets

Where the entity undertakes its activities under a joint-venture arrangement directly, the controlling entity's share of jointly controlled assets, and any liabilities incurred jointly with other venturers, is recognised in the statement of financial position of the entity and classified according to their nature. Revenue from the sale or use of the entity's share of the output of jointly controlled assets, and its share of joint-venture expense are recognised in surplus or deficit.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

---

## ACCOUNTING POLICIES

### 1.4 Equipment

#### Definition of equipment

Equipment is a tangible item that is held for use in the production or supply of goods and services, for rental to others or for administrative purposes and is expected to be used during more than one reporting period.

#### Initial recognition of equipment

The cost of an item of equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item flow to the entity
- the cost of the item can be measured reliably.

Equipment is initially measured at cost. The cost of an item of equipment is the purchase price and other costs attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired for no consideration, or for nominal consideration, its cost shall be its fair value as at date of acquisition.

When significant components of an item of equipment have different useful lives or residual values, they are accounted for as separate items (major components) of equipment.

#### Subsequent recognition of equipment

Costs include costs incurred initially to acquire an item of equipment and costs incurred subsequently to add to or replace the equipment or part thereof. If a replacement cost is recognised in the carrying amount of an item of equipment, the carrying amount of the replaced part is derecognised.

#### Depreciation and impairment of equipment

Equipment is depreciated over its expected useful life on a straight-line basis, at rates estimated to write each asset down to its estimated residual value over the term of its useful life. Depreciation on equipment begins when the asset is available for use. Equipment is carried at cost, less accumulated depreciation and any accumulated impairment losses.

The residual value and useful life of an asset is reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) is accounted for as a change in accounting estimate.

At each reporting date, all items of equipment are reviewed for any indication that they may be impaired. Impairment exists when an asset's carrying amount is greater than its recoverable amount. The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. If there is an indication of impairment, the asset's recoverable amount is calculated. An impairment loss is recognised in surplus or deficit and the depreciation charge relating to the asset is adjusted for future periods.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## ACCOUNTING POLICIES

The useful lives of items of equipment for the current and comparative period except as indicated below:

Item	Useful life
Furniture	5-10 years
Motor vehicles	4-6 years
Office equipment	5-10 years
Computer hardware	3-5 years
Leasehold improvements	over the shorter of its useful life or the remaining term of the lease

The depreciation charge for each period is recognised in surplus or deficit.

### Derecognition of equipment

The carrying amount of an item of equipment is derecognised:

- on disposal
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or losses arising from the derecognition of an item of equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## 1.5 Intangible assets

### Definition of intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance.

An asset is identified as an intangible asset when it:

- is separable, is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separate from the entity or from other rights and obligations.

### Initial recognition of intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity
- the cost or fair value of the asset can be reliably measured.

Intangible assets are initially recognised at cost.

The cost of an intangible asset acquired for no consideration or for a nominal consideration shall be its fair value as at the date of acquisition.



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## ACCOUNTING POLICIES

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale
- there is an intention to complete and use or sell it
- there is an ability to use or sell it
- it will generate probable future economic benefits or service potential
- there are available technical, financial and other resources to complete the development and to use or sell the asset
- the expenditure during its development can be measured.

### Subsequent measurement of intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

### Amortisation and impairment of intangible assets

An intangible asset is regarded as having an indefinite useful life. When based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. An intangible asset with an indefinite useful life is not amortised.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there was a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method is changed to reflect the changed pattern. Each change is accounted for as a change in accounting estimates, in accordance with the standard of GRAP on accounting policies, and Changes in Accounting Estimates and Errors.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values. The NYDA amortises its intangible assets at a rate of 14–20% per annum. Developed software is amortised when the software becomes available for use. Amortisation of these assets is recognised in surplus or deficit.

At each reporting date, all items of intangible assets are reviewed for any indication that they may be impaired. Impairment exists when an asset's carrying amount is greater than its recoverable amount. The recoverable amount of an asset or CGU should be higher than its fair value less costs to sell and its value in use. If there is an indication of impairment, the asset's recoverable amount is calculated. An impairment loss is recognised in surplus or deficit and the amortisation charge relating to the asset is adjusted for future periods.

### Derecognition of intangible assets

Intangible assets are derecognised:

- on disposal
- when no future economic benefits or service potential is expected from its use or disposal.

The gain or loss from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in surplus or deficit when the asset is derecognised.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

---

## ACCOUNTING POLICIES

### 1.6 Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives an approximate equal value to the other party in the exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period, when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable.

#### Interest

Interest income is recognised in surplus or deficit for all financial instruments measured at amortised cost, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the average expected life of the financial instruments. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset. When calculating the effective interest rate, the NYDA estimates cash flows, considering all contractual terms of the financial instruments, but does not consider future credit losses.

### 1.7 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

#### Government grants

Government grants are recognised as revenue:

- when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- when the amount of the revenue can be measured reliably
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Government grants are measured at the increase in net assets.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

---

## ACCOUNTING POLICIES

### Gifts and donations

Grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- the amount of the revenue can be measured reliably.

Gifts and donations are measured at the increase in net assets.

## 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.

### Finance leases - Initial recognition

At the commencement of the lease term, the NYDA recognises finance leases as assets and liabilities in its Statement of Financial Position, at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine. If not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

### Subsequent measurement

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents shall be charged as expenses in the periods in which they are incurred.

### Operating leases

Lease payments under an operating lease are recognised as an expense in surplus or deficit on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the user's benefit.

## 1.9 Irregular, fruitless and wasteful expenditure

Irregular expenditure is expenditure that is contrary to legislation, including, but not limited to the Public Finance Management Act (PFMA) and National Treasury regulations.

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

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregularity unless it is impracticable to determine, in which case reasons are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

---

## ACCOUNTING POLICIES

### 1.10 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The financial statements and the budget are on the same basis of accounting, and a comparison with the budgeted amounts for the reporting period has, therefore, been included in the statement of comparison of budget and actual amounts. Comparative information is not required.

### 1.11 Related Parties

The NYDA operates in an economic sector, currently dominated by entities directly or indirectly owned or controlled by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. We regard all members of the Operations Executive Committee, reporting directly to the Chief Executive Officer, as key management personnel, as per definition of GRAP. Close family members of key management individuals, in their dealings with the entity, are also classified as related parties.

### 1.12 Financial instruments

#### Initial recognition and measurement

On initial recognition, an instrument is classified as either a financial asset or a financial liability and recorded at fair value plus, in the case of financial assets and financial liabilities not recorded at fair value through surplus or deficit, any directly attributable incremental costs of acquisition or issue.

Purchases or sales of financial assets that require delivery of assets within a time-frame established by regulation or conversion in the marketplace (regular way of purchases), are recognised on the trade date, i.e. the date that the NYDA commits to purchase or sell the asset.

#### Subsequent measurement

Subsequent measurement of financial instruments carried on the Statement of Financial Position is on the following basis:

- **Investments**  
Investments in equity instruments are designated as at fair value through surplus and deficit. All changes in fair value are recognised directly in surplus or deficit.
- **Loans receivable from exchange transactions**  
Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost, using the effective interest method, less any allowance for impairment. Gains and losses are recognised through surplus and deficit when the loans receivables are derecognised or impaired, as well as interest through the amortisation process.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## ACCOUNTING POLICIES

- **Receivables from exchange transactions**

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method. Where the impact of discounting is not material, receivables are carried at the original invoice amount, less any allowance for impairment.

- **Trade and other payables from exchange transactions**

Trade payables are initially recognised and carried at fair value and, subsequently measured at amortised cost, using the effective interest rate method. Trade payables are derecognised when the obligation under the liability has been discharged.

- **Cash and cash equivalents including cash on call**

Cash and cash equivalents, including cash-on-call comprise of demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash. Cash and cash equivalents, including cash-on-call, are subsequently measured at amortised cost.

- **Rental deposits**

Rental deposits include all monies paid by the NYDA as deposits for the rental of the buildings. Rental deposits are initially recognised and carried at fair value and subsequently measured at amortised cost.

- **Investments in associates**

Refer to note 1.2

## Impairment of financial assets

### Assets carried at amortised cost

At each reporting date, the NYDA assesses whether a financial asset is impaired. Individual financial assets are reviewed for any indicators of impairment. If there is objective evidence that an impairment loss on a financial asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate (the effective interest rate computed at initial recognition).

When an amount is outstanding for longer than 90 days, this is considered by management as objective evidence that an impairment loss has occurred. However, there may be other objective evidence that may or may not indicate impairment. Management considers such objective evidence when assessing a financial asset. The carrying amount of the financial asset is reduced through the use of an allowance account, when there is objective evidence that the asset may be impaired and directly against the carrying value of an asset, when the asset is considered irrecoverable. The amount of the loss is recognised through surplus or deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in surplus or deficit.

## Derecognition of financial instruments

### A financial asset is derecognised in the following circumstances:

- if the rights to receive cash flows from the asset have expired;
- if the NYDA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- if the NYDA has transferred its right to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## ACCOUNTING POLICIES

Where the NYDA has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the NYDA's continuing involvement of the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the NYDA could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised through surplus or deficit.

### Cash-generating assets and non-cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity. Holding an asset to generate a "commercial return" indicates that the NYDA intends to generate positive cash inflows from the asset (or from the cash-generating unit of which the asset is a part) and earn a commercial return that reflects the risk involved in holding the asset. Noncash-generating assets are assets other than cash-generating assets.

## 1.13 Employee benefits

### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered.

Liabilities for short-term employee benefits which are unpaid at year-end are measured at the undiscounted amount that the entity expects to pay in exchange for that service and had accumulated at the reporting date.

### Defined contribution plans

A defined contribution plan is a plan under which the entity pays fixed contributions into a separate entity. The entity has no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to services in the current or prior periods.

The entity's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit in the period in which the service is rendered by the relevant employees, unless the standard requires or permits the inclusion of the contribution in the cost of an asset. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Where contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the period in which the employees render the related service, they are discounted, using a risk-free rate, determined by reference to market yields at the reporting date on government bonds or by reference to market yields on high-quality corporate bonds.

### Termination benefits

The NYDA recognises termination benefits as a liability and an expense when, and only when, the entity is demonstrably committed to either:

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## ACCOUNTING POLICIES

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The NYDA is demonstrably committed to a termination when, and only when, it has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan shall include, as a minimum:

- the location, function and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented. Implementation shall begin as soon as possible and the period of time to complete implementation shall be such that material changes to the plan are not likely.

### 1.14 Project disbursements

Disbursements to projects are categorised and disclosed as follows:

- Project disbursements are approved grant funding made to third-party service providers, who plan, implement, and manage youth development projects, as well as direct and indirect operating costs relating to youth development projects, managed by the NYDA, using its own capacity.

### 1.15 Commitments

Where a project has been approved, but has not been accrued for, or provided for, it is disclosed as commitments in the notes to the annual financial statements.

### 1.16 Deferred income

Deferred income represents revenues collected, but not earned, as at reporting date. This includes grants from foreign institutions.

	2013	2012
	R '000	R '000
<b>2. Receivables from exchange transactions</b>		
Staff loans	780	613
Sundry debtors	5 007	13 355
Interest receivable banks	491	594
Prepaid expenses	2 772	1 520
	<b>9 050</b>	<b>16 082</b>
Less: Allowance for impairment	<b>(1 264)</b>	<b>(966)</b>
	<b>7 786</b>	<b>15 116</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Sundry debtors include:

- Amount of R1.3 million receivable from the Masisizane Fund
- Amounts receivable from NYDA donors of R1.7 million (2012: R649 000)
- FNB Progress Fund amounts receivable amounting to R700 000 (2012: R1.5 million)
- A debtor was raised to the value of R10 000 (2012: R9.8 million) in respect of shortfall of grant income from the Presidency

### Receivables allowance for impairment reconciliation 2013

	Allowance for impairment 2012 R'000	Impairment expense R'000	Allowance for impairment 2013 R'000
Allowance for impairment	(966)	(298)	(1 264)
	<b>(966)</b>	<b>(298)</b>	<b>(1 264)</b>

### Receivables allowance for impairment reconciliation 2012

	Allowance for impairment 2011 R'000	Impairment expense R'000	Allowance for impairment 2012 R'000
Allowance for impairment	(287)	(679)	(966)
	<b>(287)</b>	<b>(679)</b>	<b>(966)</b>

The NYDA's receivables do not exceed a maturity period of 12 months, therefore, the carrying amount is considered a reasonable approximation of the fair value.

	2013 R'000	2012 R'000

## 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank and on hand	70 426	98 121
<b>Unrestricted cash</b>	<b>70 426</b>	<b>98 121</b>
CIPC	160	323
Massmart Holdings Limited	410	103
Donor-funding	4 083	600
<b>Restricted cash</b>	<b>4 653</b>	<b>1 026</b>
<b>Cash and cash equivalents</b>	<b>75 079</b>	<b>99 147</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Restricted cash represents funds earmarked for specific projects where the NYDA is in partnership with third parties, hence such funds are restricted and cannot be used for any purpose other than the purpose as stipulated in the partnership agreement.

### Guarantees

Absa Bank Limited has issued rental guarantees, on behalf of the NYDA in favour of the Department of Public Works for the amount of R2.1 million.

## 4. Equipment

	2013			2012		
	Cost	Accumulated depreciation and impairment losses	Carrying value	Cost	Accumulated depreciation and impairment losses	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Furniture	17 452	(12 124)	5 328	17 372	(11 305)	6 067
Motor vehicles	1 797	(1 511)	286	1 797	(1 436)	361
Office equipment	10 246	(6 312)	3 934	7 489	(4 665)	2 824
Computer hardware	20 273	(15 263)	5 010	18 485	(13 264)	5 221
Leasehold improvements	31 116	(30 194)	922	31 116	(27 505)	3 611
<b>Total</b>	<b>80 884</b>	<b>(65 404)</b>	<b>15 480</b>	<b>76 259</b>	<b>(58 175)</b>	<b>18 084</b>

### Reconciliation of equipment - 2013

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Impairment reversal	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Furniture	6 067	1	-	(773)	(127)	160	5 328
Motor vehicles	361	-	-	(75)	-	-	286
Office equipment	2 824	2 772	(9)	(963)	(690)	-	3 934
Computer hardware	5 221	1 861	(74)	(2 003)	(85)	90	5 010
Leasehold improvements	3 611	-	-	(2 689)	-	-	922
	<b>18 084</b>	<b>4 634</b>	<b>(83)</b>	<b>(6 503)</b>	<b>(902)</b>	<b>250</b>	<b>15 480</b>

### Reconciliation of equipment - 2012

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Furniture	6 751	453	(5)	(716)	(416)	6 067
Motor vehicles	435	-	-	(74)	-	361
Office equipment	2 704	704	(13)	(457)	(114)	2 824
Computer hardware	6 318	1 619	(94)	(2 197)	(425)	5 221
Leasehold improvements	6 679	1 620	(4)	(4 684)	-	3 611
	<b>22 887</b>	<b>4 396</b>	<b>(116)</b>	<b>(8 128)</b>	<b>(955)</b>	<b>18 084</b>

	<b>2013</b>	<b>2012</b>
	<b>R'000</b>	<b>R'000</b>

### Equipment fully depreciated and still in use (Cost)

Furniture	3 871	3 901
Motor vehicles	1 360	1 355
Office equipment	1 099	1 432
Computer equipment	2 576	5 475
	<b>8 906</b>	<b>12 163</b>

	<b>2013</b>	<b>2012</b>
	<b>R'000</b>	<b>R'000</b>

### Equipment retired from active use and held for disposal (Cost)

Furniture	738	-
Computer equipment	3 562	-
Office equipment	137	-
	<b>4 437</b>	<b>-</b>

The value of these assets held for disposal at financial year end date is nil.

The carrying value of office equipment includes an amount of R2 million (2012: R355 000) relating to finance lease for printers and copiers. In terms of the lease contract, ownership does not pass to the NYDA at the end of the lease term and, therefore, the NYDA is not entitled to sell or dispose of these photocopiers or printers.

Compensation of R76 000 from disposal of equipment was received.



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 5. Intangible assets

	2013			2012		
	Cost R'000	Accumulated amortisation and impairment loss	Carrying value R'000	Cost R'000	Accumulated amortisation and impair- ment loss	Carrying value R'000
		R'000			R'000	
Software developed in-house	9 778	(4 840)	4 938	6 383	(5 318)	1 065
Computer software purchased	2 144	(1 193)	951	6 174	(4 918)	1 256
Software under development	3 647	-	3 647	7 741	-	7 741
<b>Total</b>	<b>15 569</b>	<b>(6 033)</b>	<b>9 536</b>	<b>20 298</b>	<b>(10 236)</b>	<b>10 062</b>

#### Reconciliation of intangible assets - 2013

	Opening balance	Additions R'000	Transfers R'000	Amortisation R'000	Impairment loss and write- off	Total R'000
	R'000				R'000	
	Software developed in-house				1 065	
Computer software purchased	1 256	418	-	(508)	(215)	951
Software under development	7 741	632	(4 726)	-	-	3 647
	<b>10 062</b>	<b>1 050</b>	<b>-</b>	<b>(1 279)</b>	<b>(297)</b>	<b>9 536</b>

#### Reconciliation of intangible assets - 2012

	Opening balance	Additions R'000	Amortisation R'000	Total R'000
	R'000			
Software developed in-house	5 345	-	(4280)	1 065
Computer software purchased	1 661	105	(510)	1 256
Software under development	6 341	1400	-	7 741
	<b>13 347</b>	<b>1505</b>	<b>(4790)</b>	<b>10 062</b>

Commitments are in place for software under development to the value of R2.9 million (2012:R4.6 million), relating to customer relations management system exist.

#### Intangible assets fully amortised and still in use (cost)

	2013	2012
	R'000	R'000
Intangible assets	-	3 669

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 6. Investments in associates

Name of entity	Nature of Act of South Africa, No. 1 of 1999 enterprise	Shareholding	Investment at cost 2013 R'000	Investment at cost 2012 R'000
Franchise Fund	Private equity investment	80 %	100 000	100 000
Chicken Kwasa (Pty) Ltd	Fast food	26 %	300	300
K5 Transport Logistics (Pty) Ltd	Airline charter	10 %	-	-
Decti Rating (Pty) Ltd	BEE rating agency	19 %	-	-
Vynide Investments (Pty)Ltd	Manufacturing	10 %	1 000	1 000
			<b>101 300</b>	<b>101 300</b>

#### Investments in associates

In respect of the investments above in which the NYDA has less than 20% shareholding, the NYDA has significant influence by virtue of having representation on the Board of Directors and also having a right to participate in policy-making processes, including participation in decision-making about dividends and other distributions. All the above associates have been incorporated in the Republic of South Africa. The cost of investments and fair value adjustments less than R1 thousand have been shown as nil.

Based on the contractual agreement with Business Partners (Pty) Ltd, the NYDA contributes 80% of the funding for Franchise Fund loans. However, the NYDA only exercises significant influence and does not participate in the management of the fund. Therefore, it is classified as an investment in associate.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

<b>Repayment received</b>	<b>Repayment received</b>	<b>Accumulated</b>	<b>Accumulated</b>	<b>Carrying amount</b>	<b>Carrying amount</b>
<b>2013</b>	<b>2012</b>	<b>fair value adjustments</b>	<b>fair value adjustments</b>	<b>2013</b>	<b>2012</b>
<b>R'000</b>	<b>R'000</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
(100 000)	(100 000)	2 119	4 501	2 119	4 501
-	-	(300)	(300)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(1 000)	(1 000)	-	-
<b>(100 000)</b>	<b>(100 000)</b>	<b>819</b>	<b>3 201</b>	<b>2 119</b>	<b>4 501</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013 R '000	2012 R '000
<b>Summarised Franchise Fund</b>		
Opening carrying amount	4 501	6 985
Repayment received during the year	(2 821)	(2 916)
Fair value adjustment	439	432
<b>Carrying value at end of year</b>	<b>2 119</b>	<b>4 501</b>
Due within more than one year	2 119	4 501
	<b>2 119</b>	<b>4 501</b>

## 7. Loans receivable from exchange transactions

Small and medium enterprises	249 439	244 683
Micro loans direct lending and intermediaries *	110 465	92 000
Co-operatives	11 233	7 191
<b>Gross advances</b>	<b>371 137</b>	<b>343 874</b>
Add: Interest receivable	66 372	50 131
Less: Loans written off	(5 088)	(3 515)
Less: Cumulative capital repayments	(220 201)	(201 948)
<b>Subtotal</b>	<b>212 220</b>	<b>188 542</b>
<b>Less: Allowance for impairment</b>	<b>(192 894)</b>	<b>(161 323)</b>
Small and medium enterprises	(130 598)	(119 811)
Micro loans direct lending and intermediaries	(53 998)	(34 884)
Co-operatives	(8 298)	(6 628)
<b>Net loans receivable from exchange transactions</b>	<b>19 326</b>	<b>27 219</b>
Due within one year	7 410	11 317
Due within more than one year	11 916	15 902
	<b>19 326</b>	<b>27 219</b>

## Loans receivable impairment reconciliation 2013

	Allowance of impairment 2012 R'000	Impairment reversal R'000	Impairment expense R'000	Allowance of impairment 2013 R'000
Small and medium enterprises	119 811	(1 603)	12 390	130 598
Micro loans direct lending and intermediaries	34 884	(312)	19 426	53 998
Co-operatives	6 628	-	1 670	8 298
	<b>161 323</b>	<b>(1 915)</b>	<b>33 486</b>	<b>192 894</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Loans receivable impairment reconciliation 2012

	Allowance of Impairment 2011 R'000	Impairment reversal R'000	Impairment expense R'000	Allowance of Impairment 2012 R'000
Small and medium enterprises	113 844	(5 902)	11 869	119 811
Micro loans direct lending and intermediaries	26 931	-	7 953	34 884
Co-operatives	1 591	-	5 037	6 628
	<b>142 366</b>	<b>(5 902)</b>	<b>24 859</b>	<b>161 323</b>

	2013 R'000	2012 R'000
--	---------------	---------------

In the impairment reconciliation, the spread of the loans receivable impairment is as follows:

Less than 30 days	823	1 414
Less than 60 days	483	812
Less than 90 days	290	80
More than 90 days	191 298	159 017
	<b>192 894</b>	<b>161 323</b>

In assessing its loan book for any indicators of impairment, the NYDA considered the following factors over and above the amount in excess of 90 days:

- Whether the borrower was trading or not
- The age of the debt
- Progress of attorneys in recovering the debt and their opinion on recoverability
- The reliance of the borrower on a few customers and the loss of this customer base
- The cash flows of the business as shown on the bank statements and/or management accounts
- Defaults on expected repayments of interest and principal amounts by the borrower.

	2013	2012
<b>Range of interest rates</b>		
Small and medium enterprises	6 - 18%	7 - 19%
Micro loans direct lending and intermediaries	6 - 24%	14 - 24%
Co-operatives	3,5 - 10%	4 - 12,5%



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013 R '000	2012 R '000
<b>8. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	1 065	205
- in second to fifth year inclusive	1 288	195
	2 353	400
less: future finance charges	(272)	(41)
<b>Present value of minimum lease payments</b>	<b>2 081</b>	<b>359</b>
<b>Present value of minimum lease payments due</b>		
- within one year	891	175
- in second to fifth year inclusive	1 190	184
	2 081	359
Non-current liabilities	1 190	184
Current liabilities	891	175
	<b>2 081</b>	<b>359</b>

The NYDA has leased photocopiers and printers from Konica Minolta for a period ranging from 31-36 months for monthly payments of R87 000 (2012: R17 000), payable in arrears with no residual value. Ownership of these machines will not pass to the NYDA at the end of the lease term.

## 9. Trade and other payables from exchange transactions

Trade payables	29 455	30 769
Trade accruals	12 046	20 542
	<b>41 501</b>	<b>51 311</b>

The NYDA's trade payables generally do not exceed a maturity of two months and the fair value is considered to be a reasonable approximation of the carrying value.

## 10. Employee cost accruals

### Reconciliation of employee cost accruals - 2013

	Opening Balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Leave pay	8 010	11 460	(11 690)	7 780
Staff bonuses	7 497	7 868	(7 589)	7 776
	<b>15 507</b>	<b>19 328</b>	<b>(19 279)</b>	<b>15 556</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Reconciliation of employee cost accruals - 2012

	Opening balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
Leave pay	7 998	3 911	(3 899)	8 010
Staff bonuses	8 568	7 288	(8 359)	7 497
	<b>16 566</b>	<b>11 199</b>	<b>(12 258)</b>	<b>15 507</b>

Staff bonuses are expected to be paid during the new financial year, and the leave pay provision is expected to be utilised when an employee takes leave or resigns.

	2013	2012
	R'000	R'000

## 11. Deferred income

Flemish government - donor funding	1 876	1 248
Department of Trade and Industry	1 516	-
United Nations Population Fund	22	-
Manufacturing, Engineering and Related Services Sector Education and Training Authority	2 108	-
Prince's Youth Business International	236	333
Front end fees	284	197
	<b>6 042</b>	<b>1 778</b>

Deferred income relates to conditional grants received from:

- The Flemish government for the funding of the NYDA's Civil Society Support Programme
- The Department of Trade and Industry towards the training of community enterprise development officers
- United Nations Population Fund for research and policy, in respect of the health and wellbeing project
- Manufacturing, Engineering and Related Services Sector Education and Training Authority for the funding of technical training and career guidance
- Prince's Youth Business International for the development of an e-mentoring system.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 12. Financial instruments

Set out below is the classification of financial instruments held by the NYDA at 31 March 2013.

2013	Financial assets at amortised cost R'000	Financial assets as at fair value through surplus and deficit R'000	Financial liabilities at amortised cost R'000	Total R'000
<b>Assets</b>				
Loans receivable from exchange transactions	11 916	-	-	11 916
Short-term portion of loans receivable from exchange transactions	7 410	-	-	7 410
Rental deposits	995	-	-	995
Investment in associates	-	2 119	-	2 119
Receivables from exchange transactions	5 014	-	-	5 014
Cash and cash equivalents	75 079	-	-	75 079
	<b>100 414</b>	<b>2 119</b>	<b>-</b>	<b>102 533</b>
<b>Liabilities</b>				
Finance lease obligation	-	-	2 081	2 081
Trade and other amounts payable from exchange transactions	-	-	41 501	41 501
	<b>-</b>	<b>-</b>	<b>43 582</b>	<b>43 582</b>

2012	Financial assets at amortised cost R'000	Financial assets as at fair value through surplus and deficit R'000	Financial liabilities at amortised cost R'000	Total R'000
<b>Assets</b>				
Loans receivable from exchange transactions	15 902	-	-	15 902
Short-term portion of loans receivable from exchange transactions	11 317	-	-	11 317
Rental deposits	1 127	-	-	1 127
Investment in associates	-	4 501	-	4 501
Receivables from exchange transactions	15 116	-	-	15 116
Cash and cash equivalents	99 147	-	-	99 147
	<b>142 609</b>	<b>4501</b>	<b>-</b>	<b>147110</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2012	Financial assets at amortised cost R'000	Financial assets as at fair value through surplus and deficit R'000	Financial liabilities at amortised cost R'000	Total R'000
<b>Liabilities</b>				
Finance lease obligation	-	-	359	359
Trade and other amounts payable from exchange transactions	-	-	51 312	51 312
	-	-	<b>51 671</b>	<b>51 671</b>

The primary risks associated with the financial instruments held by the NYDA are credit, liquidity, market, interest rate and portfolio risks.

### Credit risk

One of the NYDA's core business activities is to invest in small and medium enterprises. Consequently, the Agency is exposed to credit risk, which refers to the risk that loans made to third parties will not be repaid. The objective of credit risk management is to minimise financial losses that may arise as a result of third parties failing to discharge their obligations. The credit risk at the investment stage of any potential investment is researched and assessed by means of a due diligence process, whereby the entrepreneur is evaluated, the viability of the enterprise is considered, and various other indications are established and verified. In addition, the NYDA has implemented a credit policy which assists in managing credit risk. It comprises the following key elements:

- Approval process
- Cash flow-based lending methodology
- Attaching protective covenants to funding arrangements
- Collections policy and procedures
- Delinquency management
- Monitoring
- Mentorship

There have been no changes in the exposure or the policy used to manage credit risk.

### Maximum exposure

During the period that the NYDA has exposure to a borrower or investee company, the Agency conducts an ongoing evaluation of the business and does not provide loans to any single entity in excess of R5 million. The NYDA places its cash reserves, which are in the form of cash and cash equivalents and rental deposits with the South African Reserve Bank and local financial institutions which have a minimum rating of AAA. Loans are advanced to individuals, small and medium enterprises and co-operatives located in rural areas. Investments in associates include investments in small and medium enterprises located in rural areas, as well as funds invested by local financial institutions, which have a minimum rating of AAA. Changes in credit exposure and the maximum credit exposure for all financial assets are detailed in the table below:

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000

### Loans receivable from exchange transactions

Micro loans direct lending and intermediaries	1 960	3 010
Small and medium enterprises	14 536	24 180
Co-operatives	2 830	29
	<b>19 326</b>	<b>27 219</b>

### General

Receivables from exchange transactions	5 014	15 116
Investment in associates	2 119	4 501
Cash and cash equivalents	75 079	99 147
Rental deposits	995	1 127
	<b>83 207</b>	<b>119 891</b>

<b>Total</b>	<b>102 533</b>	<b>147 110</b>
--------------	----------------	----------------

### Collateral and other credit enhancement on loans receivable

The nature of the NYDA's target market is black youth who have not accumulated assets which are significant, in relation to the loans advanced to them. Therefore, the value of tangible security offered is not adequate. For loans less than R100 000, a third party stands as surety and co-principal debtor for a portion (10 to 50%) of the loan. The surety provider must be in salaried employment with no record of defaulting on loans. During the year under review, the NYDA did not take possession of any collateral in respect of loans. There is no collateral held for other classes of financial assets. The NYDA does not take possession of collateral for use in its own operations.

2013	Neither past due nor impaired R'000	Value in	Value in	Value in	Value in	Total R'000
		arrears for 1-30 days R'000	arrears for 31-60 days R'000	arrears for 61-90 days R'000	arrears for >90 days R'000	
Loans receivable from exchange transactions	13 170	206	106	104	5 740	19 326
Receivable from exchange transactions	4 350		-	-	664	5 014
Investment in associates	2 119		-	-	-	2 119
Cash and cash equivalents	75 079		-	-	-	75 079
Rental deposits	995		-	-	-	995
	<b>95 713</b>	<b>206</b>	<b>106</b>	<b>104</b>	<b>6 404</b>	<b>102 533</b>



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2012	Neither past due nor impaired R'000	Value in arrears for 1-30 days R'000	Value in arrears for 31-60 days R'000	Value in arrears for 61-90 days R'000	Value in arrears for >90 days R'000	Total R'000
Loans receivable from exchange transactions	22 315	223	545	257	3 878	27 218
Receivable from exchange transactions	-	-	-	-	15 116	15 116
Investment in associates	4 501	-	-	-	-	4 501
Cash and cash equivalents	99 147	-	-	-	-	99 147
Rental deposits	1 127	-	-	-	-	1 127
	<b>127 090</b>	<b>223</b>	<b>545</b>	<b>257</b>	<b>18 994</b>	<b>147 109</b>

### Loans past due but not impaired (loans renegotiated)

During the year under review no loans were renegotiated.

### Liquidity risk

Liquidity risk refers to the risk that the NYDA will not be able to meet its funding commitments and other financial obligations, as and when they fall due. The funding provided to small and medium enterprises is usually characterised by fixed maturities of up to five years, scheduled repayments and a limited moratorium on capital repayments and interest. One of the cornerstones of the lending practice adopted is consideration of the certainty of cash flows, and the ability of the borrower to absorb and service debt. The NYDA has adopted a conservative cash-flow management policy to manage the risk of investments made in instruments which are not readily realisable, in order to keep a healthy liquidity position.

The NYDA has the following mechanisms in place to ensure that it has the funds available to meet its commitments:

- A strategic plan and a three-year budget are prepared and approved by the Board of Directors prior to the start of the financial year
- At half-year, the NYDA conducts a revision of its annual budget and reassesses its liquidity needs. In addition, an application for recapitalisation is made to its Executive Authority and National Treasury.
- On a quarterly basis, the strategic plan and budget are reviewed by a committee comprised of divisional heads, the Chief Financial Officer and Chief Executive Officer.
- Once a commitment has been made, NYDA keeps record of all gross commitments and drawn-down commitments or cancelled commitments and undrawn commitments.
- A distinction is made between encumbered and unencumbered cash resources of the NYDA.
- Three-year projections of cash flow, undrawn commitments brought forward, new commitments, cancelled commitments and undrawn commitments carried forward are prepared.
- Disbursements on commitments are made in several tranches, based on individual project needs.
- Finance provided to small enterprises is usually in the form of self-liquidating financial instruments with minimal funds tied in equity investments.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Expected maturity dates: financial liabilities

The NYDA's short-term liabilities are mainly comprised of debts arising in the ordinary course of business and commitments to making grants for the implementation of National Youth Service and Skills Development projects. Debts arising in the ordinary course of business are normally settled over a period of not more than two months from the date of invoice.

Grant commitments are usually made over a period of 12 to 18 months and finance leases over a period of 31 to 36 months.

### Expected maturity dates: financial assets

The NYDA's financial assets comprise mainly cash in current accounts with local financial institutions and loans due from small businesses. Except for loans due from small businesses and restricted cash, other financial assets are very liquid and not subject to any notice periods for draw down.

The NYDA's exposure to illiquid assets is comprised of investments in unlisted entities and restricted cash flows. This accounts for less than 7% of the carrying value of financial assets.

The NYDA manages its liquidity risk by placing funds in short-term, highly liquid investments and ensuring that the maturities of financial assets match those of its financial liabilities.

The balance of the loans receivable, outstanding as at 31 March 2013, is scheduled to be repaid as follows:

	2013 R'000	2012 R'000
<b>Maturity period</b>		
Due within the next 12 months	7 410	11 317
Due thereafter	11 916	15 902
<b>Total value of loans</b>	<b>19 326</b>	<b>27 219</b>

	Due immediately or within 1 month R'000	Due later than one month but not later than 12 months R'000	Due later than 12 months R'000	Total R'000
<b>2013</b>				
Receivables from exchange transactions	-	5 014	-	5 014
Cash and other cash equivalents	70 426	4 653	-	75 079
Rental deposits	-	30	965	995
<b>Total current assets</b>	<b>70 426</b>	<b>9 697</b>	<b>965</b>	<b>81 088</b>
Trade and other payables from exchange transactions	-	(41 501)	-	(41 501)
Finance lease obligation	-	(891)	(1 190)	(2 081)
<b>Total current liabilities</b>	<b>-</b>	<b>(42 392)</b>	<b>(1 190)</b>	<b>(43 582)</b>
<b>Net liquidity of continuing operations</b>	<b>70 426</b>	<b>(32 695)</b>	<b>(225)</b>	<b>37 506</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2012	Due immediately	Due later than one	Due later than	Total
	or within 1 month	month but not later	12 months	
	R'000	R'000	R'000	R'000
Receivables from exchange transactions	-	15 116	-	15 116
Cash and other cash equivalents	99 147	-	-	99 147
Rental deposits	-	132	995	1 127
<b>Total current assets</b>	<b>99 147</b>	<b>15 248</b>	<b>995</b>	<b>115 390</b>
Trade and other payables from exchange transactions		(51 312)		(51 312)
Finance lease obligation	-	(175)	(184)	(359)
<b>Total current liabilities</b>	<b>-</b>	<b>(51 487)</b>	<b>(184)</b>	<b>(51 671)</b>
<b>Net liquidity of continuing operations</b>	<b>99 147</b>	<b>(36 239)</b>	<b>811</b>	<b>63 719</b>

### Market risk

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate, because of changes in market prices and includes currency risk, interest rate risk and other price risk (which are factors other than currency and interest rate risk that may influence fair value of the financial asset). The entity is primarily exposed to interest rate risk. Its objective is to ensure that it minimises losses of interest income as a result of utilising cash which attracts interest at a variable rate, to invest in other financial assets bearing interest at fixed rate. Hence, not all its loans granted are variable rate loans.

The NYDA is not directly exposed to currency risk as it does not enter into foreign currency transactions.

There have been no changes in the exposure or the policy used to manage market risk.

### Interest rate risk

Changes in interest rates will affect the revenue stream of the NYDA, as most of the financial assets' returns are linked to the prime rate.

### Sensitivity analysis

At 31 March 2013, if interest rates had been 200 basis points higher, with all other variables held constant, interest income would have increased by approximately R1.9 million (2012: R2.5 million). Consequently, income and accumulated reserves would have increased accordingly. If interest rates had been 200 basis points lower, with all other variables held constant, interest income would have decreased by approximately R1.9 million (2012: R2.5 million). Consequently, income and accumulated reserves would have decreased accordingly. The change would have occurred because of variable rate interest which NYDA earns from its financial assets which include cash and loans.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The NYDA's exposure to interest rate risk is as follows:

	2013 R '000	2012 R '000
Small and medium enterprises	14 536	24 180
Micro loans direct lending and intermediaries	1 960	3 010
Co-operatives	2 830	29
Cash and cash equivalents	75 079	99 147
	<b>94 405</b>	<b>126 366</b>

### Fair values

#### Fair value hierarchy of financial assets at fair value through surplus or deficit

The NYDA measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making measurement:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the financial assets either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs which are not based on observable market data.

	2013 R '000	2012 R '000
--	----------------	----------------

#### Investment in associates

Level 1	-	-
Level 2	-	-
Level 3	2 119	4 501

#### Gains and losses on investments in associates

Level 1	-	-
Level 2	-	-
Level 3	439	432

Investment in associates is measured, using the discounted cash flow method and net asset-value method, which are not based on the observable market data. No transfers between fair value hierarchy levels took place during the current year. The carrying amounts of financial assets and liabilities approximates their fair value.

### Portfolio risk

Portfolio risk arises as a result of loans and advances being concentrated in any particular industry, location or stage of development. The risk is managed through the steering committee which sets limits of exposure to the various industries. The portfolio allocation is reviewed on a quarterly basis, at meetings of the steering committee.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The NYDA recognises that it may face the risk of over-exposing itself in certain situations and considers the following in determining concentration:

- Overconcentration of loans to a particular industry
- Overconcentration of loans to business controlled by common shareholders or grants to a single service provider
- Overconcentration of funding in illiquid equity investments.

	2013	2012
	R '000	R '000
Below is a schedule of advances made to small, medium and micro enterprises in different sectors:		
<b>Industry</b>		
Building and construction	7 %	4 %
Health	1 %	1 %
Manufacturing	5 %	5 %
Printing	- %	1 %
Retail	27 %	19 %
Services	52 %	61 %
Transport	8 %	8 %
Hospitality and Leisure	- %	1 %
	<b>100 %</b>	<b>100 %</b>

### Over-exposure to a small number of counterparties

In terms of the credit policy relating to loans, no entity, in which more than 25% of the issued shares is held by an existing shareholder of a borrowing company, is entitled to loans in aggregate exceeding R20 million and not more than R5 million for a single business. Individual companies and shareholders with exposure of less than R5 million, are approved by the Loans Approval and Review Committee; between R5 million and R10 million by the Credit Risk and Investment Committee and between R10 million and R20 million by the Board of Directors.

### Capital management

The NYDA considers the annual government grant it receives as its capital and obtains its capital by making annual applications to the National Treasury. The funds which are received are held in money market instruments with local financial institutions which have a minimum AAA rating.

NYDA has a formalised budgeting and forecasting process in place, which allows for monitoring on a monthly basis, of the cash reserves and commitments of the Agency. It maintains cash on demand, to meet forecasted monthly cash outflows with the residual being maintained on call accounts. The NYDA conducts rolling forecasts to anticipate its cash requirements to meet operating expenses, capital expenditure and draw-down requests, in respect of commitments made regarding grants and loans. The NYDA tracks loan and grant approvals, commitments and undrawn commitments on a continuous basis, in order to provide a basis for anticipating capital calls.

The NYDA makes commitments from its existing capital base, notwithstanding that it has an expectation that the National Treasury will recapitalise the NYDA on an annual basis. The NYDA continuously keeps record of reserves which are encumbered and restricted, in order to avoid deficits arising from the over-commitment of funds.



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000

### Concessionary loans

The NYDA has advanced interest-free loans to small and medium enterprises which are repayable in full at the end of their five year loan term. The NYDA has advanced the following concessionary loans:

Decti Rating Agency (Pty) Ltd	500	500
E2BA LE2 (Pty) Ltd	493	493
Grace Zagorski cc	561	561
Kekana Rumsey Zagorski cc	500	500
Tuscan Mood 201 (Pty) Ltd	1 230	1 230

### 13. Interest income

Cash and cash equivalents	1 862	3 693
Loans receivable - not impaired	1 174	2 961
Loans receivable - impaired	18 970	17 551
	<b>22 006</b>	<b>24 205</b>

### 14. Other income

Sponsorship income	510	400
Sale of tender documents	19	-
Sale of access cards	2	633
Repayment from Masisizane	1 269	1 775
Skills development levy refund	-	231
Progress fund liability write-off	-	270
Legal fees recovered from clients	104	-
Sale of tables at SA Youth Awards	50	-
	<b>1 954</b>	<b>3 309</b>

### 15. Fair value adjustments

Fair value adjustments to designated investments in associates	439	432
--	-----	-----

### 16. Auditors' remuneration

External audit fees	5 450	3 582
Internal audit fees	1 230	4 869
	<b>6 680</b>	<b>8 451</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000

### 17. Depreciation and amortisation

#### Depreciation

Computer hardware	2 003	2 197
Office equipment	963	457
Furniture	773	716
Leasehold improvements	2 689	4 684
Motor vehicle	75	75
<b>Total depreciation</b>	<b>6 503</b>	<b>8 128</b>
Less: attributable to project disbursements	(4 453)	(6 299)
<b>Total depreciation</b>	<b>2 050</b>	<b>1 829</b>

#### Amortisation

Intangible assets	1 279	4 790
Less: attributable to project disbursements	(317)	(951)
<b>Amortisation of intangible assets</b>	<b>962</b>	<b>3 839</b>

### 18. Employee related costs

Salaries and allowances	158 373	142 167
Provident fund: defined contribution plan	3 835	8 218
Termination benefits	50	222
<b>Total employee cost</b>	<b>162 258</b>	<b>150 607</b>
Less attributable to project disbursements	(98 049)	(88 252)
	<b>64 209</b>	<b>62 355</b>

### 19. Impairment of assets

#### Impairments

Small and medium enterprises	12 390	11 869
Microloans direct lending and intermediaries	19 426	7 953
Co-operatives	1 670	5 037
<b>Other financial assets</b>	<b>33 486</b>	<b>24 859</b>
Receivables impairment	298	679
Equipment impairment	902	955
	<b>34 686</b>	<b>26 493</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000
<b>Reversal of impairments</b>		
Small and medium enterprises	(1 603)	(5 902)
Microloans direct lending and intermediaries	(312)	-
Equipment	(250)	-
	<b>(2 165)</b>	<b>(5 902)</b>

### Write-off of assets

Loans receivable from exchange transactions	1 573	769
Equipment written off	-	36
Intangibles written off	297	-
	<b>1 870</b>	<b>805</b>

## 20. Operating lease expense

Building	12 968	12 832
Office equipment	2 079	3 407
	15 047	16 239
Less attributable to project disbursements	(10 976)	(12 925)
	<b>4 071</b>	<b>3 314</b>

### Future minimum rentals under non-cancellable operating leases within one year

Buildings	13 325	9 602
-----------	--------	-------

### After one year, but not more than five years

Buildings	2 266	2 890
-----------	-------	-------

The leases relate to buildings occupied by the NYDA and the average lease terms vary from 3-5 years and the escalation rates range from 8-10%. Office equipment is rented on a monthly basis.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000

### 21. Project disbursements

The respective disbursements are as follows:

Service Delivery Channel *	69 909	63 686
National Youth Service and Skills Development	66 601	22 631
Economic Development	60 723	35 771
Corporate Partnerships and International Relations	13 557	-
Communications and Corporate Affairs	19 025	9 587
Research and Policy	13 317	-
Information Communication Technology	-	623
Chief Operations Officer	95	85
Executive Directors projects	2 603	2 657
Human Resource Management	-	889
Policy Lobby and Advocacy	-	3 227
<b>Project disbursements</b>	<b>245 830</b>	<b>139 156</b>
Project-related operating expenses	-	79 146
<b>Total disbursements</b>	<b>245 830</b>	<b>218 302</b>

\* Service Delivery Channel includes expenditure relating to Youth Advisory Centres (YACs) and branches.

### 22. World Festival of Democratic Youth and Students (WFDY)

#### Income

Sponsorship income	-	16 000
<b>Total income</b>	<b>-</b>	<b>16 000</b>

#### Expenditure

Launch	-	19
Advertising	-	(1594)
Travel international	-	14
Travel local	-	2905
<b>Total expenditure</b>	<b>-</b>	<b>1344</b>
<b>Gain/deficit for WFDY</b>		<b>14 656</b>

The NYDA won the right to host the World Festival of Democratic Youth and Students Conference which was held during December 2010. The organisation funded the conference expenses from grant income of R29 million from the Office of the Presidency and income generated from various sponsorships including, amongst others, the National Lotteries Board, the Office of the Presidency and various provinces.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000
(Deficit)/surplus	(41 159)	26 077
<b>Adjustments for:</b>		
Depreciation and amortisation	7 782	12 918
Loss/(Gain) on disposal of assets	17	(95)
Fair value adjustments	(439)	(432)
Write-off of assets	1 870	805
Interest income	(16 138)	(15 640)
Donation income	(6 710)	(274)
Grant income - Office of the Presidency	9 833	(9 842)
Impairment deficit	32 521	20 591
Movements in provisions	49	(1 059)
<b>Changes in working capital:</b>		
Decrease/(increase) in receivables from exchange transactions	(2 914)	(333)
Decrease in rental deposits	132	1 233
(Decrease)/increase in trade and other payables from exchange transactions	(9 811)	21 327
Increase in deferred income	10 974	1 178
<b>Cash (utilised in)/received from (deficit)/surplus</b>	<b>(13 993)</b>	<b>56 454</b>
<b>Net movement in loans receivables</b>		
<b>Cash utilised in loans receivable</b>	<b>(9 010)</b>	<b>4 400</b>
<b>Net cash flows from operating activities</b>	<b>(23 003)</b>	<b>60 854</b>

## 24. Non-cash transactions

Additions to equipment to the value of R4.6 million (2012: R4.4 million) include non-cash purchases of photocopiers through a finance lease to the value of R2.2 million (2012:R523 000).

## 25. Change in estimate

### Intangible assets

In the current period, the review of useful lives of certain intangible assets resulted in a change in the estimated remaining useful lives of software developed in-house, as disclosed below. The effect of this revision has decreased the amortisation charges included in surplus and deficit for the current period by R578 000 and increased the future period amortisation charges R578 000.

	Prior period	Current period	Decrease in amortisation
Software developed in-house	1 year	4 year	578 000



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000

### 26. Directors' emoluments

#### Chief Executive Officer: Mr Steven Ngubeni

Salary for managerial services to the NYDA	1 918	1 649
Allowances	355	228
<b>Total short-term employee benefits</b>	<b>2 273</b>	<b>1 877</b>
Defined contribution plan	162	155
	<b>2 435</b>	<b>2 032</b>

#### Executive Chairperson: Mr Andile Lungisa (term ended 30 April 2012)

Salary for managerial services to the NYDA	58	838
Allowances	8	14
<b>Total short-term employee benefits</b>	<b>66</b>	<b>852</b>
Defined contribution plan	4	47
	<b>70</b>	<b>899</b>

#### Deputy Executive Chairperson: Mr Yershen Pillay (term ended 30 April 2012)

Salary for managerial services to the NYDA	47	657
Allowances	8	67
<b>Total short-term employee benefits</b>	<b>55</b>	<b>724</b>
Defined contribution plan	3	40
	<b>58</b>	<b>764</b>

#### Executive Chairperson: Mr Yershen Pillay (appointed 22 March 2013)

Salary for managerial services to the NYDA	-	-
Allowances	-	-
<b>Total short-term employee benefits</b>	<b>-</b>	<b>-</b>
Defined contribution plan	-	-
	<b>-</b>	<b>-</b>

#### Deputy Executive Chairperson: Mr Kenny Morolong (appointed 22 March 2013)

Salary for managerial services to the NYDA	-	-
Allowances	-	-
<b>Total short-term employee benefits</b>	<b>-</b>	<b>-</b>
Defined contribution plan	-	-
	<b>-</b>	<b>-</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013 R '000	2012 R '000
<b>Non-executive</b>		
Ms Innocentia Motau (term ended 30 April 2012)	34	427
Ms Maria Tshabalala (term ended 30 April 2012)	34	427
Mr Mcebo Rich Khumalo (term ended 30 April 2012)	34	427
Ms Pholisa Makeleni (term ended 30 April 2012)	34	427
Mr Francois Jacobus Slabber (term ended 30 April 2012)	34	427
Ms Ayanda Makaula (appointed 22 March 2013)	-	-
Ms Maropene Ramokgopa (appointed 22 March 2013)	-	-
Mr Mothupi Modiba (appointed 22 March 2013)	-	-
Ms Nyalleng Potloane (appointed 22 March 2013)	-	-
Ms Zandile Majozi (appointed 22 March 2013)	-	-
	<b>170</b>	<b>2135</b>

2013	Short-term	Bonus	Expense	Defined	Total
	employee		allowance	contribution	
	benefits	R'000	R'000	plan	R'000
	R'000			R'000	

### Other key management personnel

#### Divisional Directors and senior management reporting directly to the Chief Executive Officer:

Chief Financial Officer	1 280	242	69	120	1 711
<b>Chief Operations Officer /Divisional Directors:</b>	982	138	106	65	1 291
Mr AM Ntlangeni	829	167	97	50	1 143
Ms T Mavasa	927	166	52	58	1 203
Mr SG Mkoka	909	155	55	58	1 177
Mr DJ Van Vuuren	867	215	113	58	1 253
Ms N Mphahlele	805	205	60	156	1 226
Mr V Mulaudzi	843	154	113	58	1 168
Ms L Dlova	946	157	33	58	1 194
Mr KE Mahura	866	120	24	16	1 026
	<b>9 254</b>	<b>1 719</b>	<b>722</b>	<b>697</b>	<b>12 392</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Short-term employee benefits	Bonus	Expense allowance	Defined contribution plan	Total
2012	R'000	R'000	R'000	R'000	R'000

### Other key management personnel

#### Divisional Directors and senior management reporting directly to the Chief Executive Officer:

Acting Chief Financial Officer (resigned 31 May 2011)	101	-	2	6	109
Chief Financial Officer (appointed June 2011)	1 060	211	15	95	1 381
Chief Operations Officer (appointed June 2011)	834	-	1	47	882
<b>Divisional Directors:</b>					
Mr A.M.Ntlangeni	752	67	43	47	909
Ms T Mavasa (appointed June 2011)	756	-	17	46	819
Mr SG Mkoka (appointed June 2011)	756	-	20	46	822
Mr CJ Peters (acting until 30 April 2011)	59	72	4	9	144
Mr DJ Van Vuuren	817	69	87	54	1 027
Ms N Mphahlele (appointed June 2011)	646	54	48	124	872
Mr V Mulaudzi (appointed June 2011)	756	-	16	46	818
Ms L Dlova (appointed July 2011)	666	-	13	50	729
Mr KE Mahura	844	68	10	-	922
Ms MI Molotsi (acting until 31 May 2011)	121	72	15	8	216
Ms S Samuel (acting until 31 May 2011)	113	71	14	15	213
Mr BS Magongo (acting until 31 May 2011)	108	60	8	7	183
Ms NG Hluyo (acting until 31 May 2011)	117	74	12	19	222
Ms GBA Mjadu (acting until 30 June 2011)	162	61	14	11	248
	<b>8 668</b>	<b>879</b>	<b>339</b>	<b>630</b>	<b>10 516</b>

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 27. Related parties

Type	Related Parties	% shareholding	Nature of transaction	Loans and investments disbursed in 2012	Terms and conditions
Joint Ventures	1. Jointly controlled asset with FNB Leverage Finance (LF)	33%	The NYDA invested R36 million with a commitment to invest R80 million.	Nil (2012:Nil)	FNB will provide funding to SMEs and remit collections to The NYDA as and when received.
	2. Jointly controlled asset with Massmart Holdings Limited	50%	The NYDA and Massmart contributed R1 million each to provide funding to entrepreneurs for franchises costing less than R150 000.	Nil (2012:Nil)	The NYDA will provide funding to entrepreneurs and remit collections to Massmart as and when received.
	3. Jointly controlled asset with Mobile Telephone Network Ltd (MTN)	57%	The NYDA and MTN contributed R2 million and R1.5 million respectively to provide funding to entrepreneurs for franchises costing R30 000.	Nil (2012:Nil)	NYDA will provide funding to entrepreneurs and remit collections to MTN as and when received.
Associates	1. Franchise Fund ( <i>en commandite</i> partnership between the NYDA and business partners)	80%	The NYDA has invested R100 million (80% stake) in the Franchise Fund in order to assist young black entrepreneurs to start franchises.	Nil (2012:Nil)	Franchise Fund will provide funding to SMEs and remit collections to the NYDA.
	2. Chicken Kwasa (Pty) Ltd	26%	NYDA has granted a loan to Chicken Kwasa (Pty) Limited for an approved amount of R1,75 million.	Nil (2012:Nil)	The interest rate on this loan is prime less 2%. Participation fees are charged at the greater of 1,25% of actual gross monthly revenue or R9 100 per month. The loan period is from March 2005 to 2010.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

<b>Loan balance before impairment</b>	<b>Liability balance</b>	<b>Interest income</b>	<b>Administration fees</b>	<b>Other expense with related parties</b>	<b>Other income with related parties</b>	<b>Impairment on loans with related parties</b>
R8.2 million (2012:R14.5 million)	Nil (2012:Nil)	R1.35 million (2012:R1.7 million)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R2.2 million (2012:R1.7 million )
R2.7 million (2012:R2.4 million)	Nil (2012:Nil)	R230 000 (2012:R204 000)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R1.2 million (2012:R2.4 million)
R188 000 (2012:R167 000)	Nil (2012:Nil)	R25 000 (2012:R34 000)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R188 000 (2012:R167 000)
Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012: Nil )
R2 million (2012:R1.8 million)	Nil (2012:Nil)	R127 000 (2012:R114 000)	Nil (2012:Nil)	Nil (2012:Nil)	R109 000 (2012:R109 000) ( Royalties income )	R2 million (2012:R1.8 million )



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Type	Related parties	% shareholding	Nature of transaction	Loans and investments granted	Terms and conditions
	3. K5 Transport Logistics (Pty) Ltd	10%	The NYDA granted a loan to K5 Transport Logistics (Pty) Ltd for an approved amount of R1.2 million	Nil (2012:Nil)	The interest rate on this loan is prime plus 3%. Participation fees are not charged. The loan period was from June 2006 to May 2011.
	4. Decti Rating Agency (Pty) Ltd	19%	The NYDA granted a loan to Decti Rating (Pty) Ltd for an approved amount of R1.5 million	Nil (2012:Nil)	The interest rate on this loan is prime plus 2%. Participation fees are not charged. The loan period was from December 2006 to December 2011.
	5. Vynide Investments	10%	The NYDA granted a loan to Vynide Investments for an approved amount of R3 million	Nil (2012:Nil)	The interest rate on this loan is prime plus 2%. Participation fees are not charged. The loan period was from November 2007 to December 2012.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

<b>Loan balance before impairment</b>	<b>Liability balance</b>	<b>Interest income</b>	<b>Administration fees</b>	<b>Other expense with related parties</b>	<b>Other income with related parties</b>	<b>Impairment on loans with related parties</b>
R1.4 million (2012:R1.2 million)	Nil (2012:Nil)	R152 000 (2012:R139 000)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R1.4 million (2012:R1.2 million)
R500 000 (2012:R233 000)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R500 000 (2012:R233 000)
R3.4 million (2012:R3 million)	Nil (2012:Nil)	R346 000 (2012:R313 000)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R3.4 million (2012:R3 million)

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Type	Related Parties	% shareholding	Nature of transaction	Loans and investments granted	Terms and conditions
<b>All entities on the national sphere of government, as well as entities that report to entities on the national sphere of government</b>					
<b>Fellow subsidiary/department</b>	1. Government Communication Information System (GCIS)	N/A	GCIS advertises events on behalf of the NYDA	Nil (2012: Nil)	None
	2. National Lotteries Distribution Trust Fund	N/A	Sponsorship for the World Festival of Youth and Students	Nil (2012: Nil)	None
	3. Other entities on the national sphere of government	N/A	3. Expenses incurred for goods and services obtained	Nil (2012: Nil)	None
<b>Advances to directors and key management</b>					
	A Lungisa	N/A	Advances to be repaid	Nil (2012: Nil)	None
	Y Pillay	N/A	Advances to be repaid	Nil (2012: Nil)	None
	S Ngubeni	N/A	Advances to be repaid	Nil (2012: Nil)	None
	M Mashinini	N/A	Advances to be repaid	Nil (2012: Nil)	None

There were no further transactions with the national sphere of government after the reporting date.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

<b>Loan balance before impairment</b>	<b>Liability balance</b>	<b>Interest income</b>	<b>Administration fees</b>	<b>Other expense with related parties</b>	<b>Other income with related parties</b>	<b>Impairment on loans with related parties</b>
Nil (2012:Nil)	Nil (2012: Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:R2,5 million)	Nil (2012:Nil)	Nil (2012: Nil )
Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012: R16 million)	Nil (2012: Nil )
Nil (2012:Nil)	R829 000 (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R1.13 million (2012:R844 000)	Nil (2012:Nil)	Nil (2012: Nil )

<b>Loan balance before impairment</b>	<b>Liability balance</b>	<b>Interest income</b>	<b>Administration fees</b>	<b>Other expense with related parties</b>	<b>Advances to Directors and key management</b>	<b>Other income with related parties</b>	<b>Impairment on loans with related parties</b>
Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R460 000 (2012:R374 000)	Nil (2012:Nil)	R460 000 (2012: Nil )
Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R111 000 (2012:R163 000)	Nil (2012:Nil)	Nil (2012:R163 000)
Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R107 000 (2012:R14 000)	Nil (2012:Nil)	Nil (2012: Nil )
Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	Nil (2012:Nil)	R23 000 (2012:R23 000)	Nil (2012:Nil)	R23 000 (2012:R23 000)

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2013	2012
	R '000	R '000
<b>28. Commitments</b>		
Already contracted for but not provided for at 31 March 2013		
Economic Development	-	34 133
National Youth Service and Skills Development	10 220	19 711
Communications and Public Relations	-	22 286
Internal Audit and Risk Management	537	-
Service Delivery Channel	2 500	-
	<b>13 257</b>	<b>76 130</b>

### National Youth Service and Skills Development:

- An amount of R439 000 relating to the Human Resources graduate induction and placement project that commenced in March 2013. This project is co-funded with the South African Board for People Practice.
- An amount of R4.177 million relates to the NYDA's partnership with the Construction Education Training Authority (CETA) to implement a construction skills programme in October 2013. The appointment of training providers was finalised in February 2013. CETA is contributing R19 million towards this initiative.
- R3.821 million relates to the Second Chance project that is implemented in partnership with the Education, Training and Development Practices Sector Education and Training Authority is contributing R3.5 million. The project commenced in January 2013.
- A commitment of R1,283 million relates to the Construction Enterprise Development Officers' project that is being implemented in partnership with the Department of Trade and Industry contributed R3 million. The project commenced in October 2012 and it is anticipated that it will end October 2013.
- R500 000 relates to the project that is implemented in partnership with Umtshezi Local Municipality ,which contributed R1,5 million from February 2013; it will end in January 2014.

### Internal Audit and Risk Management:

- Costs relating to forensic investigations for loan defaulters on loans advanced by the former Umsobomvu Youth Fund, amount to R143 991. Commenced in March 2013 and is scheduled to be completed by 30 June 2013.
- R392 868 in respect of CQS Technology Holdings to provide a data analysis tool to be used by the Risk and Internal audit unit. The appointment was approved on 20 March 2013.

### Service Delivery Channel:

The NYDA has been offered free office space to host a full service branch by the Vhembe District Municipality and Ekurhuleni municipality. Under the agreement, the NYDA will refurbish the office space (R2.5 million) and occupy the space rent free, but will be responsible for the operational costs for running the branch. The tender process commenced during the year under review and service level agreements were signed with the municipalities.

## 29. Contingent liability

A contingent liability is an existing condition or situation involving uncertainty as to possible loss to an organisation, which will ultimately be resolved when one or more future events occur, or fail to occur. A contingent liability is recognised by the NYDA when that uncertainty will ultimately be resolved, if one or more future events occur, not wholly within the agency's control, or fail to occur. Resolution of the uncertainty may confirm the loss or the incurrence of a liability.

# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The NYDA has the following contingent liability which meets the definition as provided above:

Labour-related matters amounting to R115 000

	2013	2012
	R '000	R '000

### 30. Fruitless and wasteful expenditure

#### Reconciliation of fruitless and wasteful expenditure

Opening balance	3 511	2 056
Standard Bank late payment	-	7
SARS penalties on late payments	538	1 205
SARS interest on late payments	-	240
Rental for office in George	603	-
Interest paid on late payment of rental	-	3
	<b>4 652</b>	<b>3 511</b>

### 31. Irregular expenditure

#### Reconciliation of irregular expenditure

Opening balance	200 901	67 649
Add: Irregular Expenditure - current year	62 078	133 252
Less: Amounts condoned	-	-
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
<b>Irregular expenditure for the period</b>	<b>262 979</b>	<b>200 901</b>

The irregular expenditure incurred during the current financial year results from non-compliance with the Public Finance Management Act, Preferential Procurement Policy Framework Act and National Treasury Regulations with respect to Supply Chain Management prescripts.

The NYDA implemented the following interventions to avoid irregular expenditure:

- The introduction of a checklist process where all procurement is verified by SCM on compliance before service providers are engaged
- The appointment of travel and accommodation service providers through a tender process
- All new and existing service providers on the database were required to submit valid tax clearance certificates
- The template for requesting quotations has been updated to include the evaluation method, i.e. 80/20, quotations are now filed by SCM and saved electronically on the purchase order system
- Suppliers on the database have been requested to submit SBD forms.

The irregular expenditure incurred in the current year includes R13.1 million resulting from contraventions of section 56 of the Public Finance Management Act, identified during a review of awarding of contracts relating to significant projects of the Agency, conducted after year-end. The NYDA accounting authority suspended the Chief Executive Officer, Steven Ngubeni, based on the results of the review performed. Also refer to note 32, Events after reporting date in this regard.



# ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2013

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 32. Events after the reporting date

#### • **Contravention of the Public Finance Management Act and suspension of the Chief Executive Officer**

The NYDA accounting authority on 24 July 2013 took the decision to suspend the Chief Executive Officer, Steven Ngubeni, of the entity, based on the preliminary findings of a review into the awarding of contracts relating to significant projects of the Agency during the financial year. It established that the delegation of authority established by the entity was not adequately followed during the award of such contracts and will result in the expenditure incurred being classified as irregular due to contraventions of section 56 of the Public Finance Management Act. This represents an adjusting subsequent event. The effect of the above transaction is an increase in irregular expenditure of R13.1 million presented in the financial statements for the year ended 31 March 2013.

#### • **Discontinuation of the disbursement of loans**

In May 2013, the Agency's accounting authority took the decision to implement a grant funding programme and to discontinue the disbursement of loans to young entrepreneurs and individuals. The Agency at financial year-end was still in the process of developing a loan management system, which is classified as an intangible asset not yet available for use. The decision by the accounting authority will result in the discontinuance of the development of the loan management system which is an indicator of impairment and will result in the intangible asset being measured down to its recoverable amount per GRAP 21, Impairment of non-cash generating assets. This is a non-adjusting subsequent event.

The effect of the above will be an impairment charge to the statement of financial performance of R3 million with a corresponding decrease in the value of intangible assets.

### 33. Budget differences

#### **Material differences between budget and actual amounts**

- Administration and overheads: contracts relating to cleaning and security services expired during the year and the new service providers were engaged.
- Communication and public relations: the tender process for the branding of local youth offices could not be concluded before the end of the financial year.
- Employee costs: vacancies within the support divisions were not filled during the financial period.
- Information technology: due to delays in the filling of vacancies in the ICT division, service providers were contracted to provide additional capacity.
- Outsourcing and external services: underspending is due to timing differences for internal and external audit fees.
- Seminars and training: the bursary committee was established late in the financial year and is tasked with the adjudication and awarding of bursaries to staff members. A smaller number of bursaries were awarded in the financial year.
- Travel and accommodation: NYDA has embarked on a process of engaging various captains of industry to leverage resources for youth development. This resulted in a huge drive of staff members travelling locally to meet various stakeholders. There are a number of international trips where the NYDA was directed by the Presidency to cover the travel costs of young South Africans who were nominated to attend on behalf of the country.
- Interest paid: includes penalties and interest paid to SARS in respect of late payments.
- Project disbursements: a number of projects were initiated towards the end of the financial year and their life span goes beyond the end of the financial year resulting in the costs being incurred in the following financial year. A roll-over request has been made to National Treasury to make these funds available in the next financial period.
- Donor-funded expenditure: these expenses are funded by donors and not included in the NYDA budget.









NATIONAL YOUTH DEVELOPMENT AGENCY

**OUR YOUTH. OUR FUTURE.**

**NATIONAL YOUTH DEVELOPMENT AGENCY**

11 Broadwalk Avenue  
Halfway House  
Midrand  
1683

PO Box 982  
Halfway House 1685  
Fax: 086 606 6563  
Call center: 0800 52 52 52  
e-mail: [info@nyda.gov.za](mailto:info@nyda.gov.za)  
[www.nyda.gov.za](http://www.nyda.gov.za)

