

INGONYAMA TRUST BOARD'S 4th QUARTER PERFORMANCE AND FINANCIAL REPORT: 2017 – 2018 FINANCIAL YEAR

PRESENTATION TO THE
PARLIAMENT PORTFOLIO
COMMITTEE ON RURAL
DEVELOPMENT AND LAND
REFORM

DATE : 23 MAY 2018

UNLOCKING RURAL LAND FOR DEVELOPMENT FOR THE BENEFIT OF THE PEOPLE



INGONYAMA
TRUST BOARD

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INTRODUCTION

- The presentation covers the organisational programme performance in line with the two (2) programmes of the Ingonyama Trust Board
- Performance recorded during the period under review is compared against targets set in the 2017 – 2018 Annual Performance Plan (APP)

PROGRAMME PERFORMANCE

PROGRAMME 1 : ADMINISTRATION

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
1.1. Provide effective self monitoring and evaluation systems to the Ingonyama a Trust Board	Mid-term reviews held and reports completed	1	-	-	N/A	N/A	N/A
	Staff training on the monitoring and evaluation framework	3	1	-	-1	This has been deferred until the new organogram has been finalized and the skills audit has been undertaken	Finalisation of skills audit and draw up a staff training plan
1.2. Ensure effective stakeholder engagement and communication	Customer Service Charter implementation plan in place	1	75% implementation	-		This process was delayed due to the draft organogram was being reviewed	A plan is underway due to the organogram which was under review
	Stakeholder engagement plan in place	1	75% implementation	-		Engagements ongoing pending finalisation of plan	Plan to be finalized with the KZNPHTL for future engagements

PROGRAMME 1 : ADMINISTRATION (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
1.2. Ensure effective stakeholder engagement and communication	Number of Communication Reports submitted to the Board	12	3	-		Communication reports completed but not submitted to the Board	Fast track the submission of the communication reports
	Number of workshops with amakhosi	3	1	2	+1	Discussion on the High Level Panel report with amaKhosi led to a follow up workshop with His Majesty the King	Ensure adherence to planned targets

PROGRAMME 1 : ADMINISTRATION (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
1.3. Provide IT support to improve efficiency	Audited IT infrastructure of the ITB	1	75% implementation	-	-1	Draft implementation plan reviewed incorporating comments	Fast track approval of implementation plan
	Bi annual check of software compliance conducted	1	1	N/A	N/A	N/A	1
	Implementation plan for the IT policies developed and approved by the Board (IT Policy & IT Backup Policy)	75% implementation	-			Draft implementation plan reviewed incorporating comments	Fast track approval of implementation plan

PROGRAMME 1 : ADMINISTRATION (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
1.4. To ensure that efficient internal resource management is aligned to legislative requirements	Number of policies reviewed by the Board	6	1	-	-1	Delay in procurement	Fast track the appointment of service providers
	Percentage of all movable assets to be recorded in the asset register	100%	100%	100%	N/A	N/A	N/A
1.5. To ensure reduction of vacancies	HR provisioning plan approved by the Board	1	100%	100%	N/A	N/A	N/A
	Percentage posts filled in relation to the HR provisioning plan	100%	100%	93%	-7%	Inability to attract the correct candidate	Board reviewed organizational structure and a new HR provisioning plan will be developed
1.6. To ensure performance management in ITB	Percentage of Performance agreements concluded timeously	100%	100% compliance on all new employees	-	Not complied	Could not be included in the absence of the Senior Managers	Some of the senior managers have been hired and more will continue to be hired

PROGRAMME 1 : ADMINISTRATION (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
1.7. Provision of skills development to improve service delivery	Number of Internal Skills Audit performed	1	75% implementation	-	-75% implementation	Capacity constraints	Outsourcing of function to external service provider
	Number of training programmes conducted	10	1	1	0	N/A	N/A
1.8.To improve customer relationship	Payment of undisputed invoices within 30 days of receipt in finance	100%	100%	100%	N/A	N/A	N/A
	Number of MOAs with traditional councils approved by the board	10	3	-	-3	This has been suspended pending the finalization of the new organogram	Finalisation of the organogram and filling of posts

PROGRAMME 2 : LAND MANAGEMENT

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
2.1. Provision of secure tenure rights to facilitate development on Ingonyama Trust land	Land Tenure Policy developed and approved	1	Approval	-	No approval	Priority given to Tenure procedure	To outsource policy development
	Research conducted on land allotment practices adopted by various traditional councils	1	Approval	-	No approval	This requires specialized skill	To outsource research
	Number of land tenure rights approved by the Board	1400	200	179	-21	These tenure rights applications have been approved pending rental valuations	Finalise rental valuations
2.2. To maintain an intergrated and comprehensive land tenure administration system / (database of land tenure rights)	Updated land holding register	4	1	1	N/A	N/A	N/A
	Number of land parcels for commercial use valuated	9	1	-	-1	Move is to use municipal values on these properties	Finalise the valuation and reflect them in our Annual Financial Statements

PROGRAMME 2 : LAND MANAGEMENT (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
2.3. To ensure sustainable land planning which attracts investment on IT land	Number of Traditional Councils with development plans	4	Implementation, M & E Review	-	-4	Number of spatial plans shelved to the next financial year	TORs have been done pending finalisation
	Number of Spatial Development Plans on strategically located land	3	Implementation, M & E Review	-	-3	A discussion with the municipality must first take place, hence the discussion is kept in abeyance.	TOR prepared pending finalization in Quarter 4
	Number of development agreements with municipalities	4	Implementation, M & E Review	-	0	N/A	Engagements have been undertaken with municipalities however no feedback has been received.
	A report identifying prime land developed and approved by the Board	New indicator	Implementation, M & E Review	-	No implementation and M & E Review	This has been pending for next financial year	Implementation of the new organogram

PROGRAMME 2 : LAND MANAGEMENT (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
2.4. Provide support to beneficiary communities to improve food security	Board approved plan on agriculture production on trust land	1	-	-	N/A	N/A	N/A
	Number of potential project of high commercial value for partnership with private sector identified and implemented	1	1	-	-1	Indicator dependent on third party	Proactive planning into the future
	Number of agricultural projects approved by the Board	12	-	-	-	N/A	N/A
2.5. Ensure intergration related to mining for sustainable rural development on Ingonyama Trust land	A comprehensive plan based on the recommendation of the 2015/16 mining Imbizo	1	Implementation & Review	-	-1	Report was being analysed	Implementation plan during quarter 4
	Auditing of all mining activities	1	Approval by the Board	-	-1	N/A	N/A

PROGRAMME 2 : LAND MANAGEMENT (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
2.6. To facilitate economic development	An implementation plan on land with development rights, developed, costed and approved	1	Implementation & Review	-	-1	Not achieved as it is dependent on SO: 2.3.	Fast track achievements on SO: 2.3.
	Monitoring compliance and adherence to ITB BBEE scorecard for commercial developments	3	1	-	-1	Incumbent Business Development Officer position vacant	Implementation of the new organogram
	Development rights application submitted and obtained in line with the findings of the land audit	5	1	-	-1	Not achieved as it is dependent on SO: 2.3.	Fast track achievements on SO: 2.3.

PROGRAMME 2 : LAND MANAGEMENT (contd)

Strategic objective	Performance Indicator	Annual Target	Q4 Target	Q4 Results	Variance	Reason for variance	Mitigation plan
2.7. Provide training to Traditional Councils	Skills Audit performed based on land related legislation	1	-	-	N/A	N/A	N/A
	Training plan approved by the Board	1	-	-	N/A	N/A	N/A
	Number of traditional councils trained	12	5	1	-4	Capacity constraints	Improve capacity
2.8. Facilitate skills development for young people living on communal land	Number of educational awards granted	120	120	36	- 84	Indicator dependent on traditional council requests for bursaries	Encourage traditional councils to prioritise educational awards
2.9. Promotion of social cohesion and cultural values	Framework on supporting social cohesion programmes developed and approved	1	Implementation, M & E Review	-	-1	This is to be outsourced	Fast track the TOR and appointment of service provider

ACCOUNTING AUTHORITY MEETINGS

TENURE COMMITTEE	EXECUTIVE COMMITTEE (EXCO)	BOARD
28 February 2018		08 February 2018
7 March 2018		
8 March 2018		

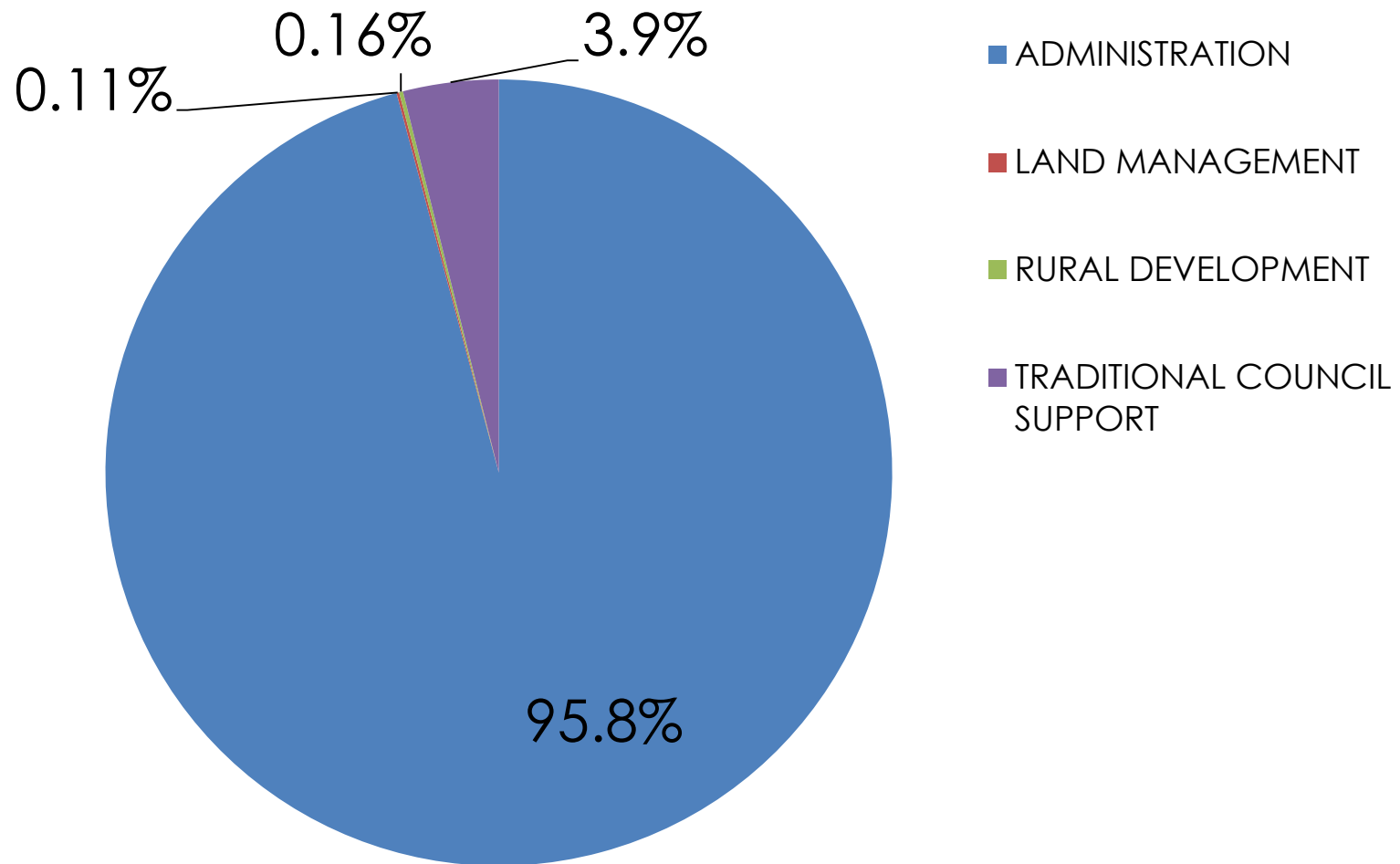
FINANCIAL PERFORMANCE

4th QUARTER EXPENDITURE 2017/2018

EXPENDITURE PER PROGRAMME – INGONYAMA TRUST

Item	Annual Budget	4 th Quarter Actual Spending	4 th Quarter Budget	Percentage of 4 th Quarter budget Spent in the 4 th Quarter
	R	R		%
ADMINISTRATION	64 715 873.00	16 512 040.00	50 719 315.06	32.56 %
LAND MANAGEMENT	4 335 000.00	19 661.30	992 500.00	1.98 %
RURAL DEVELOPMENT	7 180 000.00	27 252.29	0.00	00.00
TRADITIONAL COUNCIL SUPPORT/COMMUNITY SUPPORT	38 417 186.70	676 216.71	9 604 296.75	7.04%
Total	114 648 060.00	17 235 170.30	61 316 111.81	28.10%

Ingonyama Trust - Comparative expenditure per programme – Quarter 4



4th QUARTER EXPENDITURE 2017/2018

INGONYAMA TRUST - EXPENDITURE PER ECONOMIC CLASSIFICATION

Item	Annual Budget	4th Quarter Actual Spending	4th quarter Budget	Percentage of Actual spent of the 4th Quarter Budget
	R	R		%
Goods and Services	92 848 060.00	16 842 679.49	43 696 111.81	38.55%
Capital	21 800 000.00	392 490.81	17 620 000.00	2.22 %
Total	114 648 060	17 235 170.30	61 316 111.81	28.10 %

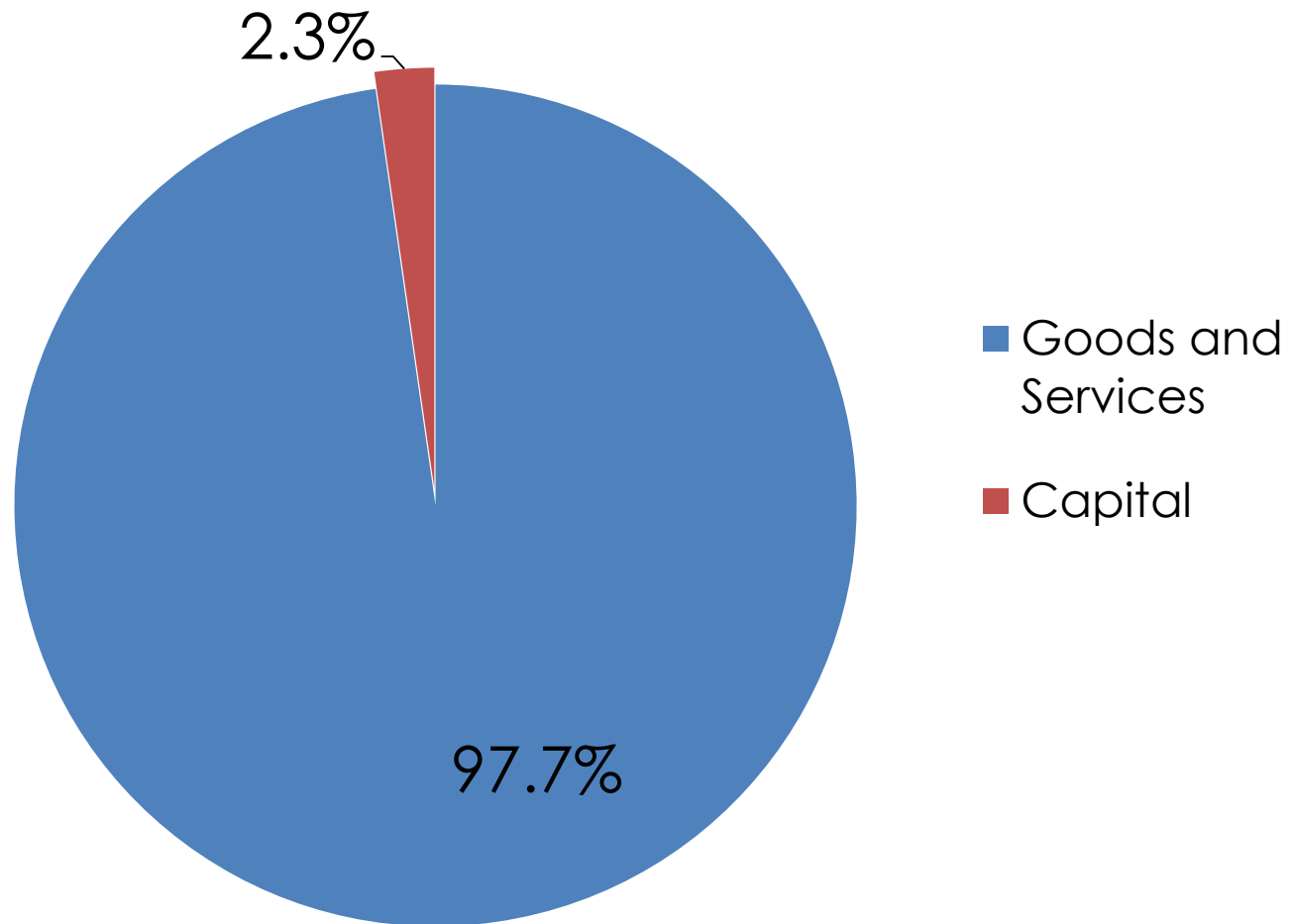
INGONYAMA TRUST - NOTES ON EXPENDITURE

- The total expenditure for Quarter 4 amounted to R17.23m .
- 28.10% of the 4th quarter budget was spent in Quarter 4 (Including capital expenditure)
- 38.55 % of the total goods and services 4th quarter budget was utilized in the 4th quarter.

Notes on Ingonyama Trust expenditure

- Capital expenditure is paid for by the Ingonyama Trust.
- The savings in the 4th quarter for goods and services is mainly due to under-spending of the office accommodation /capital Budget.
- Capital expenditure comprised of
 - New infrastructure Assets – R 392 490.81

Ingonyama Trust – Comparative expenditure per Economic classification Quarter 4



Ingonyama Trust - Schedule of goods and services

ITEM	COST
Advertising	137 151 .22
Legal fees	1 376 140.41
Bank charges	12 884.72
Cleaning, repairs and maintenance/general	86 455.20
Computer Licencing	89 000.21
Communication expenses	165 644.00
Land tenure information system - maintenance	19 661.30
Agricultural Project expenses	14 541.29
Audit of IT infrastructure	399 820.70
Bursaries	12 711.00
Workshops	2 125 109.83
Increase in provision of doubtful debts	1 486 984.60
Increase in leave pay provision	47 037.47
	676 216.71
Payment to beneficiary communities	
Depreciation on movable assets and buildings	3 388 505.69
Loss on disposal of assets	3 844.60
Transfer of funds to Ingonyama Trust Board	6 800 970.54
Total	16 842 679.49

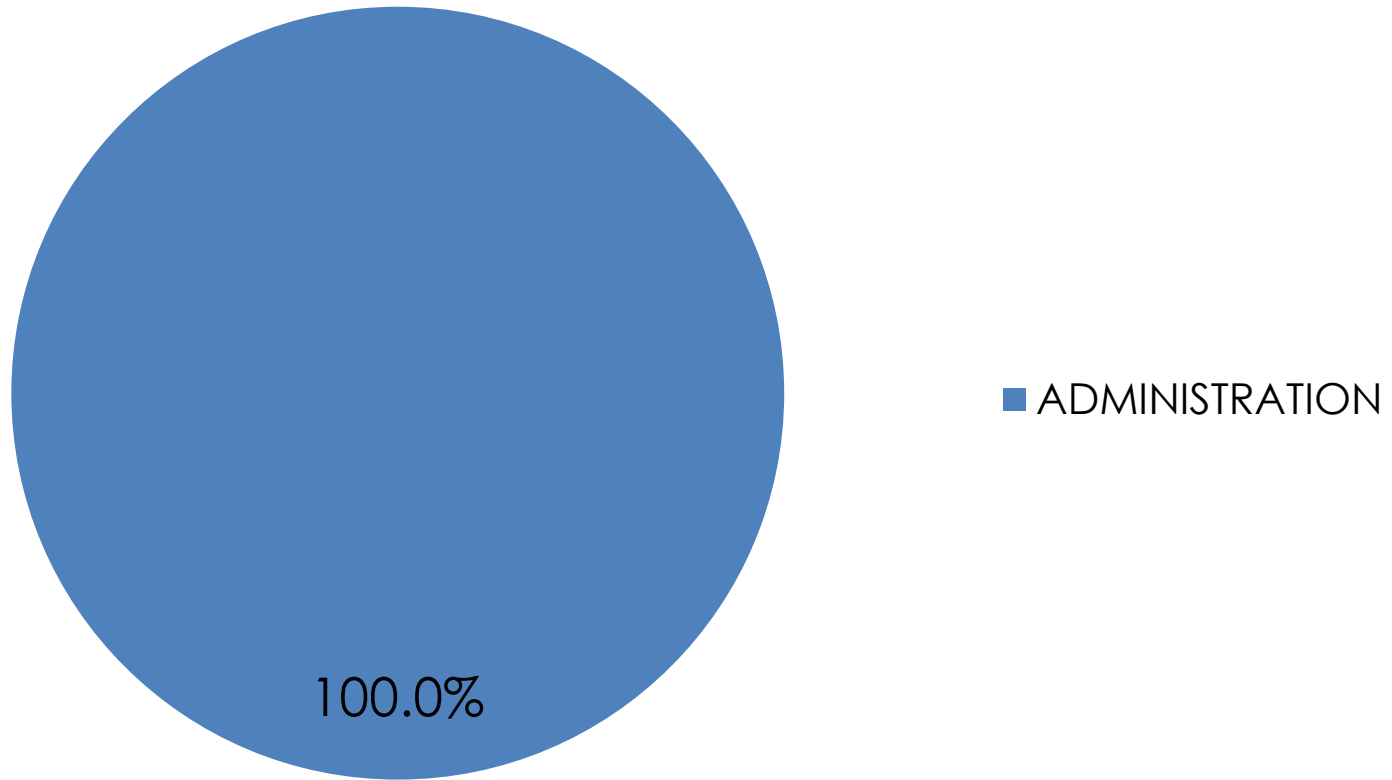


4th QUARTER EXPENDITURE 2017/2018

EXPENDITURE PER PROGRAMME – INGONYAMA TRUST BOARD

Item	Annual Budget	4th Quarter Actual Spending	4th Quarter Budget	Percentage of 4th Quarter budget Spent in the 4th Quarter
	R	R		%
ADMINISTRATION	35 108 868	8 578 839.11	8 593 000.00	99.83%

Ingonyama Trust Board - Comparative expenditure per programme – Quarter 4



4th QUARTER EXPENDITURE 2017/2018

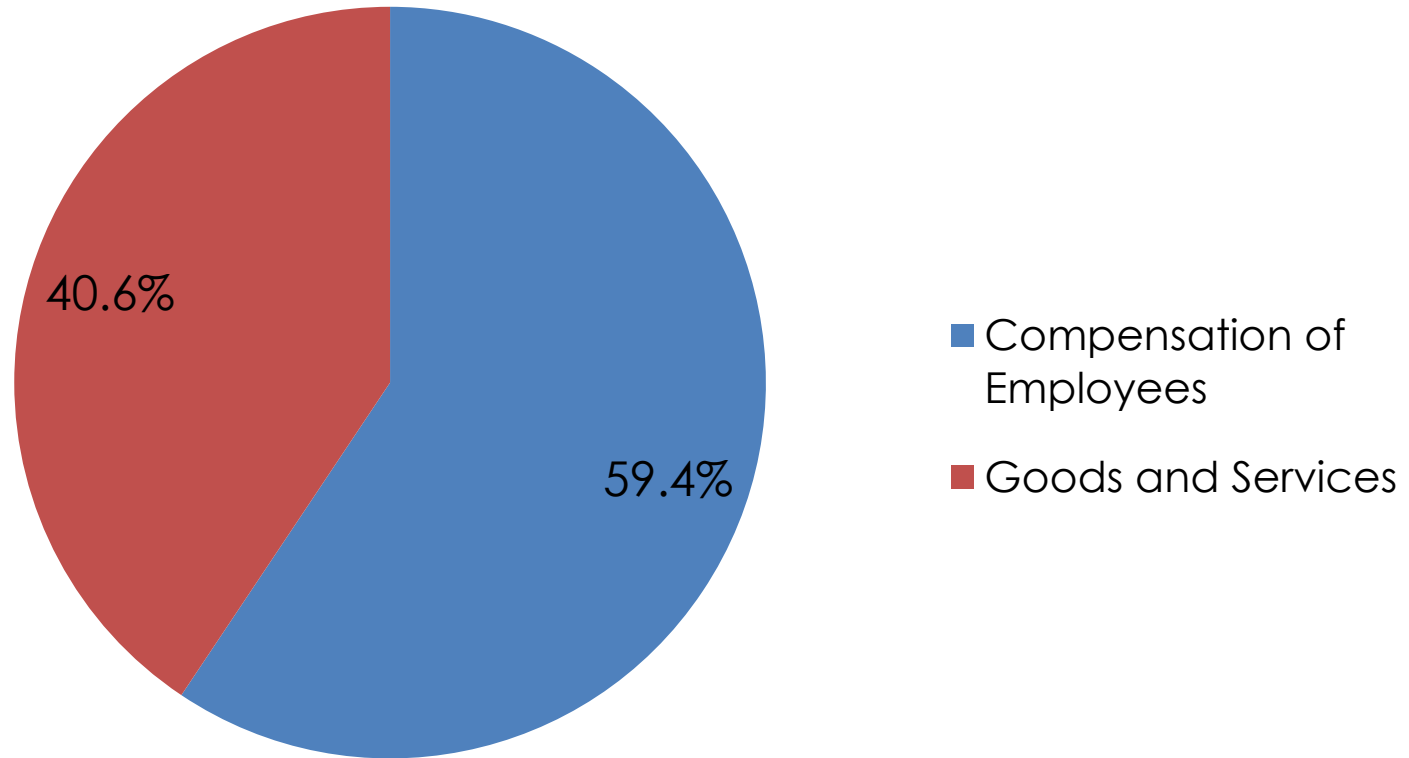
INGONYAMA TRUST Board - EXPENDITURE PER ECONOMIC CLASSIFICATION

Item	Annual Budget	4th Quarter Actual Spending	4th quarter Budget	Percentage of Actual spent of the 4th Quarter Budget
	R	R		%
Compensation of Employees	22 025 890.00	5 093 244.00	5 093 000.00	100.00%
Goods and Services	13 082 978.00	3 485 595.11	3 500 000.00	99.58%
Total	35 108 868.00	8 578 839.11	8 593 000.00	99.83 %

NOTES ON EXPENDITURE

- The total expenditure for Quarter 4 amounted to R 8,6m.
- 99.83 % of the 4th quarter budget was spent in Quarter 4
- 100.00 % of the compensation of employees 4th quarter budget was utilised in the 4th quarter.
- 99.58 % of the total goods and services 4th quarter budget was utilised in the 4th quarter.

INGONYAMA TRUST BOARD – COMPARATIVE EXPENDITURE PER ECONOMIC CLASSIFICATION QUARTER 4



INGONYAMA TRUST BOARD - SCHEDULE OF GOODS AND SERVICES

ITEM	COST
Motor vehicle expenses	123 397.96
Bank Charges	4 059.59
Cleaning, repairs and maintenance/general	137 169.21
Board members' fees	1 302 985.54
Computer Licencing	14 265.00
Travel & accommodation & meetings	798 630.72
Internal audit committee members' remuneration	40 678.82
Insurance	155 042.28
Stationery & Printing	235 876.80
Electricity and water	87 808.82
Security expenses (ITB office accommodation)	191 426.52
Telephone	59 552.70
Extenal audit fees	13 939.60
Depreciation on furniture and equipment	2 465.08
Loss on unauthorised use of petrol card	59 932.87
Organogram – restructuring cost	258 363.60
Total	3 485 595.11

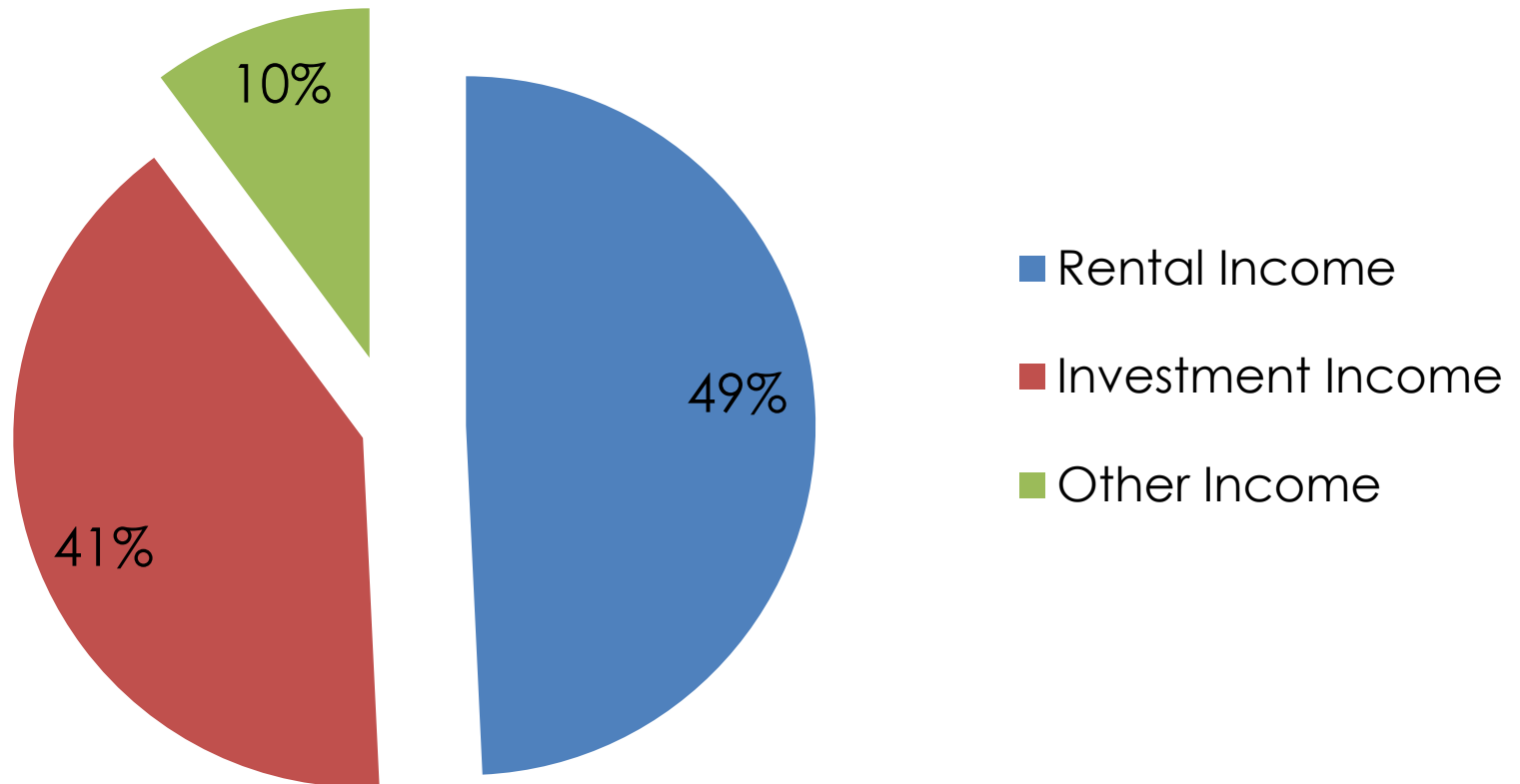
INGONYAMA TRUST SCHEDULE OF REVENUE

Item	Actual for 4 th quarter 2017/2018	Budget for 4 th quarter 2017/2018	% income over 4 th quarter Budget
	R	R	%
RENTAL INCOME	4 594 245.93	2 520 053.06	182.31 %
OTHER INCOME (SERVITUDES, CONTRACTUAL ROYALTIES and SUNDRY	950 234.95	713 856.25	133 .11 %
INVESTMENT INCOME	3 784 302.90	4 241 287.00	89.22 %
TOTAL INCOME	9 328 783.78	7 475 196.31	124 .80 %

INGONYAMA TRUST - NOTES ON 4th QUARTER INCOME

- The total revenue generated for quarter 4 amounted to **R 9.3 m**

INGONYAMA TRUST - GRAPHICAL PRESENTATION OF ACTUAL INCOME

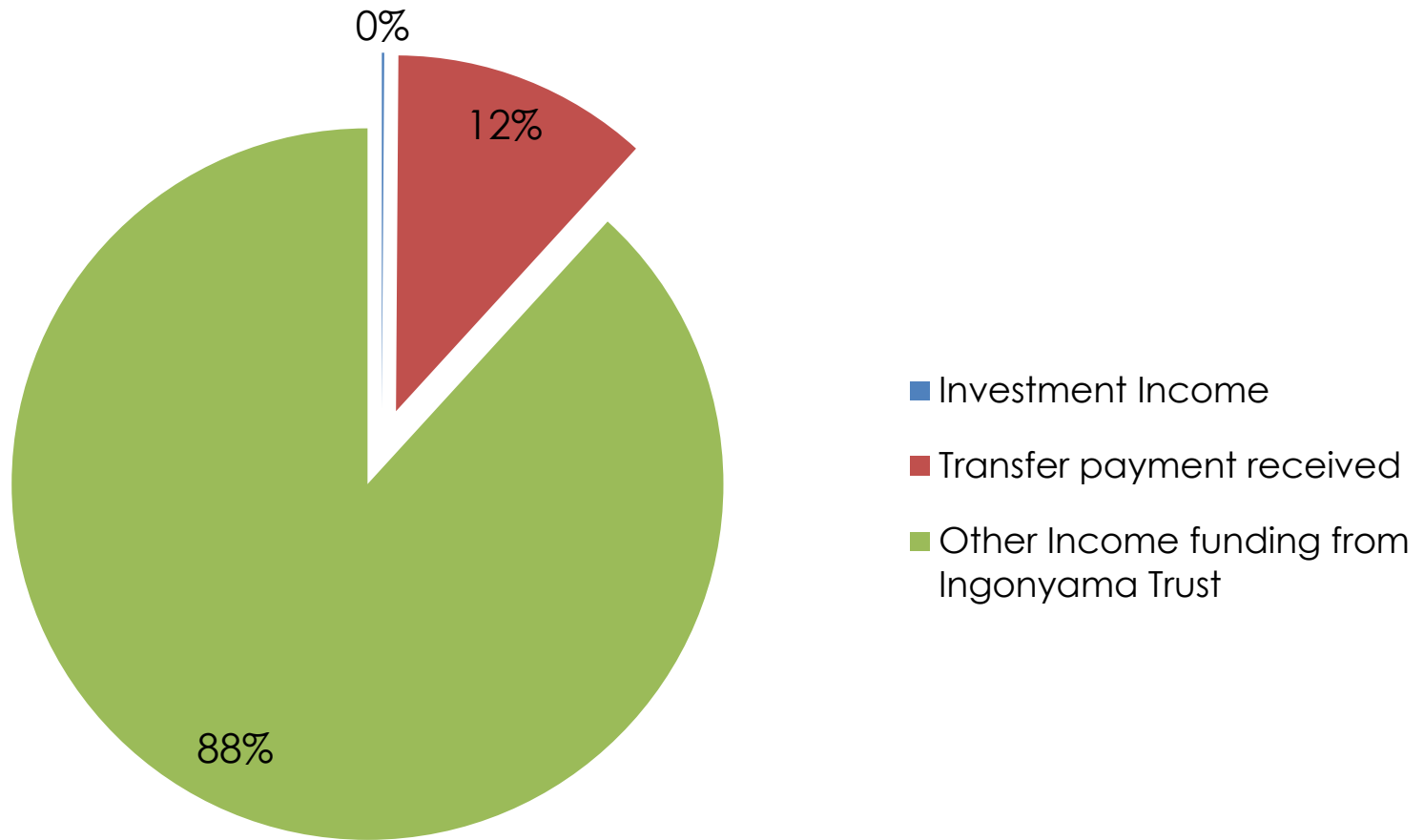


INGONYAMA TRUST BOARD SCHEDULE OF REVENUE

Item	Actual income for the 4th Quarter	Budget – 4th Quarter	% income over 4th quarter Budget
	R	R	%
TRANSFER PAYMENT	900 085.27	900 085.27	100,00%
Investment Income	8 396.06	8 400.00	99.95 %
Other Income – from Ingonyama Trust	6 800 970.54	6 800 970.54	100,00%
TOTAL INCOME	7 709 451.87	7 709 455.81	100%

Transfer payment amounting to R 900 085.27 was received and fully utilised in the 4th quarter.

INGONYAMA TRUST BOARD- GRAPHICAL PRESENTATION OF ACTUAL INCOME



INGONYAMA TRUST BOARD - NOTES ON 4th QUARTER INCOME

- The total revenue generated for quarter 4 amounted to R7,7 m

Thank You