



CO-OPERATIVE BANKS DEVELOPMENT AGENCY

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Co-operative Banks Development Agency

Annual Performance Plan

For
Financial year 2018/19
[2018 –budget year]

January 2018

Official sign-off

It is hereby certified that this Annual Performance Plan:

Was prepared in line with the current Strategic Plan of the **CBDA**.

Accurately reflects the performance targets which the **CBDA** will endeavour to achieve given the resources made available in the budget for 2018/2019.

Ms Olaotse Matshane
Managing Director



Mr Desmond Golding
Accounting Authority



Contents

- 1. Updated Situational analysis 4
 - 1.1 Performance delivery environment 4
 - 1.2 Organisational environment 4
- 2. Revisions to legislative and other mandates 4
- 3. Overview of 2018/19 Budget and MTEF estimates 5
 - 3.1. Expenditure estimates 5
 - 3.2. Relating expenditure trends to strategic outcome oriented goals 6
- Part B: Programme and sub-programme plans 8
- 4. Programme 1: Administration 8
 - 4.1. Administration Unit Strategic objectives 8
 - 4.2 Administration APP targets 10
 - 4.3 Administration Quarterly Targets for 2018/19 12
 - 4.4 Administration resource consideration 13
- 5. Programme 2: Capacity Building 14
 - 5.1. Capacity Building Strategic objectives 14
 - 5.2 Capacity Building APP targets 15
 - 5.3. Capacity Building Quarterly targets for 2018/19 16
 - 5.4. Capacity Building resource consideration 17
- 6. Programme 3: Central Support Services 18
 - 6.1. Central Support Services Strategic objectives 18
 - 6.2 Central Support Services APP targets 19
 - 6.3. Central Support Services Quarterly targets for 2018/19 20
 - 6.4. Central Support Services resource consideration 21
- Annexure A: Indicator Description Sheet 22

Part A: Strategic overview

1. Updated Situational analysis

1.1 Performance delivery environment

The strategic focus of the Co-operatives Bank Development Agency (CBDA) is to build a strong and vibrant financial co-operative sector and amongst other objectives aims to attract salaried and middle income groups into the Co-operative Financial Institution (CFI) sector in order to build models with a strong financial co-operative network that can support the smaller rural based CFIs. This approach will enable the CBDA in collaboration with the sector itself to build an integrated National Co-operative Banking System consisting of primary financial co-operatives linking into a network of secondary co-operative bank at provincial level in the medium to long term and possibly a tertiary co-operative bank at national level in the very long term.

A strong network of CFIs is necessary for the sectors viability. The co-operative banking network will be made possible with the formation of CFIs for public sector employees, employees of large state owned and private companies, metropolitan municipalities etc. This initiative will be complemented by the development and roll out of an IT based banking platform which is already one of the key strategic projects for the CBDA.

1.2 Organisational environment

Funded and unfunded positions are shown on the organogram in the strategic plan.

2. Revisions to legislative and other mandates

See strategic plan for: additions on the National Development Plan and the Medium Term Strategic Framework; and updates on the implementation of the twin peaks regulatory framework.

3. Overview of 2017/18 Budget and MTEF estimates

3.1. Expenditure estimates

Revenue R thousand	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
Transfers	19,275,000	19,883,000	20,997,000	22,151,000
Application fees	7,000	-	-	-
Interest income	511,895	400,000	350,000	300,000
Stakeholder funding	19,220,570	9,458,557	8,039,367	8,467,105
	39,014,465	29,741,557	29,386,367	30,918,105

Programme Expenditure

1. Administration	6,048,520	6,022,950	6,355,606	6,722,707
2. Supervision Unit	5,666,690	-	-	-
3. Capacity building	8,078,685	9,822,870	8,242,083	8,792,150
4. Central Support Services	19,220,570	13,895,738	14,788,678	15,403,248
Subtotal	39,014,465	29,741,557	29,386,367	30,918,105
Surplus/(-) Deficit	-	-	-	-

Detailed Expenditure For All Programmes

Economic classification

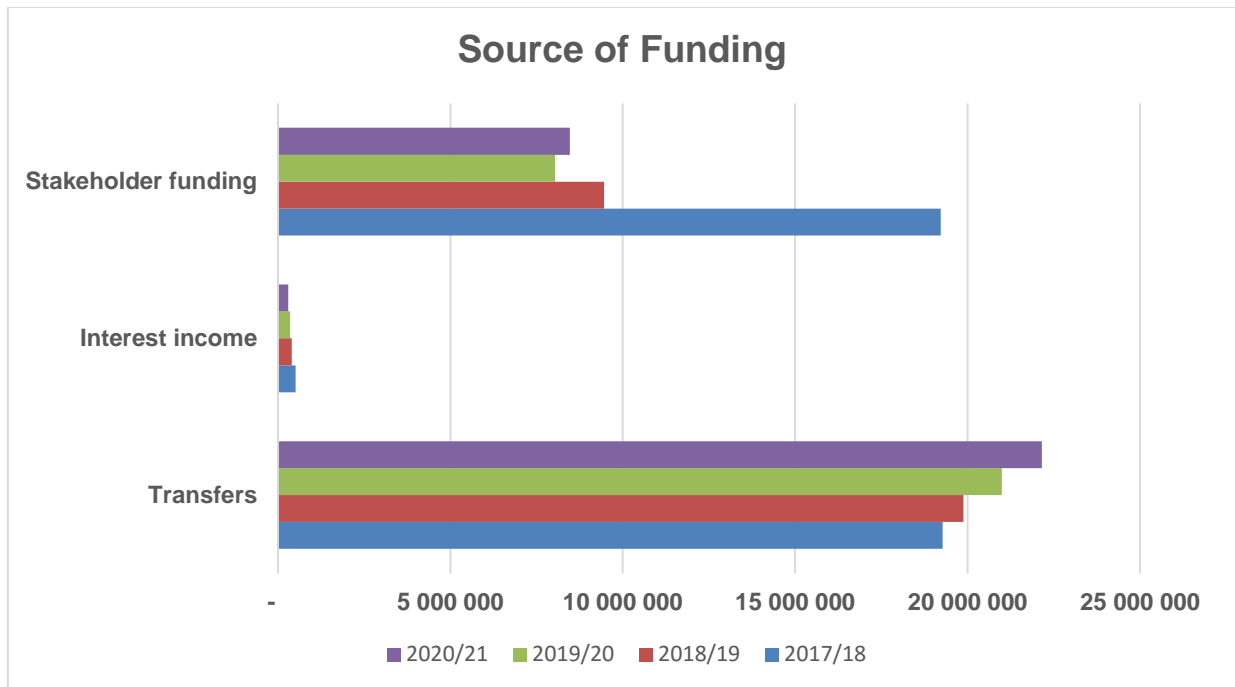
Current Payments	38,557,965	29,250,732	28,873,656	30,382,853
Compensation of employees	19,378,333	15,716,506	16,997,359	18,365,712

Goods and Services

	19,179,632	13,534,226	11,876,297	12,017,140
Annual Conference	50,000	50,000	-	-
Assets less than R5 000	20,000	5,000	5,280	5,544
Audit costs	390,145	400,000	420,000	389,560
Bank Charges	33,147	20,000	21,120	22,176
Board Costs	367,500	350,000	400,000	420,000
Communication	128,000	124,590	129,570	134,748
Computer services	5,848,488	3,150,000	3,307,500	3,307,499
Compensation commission	5,000	5,597	6,000	6,300
Consultants	1,097,003	725,000	761,400	782,931
Depreciation	150,000	115,000	121,440	127,512
Industry charges	2,278,500	525,000	551,250	578,813
Lease payments	48,441	45,000	46,000	47,000
Publication and Marketing	69,828	50,000	52,800	55,440
Printing and Stationery	66,000	73,000	77,088	80,942
Rental	126,000	132,300	138,915	145,861
Human Resource Management	247,500	215,375	226,444	237,766
Staff welfare	5,000	3,000	3,000	3,000
Subscription	8,500	10,000	10,560	11,088
Transaction cost	2,019,452	525,000	551,250	551,249
Training and staff development	350,000	250,000	155,600	160,880
Travel and subsistence	5,845,044	6,760,364	4,891,081	4,948,831
Venues and facilities	26,085	-	-	-

Payments for capital assets & reserves	456,500	490,825	512,711	535,253
Tangible and intangible assets	356,500	390,825	412,711	435,253
Stabilisation interest capitalised	100,000	100,000	100,000	100,000
Total	39,014,465	29,741,557	29,386,367	30,918,105

3.2. Relating expenditure trends to strategic outcome oriented goals



The 2018/19 budget reflects a 24 per cent decrease from 2017/18. Transfer funds is 67 per cent, stakeholder funds are 32 per cent with 1% for other income. The stakeholder funds are not secure or guaranteed therefore management must continuously engage with parties to source additional funds. These funds are primarily used for the implementation of the Banking system and capacity building programmes to supplement transfer funds which is insufficient to achieve the mandate of the CBDA.

Over the MTEF period there is an average increase of 2 per cent in total revenue. The transfer funds increased by 5 per cent on average over the MTEF period. The stakeholder funds decrease on average of 20 per cent. The decrease is attributed to conditions on stakeholder funds that does not assist CBDA in its strategic direction but rather divert it attention toward stakeholder objectives.

In the 2018/19 budget the 51 per cent decrease in stakeholder funds is due to the transfer of the supervisory function to the Reserve Bank. Funds previous allocated to the Supervision unit is now allocated to the Central Support Services unit which was solely reliant on outside funding which pose a constraints in achieving the targeted objectives of the unit.

The two primary units: Capacity Building and Central Support Services has been allocated 33 per cent and 47 per cent respectively.

The expenditure trend excluding compensation over the MTEF period reflects an average decrease of 13 per cent. The limited/insufficient funding can only allow CBDA to conduct activities in terms of priority resulting in delaying the CBDA achieving its strategic vision.

The expenditure relates to:

- Assisting newly registering CFIs
- mentorship and coaching programmes to improve the skills of CFIs
- providing direct technical assistance to CFIs
- training CFIs on the banking and accounting system
- on-boarding CFIs data onto the banking system
- IT banking system hosting and maintenance

The compensation expenditure trend over the MTEF period reflects an average increase of 8 per cent. In the 2018/19 the decrease of 19 per cent is due to the transfer of the supervisory personnel to the Reserve Bank. In the 2018/19 period 73 per cent of compensation cost is allocated to the core operations with 27 per cent allocated to administration.

Part B: Programme and sub-programme plans

4. Programme 1: Administration

Purpose: The purpose of the programme is to establish strategic leadership; administrative support and financial management capabilities.

4.1. Administration Unit Strategic objectives

The strategic objectives and objective statements for the Administration are provided below:

Strategic Objective 1	Build strategic partnerships
Objective statement	<ul style="list-style-type: none"> • Provide strategic leadership, sound governance structures and adherence to laws and regulations. • Develop and maintain strategic relations with key stakeholders • Position the CBDA as a knowledge management centre for the CFI sector, by creating a presence through research, publications and CFI conferences • Packaging and communicating the CFI and CBDA value proposition
Baseline	2014/15 – Six MOUs 2015/16 – Eight MOUs 2016/17 – Eight MOUs
Justification	This objective is necessary in ensuring that the CBDA is capacitated, has resources to meet its mandate and achieve its strategic objectives.
Link	MTSF 6.12 – An efficient, effective and development-oriented public service. To improve capacity, accountability and service delivery.

Strategic Objective 2	A financially stable CFI sector
Objective statement	<ul style="list-style-type: none"> • Set up mechanism to further safeguard member deposits.
Baseline	<ul style="list-style-type: none"> • Stabilisation Fund Committee set-up • 2016 – R1.6 million secured funding for the Stabilisation Fund • 2017 – R 1.7 million secured funding for the Stabilisation Fund
Justification	<ul style="list-style-type: none"> • This objective is crucial in order to protect deposits of members when CFIs experience financial distress.
Link	<ul style="list-style-type: none"> • MTSF 2.1 – Radical economic transformation Ensure sustainable growth in the sector.

Strategic Objective 3	CBDA brand and CFI model is known and recognised
Objective statement	<ul style="list-style-type: none"> • Create awareness of the CBDA brand and CFI model – communicate the CBDA and CFI model value offering
Baseline	<ul style="list-style-type: none"> • 2016 – four (newsletter/magazines articles/booklets/road shows/workshops/exhibition stands) • 2016 – Twelve (presentations and workshops)
Justification	<p>This objective is crucial in order to ensure that the CBDA brand is widely known and recognised and the CFI model value offering is widely known and understood.</p>
Link	MTSF 2.2 - Improve service delivery

4.2 Administration APP targets

Strategic Objective 1: Build Strategic partnerships							
Performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of MOUs with Stakeholders (revised/existing)	10 MOUs	8 MOUs	8 MOUs	8 MOUs	8 MOUs	10 MOUs	10 MOU
Number of new MOUs with Stakeholders	-	-	1	1	1	1	2

Strategic Objective 2: A financially stable CFI sector					
Performance Indicator	Measure/Indicator	Estimated performance	Medium Term Targets		
		2017/18	2018/19	2019/20	2020/21
Implement initiatives to ensure Fund becomes operational					
	Number of Stabilisation Fund Committee meetings	3	3	3	3

Objective	Audited/actual performance			Estimated performance	Medium term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Objective 3: CBDA brand and CFI model is known and recognised.							
Programme Performance Indicator							
Number of communication activities (e.g. magazines, newsletters, booklets, etc.)*	5	5	4	4	4	4	4
Number of outreach and education activities about the CFI Model to Groups and Institutions (e.g. workshops, presentations etc.)	-	-	12	12	12	12	12

* Note budget and resource implications

4.3 Administration Quarterly Targets for 2018/19

Programme performance indicators		Reporting period	Annual target	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
1	Number of MOUs with Stakeholders (/revised/existing).	Quarterly	8 MOUs signed (revised/existing)	-	-	4	4
	Number of new MOUs with Stakeholders.	Annually	1 MOU signed	-	-	-	1
2	Implement initiatives to ensure Fund becomes operational	Quarterly	3 Stabilisation Fund Committee Meetings		1	1	1
3	Number of communication activities (e.g. magazines, newsletters, booklets, etc.)*	Quarterly	4 publications and activities (newsletters /magazines, booklets, road shows, workshops, exhibition stands)*	-	1	2	1
4	Number of outreach and education activities about the CFI Model to Groups and Institutions (e.g. workshops, presentations etc.)	Quarterly	12 presentations/ workshops to groups /institutions about the CFI model	3	3	3	3

* Note budget and resource implications

4.4 Administration resource consideration

	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
R thousand				
1. Transfer Funds	6,048,520	6,022,950	6,355,606	6,722,707
Subtotal	6,048,520	6,022,950	6,355,606	6,722,707
Economic classification	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
Current Payments	5,878,520	5,832,950	6,160,566	6,522,915
Compensation of employees	3,981,860	4,306,353	4,657,278	5,028,313
Goods and Services	1,896,661	1,526,597	1,503,288	1,494,602
Annual Conference	50,000	50,000	-	-
Assets less than R5 000	20,000	5,000	5,280	5,544
Audit costs	390,145	400,000	420,000	389,560
Bank Charges	33,147	20,000	21,120	22,176
Governance Costs	367,500	350,000	400,000	420,000
Communication	52,200	45,000	46,000	47,000
Compensation commission	5,000	5,597	6,000	6,300
Consultants	52,900	25,000	26,400	27,720
Depreciation	150,000	115,000	121,440	127,512
Lease payments	48,441	45,000	46,000	47,000
Publication	69,828	50,000	52,800	55,440
Printing and Stationery	66,000	73,000	77,088	80,942
Human Resource Management	90,000	50,000	52,800	55,440
Staff welfare	5,000	3,000	3,000	3,000
Subscription	8,500	10,000	10,560	11,088
Training and staff development	150,000	100,000	105,600	110,880
Travel and subsistence	338,000	180,000	109,200	85,000
Payments for capital assets	170,000	190,000	195,040	199,792
Equipment and Machinery	70,000	90,000	95,040	99,792
Stabilisation Fund	100,000	100,000	100,000	100,000
Total	6,048,520	6,022,950	6,355,606	6,722,707

5. Programme 2: Capacity Building

Purpose: Capacity Building provides institutional development and organisational strengthening interventions to promote and support the growth and development of the CFI sector.

5.1. Capacity Building Strategic objectives

The strategic objectives and objective statements for the Capacity Building unit are provided below:

Strategic Objective 4	An adequately capacitated CFI Sector.
Objective statement	<p>Implement programmes to promote and support the growth and development of the CFI sector by:</p> <ul style="list-style-type: none"> • Implementing direct technical assistance programmes to improve levels of skills and competencies in the management and leadership of CFIs and their representative and support structures • Strengthening and supporting representative and support organisations for the sector
Baseline	<p>a) 2015/2016 two organised groups (public sector, SOEs, Unions etc. assisted with the establishment of a CFI</p> <p>b) 2015/2016 100 board and committee members, managers and staff trained per year</p> <p>c) 2015/2016 fifteen CFIs provided with direct technical assistance</p> <p>d) 2015/2016 one Representative body and support organisation operational and providing services to the CFIs</p> <p>e) 2015/2016 one Impact assessments of capacity building initiatives conducted and report submitted per year</p>
Justification	Only three CFIs have been registered as co-operative banks
Link	MTSF 2.1 – Expanded opportunities for historically excluded and vulnerable groups, small businesses and cooperatives. This objective will contribute towards developing capacity, sector growth and stability

5.2 Capacity Building APP targets

Strategic Objective 4: An adequately capacitated CFI Sector							
Programme Performance Indicators	Audited/actual performance			Estimated performance	Medium term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of organised groups (public sector, SOEs, Unions etc. assisted with the establishment of a CFI per annum.	2	2	2	2	2	2	2
Number of newly registered CFIs operationalized within 6 months from the date of registration.	-	-	2	2	2	2	2
Number of CFIs provided with direct technical assistance in financial and compliance management per annum	29	15	15	10	10	10	10
Number of CFIs provided with Internal Audit Activities direct technical assistance per annum	-	-	7	7	7	7	7
Number of CFI board members, board committees, management and staff trained per annum	300	419	304	120	120	120	120

5.3. Capacity Building Quarterly targets for 2018/19

Programme Performance Indicators		Reporting period	Annual target	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
1	Number of organised groups (public sector, SOEs, Unions etc. assisted with the establishment of a CFI per annum	Annually	2	-	-	-	2
2	Number of newly registered CFIs operationalized within 6 months from the date of registration	Quarterly	2	-	1	-	1
3	Number of CFIs provided with direct technical assistance in financial management and compliance per annum	Quarterly	10	1	3	3	3
4	Number of CFIs provided with direct technical assistance on Internal Audit function per annum	Quarterly	7	1	2	2	2
5	Number of CFI board members, board committees, management and staff trained per annum	Quarterly	120	-	40	40	40

5.4. Capacity Building resource consideration

	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
R thousand				
1.Transfer Funds	8,078,685	5,710,360	5,962,684	6,203,363
2.Stakeholder funding/Grants		4,112,510	2,279,399	2,588,787
Subtotal	8,078,685	9,822,870	8,242,083	8,792,150
	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
Economic classification				
Current Payments	8,078,685	9,822,870	8,242,083	8,792,150
Compensation of employees	4,786,750	5,176,870	5,598,785	6,046,687
Goods and Services	3,291,935	4,646,000	2,643,299	2,745,463
Consultants	350,000	385,000	404,250	424,463
Training and staff development	150,000	150,000	50,000	50,000
Travel and subsistence	2,791,935	4,111,000	2,189,049	2,271,000
Total	8,078,685	9,822,870	8,242,083	8,792,150

6. Programme 3: Central Support Services

Purpose: To enhance the CFI operational capability and integration into the National Payment System using a robust banking platform.

6.1. Central Support Services Strategic objectives

The strategic objectives and objective statements for the Central Support Services unit are provided below:

Strategic Objective 5	Enhance operational efficiency in the CFI Sector.
Objective statement	Ensuring the implementation of a banking platform solution to enable CFI's to use the system to manage on a professional basis utilising banking principles. Access to the NPS to be able to offer comprehensive banking services to CFI members.
Baseline	a) 2015/2016 one CFI using the banking platform b) 2016/17
Justification	The technical nature of data analysis and converting onto the Banking platform.
Link	MTSF – Expanded opportunities for historically excluded and vulnerable groups, small businesses and cooperatives. This objective will contribute towards developing capacity, sector growth and stability

6.2 Central Support Services APP targets

Strategic Objective 4: An enhanced operational capability in the CFI Sector							
Programme Performance Indicators	Audited/actual performance			Estimated performance	Medium term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of CFIs trained in preparation for implementation of the banking platform system *	-	-	10	10	2	2	2
Number of CFIs using the banking platform system **	-	-	10	15	15	15	16
Number of CFIs integrated into the NPS	-	-	-	5	3	3	3
Number of reports provided per CFI for CFIs to support operational, financial and regulatory reporting.**	-	-	-	10	13	14	15

*

*Target is not cumulative

** Target is cumulative

6.3. Central Support Services Quarterly targets for 2017/18

Programme Performance Indicators		Reporting period	Annual target	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
1	Number of CFIs trained in preparation for implementation of the banking platform	Quarterly	2	-	-	1	1
2	Number of CFIs using the banking platform system *	Quarterly	15	10	11	12	15
3	Number of CFIs integrated into the National Payment System	Annually	3	-	-	-	3
5	Number of reports provided per CFI for CFIs to support operational, financial and regulatory reporting*	Quarterly	13	-	-	-	13

*The quarterly target is cumulative

6.4. Central Support Services resource consideration

	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
R thousand				
1. Transfer Funds	-	8,549,690	9,028,710	9,524,930
2. Stakeholder funding/Grants	12,880,028	5,346,048	5,759,968	5,878,318
Subtotal	12,880,028	13,895,738	14,788,678	15,403,248
	APPROVED	MEDIUM TERM EXPENDITURE ESTIMATES		
	2017/18	2018/19	2019/20	2020/21
Economic classification				
Current Payments	12,880,028	13,895,738	14,788,678	15,403,248
Compensation of employees	5,763,554	6,233,284	6,741,296	7,290,712
Goods and Services	7,116,474	7,662,454	8,047,382	8,112,536
Human Resource Management	157,500	165,375	173,644	182,326
Rental cost	126,000	132,300	138,915	145,861
Communication	75,800	79,590	83,570	87,748
Industry charges	500,000	525,000	551,250	578,813
Computer services	3,000,000	3,150,000	3,307,500	3,307,499
Transaction Costs (Account Costs)	500,000	525,000	551,250	551,249
Consultants	300,000	315,000	330,750	330,749
Travel and subsistence	2,170,674	2,469,364	2,592,832	2,592,831
Capital assets				
Computer Equip & Network Cost	286,500	300,825	317,671	335,461
Total	12,880,028	13,895,738	14,788,678	15,403,248

Annexure A

Indicator Description Sheet

Responsible unit: Administration Unit

Responsibility: Managing Director

Indicator No.1 and Title	Number of MoUs with Stakeholders (revised/existing)
Short definition	CBDA enters into Memorandum of Understanding (MoUs) with stakeholders in order to guide an effective working relationship between them. It is important to note that this indicator excludes administrative MoUs such as the MoU with National Treasury which covers issues such as (HR, IT or legal services).
Purpose/ Importance	The CBDA needs to capitalise on strategic relationships with stakeholders to meet its mandate and achieve its strategic objectives.
Source /collection of data	Revised/existing MOUs signed with the stakeholders
Method of calculation	Number of revised and existing MOUs signed
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	8 revised/existing MOUs with stakeholders

Indicator Description Sheet

Responsible unit: Administration Unit

Responsibility: Managing Director

Indicator No.2 and Title	Number of new MoUs with stakeholder
Short definition	CBDA enters into Memorandum of Understanding (MoUs) with stakeholders in order to guide an effective working relationship between them.
Purpose/ Importance	The CBDA needs to capitalise on strategic relationships with stakeholders to meet its mandate and achieve its strategic objectives.
Source /collection of data	New MOUs signed with the stakeholder
Method of calculation	Number of new MOUs signed
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually

New indicator	No
Desired performance	1 MOU with stakeholder

Indicator Description Sheet

Responsible unit: Administration Unit

Responsibility: Managing Director

Indicator No. 3 and Title	Implement Initiatives to ensure Fund becomes operational
Short definition	Stabilisation Fund is operational
Purpose/ Importance	The Fund will provide liquidity assistance to the CFIs when they encounter financial distress
Source /collection of data	Signed attendance register from each meeting
Method of calculation	Number of Stabilisation Fund committee meetings held to discuss any matters pertaining to the Fund
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	3 Stabilisation fund committee meetings to discuss any matters pertaining to the Fund.

Indicator Description Sheet**Responsible unit: Administration Unit****Responsibility: Managing Director**

Indicator No.4 and Title	Number of communication activities (e.g. magazines, newsletters, booklets, etc.)*
Short definition	The CBDA to communicate the CBDA and CFI value offering via various article inputs to publications and activities to targeted sectors and groups.
Purpose/ Importance	Profiling and increasing awareness on the CBDA brand, its mandate and activities.
Source /collection of data	Number of articles contributed to publications and newsletters issued
Method of calculation	Number of articles contributed to publications and newsletters issued
Data limitations	It is important to note budgetary limitations CFIs not submitting information for newsletters and reviews.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Target 4 - i.e. newsletters/magazine, articles, booklets etc.

Indicator Description Sheet**Responsible unit: Administration Unit****Responsibility: Managing Director**

Indicator No.5 and Title	CBDA and CFI Model Value proposition published/communicated
Short definition	The CBDA to communicate the CFI Model to groups and institutions.
Purpose/ Importance	Profiling and increasing awareness on the CBDA brand, its mandate and activities and Relevant groups to understand the CFI Model Value proposition
Source /collection of data	Number of presentations and workshops about CBDA and CFI Model conducted for groups and institutions
Method of calculation	Number of presentations and workshops about CFI Model conducted for groups and institutions
Data limitations	budgetary limitations
Type of indicator	Output

Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	12 Presentations and workshops

Indicator Description Sheet
Capacity Building Unit
Responsibility: Capacity Building Director

Indicator No.1 and Title	Number of organised groups (public sector, SOEs, Unions etc. assisted with the establishment of a CFI
Short definition	Organised groups with big potential for membership are assisted to establish and register CFIs
Purpose/ importance	New CFIs are registered.
Source/ collection of data	<ul style="list-style-type: none"> Information session attendance registers Registration certificates of CFIs
Method of calculation	Number of organised groups assisted by CBU issued with CFI registration certificates.
Data limitations	Organised groups not submitting CFI applications to facilitate registration process
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Organised groups registered as CFIs
Indicator No. 2 and Title	Number of newly registered CFIs operationalised within 6 months from date of registration
Short definition	<ul style="list-style-type: none"> Effective date of registration is date appearing on the CFI certificate issued by the CBDA; Operational CFI pertains to CFI having commenced its service offerings to its members, that is, issuance of shares, accepting of deposits, processing of withdrawals, etc; Consistent compliance to CBDA rules, with specific emphasis on, submission of quarterly returns and monthly financial statements to CBU
Purpose/ importance	To ensure that registered CFIs are operational.
Source/ collection of data	<ul style="list-style-type: none"> CFI registration certificate issued by the CBDA; CFI quarterly returns and/or monthly financial statements submitted within the six-month period from date of registration.
Method of calculation	<ul style="list-style-type: none"> Number of CFIs registered and operational within six months of registration;

	<ul style="list-style-type: none"> • Number of quarterly returns received from CFIs within the six-month period from date of registration; • Number of monthly financial statements received from registered CFIs within the six-month period from date of registration; • Analysis of financial statements and quarterly returns received from registered CFIs to ensure that CFI is operational within six-month period from date of registration.
Data limitations	Non-submission of quarterly returns and monthly financial statements by registered CFIs within the six-month period from date of registration.
Type of indicator	output
Calculation type	cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Registered CFIs conducting the savings and credit operations

Indicator No. 3 and Title	Number of CFIs provided with direct technical assistance in financial management and compliance per annum
Short definition	Direct Technical Assistance (DTA) provided to CFIs to ensure that the institutions have good governance structures, sound financial management, are efficiently run and compliant to all regulatory and legislative framework that guide their operations.
Purpose/ importance	<ul style="list-style-type: none"> • To ensure that CFIs have a sound financial management system in place; • To ensure that CFIs produce accurate financial reports and submit to the regulator timeously; • To ensure that CFI board of directors effectively and efficiently play their oversight role to ensure safety and soundness of their institutions; • Ensure compliance to all legislative and regulatory requirements, e.g. Coop Banks Act, CIPC, NCA, SARS etc; • Provide training where necessary to close capacity gaps identified; • Respond timeously to Supervision Unit (SU) red-flags.
Source/ collection of data	<ul style="list-style-type: none"> • Engagement letter agreed with the CFI on the DTA scope of work to be performed during CFI visit; • CFI monthly reports with bank statements to support declared financial position; • DTA monthly reports issued by STAs after work conducted during CFI performance monitoring visits; • Consolidated (SU & CBU) CFI status national report highlighting CBU interventions on SU red-flags; • CFI annual financial statements; • CFI CIPC, SARS good standing reports.
Method of calculation	<ul style="list-style-type: none"> • Number of engagement letters sent to CFIs with visit confirmation emails from the CFIs; • Number of CFI monthly reports • Number of accurate quarterly returns submitted to the Regulator; • Number of CFI board and internal audit committee minutes of monthly meetings (sampling and agreed number); • Number of CIPC, SARS, (compliance report, tax clearance); and deposit taking renewal licence certificate from SARB • Number of audited and/or externally reviewed annual financial statements;
Data limitations	None / [non-assurance of reports by STAs]
Type of indicator	Output
Calculation type	cumulative
Reporting cycle	Monthly and Quarterly
New indicator	No; two indicators have been consolidated, which is Financial and Compliance management
Desired performance	Efficiently run and sustainable CFI sector, with low rates of deregistration and failure rates compared to previous years. This will be achieved through monitoring of income and expenditure rates, analysis of prudential

	compliance reports prepared for submission and observation and guidance of CFI board and committee meetings.
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Indicator No. 4 and Title	Number of CFIs provided with direct assistance on internal audit function per annum
Short definition	Training and holding workshops with CFI internal audit committees, board members and managers as well as conducting audits to ensure the accuracy, reliability and validity of the CFI financial position.
Purpose/ importance	<ul style="list-style-type: none"> • To ensure that the internal audit committees, board members and management are functional and able to protect their institutional assets and reputation through ensuring an effective and efficient governance, risk management and internal control system; • To conduct CFI audits to verify member savings and loan accounts as well as CFI business accounts including but not limited to cheque account(s), savings accounts and investments. • Provide training where necessary to close capacity gaps identified; • Respond timeously to Supervision Unit (SU) red-flags.
Source/ collection of data	<ul style="list-style-type: none"> • Engagement letter agreed with the CFIs on the internal audit scope • Training attendance registers for training interventions; • CFI audit reports after work conducted; • Consolidated (SU & CBU) CFI status national report highlighting CBU interventions on SU red-flags.
Method of calculation	Number of CFI audit reports after work conducted and number of trainings and workshops conducted to CFI internal audit committees, board members and managers.
Data limitations	Non cooperative of Supervisory committee, Manager or Board
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	<ul style="list-style-type: none"> • Functional internal audit committees that are able to protect their institutional assets and reputation through ensuring an effective and efficient governance, risk management and internal control system. • Accurate, reliable and valid financial position of the CFIs.

Indicator No.5 and Title	Number of CFI board members, board committees, management and staff trained per annum
Short definition	<p>CFI board members, committee members, management and staff trained</p> <p>Board training</p> <ul style="list-style-type: none"> • Governance • Financial Management • Performance Management <p>Board committees training</p> <ul style="list-style-type: none"> • Credit committee - Credit management • Internal audit committee - Internal audit <p>Management and staff training</p> <ul style="list-style-type: none"> • Financial management & reporting • Audit preparation & internal controls • Compliance • Standard operating procedure • Performance management <p>Demand driven programmes</p> <ul style="list-style-type: none"> • Certificate Course in CFI Management (UP) • Strategic planning • Loan management • Risk management • Marketing • Presentation skills • Customer care • Basic Excel & Word
Purpose/ importance	To improve skills and knowledge levels of CFI board members, committee members, management and staff to ensure that the CFI is efficiently run.
Source/ collection of data	<ul style="list-style-type: none"> • Attendance registers
Method of calculation	Number of board members, board committees, management and staff trained
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes

Desired performance	CFI board of directors, committee members, management and staff are knowledgeable about their roles and competent in undertaking their responsibilities. Target 120
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Indicator Description Sheet
Central Support Services (CSS)
Responsibility: Head of CSS

Indicator No.1 and Title	Number of CFIs trained in preparation for implementation of the banking platform
Short definition	Data analysed and converted on to the Banking Platform. Product development Training of CFI to use the Banking System.
Purpose/ importance	The CFI information is accurate and up to date to prevent any discrepancies on the banking platform system.
Source/ collection of data	Schedule of Training elements
Method of calculation	Number of CFIs trained to use the banking platform system
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	2 CFIs on-boarded onto the banking platform system.

Indicator No.2 and Title	Number of CFIs using the banking platform
Short definition	CFIs using the banking platform system Capture new members, process loans, savings accounts
Purpose/ importance	CFIs are using an up to date management information system making them offer more and competitive services with enhanced accessibility.
Source/ collection of data	Extract from Management information
Method of calculation	Number of CFIs using the banking platform system
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative from previous financial year
Reporting cycle	Quarterly
New indicator	No
Desired performance	15 CFIs using the banking platform system from the previous financial year.

Indicator No.3 and Title	Number of CFIs integrated into the NPS
Short definition	CFIs on the banking platform system integrated to the NPS. CFIs able to offer for example EFT, ATM and point of sale.
Purpose/ importance	Enable CFIs to offer transactional banking services to their members.
Source/ collection of data	Information drawn from Management information
Method of calculation	Number of CFIs integrated into the NPS
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	3 CFIs integrated to the NPS

Indicator No 4 and Title	Number of reports provided per CFI for CFIs to support operational, financial and regulatory reporting
Short definition	Reports provided to enhance operational efficiency and sustainability that will result in accurate regulatory reporting. These reports are of an Operational (Management), Financial and Regulatory Reporting nature.
Purpose/ importance	To provide CFIs with the capability to report efficiently on all the requirements as outlined in the following frameworks: <ul style="list-style-type: none"> • National Credit Amendment Act, 2014; • Supervisory and regulatory rules for Co-Operative Financial Institution (CFI) applying for registration to the CBDA, as required through Government notice 37903, No 620 of August 2014; • Financial Advisory and Intermediary Services Act, 2002; and • Reporting based on the Pearls methodology as defined by the Supervisor of Co-operative Financial Institutions.
Source/ collection of data	Reports register for the financial year under review, i.e. reports are distributed per CFI.
Method of calculation	Number of reports provided per CFI
Data limitations	Budgetary constraints can delay the number of reports provided
Type of indicator	Output
Calculation type	Cumulative - The 10 reports per CFI from the previous year will be counted in the 2018/19 and an estimate of 3 additional reports per CFI for the 2018/2019 year will be added.

Reporting cycle	Monthly and Quarterly
New indicator	No
Desired performance	Reports compiled in terms of stringent operational (management) and financial reporting standards provided to improve sustainability and regulatory reporting. The 10 reports per CFI from the previous year will be counted in the 2018/19 and an estimate of 3 additional reports per CFI for the 2018/2019 year will be added.