



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

# ANNUAL REPORT

2019/20





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YOUTH. OUR FU

SI MASHININI



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#### **Board Members**

Sifiso John Mtsweni (Executive Chairperson) |  
Bavelile Gloria Hlongwa (Executive Deputy Chairperson) |  
Khomotjo Joy Maimela Itiseng Kenneth Morolong | Yershen Pillay |  
Zandile Majoji | Waseem Carrim (CEO)

# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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## **To the best of our knowledge and belief, we confirm the following:**

All information and amounts disclosed in the Annual Report is consistent with the annual financial statement audited by the Auditor General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements have been prepared in accordance with the GRAP standards applicable to the Public Entity.

The Accounting Authority is responsible for the preparedness of the Annual Financial Statement and for the judgments made in this information.

The Accounting Authority is responsible for the establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the Human Resources information and the Annual Financial Statements.

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the Operations, the Performance Information, the Human Resources information and the Financial affairs of the Public Entity for the Financial Year ended 31 March 2020.

Yours faithfully



Waseem Carrim  
Chief Executive Officer  
NYDA

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# INTRODUCTON TO THE NATIONAL YOUTH DEVELOPMENT AGENCY

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

The NYDA was formally launched on 16 June 2009, as pronounced by His Excellency, President Jacob G Zuma in 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 National Youth Development Agency Act, 2008 (Act 54 of 2008) (NYDA Act), the National Youth Policy (NYP) (2009 – 2014) and the draft Integrated Youth Development Strategy (IYDS).

The Agency assumed and improved the operational platform developed by both the UYF and the NYC, which rendered the Agency operational with immediate effect. In addition, the staff component of its predecessors was also incorporated into the NYDA.

**The Activities of the NYDA could be summarised as follows:**

- a) Lobbying and advocating for integration and mainstreaming of youth development in all spheres of Government, the Private Sector and Civil Society
- b) Initiating, implementing, facilitating and coordinating Youth Development Programmes
- c) Monitoring and evaluating youth development intervention across the board and mobilising youth for active participation in civil society engagements.

The NYDA is a South African-based agency established primarily to address challenges faced by the nations youth. The Agency was established by an Act of Parliament (Act 54 of 2008). The institution was established to be a single, unitary structure addressing youth development issues at National, Provincial and Local Government level. The Agency should be see within the broad context of South Africa's development dynamics.

According to Statistics South Africa (2016), young people constitute 36,2 percent of the country's population. This represents a powerful resource of the country, provided the youth are supported and able to become active members of society. The National Development Plan (NDP) states the following:

"Having a relatively young population can be advantageous, provided the majority of working-age individuals are individuals are gainfully employed...The challenge is to convert this into a demographic dividend. This will only be possible if the number of working-age individuals can be employed in productive activities (2012:98).

Yet, social norms continue to sideline young South Africans, treating political and economic participation as the prerogative of older people, which is why there is a continued need for policies and implementation frameworks that are deliberately aimed at youth concerns.

Given the youthful nature of the South African population, many of the socio-economic challenges faced by the nation, for example, poverty, inequality, joblessness and poor health, are borne by the youth.

The gravity of the challenges requires multipronged efforts that simultaneously promote the development of sustainable livelihoods; reduce poverty and inequality, and prioritise the formulation of policies which create an enabling environment for youth development.

The NYDA plays a leading role in ensuring that all major stakeholders, i.e. Government, the Private Sector and Civil Society, prioritise youth development and contribute towards identifying and implementing lasting solutions which address youth development challenges.

**Furthermore, the NYDA designs and implements programmes aimed at improving the lives of youth and the opportunities available to them. These programmes may be clustered as follows:**

- At an individual level (micro-level), the NYDA provides direct services to youth in the form of providing information, career guidance services, mentorship, skills development and support, and Grant Funding as well as Health awareness programmes and involvement in sport.
- At community level (meso –level), the NYDA encourages young people to be catalysts for change in their communities through involvement in community development activities, social cohesion activities, National Youth Service (NYS) programme and dialogue.
- At a provincial and national level (macro-level), through its policy development, partnership and research programmes, the NYDA facilitates the participation of youth developing key policy inputs which shape the socio-economic landscape of South Africa.

### **National Youth Service (NYS)**

The NYS aims to reconstruct South African society by developing the abilities of young people through service and learning. The organization builds character and enables young people to give back to society. In addition, it addresses past racial segregation by enabling young people to share common space in such a way that they recognize a common humanity in each other.

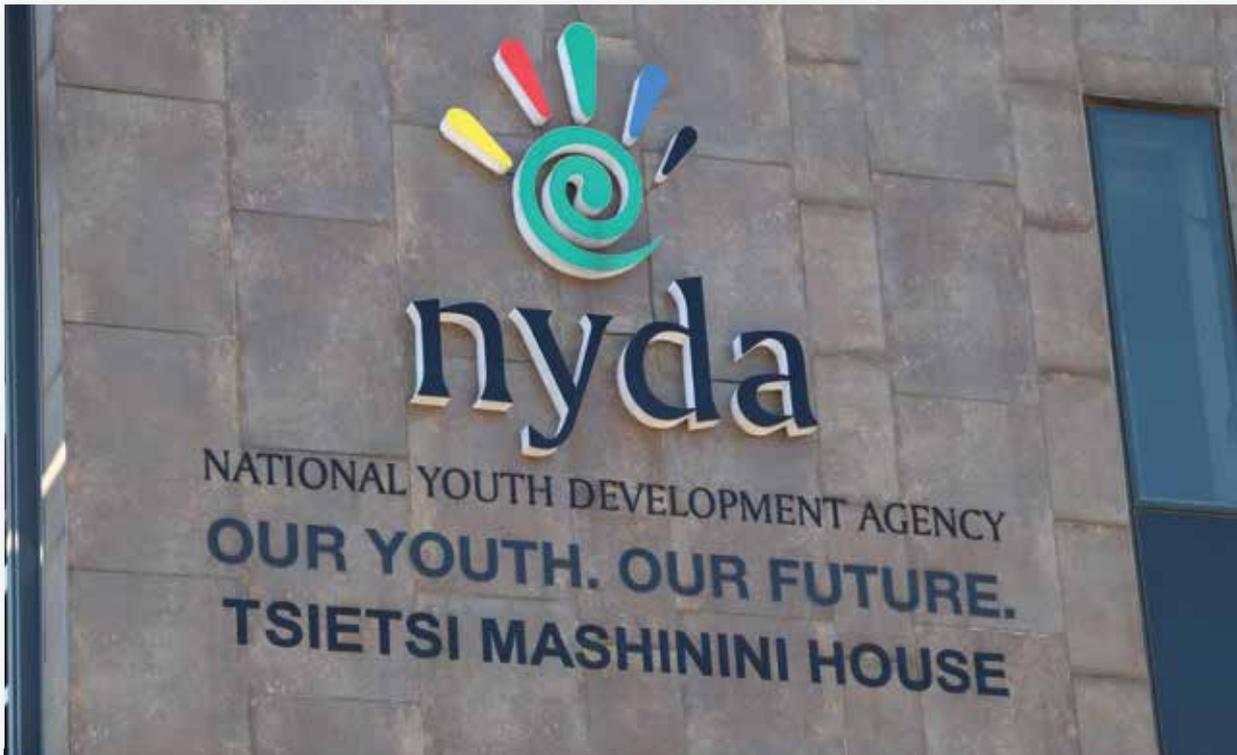
- Unemployed youth
- Young women
- Youth living with disabilities
- In-school-youth
- Out-of school youth
- Youth at risk
- Youth heading households
- Youth in conflict with the law
- Youth abusing dependence-including, narcotic based substances, including alcohol.

**Beneficial and Target Audiences**

- South African youth aged between 14 and 35 years
- South African youth, irrespective of race, gender, colour, creed, geographical location or political affiliation.

**The Agency has a predisposition towards:**

- Youth in rural areas
- Out-of-school youth
- Youth with disabilities
- Young women
- Unemployed youth
- Youth in conflict with the law.



**VISION**

A credible, capable and activist development agency that is responsive to the plight of South Africa’s youth.

**MISSION**

- To Mainstream youth issues into society and
- To facilitate youth development with all sectors of society

**VALUES**

- Integrity and Honesty
- Excellence
- Respect and Humility
- Professionalism
- Accessibility

## **NYDA Key Performance Areas**

The NYDA smartly continues with its business of implementing youth development programmes directly, The focus of the NYDA's business will still be informed by imperatives of youth development as contained in the NYP, 2015 -2020, which are:

**Economic Participation:** To assist and facilitate youth participation in the economy, leading to improvement of their livelihoods through NYDA grants as financial support and non –financial support interventions.

The aim is to respond to the challenges of youth unemployment and low total entrepreneurship activity among youth.

**Education and skills development:** To promote access to quality education and skills, to both school-going and out-of school youth, through targeted interventions. The NDP outlines South Africa's education vision to ensure that, by 2030, South Africans have access to education and training of the highest standard possible, producing significantly improved learning outcomes.

**Nation –building & social cohesion:** To promote the implementation of the NYS across all race and class groups.

**Policy and research:** To create and produce youth development information and knowledge that informs the public sector, private sector and civil society on developing policy, and the planning, implementation and review of all (100%) of their programmes related to government priorities.

### **Governance and administration:**

- To provide effective IT systems, business processes and human resources (HR) capacity development, as well as improving the operations of the NYDA.
- To ensure that all NYDA systems and processes support NYDA products.

OVERVIEW OF THE  
PUBLIC ENTITY PERFORMANCE

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

## OVERVIEW OF THE PUBLIC ENTITY PERFORMANCE

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**The Agency derives its mandate from the legislative frameworks, including the National Youth Development Agency Act, 2008 (Act 54 of 2008) (NYDA Act), the National Youth Policy (NYP) (2009 – 2014) and the draft Integrated Youth Development Strategy (IYDS). The Agency assumed and improved the operational platform developed by both the UYF and the NYC, which rendered the Agency operational with immediate effect. In addition, the staff component of its predecessors was also incorporated into the NYDA. The Activities of the NYDA could be summarized as follows:**

- Lobbying and advocating for integration and mainstreaming of youth development in all spheres of Government, the Private Sector and Civil Society
- Initiating, implementing, facilitating and coordinating Youth Development Programmes
- Monitoring and evaluating youth development intervention across the board and mobilizing youth for active participation in civil society engagements.

The NYDA is a South African-based agency established primarily to address challenges faced by the nation's youth. The Agency was established by an Act of Parliament (Act 54 of 2008). The institution was established to be a single, unitary structure addressing youth development issues at National, Provincial and Local Government level. The Agency should be seen within the broad context of South Africa's development dynamics.

The NYDA Act no 54 of 2008 further mandates the NYDA to develop an Integrated Youth Development Strategy (IYDS) for South Africa and initiate, design, coordinate, evaluate and monitor all programmes that aim to integrate the youth into the economy and society in general. These initiated programmes aim to alleviate poverty, urban and rural development, combating of crime and substance abuse as well as social decay amongst youth. The NYDA lobbied other organs of state to consider national priorities in respect of youth development when planning their activities regarding their implementation of youth development priorities. The NYDA will continue to monitor and evaluate youth development interventions across the board and mobilize youth for active participation in civil society engagements.

The IYDS has been designed as a strategy that any role-player could get involved in at any point in time. The primary role within this strategy is for the NYDA to act as a catalyst. The NYDA, with the support of the Office of the Presidency, can create the political will and momentum within Government, to allow the Integrated Youth Development Strategy to gain the traction that is required for successful implementation. The opportunity to influence what other Departments are doing in the youth development space, must be driven quite strongly by both the NYDA and the Presidency.

The main aim is to make youth development part and parcel of what other line departments are delivering, to the point where organizational and individual performance agreements include youth development as a clear area of focus. The role is, therefore, to remove barriers to success and to assist with the development and delivery of critical success factors. Our role can broadly be described as to:

- Provide planning and decision making information for projects.
- Coordinate key engagements.
- Facilitate critical discussions and to ease projects through conceptualization into design and ultimately implementation.
- Establish key partnerships with private sector organizations at national, provincial and local levels.
- Monitoring, evaluation and reporting requirements of the liaison function.

The IYDS should be understood in the context of the policy and legislative frameworks that have been developed in the country and with reference to the youth. This has been further informed by the IYDS process of development, one which has been characterized by research, synthesis, engagement, consultation and finally consolidation championed by the Presidency. In moving into implementation, it should be seen as a national strategy that encourages on-going engagement and participation by all partners: Public, Private and Civil Society. The success of the strategy lies in the collective efforts of key role players, working together to ensure an empowered and enabled youth in South Africa.

**Furthermore, the NYDA designs and implements programmes aimed at improving the lives of youth and the opportunities available to them. These programmes may be clustered as follows:**

- At an individual level (micro-level), the NYDA provides direct services to youth in the form of providing information, career guidance services, mentorship, skills development and support, and Grant Funding as well as Health awareness programmes and involvement in sport.
- At community level (meso –level), the NYDA encourages young people to be catalysts for change in their communities through involvement in community development activities, social cohesion activities, National Youth Service (NYS) programme and dialogue.
- At a provincial and national level (macro-level), through its policy development, partnership and research programmes, the NYDA facilitates the participation of youth developing key policy inputs which shape the socio-economic landscape of South Africa.

The NYDA Annual Performance Plan with the support of the Department of Women, Youth and Persons with Disabilities has created the political will and momentum within Government, to allow the Agency to gain the traction that is required for successful implementation of its programmes, products and services. The National Youth Development Agency linked its programmes to the Medium Term Strategic Framework outcomes of decent employment through inclusive economic growth, as well as nation building and social cohesion. The Economic Development, Skills Development and Education Programmes are aligned towards employment creation while the National Youth Service programme has both a skills development as well as nation building alignment.

The National Development Plan (NDP) 2030 states that: “Having a relatively young population can be advantageous, provided most working-age individuals are employed. The challenge is to convert this into a demographic dividend. This will only be possible if the number of working-age individuals can be employed in productive activities” (2012: P98). The National Development Plan 2030 also sets targets to intervene in the number of youth that are Not in Employment, Education, and Training (NEET) by setting targets for increased enrolments in Further Education and Training (FET), Higher Education Institutions and provide second chance opportunities for young people to complete Grade 12.

## VISION

<b>NYDA's Mandate</b>	
Creating and promoting coordination in youth development matters.	
<b>NYDA's Vision</b> A credible, capable and activist development Agency that is responsive to the plight of South Africa's youth.	<b>NYDA's Mission</b> <ul style="list-style-type: none"> <li>• To Mainstream youth issues into society and</li> <li>• To Facilitate youth development with all sectors of society.</li> </ul>
<b>NYDA Values</b>	
Our shared values articulate what we stand for, what we value as an organization and inform how we interact with our valuable stakeholders.	

## VALUES

<b>Integrity and Honesty</b>	<ul style="list-style-type: none"> <li>• <b>Accountable</b></li> <li>• <b>Public scrutiny</b></li> <li>• <b>Above Board</b></li> </ul>
<b>Excellence</b>	<ul style="list-style-type: none"> <li>• <b>High standards and consistency</b></li> <li>• <b>Quality of service</b></li> <li>• <b>Going the extra mile</b></li> </ul>
<b>Respect and Humility</b>	<ul style="list-style-type: none"> <li>• <b>Care</b></li> <li>• <b>Empathy</b></li> <li>• <b>Compassion</b></li> </ul>
<b>Professionalism</b>	<ul style="list-style-type: none"> <li>• <b>Punctuality</b></li> <li>• <b>Responsive</b></li> <li>• <b>Timeliness</b></li> </ul>
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• <b>Availability</b></li> <li>• <b>Reliability</b></li> <li>• <b>Knowledge to assist</b></li> </ul>

The values above defined a citizen - orientated approach for delivering government service in line with the Batho Pele principles.

These values above should define a citizen - orientated approach for producing and delivering government service in line with the Batho Pele principles which are aligned to the Constitution.

## Legislative and other Mandates

The Agency derives its mandate from the legislative framework, including the NYDA act no 54 of 2008. The National Youth Policy (2015 – 2020) and the approved draft Integrated Youth Development Strategy 2017. The NYDA complies with legislation and regulations that affect its environment and has adequately developed policies to ensure proper organization management and regulate staff and youth towards the realization of the organization’s mandate.

The below listed legislative instruments and policies highlight the National Youth Development Agency’s mandate with the aim of ensuring that it aligns and falls within the parameters of the legislative framework.

Legislation	What it means
<b>The Constitution of the Republic of South Africa (Act 108 of 1996)</b>	The Constitution is the supreme law of the country that entrenches specific rights, responsibilities and ethos that everyone in South African must uphold. In the Bill of Rights, specific human rights are guaranteed and these rights and responsibilities guide the inherent rights and responsibilities of everyone, including youth.
<b>The National Development Plan (NDP 2030)</b>	<p>The NDP is a plan to unite South Africans, unleash the energies of its citizens, grow an inclusive economy, build capabilities, enhance the capability of the state and leaders working together to solve complex problems.</p> <p>The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. As a long-term strategic plan, it serves four broad objectives:</p> <ul style="list-style-type: none"> <li>• Providing overarching goals for what we want to achieve by 2030.</li> <li>• Building consensus on the key obstacles for achieving these goals and what needs to be done to overcome those obstacles.</li> <li>• Providing a shared long-term strategic framework within which more detailed planning can take place to advance the long-term goals set out in the NDP.</li> <li>• Creating a basis for making choices about how best to use limited resources.</li> </ul>

Legislation	What it means
<p><b>Preferential Procurement Policy Framework Act (2000)/Preferential Procurement Regulation (2017)</b></p>	<p>Preferential procurement in South Africa is not only about proper financial management of public monies, it also presents an opportunity for government to correct the socio-economic imbalances of the past by awarding government work to individuals disadvantaged by historical practices.</p> <p>The purpose of this act is to enhance the participation of Historically Disadvantaged Individuals (HDIs) and the Small, Medium and Micro Enterprises (SMMEs) in the public-sector procurement system.</p> <p>Procurement is regulated in the South African Constitution in the provisions dealing with general financial matters, imposing certain obligations on government entities to ensure the proper and responsible expenditure of public funds.</p>
<p><b>The New Growth Path (2011)</b></p>	<p><b>This emphasises the need for the state to create jobs through:</b></p> <ul style="list-style-type: none"> <li>• Direct employment schemes.</li> <li>• Targeted subsidies.</li> <li>• Expansionary macro-economic package.</li> <li>• Supporting labour absorption activities.</li> <li>• Generate large-scale employment.</li> <li>• Creation of incentives and support mechanisms to encourage the private sector to invest in new ventures.</li> <li>• Extend existing operations and concentrating resources in areas that yield the most jobs will ensure the greatest impact.</li> </ul>
<p><b>National Youth Policy 2020</b></p>	<p>The policy aims to enhance the quality of the services rendered, extend coverage and increase impact, attempting to tackle the gaps and stubborn challenges through new approaches. To ensure that youth development programmes are in place to address the challenges faced by the youth of our country, recognise young people as drivers of development initiatives and as key partner for social change and economic expansion. Empower young people to take charge of their future.</p>
<p><b>National Youth Development Agency (NYDA), Act Number 54 of 2008</b></p>	<p>NYDA's mandate is to initiate, design, coordinate, evaluate and monitor all programmes aimed at integrating the youth into the economy and society in general.</p>

Legislation	What it means
<p><b>Public Finance Management Act, No 1 of 1999 as amended (PFMA)</b></p>	<p><b>The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) is one of the most important pieces of legislation passed by the first democratic government in South Africa. The Act promotes the objective of good financial management to maximise service delivery through the effective and efficient use of the limited resources. The key objectives of the Act may be summarised as:</b></p> <ul style="list-style-type: none"> <li>• Modernising the system of financial management in the public sector,</li> <li>• Enabling public sector managers to manage, but at the same time be held more accountable,</li> <li>• Ensuring the timely provision of quality information; and,</li> <li>• Eliminating the waste and corruption in the use of public assets.</li> </ul>
<p><b>Broad Based Black Economic Empowerment Act 53 of 2003</b></p>	<p><b>Promotes achievement of constitutional right to:</b></p> <ul style="list-style-type: none"> <li>• Equality,</li> <li>• Increase in broad based and effective participation of black people in the economy and,</li> <li>• Promote equal opportunity and equal access to government services.</li> </ul>
<p><b>Skills Development Act of 1998 (as Amended in 2010)</b></p>	<p><b>This emphasizes the state to promote the following amongst others:</b></p> <ul style="list-style-type: none"> <li>• Improving the quality of life of workers, their prospects of work and labour mobility.</li> <li>• Improving productivity in the workplace and the competitiveness of employers.</li> <li>• Establishing the national Skills authority.</li> <li>• Establishing SETAs.</li> <li>• Improving self-empowerment.</li> <li>• Improving the delivery of social services.</li> </ul>
<p><b>Integrated Youth Development Strategy (IYDS 2020)</b></p>	<p>The IYDS is located within a rich legislative and policy framework, defined by the South African Constitution, (Act 108 Of 1996) as the supreme law of the country and guided by an internationally informed rights-based approach to growth and development. Following the adoption of the NYP 2020 government committed to come up with the strategy that will see the recommendations of the policy implemented. The Integrated Youth Development Strategy (IYDS) is that enabler. It is that vehicle through which the NYP (2020) objectives will be realised.</p> <p><b>The National Youth Policy 2015-2020 identified the following five priorities:</b></p> <ul style="list-style-type: none"> <li>• Education and Skills and Second Chances.</li> <li>• Economic participation and transformation.</li> <li>• Health care and combating substance abuse.</li> <li>• Nation Building and Social Cohesion.</li> <li>• Optimizing the youth machinery for effective delivery and response.</li> </ul>

## SERVICE DELIVERY ENVIRONMENT

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The NYDA reports to the State President through the Minister of Women, Youth and Persons with Disability in the Presidency. The Agency previously reported to the Department of Planning, Monitoring and Evaluation (DPME) up until 2019 Cabinet announcement adding the youth cluster to the Department of Women. In ensuring that the Executive Authority has significant input in youth development matters, and update on crucial matters, the Board holds regular meetings with the Minister. Parliament portfolio committee on Women, Youth and Persons with Disabilities is responsible for oversight on the work of the Agency and monitors service delivery. The Agency has attended quarterly meetings reporting to the Committee and submitting reports as and when required.

### **Organizational Environment**

The NYDA has rationalized its work and will, through its Annual Performance Plan for 2019/20, had a renewed focus towards youth entrepreneurship and the creation and facilitation of jobs as well as the coordination of the National Youth Services Programme across all sectors of government and society. The Agency understands that ultimately its judgement lies in the impact it makes in the lives of young people. To this end, its Annual Performance Plan has been enhanced to ensure maximum impact while reducing functions which are better placed elsewhere in government.

The political environment has become more complex because of changing political dynamics which could mean more pressure on the NYDA to be seen to address youth development issues. The issue of economic transformation is becoming a central theme on the youth agenda requiring further engagements on economic policy. Socio-cultural factors such as, cultural trends, demographics and population dynamics affect the community within which NYDA operates. It is important therefore to develop a multi-level strategy that seeks to build a Private Public Partnership with the aim of getting all business and social partners to be involved in the overarching goal of getting the youth to enter the economic activity space. This enables the Agency's environment to improve efficiently in the provision of programmes, products and services that provides real time data for measurable impact.

## **Youth Sector Environment**

The youth sector environment consists of Public, Private and Civil Society. This sector is complex and requires relationships with government and non-government institutions to implement programmes that are run by, for and with young people. This environment requires a multi-sectoral framework within which youth development programmes can be implemented in an integrated manner to maximize outcomes.

### **The youth sector needs to be responsive to youth challenges that encompass the following:**

- Unemployment and joblessness
- Low labour absorption capacity of the economy
- High-skilled technology labour market
- Available skills vs labour market needs
- Low entrepreneurship levels
- Inadequate access to information
- Inadequate mentorship/hand-holding support and exit strategies
- Inadequate economic growth to speed up employment
- Weak performance of sectors in the industry i.e. manufacturing, mining etc.

The youth sector environment consists of Public, Private and Civil Society. This sector is complex and requires relationships with government and non-government institutions to implement programmes that are run by, for and with young people. This environment requires a multi-sectoral framework within which youth development programmes can be implemented in an integrated manner to maximize outcomes.

### **The youth sector needs to be responsive to youth challenges irrespective of race, gender, colour, creed, geographical location or political affiliation. that encompass the following:**

- Unemployment and joblessness
- Low labour absorption capacity of the economy
- High-skilled technology labour market
- Available skills vs labour market needs
- Low entrepreneurship levels
- Inadequate access to information
- Inadequate mentorship/hand-holding support and exit strategies
- Inadequate economic growth to speed up employment
- Weak performance of sectors in the industry i.e. manufacturing, mining etc.

## **Strategic Outcomes -oriented Goals and Key Performance Areas**

The NYDA smartly continued with its business of implementing youth development programmes directly. Key programmes that are biased towards unemployed youth, young women, youth in rural areas, youth living with disabilities, school-aged out-of-school youth, youth at risk, youth-headed households, youth in conflict with the law, and youth abusing substances.

**The focus of the NYDA's business is informed by imperatives of youth development as contained in the National Youth Policy 2020, which are:**

- **Economic Participation:** To assist and facilitate youth participation in the economy, leading to improvement of their livelihoods through NYDA grants as financial support and business development services which are non – financial support interventions. The aim is to respond to the challenges of youth unemployment and low total entrepreneurship activity among youth.
- **Education and skills development:** To promote access to quality education and skills, to both school-going and out-of school youth, through targeted interventions. The National Development Plan outlines South Africa's education vision to ensure that, by 2030, South Africans have access to education and training of the highest standard possible, producing significantly improved learning outcomes. Nation –building & social cohesion: To promote the implementation of the NYS across all race and class groups.
- **Policy and Research:** To create and produce youth development information and knowledge that informs the Public sector, Private sector and Civil Society on developing policy, and the planning, implementation and review of all (100%) of their programmes related to government priorities.

**The work undertaken in each Performance area imperative is covered through the following key Programme areas:**

### **Programme 1: Administration**

The purpose of this programme is to enable effective and efficient capabilities for service delivery and supporting functions

**Implementation is at the following Strategic Objective:**

- To provide administrative support resulting in improved internal efficiencies and service delivery.

### **Programme 2: Programme Design, Development and Delivery (PDDD)**

The purpose of the programme is to enhance the participation of young people in the economy through targeted and integrated economic programmes.

**Implementation is at the following Strategic Objective:**

- To provide Socio-economic empowerment interventions and support for young people in South Africa.
- To provide increased information and universal access to young people

**Programme 3: National Youth Service**

The purpose of the programme is to promote volunteerism, active citizenship and promoting mass participation in national activities.

Implementation is at the following Strategic Objective: To coordinate the implementation of NYS across all sectors of society

**Programme 4: Research and Policy**

The purpose focuses on fostering a mainstreamed, evidence based, integrated and result oriented youth development approach, through and monitoring and evaluation services, lobby and advocacy to bring on board key stakeholders to implement youth development programmes.

Implementation is at the following Strategic Objective:

- To produce research and policy which influences change in youth sector and build sustainable relationships.



## ABBREVIATIONS

<b>ASB</b>	Accounting Standards Board
<b>AYC</b>	African Youth Charter
<b>BSC</b>	Balance Scorecard
<b>CGU</b>	Cash-generating Unit
<b>CTA</b>	Certificate of Theory in Accounting
<b>DIRCO</b>	Department of International Relations and Cooperation
<b>DPME</b>	Department of Planning, Monitoring and Evaluation
<b>EDP</b>	Entrepreneurship Development Programme
<b>EPWP</b>	Expanded Public Works Programme
<b>ETDP SETA</b>	Education, Training and Development Practices Sector Education and Training Authority
<b>EWP</b>	Employee Wellness Plan
<b>GDP</b>	Gross Domestic Product
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>IAS</b>	International Accounting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>IYDS</b>	Integrated Youth Development Strategy
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>MIS</b>	Management Information System
<b>NCR</b>	National Credit Regulator
<b>NDP</b>	National Development Plan
<b>NHI</b>	National Health Insurance
<b>NYC</b>	National Youth Commission
<b>NYSP</b>	National Youth Service Programme
<b>NSS</b>	Non-State Sector
<b>NYSU</b>	National Youth Service Unit
<b>OHS</b>	Occupational Health and Safety
<b>PFMA</b>	Public Finance Management Act
<b>PYWG</b>	Presidential Youth Working Group
<b>SADC</b>	Southern African Development Community
<b>SA GAAP</b>	South African Statements of Generally Accepted Accounting Practice
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SASCOC</b>	South African Sports Confederation and Olympic Committee
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>TAA</b>	Transitional Accounting Authority
<b>UYF</b>	Umsobomvu Youth Fund
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>VSP</b>	Voluntary Settlement Package
<b>YDISA</b>	Youth Development Institute of South Africa



# FOREWORD BY MINISTER MAITE NKOANE -MASHABANE

Department of Women, Youth and Persons with Disabilities

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## **It gives me great pleasure to present the 2019/2020 Annual Report for the National Youth Development Agency (NYDA).**

Since its inception, the NYDA has been responsible for the delivery of programmes to ensure that young people become active participants in the economy of our country.

While young people face many challenges such as the high rate of unemployment, gender-based violence, HIV/AIDS, barriers to accessing higher education, and social ills, we strongly believe that we need to continue to do things differently to make an impact.

Most of these challenges need to be addressed radically in order to build stability for the country in which we all want to live in.

The youth have the potential to actively and positively shape a South Africa we all want to live in. As government and its agencies, we need to connect the youth with opportunities to grow their prospects and ultimately change the trajectory of the country. Youth form the centre of government's development plans and must continue to participate in structures to drive growth at a community level.

I am proud that as government and its agency, the National Youth Development Agency (NYDA), we continue to put youth in the forefront. We continue to form social compacts with young people and we need to continue to work with them to create a poverty-free nation by 2030.

During the 2019/2020 Financial Year, the NYDA achieved its 6th clean audit and achieved 96% of its annual performance targets as declared by the Auditor General of South Africa.

In the period under review the NYDA had 23 Key Performance Indicators of which 11 were met whilst 12 were met and exceeded. The organisation therefore achieved 96% of the planned targets in its Annual Performance Plan.

During the financial year under review, 2019/2020 I would like to bring the following to your attention highlight some of the successes of the Agency as follows:

- A total of 1136 youth owned enterprises were supported through the NYDA Grant Programme.
- The number was accelerated by the 1000 Youth-Owned Enterprises in a 100 Days intervention grants in 100 days' campaign that was introduced during Quarter 4.
- A total of 20 730 beneficiaries were supported with business development support services offered by the NYDA. The target was exceeded due to the partnership with SEDA which assisted in enrolling more young people on business support services.
- 5013 jobs were created and sustained through supporting business entrepreneurs. The target was met and exceeded through the high number of grants that were issued.
- 14 021 jobs were facilitated through placements in job opportunities and this target was exceeded because of additional partners sourced during Quarter 4, when placement opportunities were higher.
- A total of 4 business centres were established in:
  - Mpumalanga (2)
  - Limpopo (1)
  - Gauteng (1)
- A total of 15 service delivery channels were established for young people to access NYDA information. These include:
  - Information kiosks
  - Satellite offices
  - Additional outreach vehicles
- The NYDA's partnerships with municipalities and SEDA were established to improve the agency's rural reach and increase universal access.
- As the demand for access to NYDA's products and services grew, a total of 388 events to provide youth development information were attended.
- 74 383 young people received training to enter the job market and this target was exceeded due to partnerships with municipalities in areas where the NYDA opened new district offices.

Through the NYDA/National Youth Service, 19 government department partnerships were established to implement the programme at a national level while 30 more were solidified for implementation at a provincial level.

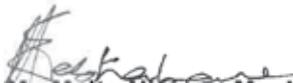
This incredible progress affirms our intention to maximise young people's active participation in decision making structures of public engagement, in government, civil and political organisations.

We remain committed to ensure that young people have access to education and skills development which will enhance their livelihoods.

The NYDA is continuing to change the lives of young people and seek to find new and innovative ways to support the youth who are our future.

It is our duty to renew the hopes of young people. We must continue to support youth entrepreneurship and empower young people. The youth of our country are resilient and are optimistic about the future.

**They are game-changers, the limitless youth of South Africa!**



**Ms Maite Nkoana-Mashabane, MP**

**Minister in the Presidency: Women, Youth and Persons with Disabilities**

**Date: 25/10/2020**



# FOREWORD BY DEPUTY MINISTER PROFESSOR HLENGIWE BUHLE MKHIZE

Department of Women, Youth and Persons with Disabilities

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**During the year 2019, South Africa celebrated twenty-five (25) years of democracy and freedom. This gave us an opportunity as the country to celebrate the role played by young people during the struggle for liberation.**

**This further enabled us to continue to have youth dialogue sessions which were aimed at forging a common vision for the benefit of the young people of our country.**

Such engagements are essential when addressing challenges faced by the youth and therefore enabling us to find lasting solutions to attain our objectives and grow the South Africa together that we all want to live in. While the youth are still facing challenges such as unemployment, gender-based violence, crime and poverty, the NYDA continues to provide the youth of all races with various opportunities to access products and services to improve their livelihoods and to contribute meaningfully to the economy of our country.

The NYDA is a primary institution responsible for youth development affairs in South Africa and has a mammoth task of implementing amongst others the National Youth Policy (2020) which finds its existence within the African Youth Charter (2006).

During the year 2019/2020, the NYDA also sought partnerships for youth development and:

- 10 jobs partnerships were established with public and private sector
- 10 Market linkage partnerships were established with public and private sector

Recently released statistics paint a grim picture, however the foundation the NYDA has built over the years gives social partners confidence that its programmes are sustainable.

Only through a social compact of all sectors of society can the NYDA's goals be achieved. It is also through strong partnerships, engagements and dedication to transforming the entrepreneurship landscape, that we will be able to see sustainable economic development and job creation in our country.

We want to encourage other public and private sector organisations to join hands with the NYDA to change the lives of the youth and to give them the hand up they crave.

Through partnerships with the municipalities, the NYDA has expanded its reach across South Africa adopting a model that allows launching of district service centres, opening additional full-service branches and establishing business centres to cater for the needs of the youth.

**We believe in on-going empowerment for the youth with all the needed tools and knowledge.**

Through the NYDA's mentorship programme we further wish to continue to connect our youth with more experienced people, open to new ideas and giving them all the resources, they needed.

We are proud of the NYDA's achievement and as government we remain committed to stimulate youth entrepreneurship in South Africa, by encouraging more young people to consider entering the entrepreneurship space as a viable career choice.

We believe that by stimulating entrepreneurship amongst South Africa's youth, we will be contributing to South Africa's economic growth.

The youth represent hope for a positive future, the sense of possibilities and endless opportunities. The department will continue to provide the necessary support mechanism to the NYDA, coordinate and combine outcome monitoring with evidence-based youth development efforts.



**Prof Hlengiwe Buhle Mkhize, MP**

**Deputy Minister**

**Department of Women, Youth and Persons with Disabilities**

**Date: 25/10/2020**





## CHIEF EXECUTIVE OFFICER'S FOREWORD

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**This reflection comes against the backdrop of the serious economic and social challenges faced by the country and fiercely compounded by the Covid-19 pandemic. The pandemic has changed the way we live, the way we work and the way we connect with each other. It has left in its wake, devastating health and economic consequences. Youth unemployment, already staggeringly high before the pandemic will increase and the crises will have long term impacts on education and mental health of our young people.**

Young people disproportionately bear the pain of these economic and social challenges. Youth unemployment, remains one of the foremost challenges that a democratic South Africa faces. We must therefore rally behind the economic recovery plan announced by government and ensure that young people are placed front and centre of the plan. Equally, we must address the systematic and structural challenges that have created South Africa's unemployment challenge and continues to perpetuate poverty and inequality.

The NYDA is pleased to have achieved a sixth consecutive clean audit report from the Auditor General of South Africa for the 2019 / 2020 financial year. The audit report reinforces the NYDA's commitment to good governance.

**The Agency also achieved 22 out of 23 planned targets for the financial year. This translates to a 96% performance achievement. Key highlights of the performance achievement include:**

- Over 1 100 youth-owned enterprises in the township and rural economy provided with grant funding to start up their businesses through the NYDA Grant Program.
- These youth-owned enterprises have gone on to create and sustain more than 5 000 jobs.
- More than 14 000 young people placed in jobs through the NYDA JOBS program.
- The establishment of 15 new service delivery channels in mainly rural areas.
- 106 partnerships with civil society for the implementation of National Youth Service programs.
- R115 million in additional donor funding raised from the public and private sectors.

The NYDA also incurred irregular expenditure of R171 000 (0.03% of the total expenditure). An investigation indicated that an employee who was involved in the procurement process failed to declare a conflict of interest. The employee has been subjected to a disciplinary process and pleaded guilty to the charges. The employee has been suspended for three months without pay, docked salary of R150 000 and has been placed on a final written warning. No fruitless and wasteful expenditure was incurred during the 2019 / 2020 financial year.

Management of the NYDA expresses its appreciation to the third Board of Directors, Audit Committee, Executive Authority, Portfolio Committee on Women, Youth, Persons with Disabilities and all employees for their efforts, oversight and support in achieving another clean audit outcome.

As we look forward we must fight towards economic justice wherein every young person is guaranteed in a post pandemic world the right to a good life – the right to have an education, healthcare, decent housing and most importantly the right to work – to achieve their potential and to showcase their talent. Let us build back better.



**Waseem Carrim**  
Chief Executive Officer



# NYDA BOARD

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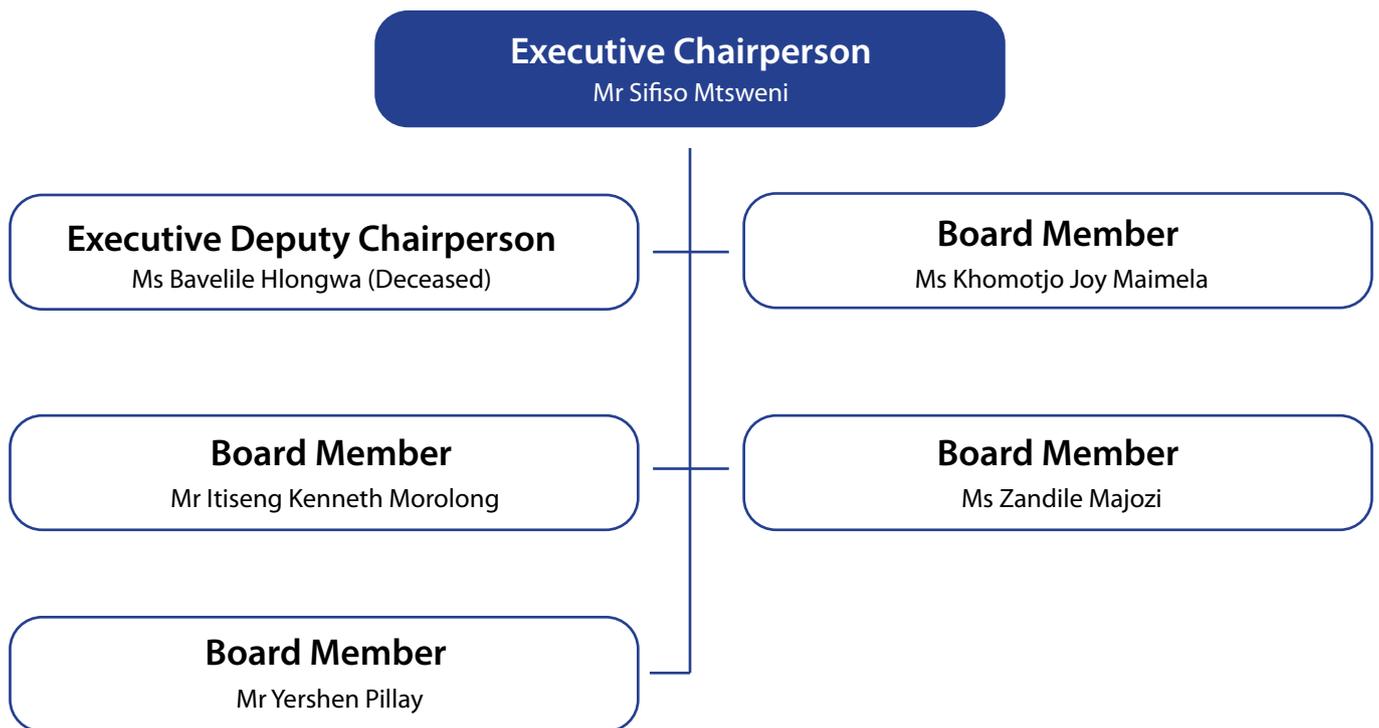


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NATIONAL YOUTH DEVELOPMENT AGENCY  
OUR YOUTH. OUR FUTURE.

# NATIONAL YOUTH DEVELOPMENT AGENCY BOARD

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## Profiles



### **Sifiso Mtsweni**

#### **Executive Chairperson**

Mr. Mtsweni holds a qualification in Sports Management and a certificate in SMME Management and Project Management.

He has extensive experience in youth development-related areas with a special focus on politics, sports and economic development, particularly on SMME growth.

Mr. Mtsweni further possesses significant public sector experience; some of the clients he has previously mentored, and a number of projects that he has overseen have gone on to receive numerous accolades.

As the NYDA Executive Chairperson, he has championed new and innovative youth development proposals including the removal of work experience as an entry-level requirement in order to enhance employability, and has also undertaken the role to redefine the accessibility and reach of NYDA.

Mr. Mtsweni has served in the leadership of various youth formations such as COSAS, SASCO and the ANCYL where he now serves as an NEC member.



### **Bavelile Hlongwa (deceased)**

#### **Executive Deputy Chairperson**

Ms. Bavelile Gloria Hlongwa holds a Bachelor of Science Degree in Chemical Engineering from the University of KwaZulu-Natal. She started her career at Shell Downstream SA.

Ms. Hlongwa has been exposed to leadership positions since 1999 and has served on the Local Community Development Committee. In 2011, Ms. Hlongwa was elected into the South African Institute of Chemical Engineers at the KZN Branch, where she served as a Treasurer in 2013.

In May 2017, Ms. Hlongwa was appointed as the Executive Deputy Chairperson of the Board of the National Youth Development Agency.



## Kenny Morolong

Mr. Morolong has played a major role in various initiatives and development programmes aimed at building and empowering young people.

From 2008, he led and managed IKM Trading Enterprise as CEO.

During this period, Mr Morolong provided strategic direction that led the organisation to achieving its goals, which ultimately resulted in growth and profitability.



## Joy Maimela

Ms. Maimela completed her NCV Level 4 in Civil Engineering and Building Construction at Mopani College and, has further obtained the following certificates:

- Workplace Discipline with Commission of Conciliation, Mediation and Arbitration in 2013.
- Skills Development with Mining Qualification Accreditation in 2016.
- Love Life Ground Breaker in 2017.

Ms Maimela is currently completing her BA Degree in Governance, Public Administration and Development with the University of South Africa.



## Yershen Pillay

Mr. Yershen Pillay studied at the University of Cape Town (UCT) where he obtained his Social Sciences Degree majoring in Politics and Economics. In 2005, Mr. Pillay received a Deputy Vice-Chancellors Leadership Award.

From 2006 until 2009, he served as a member of the National Executive Committee (NEC) of the South African Union of Students (SAUS) and was also part of the Policy Unit responsible for the development of the National Student Policy on Curriculum Development and Transformation.

In 2010, Mr. Pillay was appointed to serve on the Human Resources Development Council of South Africa. He was also part of the Broad Based Black Economic Empowerment (BBBEE) Council of South Africa in 2013.

Mr. Pillay has also served on the Board of the National Student Financial Aid Scheme (NSFAS) and, has recently been appointed to the board of ACSA.



## Zandile Majozi

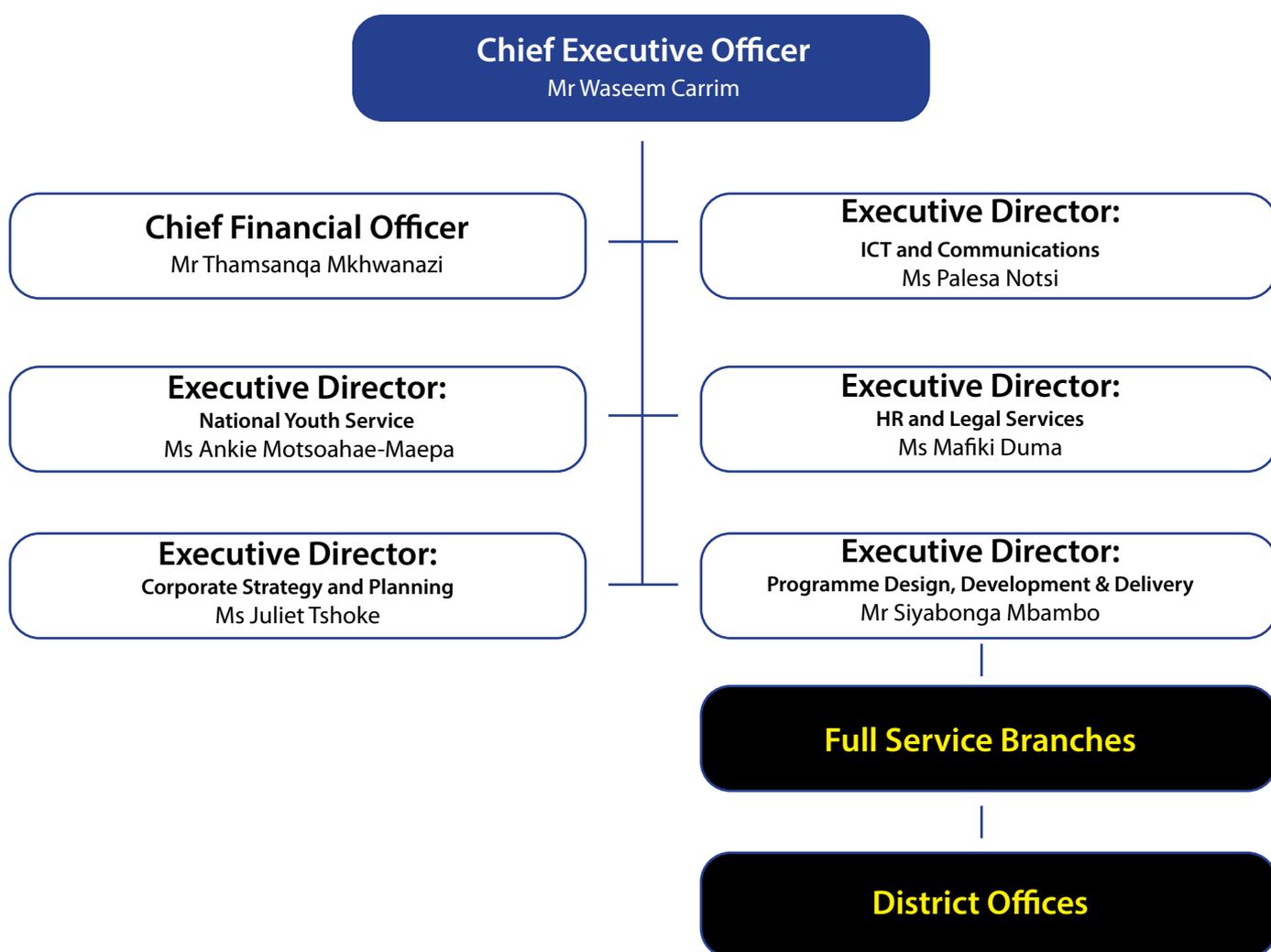
Ms. Majozi holds a National Diploma in Human Resources and a Certificate in Youth Career Development.

In 2008, she commenced her career at City of Johannesburg as a Coordinator for Youth Career Development Programme.

In 2013, she served as a Board Member of the National Youth Development Agency and was re-appointed in 2017.

# OPERATIONS EXECUTIVE STRUCTURE

31 MARCH 2020



## Full Services Branches



## District Offices



# OPERATIONS EXECUTIVE COMMITTEE

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## OPERATIONS EXECUTIVE COMMITTEE

31 MARCH 2020

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**Waseem Carrim**  
Chief Executive Officer

Currently only 31 years, Waseem Carrim is one of South Africa's youngest-ever CEO's bringing with him his belief in the current young generation. Waseem believes that the current generation sees integration and globalization not as threats but as opportunities for education, exploration, employment, and exchange. This generation sees differences of pluralism and diversity not as a curse, but as a great gift. He believes that together as a nation we can achieve much change, he is confident that the future is brighter than the past, and that our best days are still ahead of us.

In 2013 he completed his article traineeship with KPMG and was admitted as a member of the South African Institute of Chartered Accountants (SAICA). Waseem also holds a Master's Degree in Taxation from the University of Pretoria and is currently pursuing his MBA at Wits University.



**Thami Mkhwanazi**  
Chief Financial Officer

Has 18 years' experience of which 11 was in the Private Sector working for McCarthy Limited as Financial Manager, The Scientific Group (a division of Adcock Ingram) as a Finance Executive and 7 years in the Public Sector. The Public Sector experience includes being the Acting CFO of Abaqulusi Municipality, CFO of Enterprise iLembe Development Agency and later promoted to CEO as well as CFO of Tshwane Economic Development Agency. Thami has a Bcom Accounting Degree, Bcom Honours and qualified as a Chartered Accountant in 2005, he completed his articles with Deloitte.



## **Palesa Notsi**

**Executive Director: ICT and Communications**

Palesa Notsi is the Executive Director of Communications and Information Technology. She holds a Master's Degree in Development and Management obtained from the University of North West.

Palesa brings a wide range of expertise and years of experience in administration, youth and women development. She is amongst the first group of Youth Development Practitioners in South Africa and worked tirelessly to lobby and advocate for the mainstreaming of youth development within a municipal space. She joined the NYDA in 2009, and served the Agency from being a Manager, a Senior Manager, and currently, as an Executive Director.

Ms Notsi is also a Development Practitioner and served in organisations such as the South African Youth Council, Free State Young Women's Network, South African Women in Dialogue and the African National Congress Youth League.



## **Ankie Motsoahae-Maepa**

**Executive Director: National Youth Service**

Ankie Motsoahae holds a Master's degree in Management — Public and Development Management, from the University of the Witwatersrand, and a postgraduate Diploma in Public and Development Management. She is currently in the process of developing a research proposal towards a PhD Degree with the same university. Ms Motsoahae has passion for youth development, gender mainstreaming and public policy development. Her Master's thesis was focused on the analysis of the disjuncture between policy intentions and implementation in the public sector.

Her career in the public and development sector began in the early 1990s, working as a national coordinator at the Women's Institute for Leadership Development (WILDD), Gauteng Department of Public Transport, National Youth Commission and National Department of Public Works and the National Youth Development Agency.



## Mafki Duma

### Executive Director: HR and Legal Services

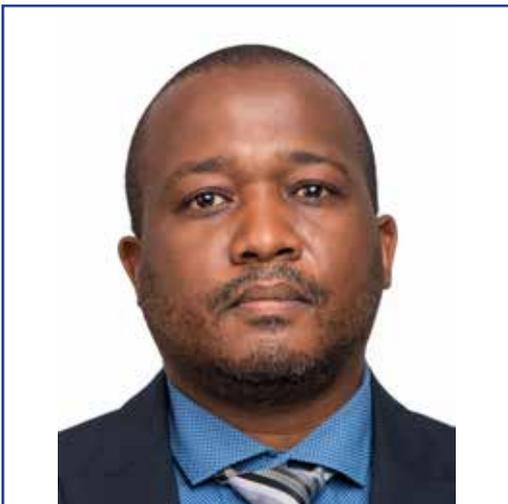
Mafki Duma is currently a Human Resources (HR) and Legal Executive Director at the National Youth Development Agency. Mafki joined NYDA from Estate Agency Affairs Board (EAAB), where she served as a Senior Manager in Human Resources for the past four years. Before joining EAAB in 2014, Mafki served as a National HR Manager at Betting World in 2013 and as a Human Resource and Administration Manager at Tourism KZN for four years, providing leadership and direction to various units. Mafki accumulated 10 years of experience as a Generalist in this field. She has a Master's Degree in Business Administration, B.Tech Degree in Human Resources Management, a National Diploma in Human Resources Management and qualified as a Chartered HR Professional, Generalist with the SA Board for People Practices (SABPP).



## Juliet Tshoke

### Executive Director: Corporate Strategy and Planning

Ms Juliet Tshoke has a Higher Diploma in Education, majoring in Psychology, African History and Education, from the UWC, a Diploma in Human Resources from Allenby. She has also enrolled in the Transnet Management Development programme, from Wits Business School and also completed a Post Graduate Diploma in Management by Henley. Juliet's career development began in the banking industry as Group Recruitment Manager at Nedcor Bank. She then moved to the transport industry and joined Transnet's National Ports Authority as the Key Account Manager: Human Resources, based at their Head Office. She provided HR products and services to infrastructure-based projects such as the Port of Ngcura; Property Management; Safety, Health and Environment; and the Planning Unit.



## Siyabonga Mbambo

### Executive Director: Operations

Mr. Siyabonga Mbambo has over twelve years' Senior Management experience and skills. He possesses extensive experience on operations and programme initiation, design and development. His experience extends to both the Public and Private Sector.

Mr. Mbambo is an effective communicator who is a good negotiator with enormous problem-solving skills. He is a self-starter and motivated person who is adaptable to any situation and challenge with an attention to detail.

He has a Master of Science in Agriculture and Master of Business Leadership.

ANNUAL  
PERFORMANCE  
INFORMATION  
REPORT  
2019/2020  
6th Clean Audit

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NATIONAL YOUTH DEVELOPMENT AGENCY  
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**ANNUAL PERFORMANCE  
INFORMATION REPORT 2019/2020  
6th Clean Audit**

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

## PERFORMANCE OVERVIEW

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In the period under review the NYDA had 23 Key Performance Indicators of which 11 were met whilst 11 were met and exceeded. Only 1 target was not met. The organization therefore achieved 96% of the planned targets in the APP.

### **Programme 1: Administration**

- Developed compliant SCM policy and standard operating procedures.
- Produced 4 Quarterly Financial Management reports.
- Developed and implemented Annual Workplace Skills Plan.
- A total of R115 549 000 funds were sourced from the public and private sectors to support youth development programmes and this was because of stakeholder's willingness to partner with the NYDA.
- A total of 10 job partnerships established with the public and private sector.
- A total of 10 Market Linkage partnerships established with public and private sector.

### **Programme 2: Programme Design, Development and Delivery (PDDD)**

- A total of 1136 youth owned enterprises were supported through the Grant Programme. The number was accelerated by the 1000 grants in 100 days' campaign that was introduced during Quarter 4.
- A total of 20 730 beneficiaries were supported with business development support services offered by the NYDA. The target was exceeded due to the partnership with SEDA which assisted in enrolling more young people on business support services.
- Number of jobs created and sustained through supporting business entrepreneurs was 5013. The target was met and exceeded due to high number of grants that were issued.
- Number of jobs facilitated through placements in job opportunities was 14 021. The target was exceeded because of additional partners sourced during Quarter 4 when placement opportunities were higher.
- A total of 4 business centers were established.
- Out of a target of 17, only 15 service delivery channels were established for young people to access NYDA information. Annual target was therefore not met. This was because, part of the planned achievement of the target was the procurement of six mobile outreach vehicles. The order for the vehicles was placed and the delivery was planned prior to 31 March 2020, but due to the country being in lockdown from 26 March 2020 the delivery could not be completed. The delivery was completed on Level 3 of the Risk Adjusted Strategy in June 2020
- A total of 388 events for providing youth development information were attended and the target was exceeded due to demand for NYDA to exhibit at various events and municipalities.
- Number of young people trained to enter the job market was 74 383, which exceeded the target due to partnerships with municipalities where NYDA opened new district offices.

### **Programme 3: National Youth Service**

- A total of 19 Government Departments partnerships were established to implement NYS at National level. The target was met and exceeded due to road shows implemented by National Youth Service Unit and interest generated by support from the Presidential Youth service (PYS).
- A total of 30 Government Departments partnerships were established to implement NYS at Provincial level. The target was exceeded due to National Youth Service Unit efforts to engage with provinces to implement the Presidential Youth Service (PYS).
- A total of 66 Government Departments partnerships were established to implement NYS at local level. The target was exceeded due to willingness of Local Government to implement service projects.
- Reviewed and implemented NYS Marketing and Communication Strategy.
- A total of 106 partnerships were established to implement NYS with civil society and the private sector. The target was exceeded due to willingness of civil society to partner and implement service projects.

### **Programme 4: Research and Policy**

- Conducted 4 satisfaction surveys.
- Conducted 3 impact evaluations.
- Produced Annual report on Government wide priorities.
- Produced 4 youth status outlook reports

## **ANNUAL REPORT 2019-2020**

In the financial year under review the NYDA had three Annual Performance Plans, where the first approved Annual Performance Plan was applied from April to June 2019, second Annual Performance Plan from July to December 2019 and the final revised Annual Performance Plan was applied from January to March 2020. The amendments on the revised Plan were as per the recommendations of the Portfolio Committee for Women, Youth and Persons living with Disabilities and the Auditor General review.

**PROGRAMME 1: ADMINISTRATION**

**Purpose:** To enable effective and efficient capabilities for service delivery and supporting functions

**Strategic objective:** To provide administrative support resulting in improved internal efficiencies and service delivery

**Strategic objectives, performance indicators planned targets and actual achievements**

<b>Programme Name: Administration</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2018/2019</b>	<b>Planned Target 2019/2020</b>	<b>Actual Achievement 2019/2020</b>	<b>Deviation from planned target to Actual Achievement for 2019/2020</b>	<b>Comment on deviations</b>
To provide administrative support resulting in improved internal efficiencies and service delivery	N/A	Develop compliant SCM policy and standard operating procedures	Developed compliant SCM policy and standard operating procedures	N/A	Annual target met
	N/A	4 Quarterly Financial Management Reports produced	4 Quarterly Financial Management Reports produced	N/A	Annual target met
	N/A	Develop and Implement Annual Workplace Skills Plan	Developed and implemented Annual Workplace Skills Plan	N/A	Annual target met
	N/A	R100 million	R115 549 000.00	R15 549 000.00	Annual target met and exceeded due to stakeholders' willingness to partner with the NYDA and increased fundraising drive of the Agency.
	N/A	10 jobs partnerships established with public and private sector	10 jobs partnerships established with public and private sector	N/A	Annual target met
	N/A	10 Market linkage partnerships established with public and private sector	10 Market linkage partnerships established with public and private sector	N/A	Annual target met

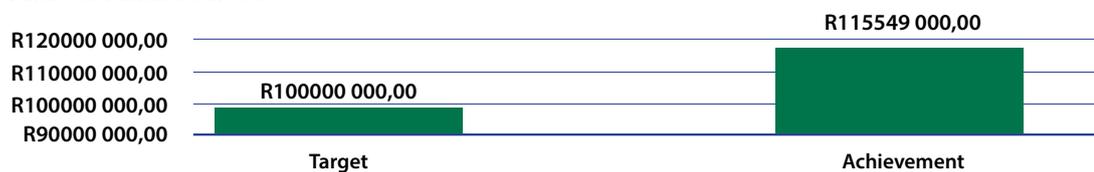
## Key performance indicators, planned targets and actual achievements

Programme Name: Administration					
Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Develop compliant SCM and standard operating procedures	N/A	Develop compliant SCM policy and standard operating procedures	Developed compliant SCM policy and standard operating procedures	N/A	Annual target met
Number of Quarterly Financial Management Reports produced	N/A	4 Quarterly Financial Management Reports produced	4 Quarterly Financial Management Reports produced	N/A	Annual target met
Develop and implement Annual Workplace Skills Plan	N/A	Develop and Implement Annual Workplace Skills Plan	Developed and implemented Annual Workplace Skills Plan	N/A	Annual target met
Value of funds sourced from the public and private sectors to support the youth development programmes	N/A	R100 million	R115 549 000.00	R15 549 000.00	Annual target met and exceeded due to stakeholders' willingness to partner with the NYDA and increased fundraising drive of the Agency.
Number of jobs partnerships established with public and private sector	N/A	10 jobs partnerships established with public and private sector	10 jobs partnerships established with public and private sector	N/A	Annual target met
Number of market linkage partnerships established with public and private sector	N/A	10 Market linkage partnerships established with public and private sector	10 Market linkage partnerships established with public and private sector	N/A	Annual target met

## Value of funds sourced

The target was met and exceeded on value of funds sourced due to successful working relations that the NYDA has with its international partners, Government Departments, SETAs and the Private sector. This led to the target of R100 million being met by 115% (R115 549 000).

### Value of funds sourced



## Partnerships

Various partnerships were established with partners that assisted the NYDA to facilitate jobs for young people and to provide market linkages for young entrepreneurs.

10 job partnerships established with public and private sector	10 Market Linkage partnerships established with public and private sector
Standard Bank	Guma Group (PTY) LTD
Better Best Skills Development	Institute of Chartered IT Professionals
Masithuthuke Holdings	Lukhwazi Minerals (PTY) LTD
Black Umbrellas	KDS Centre for Skills Development and Training
Altron – TMT	Mpumalanga Stainless Steel Initiative
Zithembile Consulting	Structured Capital Solutions
MICT SETA	Youth Entrepreneurship Project
Gauteng Enterprise Propeller (GEP)	Pharmacy Direct
Timbali Technology Incubator	SanParks
Wholesale and Retail Sector Education and Training Authority (W&R SETA)	BRICKS

### Strategy to overcome areas of under performance

All targets under Administration were achieved and there is no underperformance.

### Changes to planned targets

In the financial year under review the NYDA had three Annual Performance Plans, where the first approved Annual Performance Plan was applied from April to June 2019, second Annual Performance Plan from July to December 2019 and the final revised Annual Performance Plan was applied from January to March 2020. The changes on the revised Annual Performance Plan were 3 new KPIs which were added in the revised Annual Performance Plan as per portfolio committee recommendation, 1 target was removed and another one reworded under Administration because it was not consistent with the targets within the programme. **See table below:**

Strategic Objective	Key Performance Indicator
To provide administrative support resulting in improved internal efficiencies and service delivery.	Number of people following NYDA in all media platforms
	Develop compliant SCM and standard operating procedures.
	Number of Quarterly Financial Management Reports produced.
	Develop and implement Annual Workplace Skills Plan. Number of jobs partnerships with public and private sector.
	Number of jobs partnerships established with public and private sector.

**PROGRAMME 2: PROGRAMME DESIGN, DEVELOPMENT AND DELIVERY (PDDD)**

**Purpose:** To enhance the participation of young people in the economy through targeted and integrated economic programmes

**Strategic objectives:** a) To provide socio-economic empowerment interventions and support for young people in South Africa  
b) To provide increased information and universal access to young people

**Strategic objectives, performance indicators planned targets and actual achievements**

Programme Name: Administration					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To provide socio-economic empowerment interventions and support for young people in South Africa	1103	1000	1136	136	Annual target met and exceeded due to the 1000 businesses in 100 days' campaign which provided additional funding to the program.
	23 942	20 000	20 730	730	Annual target met and exceeded due to additional partnerships which contributed to the higher achievement.
	5025	3500	5013	1513	Annual target met and exceeded due to additional jobs created through 1000 businesses in 100 days campaign.
	5474	10 000	14 021	4021	Annual target met and exceeded due to additional job partners sourced during Quarter 4 when placement opportunities were higher.
	N/A	4	4	N/A	Annual target met

Strategic objectives, performance indicators planned targets and actual achievements (Continues)

Programme Name: Administration					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To provide increased information and universal access to young people	30	17	15	-2	Annual target not met. Part of the planned achievement of the target was the procurement of six mobile outreach vehicles. The order for the vehicles was placed and the delivery was planned prior to 31 March 2020, but due to the country being in lockdown from 26 March 2020 the delivery could not be completed. The delivery was completed on Level 3 of the Risk Adjusted Strategy in June 2020.
	N/A	200	388	188	Annual target met and exceeded due to demand for NYDA to exhibit at various events and municipalities where we established new district offices.
	73 359	70, 950	74, 383	3433	Annual target met and exceeded due to partnerships with municipalities where we opened new district offices.

Key performance indicators, planned targets and actual achievements

Programme Name: Administration					
Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of youth owned enterprises supported through Grant Programme	1103	1000	1136	136	Annual target met and exceeded due to the 1000 businesses in 100 days' campaign which provided additional funding to the program.
Number of beneficiaries supported with business development support services offered by the NYDA	23 942	20 000	20 730	730	Annual target met and exceeded due to additional partnerships which contributed to the higher achievement.
Number of jobs created and sustained through supporting entrepreneurs and enterprises	5025	3500	5013	1513	Annual target met and exceeded due to additional jobs created through 1000 businesses in 100 days campaign.
Number of jobs facilitated through placements in job opportunities	5474	10 000	14 021	4021	Annual target met and exceeded due to additional job partners sourced during Quarter 4 when placement opportunities were higher.
Number of business centres established	N/A	4	4	N/A	Annual target met

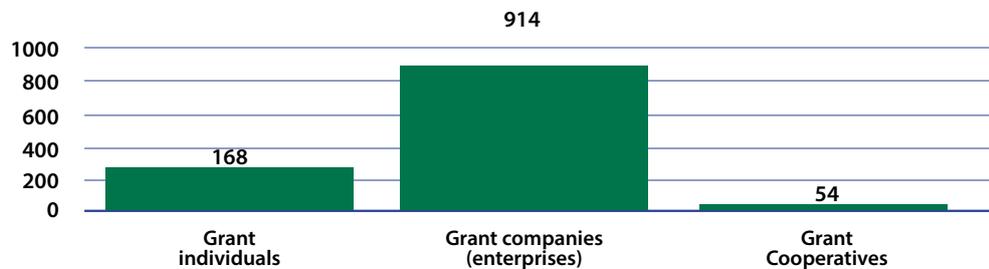
## Key performance indicators, planned targets and actual achievements (Continues)

Programme Name: Administration					
Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of new service delivery channels established for young people to access NYDA information	30	17	15	-2	Annual target not met. Part of the planned achievement of the target was the procurement of six mobile outreach vehicles. The order for the vehicles was placed and the delivery was planned prior to 31 March 2020, but due to the country being in lockdown from 26 March 2020 the delivery could not be completed. The delivery was completed on Level 3 of the Risk Adjusted Strategy in June 2020.
Number of events for providing youth development information	N/A	200	388	188	Annual target met and exceeded due to demand for NYDA to exhibit at various events and municipalities where we established new district offices.
Number of young people trained to enter the job market	73 359	70, 950	74, 383	3433	Annual target met and exceeded due to partnerships with municipalities where we opened new district offices.

## Grant Programme

During the year under review, a total of 1136 youth owned enterprises or youth received NYDA grant funding. A total of 914 enterprises were supported, 168 individual youth were supported and 54 cooperatives were supported. This shows that the Grant Programme focuses more on funding registered companies for young people which are represented as enterprises and cooperatives.

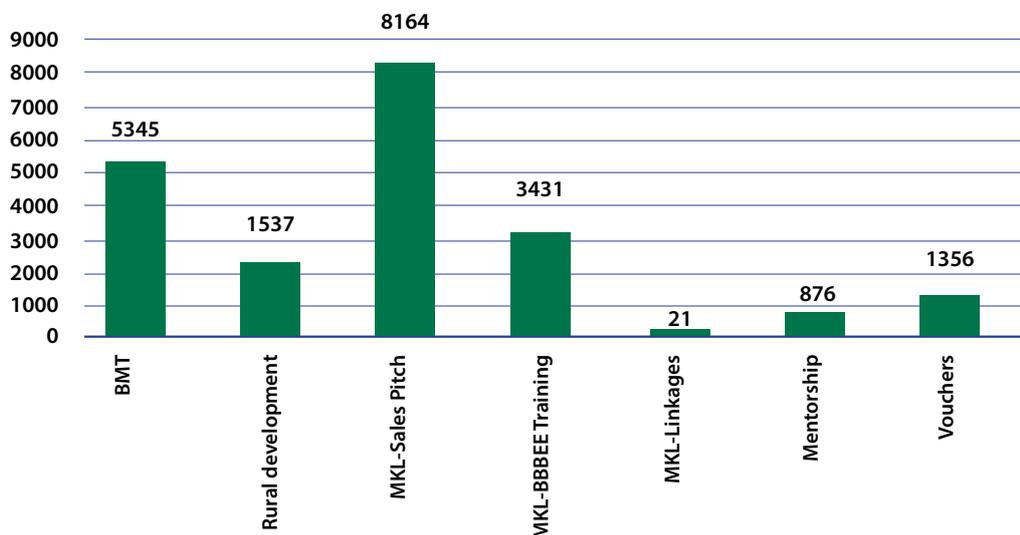
## Grant disbursed



## Business Development Services

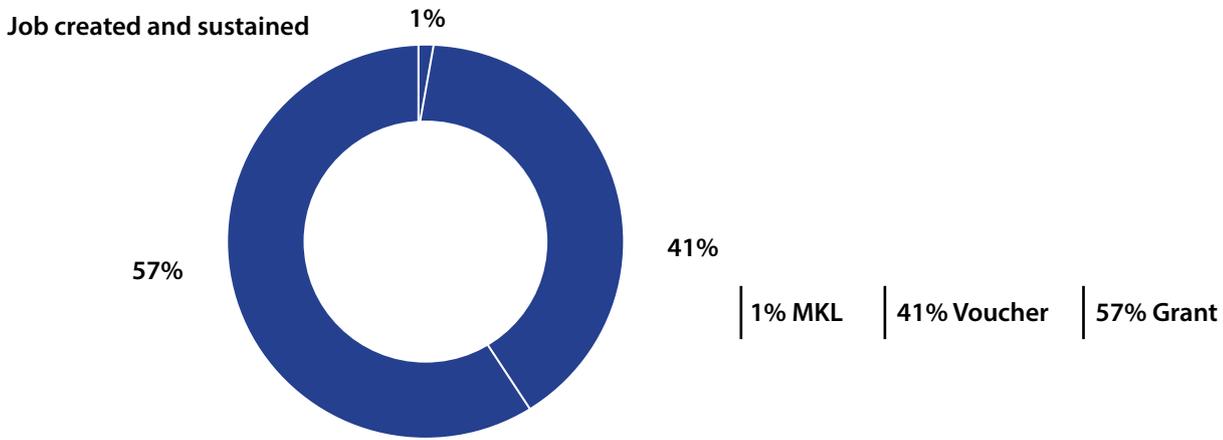
Under beneficiaries supported with Business Development Services offered by the NYDA a total of 20 730 young entrepreneurs were supported. The top three most consumed services were Sales Pitch, followed by Business Management Programme and BBBEE training. This shows that most entrepreneurs were interested in securing business through market linkages, understanding how to operate in the business world and complying.

## Beneficiaries supported with Business Development Services



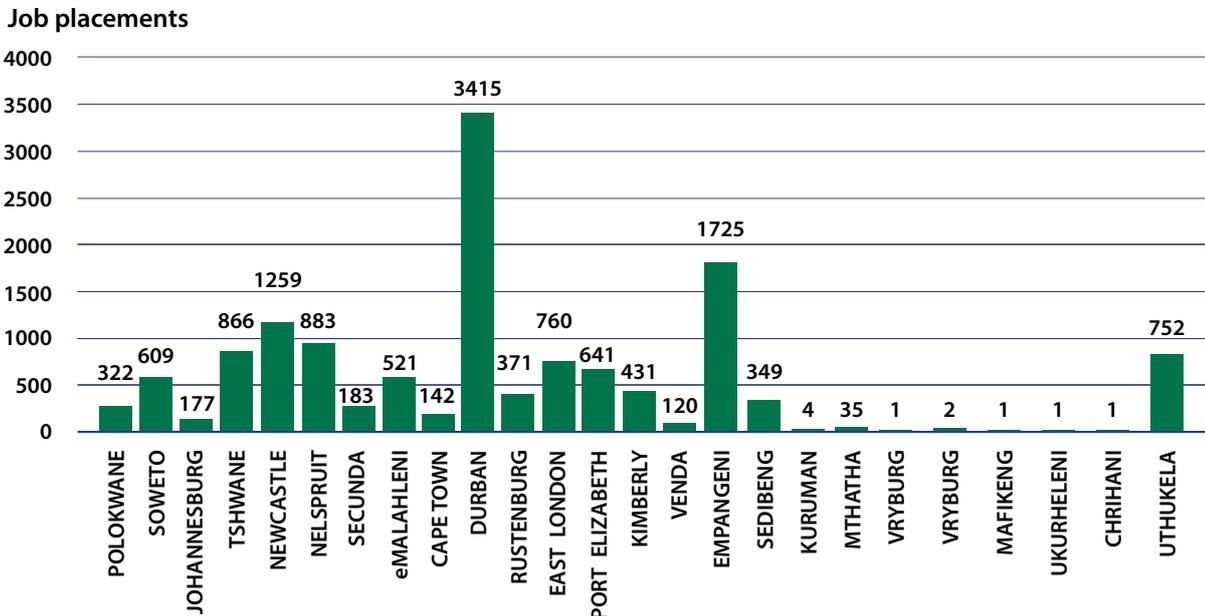
### JOBS CREATED AND SUSTAINED

During the period under review, a total of 5013 jobs were created and sustained through the Grant, Voucher and Market Linkages Programmes. Most jobs were from the Grant Programme at 57%, followed by the Voucher Programme at 41% and then Market Linkages Programme at 1%. The Grant Programme had the most jobs because of the 1000 grants in 100 days campaign which boosted the number of grants issued and therefore jobs created.



### Job placements

A total of the 14 021 jobs were facilitated through placement of young people in job opportunities. The partnerships that the NYDA has with various stakeholders, especially in Durban where most young people were placed in job opportunities, led to the over achievement of the target.



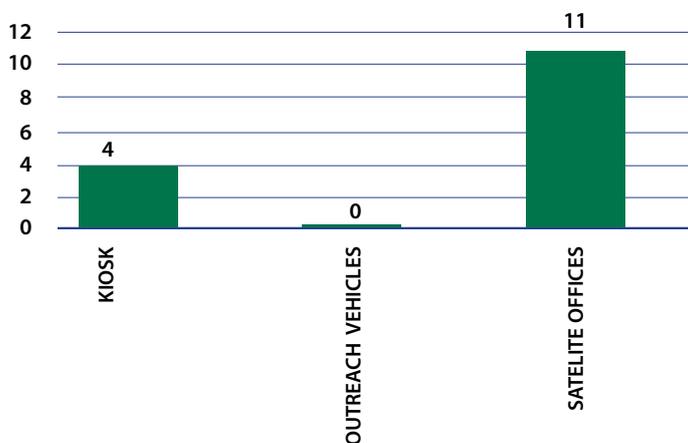
### Business Centres

A total of 4 Business Centres were established to Cater for the business needs of the young entrepreneurs.

Name of Business Centre	Province
Emalahleni Business Centre	Mpumalanga
Polokwane Business Centre	Limpopo
West Rand Incubation	Gauteng
Secunda Incubation	Mpumalanga

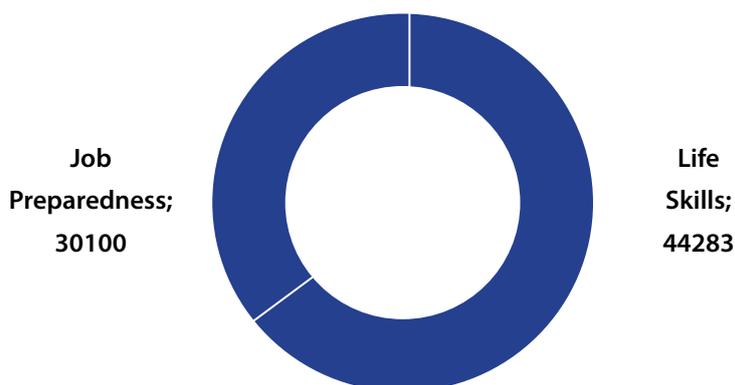
### Service delivery channels

In the year under review a total of 15 service delivery channels were established. 6 outreach vehicles were also meant to be purchased in the year under review but due to lockdown the purchase was delayed, thus the target not met.



### Young people trained to enter the job market

A total of 74 383 young people were trained to enter the job market through Job Preparedness and Life Skills training.



**Strategy to overcome areas of under performance**

All targets under PDDD were achieved and there is no underperformance.

**Changes to planned targets**

There were no planned targets changes under this programme.

**PROGRAMME 3: NATIONAL YOUTH SERVICE**

**Purpose:** To promote volunteerism, active citizenship and promoting mass participation in national activities.

**Strategic objective:** To coordinate the implementation of NYS across all sectors of society

**Strategic objectives, performance indicators planned targets and actual achievements**

Programme Name: Administration					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To coordinate the implementation of NYS across all sectors of society	N/A	18 Government Departments partnerships established to implement NYS at national level	19	1	Annual target met and exceeded due to road shows implemented by National Youth Service Unit and interest generated by support from the Presidential Youth Service (PYS)
	N/A	18 Government Departments partnerships established to implement NYS at provincial level	30	12	Annual target met and exceeded due to National Youth Service Unit efforts to engage with provinces to implement the Presidential Youth Service (PYS)
	N/A	60 Government Departments partnerships established to implement NYS at local level	66	6	Annual target met and exceeded due to willingness of Local Government to implement service projects.

Strategic objectives, performance indicators planned targets and actual achievements (Continues)

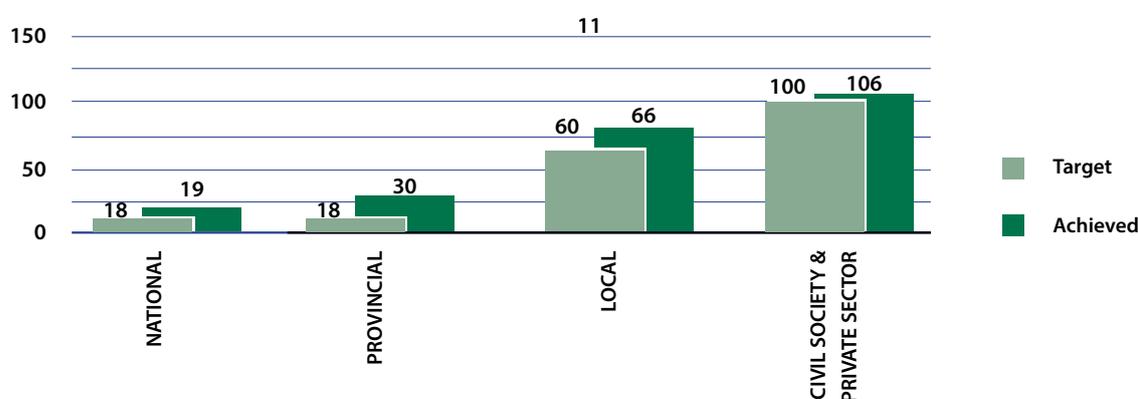
Programme Name: Administration					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
	N/A	Review and implement NYS Marketing and Communication Strategy	Reviewed and implemented NYS Marketing and Communication Strategy	N/A	Annual target met
	N/A	100 partnerships established to implement NYS with civil society and the private sector	106	6	Annual target met and exceeded due to willingness of civil society to partner and implement service projects.

## Key performance indicators, planned targets and actual achievements

Programme Name: Administration					
Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Government Departments partnerships established to implement NYS at national level	N/A	18 Government Departments partnerships established to implement NYS at national level	19	1	Annual target met and exceeded due to road shows implemented by National Youth Service Unit and interest generated by support from the Presidential Youth Service (PYS)
Number of Government Departments partnerships established to implement NYS at provincial level	N/A	18 Government Departments partnerships established to implement NYS at provincial level	30	12	Annual target met and exceeded due to National Youth Service Unit efforts to engage with provinces to implement the Presidential Youth Service (PYS)
Number of Government Departments partnerships established to implement NYS at local level	N/A	60 Government Departments partnerships established to implement NYS at local level	66	6	Annual target met and exceeded due to willingness of local government to implement service projects.
Review and implement NYS Marketing and Communications Strategy	N/A	Review and implement NYS Marketing and Communication Strategy	Reviewed and implemented NYS Marketing and Communication Strategy	N/A	Annual target met
Number of partnerships established to implement NYS with civil society and the private sector	N/A	100 partnerships established to implement NYS with civil society and the private sector	106	6	Annual target met and exceeded due to willingness of civil society to partner and implement service projects.

### Partnerships established to implement NYS

The National Youth Service Division established partnerships with various stakeholders who will implement NYS, whilst the NYDA will be coordinating and monitoring all NYS work done. Targets were met and exceeded thus showing willingness by various stakeholders to implement NYS.



### Strategy to overcome areas of under performance

All targets under National Youth Service were achieved and there is no underperformance.

### Changes to planned targets

The Performance Indicators below were reworded because they were not consistent with the targets within the programme. **See table below.**

Strategic Objective	Key Performance Indicator
To coordinate the implementation of NYS across all sectors of society	Number of partnerships established with civil society and the private sector
	Number of partnerships established to implement NYS with civil society and the private sector
	NYS partnerships have been consulted to implement the NYS at national level
	Number of Government departments partnerships established to implement NYS at national level
	NYS partnerships have been consulted to implement the NYS at provincial level
	Number of Government departments partnerships established to implement NYS at provincial level
	NYS programme partnerships established at local level
Number of Government departments partnerships established to implement NYS at local level	

**PROGRAMME 4: RESEARCH AND POLICY**

**Purpose:** Focuses on fostering mainstreamed, evidence based, integrated and result oriented youth development approach, through monitoring and evaluation services, lobby and advocacy to bring on board key stakeholders to implement youth development.

**Strategic objective:** To produce research and policy which influences change in youth sector and build sustainable relationships

**Strategic objectives, performance indicators, planned targets and actual achievements**

<b>Programme Name: Administration</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2018/2019</b>	<b>Planned Target 2019/2020</b>	<b>Actual Achievement 2019/2020</b>	<b>Deviation from planned target to Actual Achievement for 2019/2020</b>	<b>Comment on deviations</b>
To produce research and policy which influences change in youth sector and build sustainable relationships	4	4 Satisfaction surveys conducted	4 Satisfaction surveys conducted	N/A	Annual target met
	N/A	3 Impact evaluations conducted	3 Impact evaluations conducted	N/A	Annual target met
	N/A	Produce Annual Report on government wide priorities	Produced Annual Report of government wide priorities	N/A	Annual target met
	N/A	4 Youth status outlook reports produced	4 Youth status outlook reports produced	N/A	Annual target met

## Key performance indicators, planned targets and actual achievements

Programme Name: Administration					
Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Satisfaction surveys conducted	4	4 Satisfaction surveys conducted	4 Satisfaction surveys conducted	N/A	Annual target met
Number of Impact evaluations conducted	N/A	3 Impact evaluations conducted	3 Impact evaluations conducted	N/A	Annual target met
Produce Annual Report on government wide priorities	N/A	Produce Annual Report on government wide priorities	Produced Annual Report of government wide priorities	N/A	Annual target met
Number of Youth status outlook reports produced	N/A	4 Youth status outlook reports produced	4 Youth status outlook reports produced	N/A	Annual target met

### **Strategy to overcome areas of under performance**

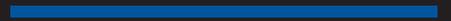
All targets under this programme were achieved and there is no underperformance.

### **Changes to planned targets**

The Performance Indicator below was reworded because it was not consistent with the target within the programme. **See table below.**

<b>Strategic Objective</b>	<b>Key Performance Indicators</b>
To produce research and policy which influences change in youth sector and build sustainable relationships	Number of customer's surveys conducted
	Number of satisfaction surveys conducted

# RISK MANAGEMENT



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# RISK MANAGEMENT

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## RISK MANAGEMENT

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Risk management remained an integral component of good governance, providing a framework for ensuring that the Agency continuously manage risks, ensures appropriate accountability and compliance with the applicable prescripts. The NYDA risk management approach is aligned with Public Sector Risk Management Framework, the Framework which has been developed in terms of the PFMA prescripts. The status of risk management has been elevated in the organisation as the Risk Management Unit has a standing invite in all the internal Committees of the Agency.

Risk management progress is monitored monthly and quarterly by the Risk Management Unit with the assistance of appointed Risk Champions who collate, and validate the risk mitigation efforts in all Divisions. The Risk Management progress reports are tabled at the Monthly Ops Exco, and the Risk Management Unit also submits quarterly risk management reports encompassing Enterprise-Wide Risk Management, Compliance Risk Management, Business Continuity Management and Insurance Risk Management to the Audit Committee and Board Committee for Risk Governance oversight, the Audit Committee is chaired by an External Person.

### LEGISLATIVE MANDATE

#### Public Finance Management Act

Section 51 (1) (a) (i) of the Public Finance Management Act requires that “The Accounting Authority must ensure that the Public Entity has and maintains effective, efficient and transparent systems of financial, risk management and internal control”. The Risk Management Implementation Plan describes how the Risk Management Strategy and Risk Management Policy are to be implemented and monitored.

#### The focused Risk Management areas for the 2019/20 were to:

- Embed ERM to such an extent as to lead to a higher level of maturity as per the expected maturity curve;
- Embed the standardisation of the compliance terminology, framework and methodology and approaches;
- Improve the Risk Management Information System;
- Be consistent in the application of risk management principles;
- Focus on emerging risks and opportunities in terms of strategic risk initiatives across the business; and
- Embed Insurance policies and procedures

## **Risk Management Plan**

The Risk Management activities undertaken in line with the Risk Management Implementation Plan included the following:

### **Risk Management Strategy**

The Agency has an approved Risk Management Policy. Risk Management Strategy in NYDA aims to create a coordinated, systematic and focused framework for the management of risk within the Agency.

The strategy included the following:

- A plan of action to improve the Institution's risk management maturity
- A focus on the prevention of fraud and corruption
- The Institution's risk management architecture and reporting lines
- Details of review and assurance of the risk management process.

Risk Management Strategy sets out the criteria and framework to assist NYDA in meeting its strategic objectives to satisfy the needs of its Service Providers, Strategic Partners and Clients, as well as its other Stakeholders in all circumstances. Key Strategic and Operational risks of the Agency are reviewed by Management to identify new and emerging risks that could have a negative impact on the achievement of the Agency's objectives. In an endeavor to enhance the risk assessment process, the Agency embarked on a process of conducting its Risk Maturity Assessment using the National Treasury Risk Maturity Assessment Model. Operational risk assessments were conducted for all Divisions within the Agency. The Ops Exco tracks progress in mitigating business unit risks and other emerging risks to ensure that mitigation strategies are adequate and effective to reduce to tolerable levels.

### **Fraud and Corruption**

In line with the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), the Agency has implemented and maintained the Fraud Prevention Strategy, Fraud Prevention and Whistle Blowing Policy and Fraud Prevention Plan. The Agency has adopted a zero-tolerance approach to fraud and corruption and through awareness campaigns, employees are encouraged to report fraud and corruption. The Agency's toll-free hotline number (0800 203 240) is used to report any suspicious and corrupt activities within the Agency. All allegations received are followed up and, if necessary, investigations are conducted. To proactively mitigate the risk of fraud, a fraud risk assessment is conducted on high-risk areas identified.

### **Minimising Conflict of Interests**

All NYDA employees disclosed their declaration of interest forms annually as required by the NYDA Code of Conduct Policy. Employees are requested to submit forms for conducting private work outside the Agency's service.



Employees are required to obtain the CEO's approval prior to conducting private work outside the Agency's service. In line with the new Public Service Regulations issued in August 2016, employees conducting business with an Organ of State were requested to disclose such business and to elect either to cease conducting such business or resign as employees of the Agency. Conflicts of interest are declared by Members of the Bid Adjudication, Bid Specification and Bid Evaluation Committees and interview Panels. Members of these Committees and interview Panels are appointed by the Accounting Authority.

### **Compliance with Laws and Regulations**

The Agency is committed to a philosophy of Integrated Compliance Risk Management as a core managerial capability. The Agency has an approved Compliance Risk Management Framework which is aligned to the principles of the King IV Report, the standards set by the Compliance Institute of South Africa and the legislative requirements of the PFMA. The Risk Management Unit conducts quarterly compliance monitoring which is reported to the Ops Exco and the Audit Committee which oversees and provides advice on the Agency's compliance activities.

### **The effectiveness of internal control**

The Agency places special emphasis on control activities within the financial, supply chain management, compliance and performance information process areas, and these areas are subject to robust audits from both internal and external audit.

### **Risk Insurance**

During the 2019/20 financial year, the Risk Management Unit ensured that insurance requirements of the Agency are met. NYDA has an Insurance Broker appointed to cover the NYDA assets and liabilities. The insurance renewal process is conducted on an annual basis and claims continue to be processed timeously.

### **Business Continuity Management**

The Risk Management and the Information and Communication Technology (ICT) Units continue embarking on processes to update business continuity and implementation is ongoing.

# PARTNERSHIPS FOR YOUTH DEVELOPMENT

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**PARTNERSHIPS FOR  
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# PARTNERSHIPS FOR YOUTH DEVELOPMENT

The NYDA has a mandate of looking after the holistic development of young people in South Africa. This responsibility requires that the Agency interfaces and engages different stakeholders in different sectors. The purpose of these engagements is to develop strategic partnerships that have the goal of assisting youth with career development and finding employment, developing their businesses and finding educational opportunities. In this light, the NYDA has over the course of 2019 partnered with the following organisations in the private, public and civil society sectors:

## 1. Partnerships with Government Departments / Agencies / State Enterprises and Companies

No:	Partner	Areas of Collaboration/Benefits To the NYDA
1.	The Department of Small Business Development (DSBD)	The overall purpose of the co-operation is to complement each other in the initiation, implementation, management and operationalisation of youth enterprise development initiatives/projects within agreed parameters of PIA's and PIP's. 3.2 To further develop and partner in the implementation of a specialised strategy to introduce Deal Pipelining, Business incubation, Funding, Mentorship, Monitoring and Evaluation
2.	MICT SETA	The overall purpose of the co-operation is empower and equip youth skill development and exit opportunities in the Media, Information and Communication Technologies sectors, Enterprise Development, Non-Governmental Organisations, Internships for graduates, Job creation and Economic Empowerment for young people in the Republic of South Africa
3.	Gauteng Enterprise Propeller	<b>The partnership between the two parties is based on, but not limited to the following focus areas:</b> Youth placement and work readiness, Product and Service Presentations, Information sharing, Referrals for vouchers applicants, Referrals for training ( Business Management, Life Skills, Job Preparedness, Sales Pitch, Corporative Governance, BBBEE Trainings), Provide Enterprise Development in areas linked to supplier services, Assist with marketing tool and advertising materials and Leveraging on existing partners
4.	Free State Provincial Government Department of Economic, Small Business Development, Tourism and Environmental Affairs	The creation of an enabling Environment for Youth SMMEs and Cooperatives in the form of a start-up funding model-The Youth Grant Funding Partnership Programme

No:	Partner	Areas of Collaboration / Benefits to the NYDA
5.	Services SETA	Apprentice Development Programmes
6.	Department of Arts and Culture	The Young Patriots Programme
7.	CHIETA	Apprentice Development Programme
8.	W & R SETA	The overall purpose of the co-operation is to empower and equip youth with skills development and job opportunities in the Wholesale & Retail sectors, enterprise development, Internships for graduates and economic empowerment for young people in the Republic of South Africa
9.	The Eastern Cape Department Economic Development, Environmental Affairs and Tourism	The Implementation of Isaqalo Youth Programme

## 2. Partnerships with Government Departments / Agencies / State Enterprises and Companies

No:	Partner	Areas of Collaboration / Benefits to the NYDA
1.	Guma Group (Proprietary) Limited	Collaboration on opportunities for youth development, skills development, training, and job creation
2.	Institute of chartered IT Professionals	To complement each other in the provision of services to young people in areas of Education and skills development, as well as the professional recognition of IT professionals.
3.	Lukhwazi Minerals (PTY) LTD	To identify and unlock opportunities for youth owned businesses in the mining sector, in the Mpumalanga Province.
4.	Mpumalanga Stainless Steel Initiative (MSI)	To create and foster the next generation of entrepreneurs through structured interventions like training, incubation, mentorship, funding and market linkages to create and set viable and sustainable youth owned enterprises. These enterprises would be operating in the steel and related services sector.
5.	Structured Capital Solutions	The overall purpose of the co-operation is to complement each other in the provision of services to young people in the areas of Entrepreneurship development, Mentorship, Market linkages and Youth enterprise funding focusing on but not limited to Entrepreneurship training, linking eligible beneficiaries to loans, vouchers or grants
6.	KDS centre for Skills development and training	To utilise the NYDA jobs database for the selection and recruitment of young people for training programmes in Transport, EDT and Agricultural sectors.
7.		For cooperation in the creation of new ventures that will be of benefit to the transformation of lives of young people to engage in enterprising activities





No:	Partner	Areas of Collaboration / Benefits to the NYDA
8.	<b>Better Best Skills Development</b>	To provide internship and job opportunities to qualifying youth that have been selected from the NYDA's Jobs Database
9.	<b>Standard bank</b>	For the initiation, implementation, management and operationalisation of youth enterprise development initiatives and projects within agreed sectors
10.	<b>Black Umbrellas</b>	To cooperate on enterprise development incubation, partnering with the private sector, government and civil society to address the low levels of entrepreneurship and high failure rate of 100% black owned emerging businesses in South Africa. The incubation programme focuses on promoting entrepreneurship as a desirable economic path and nurturing 100% black-owned businesses in the critical first three years of their existence
11.	<b>Altron -TMT</b>	To provide young people with skills through placement in accredited training/learnership/internships initiatives in the IT industry in order to assist them to access sustainable livelihoods through employment or self-employment, and to contribute to the skills base of South Africa
12.	<b>Zithembile Consulting</b>	To empower and equip youth with skills development and education, provide internships for graduates, and apprenticeship opportunities
13.	<b>Timbali Technology Incubator</b>	To identify and unlocking of opportunities for youth owned businesses, create a platform for strategic engagements between the Agricultural industry and the Agency specifically around issues of enterprise development, and to foster youth participation in the Agricultural industry through skills development programmes
14.	<b>Coca Cola South Africa</b>	To grow unemployed youth into entrepreneurs by providing entrepreneurial skills development training, business development support and setting Youth Entrepreneurs up in their own Spaza Café Shop Outlets within identified communities through the Youth Entrepreneurship Programme

# INTERNATIONAL RELATIONS

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# INTERNATIONAL RELATIONS



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# INTERNATIONAL RELATIONS

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## 1.1. Background

International Relations activities of NYDA are derived from work done by the agency. NYDA seeks to coordinate where necessary and document international youth work across all government departments, civil society organisations, private sector etc. Currently, South Africa has a challenge of coordinating international youth work because many stakeholders, such as civil society, the private sector and others claim the space when it comes to international relations work. The establishment of NYDA has provided those in youth development with an avenue to better coordinate youth work. Individuals and organisations travel all over the world claiming to be representing the youth of South Africa, however, they do not report on their activities. This then create a situation where there is no accountability. The aim therefore is to ensure proper coordination of international youth work that is carried out by various stakeholders with NYDA taking the lead.



## 1.2. Objectives

- To coordinate where necessary and document international youth work programmes on behalf of South Africa across all levels of government, Civil Society and Private sector in the Republic and,
- To advance skills development/exchange programmes globally,
- To enable cultural exchanges and the cultivation of comradery with other nations,
- To create a platform for young people to showcase their talents globally,
- To promote South Africa as a preferred destination for the implementation of best practices in youth development.

## 1.3. BRICS YOUTH

### 1.3.1 BRICS Youth Energy Agency

The II BRICS Youth Energy Agency Summit,  
4-5 October 2019 – Moscow, Russia

The II BRICS YEA Summit, which was successfully held on the 5th of October 2019, became the central event of the “Russian Energy Week” International Forum Youth Day 2019. An annual BRICS Youth Energy Agency Summit has proved to be a unique BRICS event on youth energy cooperation.

The major BRICS energy event became possible as result of collaboration to the Ministry of Energy of the Russian Federation, the Federal Agency for Youth Affairs of Russia (Rosmolodezh), Federal Agency for the Commonwealth of Independent States Affairs, Compatriots Living Abroad, and International Humanitarian Cooperation (Rossotrudnichestvo), the Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation and the BRICS Youth Energy Agency.

The Business Programme of the II BRICS YEA Summit aimed at development youth cooperation in the energy sphere, densifying contacts on that level and creating environment for scientific researches in the field of energy. The Summit was solemnly opened by the Deputy Minister of Energy of the Russian Federation Mr. Anton Inyutsyn, the Deputy Head of the Federal Agency for Youth Affairs of Russia Mr. Andrei Platonov; the Head of Department for Youth Programs Implementation and Development of Public Diplomacy Mr. Vitaly Solonetskiy; Manager, Public & International Relations, Office of the CEO, National Youth Development Agency of the Republic of South Africa Mr. Phetole Seodi; CEO, «Tetra Solar Co.» Ltd., Co-founder, «Tetra Electronics Technology Co.» Ltd., Member of Board, «CGE Peace Development Foundation», Member of Board, «Women in Renewables Asia» (WiRA), Member of All-China Youth Federation Wu Yumeng and the representatives of the BRICS academia and science communities, i.e. Head of Department for Youth Policy, Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation Mr. Stanislav Surovtsev; Researcher, GEBRICS/USP, University of São Paulo Ms. Elen de Paula Bueno,; Assistant Professor, Thapar Institute of Engineering and Technology Amandeep Singh Oberoi.

#### 1.12.3. Signed Agreements

- Memorandum on Cooperation between BRICS YEA and the National Youth Development Agency of the Republic of South Africa;
- Agreement on Establishment of the National Representation Office of the BRICS YEA in the Republic of South Africa signed by BRICS YEA and NYDA

## 2. BRICS Youth Summit

South Africa was represented by 15 Young people across different sectors including the Minister of Women, Youth and Persons with Disabilities. From the 17th to the 20th of October 2019, in the city of Brasilia, Brazil, the Fifth BRICS Youth Forum was held, composed of five panel sessions to discuss and approve recommendations regarding the BRICS agenda. The representatives of Brazil, Russia, India, and South Africa debated issues related to the five following topics:

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1 - "Inclusion through Education"

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2 - "Future of Labour – Impact reducing actions"

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3 - "Socio-emotional skills – The importance of soft skills"

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4 - "Young people as a bridge to improve intra-BRICS relations"

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5 - "Social ascension through entrepreneurship and job-creation"

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## 3. Other International Relations Activities

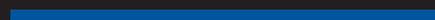
NYDA further not only participated but played an important role within the Commonwealth Youth Forum, Pan African Youth Union, SADEC Youth Forum and the Y20. The late Deputy Chair also represented NYDA at the 63rd UN Commission on the status of women.

Cooperation discussions were also held with the Youth Council of the Kingdom of Lesotho, the Federal Agency for Youth Affairs of the Russian Federation, Venezuela and the Chinese People's Association for Friendship with Foreign Countries.

## The table below detail a summary of other International Relations Activities:

COUNTRY AND ORGANISATION VISITED	DATES	REASON FOR VISIT/ PROGRAMME	OUTCOME
<b>New York</b>	08-09 April 2019	8th UN ECOSOC Youth Forum	Opportunity to contribute ideas to governments and international organisations, engaged other African youth leaders and strengthened relations for the benefit of youth
<b>Stavropol, Russia</b>	04-09 June 2019	Third International Festival, ( <i>The Student Spring of BRICS &amp; SCO Countries</i> )	Strengthened cultural ties between the youth groups and Organisations of BRICS countries
<b>Kigali, Rwanda</b>	14-17 October 2019	World Cooperatives Conference	The International Cooperatives Alliance (ICA) Global Cooperatives Conference was hosted by the Government of Rwanda at the Kigali Convention Centre in the capital city of Kigali. A total number of 1 000 delegates from 94 different countries attended the conference. The theme of the conference was, "Cooperatives for Development - Strengthening the Cooperatives Movement as a Development Actor". The major theme that dominated discussions throughout the three days was sustainability
<b>Accra, Ghana</b>	29 Oct-01 Nov 2019	Africa Region Commonwealth Youth Senior Officials Meeting	Partaken in the discussion around policy recommendations as well as emerging regional and global youth development landscape and help identify priorities for action
<b>Brazil</b>	12-14 November 2019	Seventh Brazil-Africa Forum	
<b>Cairo, Egypt</b>	01-04 December 2019	ICCH'19 Egypt Coop Conference	The International Conference for Cooperative Housing (ICCH), took place from 1 to 4 December in Cairo, witnessed the participation of representatives of 42 countries aiming to highlight the contribution of cooperatives to achieving sustainable development goals.

# NATIONAL YOUTH SERVICE



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National Youth Service

## PROUD TO SERVE

**For the year under review, the focus of the National Youth service Unit (NYSU) was to intensify the implementation of the National Youth Service Programme (NYSP) and expanding its reach to the marginalized and rural communities. To this end, the NYSU ensured that its programmes, such as the Voter Education and Expanded Volunteer Programme (EVP) were implemented in provinces with rural communities, where there is deep rooted abject poverty and high unemployment rates among the youth. In line with the policy framework, the strategic focus was to further build the capacity of implementing partners through the existing tools, i.e. Norms and standards, to enhance the quality and the execution of the programme. The year also begun the process of reinvigorating and realigning the programme with the office of the President to find more effective ways of taking the programme to prominence. This led to the launch of the Presidential Youth Service (PYS) initiative by Honorable President Ramaphosa in 2019.**

**The Presidential Youth Service (PYS), as a component of the Youth Employment Pathway Management, seeks to complement the traditional NYSP. The NYSP primarily aims to create opportunities for young people to meaningfully contribute to their communities, develop critical skills required to participate meaningfully in the economy, build confidence and expand their social networks.**



NATIONAL YOUTH DEVELOPMENT AGENCY  
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**The National Youth Service Coordination Framework defined the National Youth Service Programme as a transformative concept that includes the involvement of young people in activities which provide benefits to communities whilst developing their abilities through Service and Learning. The programme employs a partnership approach towards finding solutions appreciating the critical value brought by different role players from government, civil society and the private sector.**

### **Presidential Youth Service (PYS)**

As one of the priorities of government, the PYS expands on the National Youth Service programme, promoting volunteer and work opportunities for young people who are willing to give back to their communities. It is part of the Youth Employment Pathway Management initiated by the Presidency, aimed at addressing the challenge of youth unemployment in South Africa.

Central to this initiative is the recognition that Community Service and Volunteerism could serve as a conduit through which young people could participate in nation building endeavors that allow them to build various skills sets required by the economy and learning about themselves and their communities. This assists the youth in cultivating a greater sense of self-worth and increasing their chances of employability, further education and in entrepreneurship development. The goal of the PYS is to reduce the rate of unemployment among the youth, particularly those who are in the NEET group, and creating credible social capital for them.

This initiative re-energises the NYS to provide young people with funded opportunities to engage in Service. It allows the youth to contribute to their communities and to build an ethos of citizenship and democratic values. Service is elevated into an effective pathway engaging unemployed young people and transitions them into economically active citizens. The Service element is tied to Personal Development Plans (PDPs) as a deliberate intent to provide youth with a comprehensive suite of products and services

**To enhance and ensure Enterprise Development as a potential exit strategy, the following elements are built into the programme:**

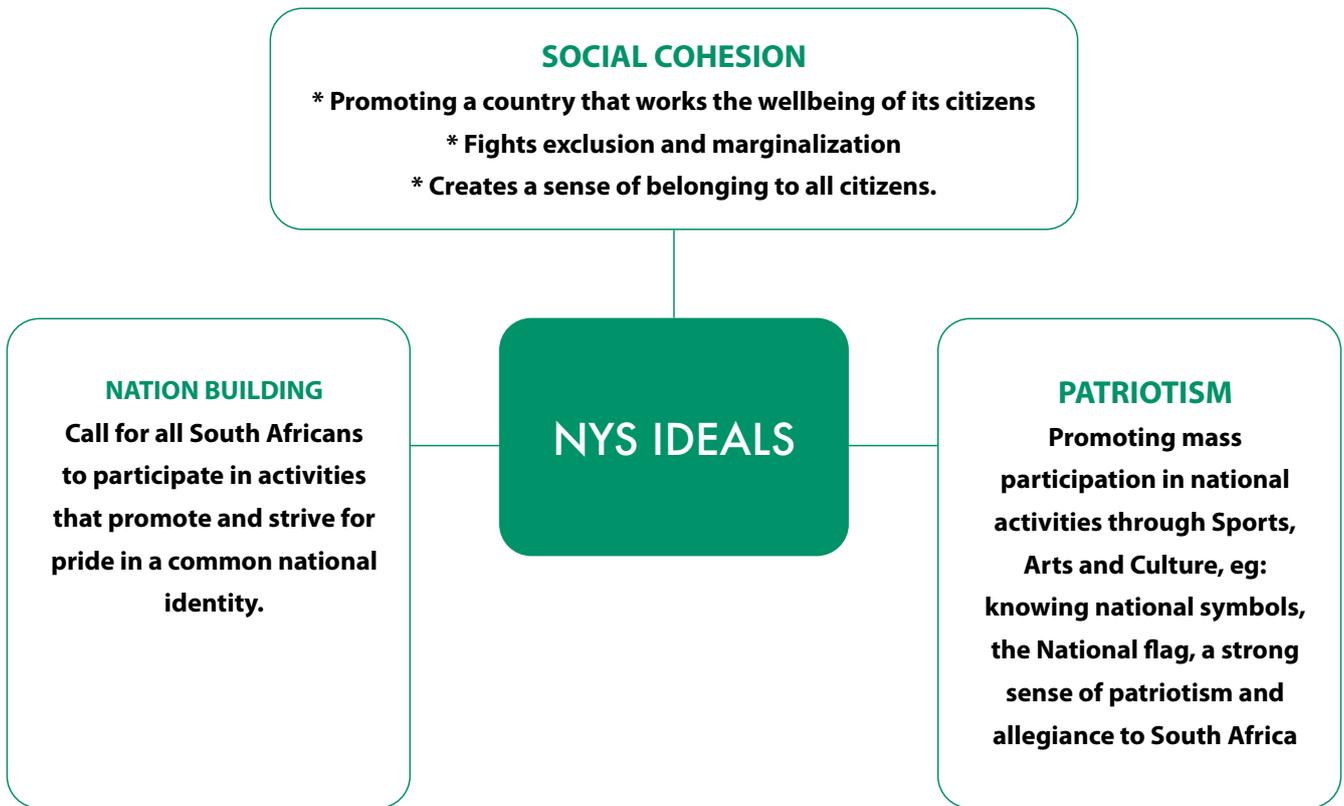
- During training, opportunities are created for participants to be exposed to Entrepreneurship Education
- Ring Fence Grant Funding through funding agencies, NYDA, SEFA, etc
- mechanisms to support business development and formalisation are put in place





**Exit pathways in a typical NYS Programme involve:**

- Enterprise Development (Integration with other NYDA and government products and services)
- Further Learning
- Employment (full time and part time)
- Community development worker or youth activist



**IMPLEMENTATION MODEL OF NYS**

It is a programme of government whose objectives are to achieve the following:



### The Young Patriots Programme (TYPP)

- The TYPP is a flagship National Youth Service (NYS) Programme of the Department of Arts and Culture (DAC).
- The DAC and the National Youth Development Agency (NYDA) signed a cooperation agreement where the commitment to implement the Young Patriots Programme (TYPP) was established with the NYDA being the implementing partner agency.
- This partnership saw the recruitment of 345 young patriots to participate in the programme across all the nine provinces.
- The strategic objectives of the programme included: popularising national symbols such as the national anthem, the national flag, auditing of human treasures in communities as well as the installation of flag poles in schools. These activities are intended to build awareness on the South African history and instil a sense of patriotism amongst the recruited patriots.



The Young Patriots



NYS Executive Director with Officials from the DAC

### Collins Chabane School of Artisans

- The Collins Chabane School for Artisans (CCSA) is a legacy project of the National Youth Service (NYS) in memory of the late Honourable Collins Chabane.
- The primary aim of the programme is to contribute towards the reduction of unemployment among young people, through skills development and service.
- The School was launched in Limpopo Province in partnership with Capricorn and Sekhukhune District Municipalities on 31 October 2019.
- As a beacon of hope for young people, the school recruited 60 young people in Limpopo and trained them in the following traits and qualification: Occupational Certificate Plumber at NQF Level 4, and National Certificate Water and Wastewater Treatment at NQF Level 2.
- These technical training was offered through the two TVET Colleges based in the two districts, namely Capricorn TVET and Sekhukhune TVET Colleges.
- The District Municipalities offers workplace opportunities for the youth to do practical training as well as Community Service.



Youth participating in practical training

### NYS 2019 Technical Short Skills Programme

- The NYDA partnered with the Northern Cape Provincial government and Emthanjeni Local Municipality to recruit 100 young people into a skills development programme.
- These young people were trained on welding and plumbing traits.
- The technical skills training focused on the following unit standard based offerings: National Certificate: Welding Applications and Practice at NQF level 2, electing unit standards that consist of a minimum of 40 credits; Occupational Certificate: Plumber at NQF level 4, electing unit standards that consist of a minimum of 40 credits.
- The practical component of this project was implemented through the partnership with Emthanjeni Local Municipality focusing on De Aar and Hanover areas.



**Ms. Ankie Motsoahae with the paroles participating in the NYS with youth in conflict with the law**

### Tanzania/ SA NYS Exchange Programme

- The NYDA endeavours to initiate and pilot exchange programmes with the aim of developing and documenting best practice models in implementing National Youth Service Programme in the African Continent.
- A number of countries have expressed interest in participating in the exchange programme, such as Ghana, Botswana, Namibia and Tanzania
- The NYDA initiated engagements with the United Republic of Tanzania which culminated in a study tour to Tanzania by the NYS delegation on the 1st to 5th April 2019.
- The NYSU has since establish a youth exchange progame with Tanzania to revamp the Solomon Mahlangu Freedom College (SOMAFCO).



**NYDA Tanzanian 2019 Study Tour**

### **Higher Health Programme (previously operating as HEAIDS)**

This is an initiative of the Department of Higher Education and Training aimed at supporting students with psychosocial support in the TVET colleges and universities campuses.

The programme is implemented by the department's implementing agency, Higher Health, previously operating as HEAIDS, in collaboration with the NYDA through the NYSU



**Deputy Minister Buti Manamela addressing HEAIDS activation at the Mpumalanga University**

### **Open Access to Higher Education Campaign**

In memory of the former Deputy Chairperson of the NYDA Board, Ms Bavelile Hlongwa, the NYSU initiated and implemented a campaign to assist in increasing the number of Grade 12 learners from remote rural areas and farms who apply for National Student Financial Schemes (NSFAS) and benefit from free education by getting access to tertiary institutions.

The campaign was implemented in collaboration with NSFAS, South African Police Service and the Department of Education and reached out to many underprivileged schools in Limpopo, North West, Mpumalanga, Eastern Cape, Free State, Kwa-Zulu Natal and Northern Cape. This contributed to the record number of applications received by NSFAS.





# Flanders State of the Art

## Flemish Cooperation

This is an initiative of the NYDA through the corporation with the Flemish government. Through this initiative, the NYSU provides capacity building interventions to youth led NPOs to assist with scaling up volunteer activities of the National Youth Service in communities.

This is a result of a South African government and Flemish government bilateral relationship that is celebrating 20 years of existence. A publication is being finalized in this regard. Since its inception, the Cooperation achieved the following:

BUILDING BLOCK	ACHIEVEMENTS
<b>Capacity Building</b>	<ul style="list-style-type: none"> <li>• The Volunteer Management Toolkit was developed in 2015 and translated into other 10 local languages in 2016, 2017, and 2018.</li> <li>• Capacity Building Workshops on the application of the Volunteer Management Toolkit were conducted in 2017 and 2018 respectively.</li> <li>• The NPO Incubator Programme was designed and implemented in 2018. A total of 300 youth led NPOs were enrolled. These Youth-led NPOs were then supported with a donation of R5000 each to ensure cover expenses of involving Youth Volunteers.</li> </ul>
<b>Knowledge Generation</b>	<ul style="list-style-type: none"> <li>• A study on the Volunteer Landscape in South Africa was commissioned and a report produced to inform future planning and upscaling of volunteerism in South Africa.</li> <li>• Knowledge Seminars, Volunteer Learning Forums and Conference were conducted to create platforms for knowledge exchange and the sharing of best practices on Volunteerism.</li> <li>• A Publication, documenting the 20 Years of the Cooperation was developed covering views and insights from a wide variety of key role players who took part in the implementation of the Cooperation over the years.</li> </ul>
<b>Marketing and Communication</b>	<ul style="list-style-type: none"> <li>• An online database “myhandsandheart” as a platform where Youth Volunteers are matched with available volunteer opportunities was developed in 2016.</li> <li>• Communication and Marketing Strategy was developed in 2017. The strategy was then implemented in 2018 through various volunteer activation events.</li> </ul>
<b>Lobbying and Advocacy</b>	<ul style="list-style-type: none"> <li>• Partnerships were created with government departments and funding agencies to ensure that volunteering is funded and supported</li> <li>• An agreement with National Development Agency was concluded to support the provision of ongoing Capacity Building interventions through skills gap analysis within the Civil Society Organisations, specifically with Youth-led NPOs.</li> </ul>

**NYDA Leadership and Representatives of the Flemish Government in Belgium, Brussels**



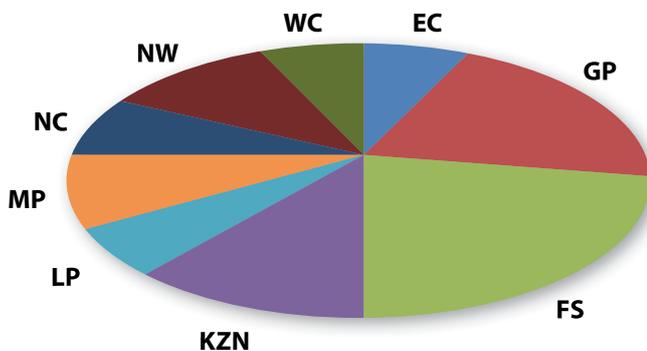
**NYS NPO Incubator Programme**

The NYSU initiated this programme to expand the scope and reach of the NYS. This year saw the initiation of a partnership with the National Development Agency NDA, a Department of Social Development implementing agency, for the benefit of the participating youth led NPOs.

Through this partnership the participating NPOs benefit from a targeted training, mentoring, incubation and support. The overall aim is building and institutionalizing organizational capabilities of these organs to respond to their programmatic needs and compliance to registration requirements and reporting requirements to funders.



**Provincial Breakdown of NPOs**



**NYS Volunteer Service activities with the Flanders in KZN**



### Volunteer Outreach Activities during the Pre-SONA Build up in the WC

The NYSU implemented a build-up activity for the Presidential Pre-SONA Youth dialogue. The aim of the Volunteer Programme was to promote a culture of reading and dialogue amongst young people in the Western Cape.

The project was implemented in collaboration with Local Youth-Led NPOs and the Local Library in Gugulethu.



The Honorable Minister Maite Nkoana-Mashabane and Deputy Minister Hlengiwe Buhle Mkhize from Department Women, Youth and Persons with Disabilities organized an outreach event in collaboration with National Youth Service Unit. This outreach was to revamp the building and establish a vegetable garden for the Tembaletu School. The event was attended by various dignitaries including Minister of Public Works Honorable Patricia de Lille. The NYDA pledged an ongoing supply of the sanitary towels to the school through the NYS NPO incubator programme.



## STRATEGIC WORK OF THE NYSU

### Presidential Engagements

- The engagements were about how to mobilise, coordinate and support implementation of PYS to engage 50 000 unemployed youth for a specified period not less than 6 months with a stipend.
- Through this process the NYSU managed to refine coordination mechanisms and funding options to implement an up scaled PYS which is a contribution to the Presidential Youth Employment solution.
- Twenty (20) participants from different government departments, civil society organizations and state-owned entities took part in this process – including the workshop hosted by the NYSU on the 4th of October 2019.



### NYS Practitioners' Workshop

- These workshops are part of a broader strategy to create a favourable environment to scale up the NYS.
- Practitioners from different sectors are engaged in workshops to share best practice models in line with the NYS norms and standards.
- The workshops were conducted in Gauteng, Western Cape, Free State and the Northern Cape.



## NYS PARTNERSHIPS ESTABLISHED

NAME OF THE PROJECTS	DESCRIPTION
<p><b>National Youth Service Day</b></p>	<ul style="list-style-type: none"> <li>• The Department of Sports, Arts and Culture and the NYDA dedicated the 14th of June 2019 to the National Youth Service Programme. This is as the Department declared the date to as a National Youth Service Day. The initiative was part of commemorating 2019 youth month under the theme "25 Years of Democracy: A celebration of youth activism".</li> <li>• On this day, the NYDA, through the National Youth Service Unit, coordinated programmes and projects across sectors in all nine provinces and municipalities calling young people to volunteer their time and engage in serve activities geared towards uplifting their communities.</li> </ul>
<p><b>NYS Implementers Workshop (November 2019 – February 2020)</b></p>	<ul style="list-style-type: none"> <li>• The workshop was implemented in four provinces which are Western Cape, Gauteng, North West and Free State. The purpose of the workshop was to enhance the capacity of NYS implementers in provincial and local spheres of government to be able to implement NYS projects.</li> </ul>
<p><b>EVP – Nelson Mandela International Day Programme</b></p>	<ul style="list-style-type: none"> <li>• The Nelson Mandela International Day motivates individuals around the world to dedicate 67 minutes of their time on the 18th of July every year, in celebration of Nelson Mandela's birthday and his contribution to mankind.</li> <li>• Just as Mandela gave 67 years of his life fighting for social justice and equality in South Africa, the NYSU implemented the volunteer action to engage young people and the community at large in service to the least fortunate in our communities. The activities for the day ranged from soup Kitchen to feed the needy and destitute, assisting and children's homes and homes of the aged, cleaning of parks, community centres and public spaces.</li> </ul>
<p><b>NYDA/NYS 365 Days of No Violence Against Women &amp; Children (Gender Based Violence) Programme.</b></p>	<ul style="list-style-type: none"> <li>• The NYSU implemented the NYS 365 Days of No Violence Against Women &amp; Children Programme at Ga-Phaahla in Limpopo on the 12th December 2019 whereby the NYDA Board Member, Ms. Joy Maimela delivered a keynote address.</li> <li>• The programme encouraged the community of Ga-Phaahla and the surrounding areas to stand up and fight violence against women and children. The programme was also supporting the local SAPS by and encouraged the community to report the incidents of gender-based violence and support the victims of such incidents.</li> </ul>
<p><b>Moemaneng NYS Social Cohesion Activity</b></p>	<ul style="list-style-type: none"> <li>• Nation building and social cohesion event aimed at addressing social ills such as crime prevention, drug abuse and teenage pregnancies in Moemaneng, Kroonstad, Free State Province was implemented with 100 young people involved as participants.</li> <li>• Several key stakeholders such as Department of Labour, South African Police Service (SAPS), the Small Enterprise Development Agency (SEDA), Youth Empowerment Emporium NPO and other community-based organisations also supported and participated in the programme.</li> </ul>

NAME OF THE PROJECTS	DESCRIPTION
<p><b>The Geekucha: Vacprogramme</b></p>	<ul style="list-style-type: none"> <li>• The NYSU participated in the Vacwork pilot programme from the 9th until the 13th December 2019 in Howick, Kwa-Zulu Natal.</li> <li>• The project gave young people the platform to advance their digital solutions skills in response to the fourth Industrial Revolution (4IR) skills.</li> <li>• Young people participated in various aspects of technology and innovations such as: Mobile Apps Development; Web Applications Development and Design; Graphic Design; Electronic Systems and Business /Entrepreneurship in the Information Technology space.</li> </ul>
<p><b>Department of Sports &amp; Recreation Youth Camps</b></p>	<ul style="list-style-type: none"> <li>• National Youth Service Unit partnered with the Department of Sports, Recreation South Africa to implemented Community Service during the 2019 National Youth Camps. The national camps took place from 1st – 7th December 2019 in all the nine provinces of the country.</li> <li>• The Youth Camp is a forum for young people of our country to engage with each other across all barriers of the past such as race, ethnicity, and gender, while learning valuable life skills.</li> </ul>
<p><b>Women’s month Volunteer project:</b></p>	<ul style="list-style-type: none"> <li>• National Youth Service Unit (NYSU) supported Thusanang Disability Centre through the Expanded Volunteer Programme. Thusanang Disability Centre cares for the disabled people, mix of old and young people, the centre is based in Huhudi, Vryburg in the North-West Province.</li> <li>• The service involved, among other things revamping the ablution facilities and replacing the pipes, and ceilings as well as, provide overall garden and cleaning services. Ten young people who participated in the programme made a commitment to continue to continue to assist in taking care of the Centre as volunteers.</li> </ul>
<p><b>NYDA/NYS 365 Days of No Violence Against Women &amp; Children</b></p>	<ul style="list-style-type: none"> <li>• The NYSU implemented the NYS 365 Days of No Violence Against Women &amp; Children Programme at Ga-Phaahla in Limpopo on the 12th December 2019 where our NYDA Board Member, Ms. Joy Maimela delivered a keynote address.</li> <li>• The programme encouraged the community of Ga-Phaahla and the surrounding areas to stand up and fight violence against women and children.</li> <li>• The programme was also supported the local SAPS by and encouraged the community to report the incidents of gender-based violence and support the victims of such incidents.</li> </ul>
<p><b>Presidential Youth Service Dialogue</b></p>	<ul style="list-style-type: none"> <li>• The NYSU facilitated a Presidential Youth Pre-State Of the Nation Address (SONA) dialogue that has drawn young people from various platforms such as youth in business, NGO, youth in academia, youth in arts, and etc.</li> <li>• The purpose of the event was to allow young people to engage with the President of the country on their expectations for the SONA 2020 with a specific focus on education and economic development.</li> <li>• The young people engaged the President on issues such as an ecological system as a matter of priority to address the youth unemployment in order to enable youth self-employment.</li> </ul>

## NYS EXPANDED VOLUNTEER PROGRAMME

NAME OF THE PROJECTS	DESCRIPTION
<p><b>NYS Reading Circles in WC</b></p>	<ul style="list-style-type: none"> <li>The project was implemented in collaboration with the Gugulethu Local Library and Local Youth-Led NPOs. The campaign aimed at promoting the culture of reading. This is as Literature shows that 78% of Grade 4 learners cannot read for meaning in any of the 11 official languages (Mullis, et al., 2017). This day focused on Reading, Storytelling, Cultural activities and Games to promote creativity that enhances learning at the schools.</li> </ul>
<p><b>NC January Expanded Volunteer Programme</b></p>	<ul style="list-style-type: none"> <li>The programme was implemented with the Lerato Park Early Childhood Centre in Kimberly, Sol Plaatje Municipality.</li> <li>The Campaign focused on promoting a culture of reading from early age.</li> <li>This campaign was also extended to an awarding of certificates for high performing matriculants in partnership with the DBE.</li> </ul>
<p><b>NYS EVP post SONA Activity with Minister Maite Nkoana - Mashabane</b></p>	<ul style="list-style-type: none"> <li>The NYSU took the EVP campaign to Tembaletu School for Learners with Special Needs in Gugulethu, Western Cape under the theme, "Building Disability inclusive SA.". The NYDA, through the Minister committed to a 6months supply of Sanitary towels to the school as part of support to the learners.</li> </ul>



## NYS BENEFICIARY



### Beneficiary Stories:

Ms Aphindiwe Mziyaya, a beneficiary of the NYS Young Patriots Programme in the Eastern Cape was one of the few exhibitors who was afforded an opportunity to showcase her craft at the prestigious of Isingqi Sethu Cultural Festival after participating in the NYS Programme. The festival took place in Port St Johns and is a partnership between the Department of Sport, Recreation, Arts and Culture (DSRAC), Eastern Cape Parks and Tourism Agency (ECPTA).

This cultural festival is a provincial development project aimed at providing a platform to prepare, mentor and expose up and coming local talent within the arts, culture, tourism and heritage space to enable them to play a vital role in the economy, education, social cohesion and heritage preservation of the province and the country. Various art forms are showcased including dance, drama, music, storytelling, poetry, visual arts and video development. The two-day festival boasts a diversity of heritage and culture from various regions throughout the province.





### **NYS Embarks on the Access to Tertiary Education Campaign**

On 22 October 2019, NYDA through the NYSU embarked on the Access to Tertiary Education Campaign in Limpopo Province. The campaign took place from 22 – 23 October 2019 where about 95 Grade 12 learners from Rephafogile Senior Secondary School and Phutlotau Senior Secondary School received on-site assistance with NSFAS applications for the 2020 academic year.

Learners were also provided with relevant information on entrepreneurship and how the NYDA assists young aspiring entrepreneurs. Successful NYDA Grant recipients, Frank Ramatsebe and Kwena Mmamaro spoke to the learners and shared their journeys of becoming successful businessmen.



# NYDA OPERATIONS



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# NYDA OPERATIONS

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**nyda**

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## NYDA OPERATIONS

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**The NYDA increased its number of branches from 17 FY 2017/2018 full-service branches located in all provinces to 19 and opened 18 District Offices and 10 kiosks through partnerships with municipalities. The District offices will enable the Agency to provide increased support to the youth in rural municipalities.**

### **NYDA Business Hubs**

The NYDA went above and beyond in advocating for youth, piloting four (4) business hubs in Emalahleni, Secunda, Mbombela and Randfontein Offices. This pilot was informed by limited access of young entrepreneurs to infrastructure and business support. At these business centres young entrepreneurs are provided access to office space i.e. computers, printing services, connectivity on a rotational basis. This pilot will continue into the new financial year to test the services that would most benefit young entrepreneurs.

### **Increased Economic participation**

Youth unemployment continues remains the battleground for the National Youth Development Agency, as unemployment levels reached a record high of 58.1% in the fourth quarter of 2019/20. Through its entrepreneurship and jobs programmes, the Agency confronts this challenge to increase the participation of young people in the economy.

### **Entrepreneurship**

The Grant Program continues to be the Agencies' flagship programme that aims to stimulate entrepreneurship simultaneously combatting youth unemployment, in a country where youth continue to fear entrepreneurship, registering the lowest youth entrepreneurship barometers in the Africa and the world. In a bid to increase funding aimed at supporting youth entrepreneurship, the NYDA entered into a partnership with Presidency for the 1000 in 100 youth businesses project as well as the Isiqalo Youth Fund with the Department of Economic Development, Environmental Affairs and Tourism in the Eastern Cape Province. Through these partnerships the NYDA was able to directly and indirectly support 1,136 (Grant Programme), 268 (1000 in 100) and 8 (Isiqalo) a total of 1,411 youth businesses across the country.

The grant programme is a comprehensive initiative, in the agency's bid to increase the long term sustainability of youth entrepreneurship by providing a suite of business development support services to youth micro-enterprises. Sustainability dialogues in the small business sector often centre on challenges related to not only attracting the necessary start-up capital (and expansion capital) the provision of regular support mechanisms and business environment conditions, amongst others that require immediate attention. This additional support in a form of business management training; business voucher to access business consultancy services/business development services; market linkages/ access to market for product as well as mentorship programmes where experienced entrepreneurs or professionals, provide guidance. Through supporting enterprises and entrepreneurs, the NYDA's grant programme created and sustained a total of 3,656 jobs and provided business development support to 19,337 young people in this financial year.

Informed by research that showed that youth enterprises fail to tap into larger markets and grow their businesses due to noncompliance and certification, The Agency further entered into an agreement with the South African Bureau of Standards (SABS).

The partnership aimed for both organisations to partner in the testing and certification of products; certification of management systems; training s; systems development; and product design for small, medium, micro and cooperative enterprises. This service was offered to young entrepreneurs as part of the Agency's business development offering as part of a pilot programme. The outcomes confirmed the Agency's view that young entrepreneurs require comprehensive support to develop them towards long term success from the start of the Grant Application process.

As the NYDA strives to mainstream youth development into public and private sectors of the economy to improve their livelihoods, the Agency entered into an historic partnership with Coca Cola Beverage South Africa (CCBSA). The Bizniz in a Box Youth Empowerment project aims to provide young entrepreneurs with access to market, skills development including mentorship. The initiative aimed to support 317 stores across the nine (9) provinces in South Africa.





## Job Placements

As young people in South Africa continue to hold the view that obtaining an education is the solution to escaping poverty, the NYDA continued to find jobs and training opportunities for young people in both the public and private sectors of the economy. The depressed economic climate in the country meant the task more challenging. Up to the task, the agency placed 14,021 young people in job opportunities. Once again partnerships like the KZN Expanded Public Works Programme contributed to the increase in the number of young people placed in Job opportunities in this financial year.

The approach adopted by the Agency is comprehensive, striving to ensure that young people are sufficiently prepared to enter and retain the job in which they are placed, the NYDA skilled a total of 74,383 young people on Life Skills and Job Preparedness.



Garden Route Launch



## The SETA's

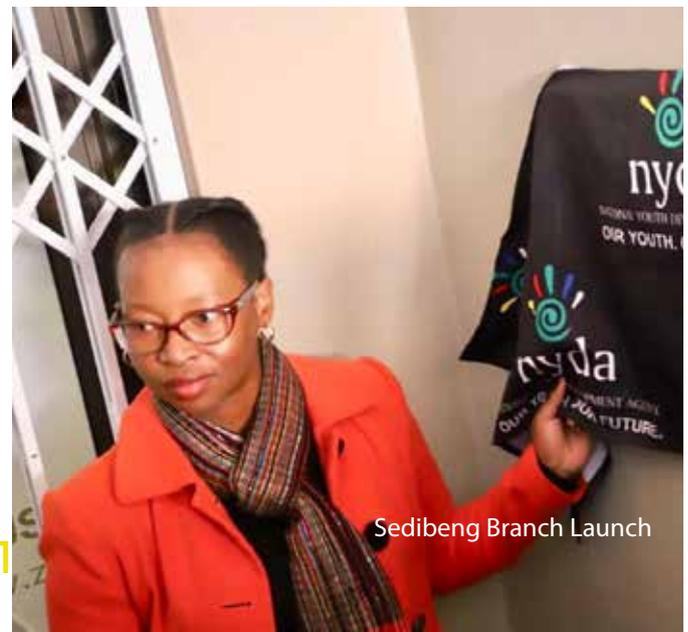
In 2019 The Services SETA and National Youth Development Agency (NYDA) renewed the apprenticeship Agreement committing R24 901 250.00 in this financial year. The overall agreement, currently in its second aimed to provide apprenticeship training opportunity to 583 unemployed youth.

The apprenticeship is a 3-year long programme, at the end of which learners are required to complete a trade test in specific trade. There are currently we have 524 apprentices participating in the programme.

During this Financial Year, the NYDA signed two additional agreements with The Chemical Industries Education & Training Authority (CHIETA) for a learnership aimed at supporting acquisition of skills in the fabrication and electrical trades. The agreement signed with the Wholesale and Retail Sector Education and Training Authority (W&RSETA) is a graduate placement programme, to place graduates in opportunities in the sector. Executing against these agreements will commence in the new financial year.



OR Tambo Launch



Sedibeng Branch Launch

# HUMAN RESOURCES

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# HUMAN RESOURCES



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## EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

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**The Employee performance management framework is embedded within the NYDA Performance Management Policy. The performance management cycle guides the coordination of performance management strategies and is inclusive of the following elements:**

- Performance Planning
- Performance Contracting
- Employee Capacity Building
- Monitoring performance appraisals
- Evaluating performance
- Employee Reward and Recognition

For the year under review, focus continued to be placed on **high performance**. As the Agency prides itself in achieving 96 percent of its Key Performance Areas (KPI's) and clean audits, performance contracting, and reviews remain a key focus in ensuring delivery. To that end, all performance contracts and reviews were signed off by all staff on time. This continues to ensure a consistent and fair practice in rewarding those who have performed above expectations while encouraging others to improve.



## Learning and Development

Our Learning and Development purpose is to ensure all employees have the necessary knowledge, skills and qualifications to perform competently in their jobs, in line with the Agency's strategic objectives and mandate.

The summarised training report is for year under review:

Course Name	Number of attendees
Grade B	2
Grade C	6
Grade E to A	1
Report Writing	20
GSO	2
Concise Dashboard Reporting in Excel Masterclass	5
Policy Development, Implementation and Evaluation Training	4
Premier HR	3
Commercial Mediator Training	1
Applied Logistics and Supply Chain Management	1
SAFMA conference	1
Employment Equity	1
ACFE Membership Renewal	1
Certificate in forensic investigation Techniques	5
Short Learning Programme (Office Administration)	1
SAIPA Membership Renewal	1
IRMSA Membership Renewal	2
Performance Management Training	1
Risk Management Training	26
HR Standards	13
Risk Management	20
Chairing Disciplinary	40



## Bursaries

A total of 126 applications were processed and 82 duly approved for 2019 academic year.

Positions breakdown:

Occupational Classification	Total
Management (Executives Directors, Senior Managers and Managers)	15
Specialists (Coordinators and Specialists)	25
Officers	65
Administrators	32

## Qualifications breakdown:

Qualification Level	Total
Masters, Doctoral and PHD	20
Post Graduate qualification	21
Undergraduate	30
Certificates and Diplomas	11

## ANNUAL TRAINING REPORT

TYPE OF PROGRAMME	Total
Conference	8
Professional Body Affiliation	17
Short Course	35
Skill Programme	31
Bursary	97
Grand Total	188

## Equity Report

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Executive and Senior Mngement	6	0	1	0	5	0	0	0	0	0	12
Professionally qualified	21	1	0	0	17	0	0	0	0	0	39
Skilled technical	31	0	0	0	28	1	1	0	0	0	61
Semi-skilled	119	4	0	1	189	9	0	0	0	0	322
Unskilled	0	0	0	0	0	0	0	0	0	0	0
Undefined	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>177</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>239</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>434</b>

## Human Resources Oversight Statistics

### Personnel costs by programme

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp. (R'000)	No of Employees	Average Personnel Cost per Employee (R'000)
Office of the Chief Executive Officer	20 900 042	10 359 165	4,92%	13	796 859
Financial Services Division	45 260 087	21 928 495	10,41%	25	877 140
Corporate Services	87 271 621	21 989 787	10,44%	41	536 336
National Youth Services	35 372 489	11 991 712	5,70%	18	666 206
Corporate Strategy and Planning	16 338 794	11 209 315	5,32%	15	747 288
Programme, Design, Development and Delivery	276 489 988	122 720 800	58,29%	307	399 742
Office of the Executive Board	24 430 564	10 351 654	4,92%	15	690 110
<b>TOTAL</b>	<b>506 063 584</b>	<b>210 550 928</b>	<b>100%</b>	<b>434</b>	<b>4 713 681</b>

Total number of employees excluding temp admins, housekeepers and security personnel.

### Personnel cost by salary band

Level	Total Expenditure for the Entity (R'000)	% of Personnel Exp. To Total Personnel Cost (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	12 570 151	5,97%	8	1 571 269
Senior Management	9 077 121	4,31%	9	1 008 569
General Staff	180 131 752	85,55%	402	448 089
Office of the Board	8 771 904	4,17%	15	584 794
<b>TOTAL</b>	<b>210 550 928</b>	<b>100%</b>	<b>434</b>	<b>3 612 720</b>

### Performance rewards

Programme	Performance Rewards	Personnel Expenditure (R'000)	No. of Employees	% of Performance Rewards to Total Personnel Cost
Top Management	1 756 444	12 570 151	8	0,83%
Senior Management	1 065 824	9 077 121	9	0,51%
General Staff	7 816 015	180 131 752	402	3,71%
Board	587 835	8 771 904	15	0,28%
<b>TOTAL</b>	<b>11 226 118</b>	<b>210 550 928</b>	<b>434</b>	<b>5,33%</b>

### Reasons for Leaving

Reason	Number	% of Total No. of Staff Leaving
Death	0	0
Resignation	16	4
Dismissal	1	0
Retrenchment	0	0
Retirement	1	0
Ill Health	0	0
Expiry of Contract	50	12
Voluntary Severance Package	0	0
Other	0	0
	434	

Number of Employees per Programme	2016/2017 No.of Employees	2017/2018 No.of Employees	2018/2019 No.of Employees	2019/2020 No.of Employees
Office of the Chief Executive Officer	17	11	12	13
Finance and Supply Chain	20	25	26	25
Corporate Services	27	31	32	41
National Youth Services (NYS)	17	17	18	18
Programme Development, Design and Delivery	255	266	316	307
Corporate Strategy and Planning	11	12	17	15
Office of the Executive Board	0	19	27	15
	347	381	448	434

CORPORATE  
GOVERNANCE  
REPORT - 2019/20  
FINANCIAL YEAR

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NATIONAL YOUTH DEVELOPMENT AGENCY  
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## CORPORATE GOVERNANCE



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

# CORPORATE GOVERNANCE REPORT - 2019/20

## FINANCIAL YEAR

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The NYDA Corporate Governance is based on the principles of fairness, accountability, responsibility, transparency while observing the Agency values of integrity and honesty, excellence, as well as professionalism. The Board of Directors, has in their third year in office, ensured that corporate governance principles are entrenched across the Agency when undertaking their oversight role. The Board continued to operate with (6) members following resignation from Ndumiso Mokako by the end of first financial year in office (2017/18), in the year under review, the Board saw further resignations towards the end of the first quarter from (3) more members, Kenny Morolong, Zandile Majozi as well as the now departed Bavelile Hlongwa in pursuit of their new responsibilities to serve in Parliament following the national elections. The latter, left the Agency Board inquorate, however the remaining members managed to continue to perform their oversight responsibilities through the Committees that were still quorate supported by governance structures in place, i.e. Internal Audit and the Risk Unit, which culminated in the attainment of fifth unqualified audit opinion in succession and (96) percent performance achievement in 2019/20 financial year.

This report will assist stakeholders to better understand the NYDA approach to Corporate Governance and recommended practices. The NYDA complies with legislation and regulations that affect its environment and has adequately developed policies to ensure proper organization management and regulated staff towards the realization of yearly Agency objectives.

### **REPORTING TO EXECUTIVE AUTHORITY & PARLIAMENT PORTFOLIO COMMITTEE**

Following the national elections in May 2019, the establishment of the sixth national Government administration gave rise to the new department in the Presidency, i.e. the department of Women, Youth and Persons with disability. The move resulted in the NYDA being moved from the department of Planning, Monitoring & Evaluation to the new department which encompass the youth component. In ensuring that the Executive Authority has significant input in youth development matters, the NYDA Board has held regular meetings with the new Executive Authority, led by Hon. Minister Maite Nkoana-Mashabane. The Agency has ascertained that the Executive Authority is kept abreast by inviting them to various key stakeholder sessions as well as strategic review session, inversely, the department has invited the NYDA to its sessions including the strategy review, additionally, the NYDA Board has held three meetings with the Minister in the year under review.

The sixth democratic Parliament established the new Portfolio committees to oversee the work of government departments, which included the Portfolio Committee on Women Youth & Persons with disability, its responsibilities include the oversight on the work of the Agency and service delivery monitoring, the NYDA reporting lines were then redirected from Portfolio Committee on Public Service and Administration/Planning, Monitoring and Evaluation to the new Committee. The new Portfolio Committee has in the year under review, held three quarterly meetings with the NYDA, and has received required reports as and when expected.

## **LEADERSHIP**

The Board has ensured that the strategic direction, deliberations and decisions are based on Agency values and principles, while maintaining a high ethical tone as well as culture of integrity across the organisation. The Agency's ethical standards are clearly articulated and supported as an integral part of conducting business. Active measures have been taken where deemed necessary by the Board to ensure that ethical standards of the Agency are adhered to, with the Social & Ethics, Human Resource & Remuneration as well as the Audit Committees each having acute focus on matters of ethics and governance. Approved code of conduct is enforced, the ethical standards of the Agency are integrated into the strategy and operations, thereby resulting in ethical, socially acceptable and sustainable outcomes as the Agency achieves its objectives. The Board has further ensured a balanced distribution of power between itself, its Committees and Management through systems in place like the delegation of authority.

The Board Members are appointed through the parliamentary process as stipulated in the NYDA Act of 2008, and they have been carefully selected with a range of expertise across sectors to ensure suitability to perform their roles and fiduciary responsibilities, furthermore, Members have been carefully selected to reflect the demographics and geographical spread of the country. The Company Secretariat ensures that the Board Members are kept apprised of any relevant governance practices and have access to professional advisers at the Agency costs as and when required. The scope of authority, responsibility, as well as functioning of the Board is contained in a formal Board charter which is regularly reviewed. The Board and the Committees meet four times a year, special meetings are convened as well to consider specific urgent matters which may arise between scheduled meetings.

## **ORGANISATIONAL ETHICS**

The NYDA complies with legislation and regulations that affect its environment and has adequately developed policies to ensure proper organization management and staff regulations towards the realization of the organization's mandate. The Board is responsible for ensuring that the NYDA ethical culture and policies are appropriate and enforced, a responsibility that it discharges through the Human Resource & Remuneration as well as the Social & Ethics Committees. The Audit and the Social & Ethics committees are responsible for monitoring ethics practices and providing regular updates to the Board on ethical matters. Staff are encouraged to report suspected fraudulent or unethical behaviour via a toll-free whistle-blower line managed by an external service provider and can do so anonymously.

All reported matters are investigated by Internal Audit reporting progress to the Audit Committee. Breaches in ethics and policies ordinarily follow a formal disciplinary process, corrective measures and outcomes are reviewed and discussed at the Human Resource & Remuneration as well as the Audit Committee. Internal Audit assesses the Agency ethical performance annually and provides regular reports to the Audit committee. The Human Resource & Remuneration Committee has the responsibility to monitor the application of the organisation's ethical standards and values in recruitment processes, performance evaluation, reward of employees and fair remuneration. Independent employee satisfaction surveys are circulated to all employees regularly to address, among other things, general issues of employees' satisfaction with their conditions of employment and matters relating to their perceptions of the Agency's ethics.

### **RESPONSIBLE CORPORATE CITIZEN**

The NYDA Act mandates the Agency to develop an Integrated Youth Development Strategy for South Africa and initiate, design, coordinate, evaluate and monitor all programmes that aim to integrate the youth into the economy and society in general. The NYDA continues to demonstrate its commitment to making a sustainable contribution and enhancement of the needs of South African youth as per the provisions of the NYDA Act. The core business of the Agency focuses on services to young people through establishment of branches, mobile offices as well as partnerships with provincial governments for greater access to services in far rural areas. The Agency has various business development programmes established for sustainability and financial independence of youth enterprises.

The Agency is responsible for overseeing the National Youth Service Programme (NYSU) which is a government initiative aimed at engaging South African youth in community service activities to strengthen service delivery, build patriotism, promote nation-building, foster social cohesion and to assist the youth to acquire occupational skills necessary to access sustainable livelihood opportunities. The entrepreneurship & skills development as well as NYSU programmes are managed through the Social & Ethics committee to ensure execution of socio economic programmes and initiatives to be undertaken for youth upliftment and significant impact on society. The committee is also responsible for Solomon Mahlangu scholarship fund, established in honour of the late stalwart Solomon Kalushi Mahlangu, who was executed under apartheid laws, the fund aims to ensure that well performing South African youth from disadvantaged backgrounds have access to higher education to pursue their desired qualifications particularly those that fall within critical scarce sectors, primarily targeting rural youth.

The Board, through the Social & Ethics Committee, sets the tone and entrenches the culture of the Agency relating to its corporate citizenship role. The social and ethics committee also assesses sustainability performance, monitors Agency's actions in relation to the ten principles of the United Nations Global Compact (UNGC) as outlined in its Charter to ensure that the Agency align with these principles in the areas of human rights, labour, anti-corruption and the environment. The Social & Ethics Committee assists the Board to monitor the Agency's corporate citizenship responsibilities.

The Human Resource & Remuneration Committee monitors progress against employment equity, fair remuneration, in addition, reviews the talent and development of employees, recognition of the important role that its employees play, fair remuneration, employee dignity, health and safety, as well as alignment with recommended practices on an annual basis. The Board has directed the Audit Committee to monitor and report on compliance with applicable laws and regulations. The NYDA ensures and acknowledge that its initiatives driving responsible corporate citizenship should be sustainable for significant impact on the youth of the country.

### **RISK & COMPLIANCE GOVERNANCE**

The NYDA recognises that certain risks need to be taken to achieve sustainable growth and accomplishments of its objectives while at the same time protecting the Agency and its stakeholders against avoidable risks. The Board is responsible for the oversight of the governance of risk & compliance management process and has delegated the responsibility to the Audit Committee which quarterly reports to the Board. A risk framework sets out the various risks that should be considered as part of the risk identification process, these potential risks are updated annually to ensure all relevant issues from various stakeholders are considered.

Management, through Strategy & Planning division, is responsible for designing and implementing the risk management process as well as monitoring ongoing progress, review of the risks of the previous financial year, considering new or emerging risks. Risk management is part of the annual operational planning cycle, while determining the strategic and operational plans for the year ahead, each division is required to review its risk register for Board approval.

The Board has adopted codes and standards to ensure alignment with best practice and has ensured compliance with applicable laws to manage compliance governance. It has set the direction for how compliance should be approached and addressed in the organisation. The Board approves policies that articulates and gives effect to its direction on compliance, and that identifies which non-binding rules, codes and standards the organisation has adopted.

### **INFORMATION & COMMUNICATION TECHNOLOGY (ICT) GOVERNANCE**

The Board is responsible for governance of ICT and understands the strategic importance of ICT towards attaining its strategic objectives. It has delegated the oversight role to established ICT Steering Committee for effective monitoring of ICT governance as well as reporting on various matters that include governance of technology, compliance with relevant frameworks and results of internal as well as external audit reviews. The Committee also review strategic operating plans to deliver and manage technology assets of the Agency. The Committee exercises ongoing oversight of technology and information management resource and ensures that Management properly manage resources and provides feedback to the Board on a quarterly basis.

The Board has approved policies that articulates and gives effect to its strategy on ICT implementation within the Agency to support confidentiality, integrity and availability of information; privacy of personal information; and monitoring of security information. The ICT strategy includes assessment of technology planning and new technology investments to align to business strategy objectives. A business continuity plan has been implemented to manage any business disruptions. The NYDA Board is satisfied with continued improvements in the ICT governance.

### **PRIMARY ROLE & RESPONSIBILITIES OF THE BOARD**

The Board serves as the focal point and custodian of corporate governance in the organisation. The NYDA Board recognise that good governance requires high commitment to integrity, ethical values, and transparent and comprehensive stakeholder engagement. The Board accepts that it is ultimately accountable and responsible for the affairs of the Agency, the Board charter, which is reviewed regularly, encompass the roles and responsibilities that include the following reserved for Board approval (recommendations mandated to the Committees have been taken into account)

- Retain full and effective control of the Agency;
- Be responsible for implementing the "Objects of the Agency" and "Principles of youth development" as defined in the Act;
- Fulfil the Agency's responsibility in terms of "Reporting by Agency" as defined by the Act;
- Appoint the Chief Executive Officer;
- Determine the Agency's values and the strategy to achieve its purpose;
- Approve, on an annual basis, the business plan, Budgets and reporting framework of NYDA;
- Exercise leadership, enterprise, integrity and judgement in directing the Agency so as to achieve sustainability for the Agency;
- Monitor and evaluate the implementation of strategies, policies and management performance criteria and business plans;
- 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;
- Regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management;
- Ensure that the Agency complies with all relevant laws, regulations and leading practices;
- 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;
- Regularly assess Board performance and effectiveness as a whole, and that of individual directors, including that of the Chief Executive Officer;
- Ensure that the Agency communicates with shareholders and relevant stakeholders openly and promptly;
- Review the shareholders compact and any amendments thereof prior to submission to the Executive Authority for conclusion;
- Recommend proposals of transaction in terms of S54 of the PFMA to the Executive Authority;
- Inform the Executive Authority of any act misconduct against a director as prescribed in section ten (10) of the NYDA Act.

## INDEPENDENCE & CONFLITS

The NYDA Board of directors consists of seven Board members, five of whom are non-executive directors. The members inform the Board of any conflicts of interest in relation to particular Agenda items at the commencement of any Board or committee meeting. Section 11 of the NYDA Act provide that if a member has, in relation to a matter to be considered at a meeting of the Board, any interest which precludes that member from acting in a fair, unbiased and proper manner, the member may not, participate in that meeting of the Board; or be present at the venue where the meeting is held. It further stipulate that, if, during the course of any proceedings of the Board, there is reason to believe that a member has any interest on Agenda items, that member must immediately disclose the nature of his or her interest and leave the meeting in question so as to enable the remaining members to discuss the matter and determine whether that member may be allowed to participate in the proceedings. The NYDA Board has ensured that afore provisions of the NYDA Act are applied as and when necessary to ensure efficient and fair discharging of their fiduciary responsibilities.

## EXECUTIVES CHAIRPERSON AND DEPUTY EXECUTIVE CHAIRPERSON OF THE BOARD

The NYDA Act provide for the State President to designate The Executive Chairperson and its Deputy roles on the (7) members recommended by Parliament, following rigorous transparent process. The Executive Chairperson has fiduciary responsibilities that include chairing of Board meetings, ensure that the NYDA Board and its established committees perform their duties in accordance with the relevant charters. The Chairperson also act as liaison and maintain effective communication with all other Board members to ensure functionality and effectiveness of the Board and its Committees. The approved charter of the NYDA Board of directors outline the role & responsibilities of the Executive Chairperson that include the following:

- Communicate with external stakeholders including partnership development and develop external relations especially with legislative and executive arms of government
- Lobby and advocate within the context of the NYDA mandate & the provisions of the NYDA Act;
- Ensure a functional relationship with the Executive Authority

The NYDA Executive Chairperson is also responsible for chairing Executive Management committee which is a working Committee of the Board established to monitor monthly programmes at the Agency on behalf of the Board.

The Deputy chairperson has the responsibility to perform the duties of the Chairperson when the chairperson is absent or unable to perform his or her duties, act in his or her stead and when so acting, perform any function of the Chairperson and also perform special duties as and when delegated by the Board as well as Executive Chairperson.

## **COMMITTEES OF THE BOARD**

Section (12) of the NYDA Act provide for the Board to establish Committees to assist in the execution of its duties, power and authorities. The Board has delegated additional responsibilities to these Committees, over and above their prescribed mandates. The Board presently has six standing Committees, namely the Executive Management Committee, Audit committee, the Human Resource & Remuneration Committee, the Social & Ethics Committee, the ICT Steering Committee as well as the Investment Committee. Delegated responsibilities to Committees are set out in their respective charters detailing their role, functions and responsibilities. The Committee charters are reviewed annually, and any changes are approved by the Board. Each Committee's terms of reference set out the delegated authority in respect of decision-making, responsibility and fulfilment of its duties.

The Board has overarching authority to review composition of the Committee membership and reshuffle as and when it is necessary to ensure adequate strength and support to Committees. The Board evaluation process allows directors to evaluate the performance and effectiveness of each Committee. The Board charter prescribes that the performance of each of the Committees is to be evaluated regularly to ensure that the composition, mandate and authority of each Committee enables it to provide effective assistance to the Board. The potential impact on availability of members arising from cross-membership between Committees is managed by the Company Secretariat through scheduling of meetings.

The Board considers the responsibilities of each member and the ability to serve adequately on each committee when making appointments to committees and in scheduling of Committee meetings. The Board has ensured that no two Committees have jurisdiction over the same matter, where there is overlapping of duties, the Board has ensured that the Committees consider the issues with different focus, like the Social & Ethics committee and the Audit Committee. The Chairperson of the Social & Ethics Committee is the ex-officio member of the Audit Committee to ensure efficient flow of information due to over-lapping of duties between the two Committees.

Members of the executive and senior Management are invited to attend Committee meetings either by standing invitation or as and when invited to provide pertinent information and insights in their areas of responsibility. The Board applies its mind to all information, opinions, recommendations, reports and statements presented by Committees or their members. The delegation of the Board's authority in defined areas to Committees does not absolve the Board from their respective accountabilities to ensure the discharge of their duties and responsibilities. The Board has satisfied itself that each Committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its duties effectively. The Committees are provided with Independent experts as and where there is a need to provide the Committee with technical and professional advice. The remuneration of the non-executive Board and Committee members or appointed experts is determined as per sub-category A2 informed and guided by the National Treasury remuneration levels for office bearers and of certain statutory and other State institutions. Members who are employed by an organ of state are not entitled to remuneration, or any allowance, but are reimbursed for out-of-pocket expenses incurred while executing the NYDA duties.

As provided in section (12) of the NYDA Act, the Board may dissolve or reconstitute a Committee as is necessary and that any decision taken by established Committees is to be ratified by the Board through reports tabled on quarterly basis.

Though the NYDA Board has delegated the day-to-day management to the Executive Management Committee for efficiency, it however has unfettered powers to direct and control the business of the Agency and has ensured that effective control over the direction and performance of the NYDA is retained by the Board.

Section (12) of the NYDA Act, the Board may dissolve or reconstitute a Committee as is necessary and that any decision taken by established Committees is to be ratified by the Board through reports tabled on quarterly basis. Though the NYDA Board has delegated the day-to-day management to the Executive Management Committee for efficiency, it however has unfettered powers to direct and control the business of the Agency and has ensured that effective control over the direction and performance of the NYDA is retained by the Board.

## BOARD MEETINGS & ATTENDANCE

The NYDA Board has held (1) Board meeting in the 2019/20 financial, this was as a result of resignation of three more Board members which left the Board inquorate. The Board Members and meeting attendance records during the 2019/20 financial year are detailed in the table below:

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Sifiso Mtsweni (Exec Chairperson)	May 2017	1
Bavelile Hlongwa (Deputy Executive Chairperson now deceased)	May 2017	1
Kenny Morolong	May 2017	1
Yershen Pillay	May 2017	1
Zandile Majozi	May 2017	1
Joy Maimela	May 2017	0
Waseem Carrim	April 2018	1

## COMMITTEE MEETINGS & ATTENDANCE

### Human Resource & Remuneration Committee

The primary objective of the HRR Committee is to assist the Board to discharge its responsibilities and oversee governance of human resource on behalf of the Board. It deliberates reports from Management and subsequently reports to the Board on quarterly basis. The Committee is required as per the Charter to have an Independent Specialist as additional member whose role is to provide the Committee with technical and professional advice while ensuring that the Agency is on par with relevant organisations as well as recommended practices. The Committee has in the last financial year ensured all outstanding issues emanating from previous undertaken restructuring process as well as remuneration inconsistencies are finalised. Four meetings were held in the 2019/20 financial year, the membership and meeting attendance are detailed in the table below

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Kenny Morolong (Chairperson)	July 2017	4
Joy Maimela	July 2017	4
Aobakwe Leepile	August 2017	1

### Social & Ethics Committee

The committee's primary role is to supplement, support, advise and provide guidance on the effectiveness of sustainable development matters as well as ensuring that the NYDA's ethics are managed effectively as recommended in principle 1 of the 2016 King IV Report on Corporate Governance. The committee also oversees the performance of the National Youth Service (NYS) Programmes and socio economic programmes on behalf of the Board. It has in the last financial year championed the reconfiguration of National Youth Service model, to ensure that the programme change the lives of young people that partake as well as better opportunities in the country, additionally, ensured that deliberations of realignment of Solomon Mahlangu scholarship fund is finalised. The Chairperson of Social & Ethics committee is the ex-officio member of the Audit committee due to overlapping of duties, though the focus is different. The Committee has during the 2019/20 financial year, held two meetings. The membership and meeting attendance are detailed in the table below:

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Joy Maimela (Chairperson)	June 2018	2
Kenny Morolong	July 2017	2
Zandile Majozi	July 2017	2

### Investment Committee

The Investment Committee is responsible for oversight on Resource Mobilisation in Corporate Investment Unit and reviewing of debt collection as well as recommending valuation methodology for investments to the Board. It has in the last financial year, deliberated on the loan-book reporting the progress to the Board, and also ensured greater number of partnerships with national and provincial governments as well as private sector. The Committee has during the 2019/20 financial year, held one meeting. The Committee membership and meeting attendance is detailed below:

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Bavelile Hlongwa (Chairperson now deceased)	July 2017	1
Yershen Pillay	July 2017	1
Zandile Majozi	November 2018	1

### ICT Steering Committee

The Committee's primary role is to oversee the governance of ICT and execution of the IT related decisions across the NYDA within the authorities delegated by the Board. The Committee is required as per the charter to have an Independent Specialist as additional member whose role is to provide the Committee with technical and professional advice. The Committee has in the year under review, continued to monitor the progress of previous audit findings as well as the ERP project and has ensured implementation of perimeter defences techniques such as firewall to protect the Agency from internal & external cyber-attacks. The committee further oversaw the finalisation of the redesigning of the Agency website. The Committee has held one meeting in the 2019/20 financial year, the membership and meeting attendance are detailed in the table below:

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Zandile Majozi (Chairperson)	July 2017	1
Yershen Pillay	July 2017	1
Lufuno Marwala	November 2017	0
Kenny Morolong	November 2018	1

### Audit Committee

The NYDA Audit Committee is governed by the Public Finance Management Act No. 1 of 1999 (as amended) (PFMA), the Treasury Regulations and Standards for the Professional Practice of Internal Auditing (IIA Standards). The Committee is chaired by the Independent Chairperson and also include one additionally independent member, as well as non-executive Board member as additional member of the Committee. To manage overlapping of responsibilities, and ensure efficient flow of information, the Chairperson of Social & Ethics Committee is the ex-officio member of the Audit Committee.

The NYDA Audit Committee has deliberated and ascertain its satisfaction with presented annual financial statements prior to tabling at the Board. The Committee has further deliberated on the engagement letter from external auditors and ensured finalisation of the audit strategy for the year under review as well as audit fees. The adoption of combined assurance model to ensure a co-ordinated approach to all activities of internal and external assurance providers was also deliberated and finalised. The Committee continued to oversee quarterly management accounts and dashboard reports presented by Management, as well as Internal Audit reports encapsulating forensics and fraud investigations, process reviews in finance, operations, IT and the effectiveness of manual and automated controls.

The Audit Committee has recommended the Strategic Risk register for 2020/21 financial year, in addition, it has ensured that the governance of risk, compliance to policies, processes and relevant statues, is effectively managed. The material activities and risks noted by each specialist function are reported to the Committee on a quarterly basis.



The Committee has during the 2019/20 financial year, held seven meetings. The membership and meeting attendance are detailed in the table below:

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Rachel Kalidass (Independent Chairperson)	March 2012	7
Gideon Labane	September 2018	5
Yershen Pillay	July 2017	7
Joy Maimela	June 2018	5

#### Executive Management Committee

Executive Management Committee is a sub-Committee of the Board consisting of Executive Chairperson, Deputy Executive Chairperson and the Chief Executive Officer. The Committee is a standard working Committee of the Board delegated to monitor performance of the organisation as well as reviewing and approval of monthly NYDA programmes on behalf of the Board. It has successfully finalised the Youth Month programmes including the Youth day celebration, planned in coordination with the Executive Authority as well as the Department of Arts and Culture. The Committee has held four meeting in 2019/20 financial year, held four meetings, membership and meeting attendance are detailed below:

MEMBER	APPOINTMENT DATE	MEETINGS ATTENDED
Sifiso Mtsweni (Chairperson)	May 2017	4
Bavelile Hlongwa (Deputy Executive Chairperson now deceased)	May 2017	1
Waseem Carrim	April 2018	4

#### CONCLUSION

The NYDA Board of directors is satisfied with the manner in which the Agency has applied the requirements of the NYDA Act and other relevant legislations as well as recommended practices to achieve good performance and effective control while maintaining legitimacy and an ethical culture. Governance processes are regularly reviewed to align with legislative and regulatory changes while reflecting changes in the business to ensure that processes remain relevant.

# BENEFICIARY STORIES

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## Beneficiary Stories:

### NOMSA NHLAPO



The 24-year-old Nomsa Nhlapo from Tsakane in Gauteng has completed her BCom Honours in Econometrics.

She is currently placed at the ETDP SETA; under the Performance, Monitoring and Evaluation unit, where her responsibilities involve collecting raw data, analysing and interpreting it to achieve findings.

This opportunity was accessed through the NYDA Jobs Database and Matching Service. Nomsa submitted her CV at the NYDA after she was informed by a friend about the agency. She subsequently enrolled on the Jobs Preparedness Training, and was later granted an opportunity to work for the EDTP SETA.

Nomsa's future aspiration is to further her studies by pursuing a Master's Degree in Financial Economics. The reason she has set this goal is because of her underprivileged background wherein education is perceived as the only solution out of poverty.

### OLU SIFISO KLAAS



The 23-year-old Olu Sifiso Klaas from Ashton in the Western Cape Province is the founder of Klaasm Trading Enterprise (PTY) LTD, a manufacturing and repairing company that currently employs 7 people on a full-time basis and, 3 temporarily.

The young aspiring entrepreneur learnt about the NYDA on the internet when he was searching for possible funding institutions that would assist his business. After reading about the agency, Olu approached the NYDA Cape Town branch for further information on how he could be supported.

The branch enrolled him on the Business Management Training, which he completed successfully and was eligible to apply for the Grant Funding. The NYDA assisted Klaasm Trading Enterprise (PTY) LTD with financial support to the value of R50 000 to buy material and working equipment.

The Western Cape-based young entrepreneur would like to decrease the statistics of youth unemployment in South Africa and contribute to boosting the country's economy. He aims to expand his business into other provinces as well as operate outside of South Africa.

"To young people, let us chase our dreams. Do something today, that your future self will thank you for," said Olu.

### ZANDILE MGULI



Zandile Mguli, is a 29-year-old female from Gugulethu, Cape Town in Western Cape. Raised by her mother and her younger sisters, her dream was to start her own business so that she can be able to assist her mother who is the sole breadwinner. She approached the NYDA Cape Town Branch to enquire about the products and services offered by the agency.

“I was advised at a workshop held at ICYE that the NYDA offers grants to young entrepreneurs like myself who need assistance with establishing their businesses. I then visited their office in Cape Town and the assistance from the team was of high order. The staff was very helpful, attentive and responsive,” says Ms Mguli.

Zandile, went through the process of EDP training and applying for the NYDA Grant Funding to the value of R28 000, 00 to buy business equipment and merchandise. Mguli’s application was approved in November 2018. She now runs a small business called Fish Anchor. She currently employs one young person on a permanent basis and a temp. She intends to employ more young people and grow from home to an industrial area around Cape Town.

When asked about her future goals Ms Mguli said, “I would like to own a shop in one of the malls and all over the province.”

“To young entrepreneurs and youth, believe in what you want to achieve, go and get it as it won’t come to you. Be consistent and you will get better results. Anything is possible,” says Ms Mguli.

Ms Mguli also thanked the NYDA Cape Town Branch for their pleasant support and the smooth grant application.

## Beneficiary Stories:

### MPANDE MASONDO



Sibani Engineering is a Science and Engineering-orientated organisation that offers Waste Management services, which include general, as well as hazardous waste disposal, scrap metal and recycling of Polyurethane waste.

Mpande Masondo started the company after taking note of the high demand of hazardous waste management services in his community. He was still a trainee metallurgist at Anglo Coal at the time. Although Mpande used his own money to establish the company, the young entrepreneur still needed more capital to meet the high demand for his services. He then approached the NYDA Emalahleni Branch for further financial assistance. The NYDA assisted Sibani Engineering with the Grant Funding of R 60 000, 00 to purchase skip bins, which were to be placed at various mines.

Mr. Masondo approached different mines where he intended to collect waste products from. The company has since created 18 permanent employment opportunities and, has a potential to create more. In further supporting his business, the agency supported Sibani Engineering with a branding Voucher worth R15 400, 00.

### THEMBEKILE MAHINTSHO



Thembekile Mahintsho is a 33-year-old young man from Milnerton in the Western Cape Province who holds a Certificate in Hospitality. He heard about the NYDA through the Cape Winelands Municipality and decided to visit the Cape Town branch for further information and possible assistance, as one of his aspirations had always been to start his own healthcare business.

Upon his arrival at the branch, the Cape Town-based young aspiring entrepreneur was advised that the agency offers the Business Management Training course and Grant Funding opportunities to youth with viable business ideas. Thembekile subsequently enrolled for the course, which is aimed at creating a conducive environment for young entrepreneurs to access relevant entrepreneurship skills, knowledge, values and attitudes for their businesses. The NYDA assisted him with the Grant Funding of R9 984.46 to purchase merchandise for his business, Mangethe Enterprises Medical Store (Pty) LTD, which has since been featured in one of the reputable media houses in South Africa.

The business currently employs one young wellness assistant and, the young aspiring entrepreneur believes that the South African youth is capable of attaining great things. Thembekile further emphasises that young people should keep on learning in order to constantly empower themselves and expand their possibilities.

### JABULANI MOLEFE



Jabulani Molefe from Ventersdorp in North West started his business, J Allegiant Printing, as a source of generating income for himself when he was still a student at one of the tertiary institutions.

His realisation of the need for his services in the community influenced his decision to continue with the business on a full-time basis. J Allegiant Printing offers customised printing services from items including mugs, caps, t-shirts, key rings, mouse pads, and many others. Initially, he would outsource the printing services, but reinvested in his own business by purchasing a printing machine and computer.

The clients continuously propose additional services that they would like to access through J Allegiant Printing, as the business enjoys growth. The young aspiring entrepreneur responded to the demands of his clients. However, the plea meant that Jabulani add more equipment In order to effectively deliver on his promise.

He then approached the NYDA for financial assistance. The agency enrolled him on the Business Management Training (Start Your Business) Course, which he has applauded for assisting him to run his business better. The NYDA subsequently supported Jabulani with the Grant Funding of R50 000.00 to acquire the necessary machinery.

### BEAUTY SANDT



Beauty Sandt from Kathu in the Northern Cape Province is a qualified beautician who turned her passion into business, upon completing her studies.

She began with operating the business, Bontleful Beauty Spa, at her parents' home until the clientele grew and could no longer attend to all the needs of her customers. At this point, Beauty decided to seek assistance through the NYDA Kimberley Branch in order to improve her services. The agency approved a Grant Funding to the value of R50, 000. 00 to buy hair products and equipment for her business, which employed two (2) young people at the time.



Presently, Beauty has managed to move her business from her parents' backyard to Kathu Mall in Northern Cape. Beauty has joint ventures with other companies for wellness programmes, and her business has further expanded its staff capacity. From previously employing two (2), the young aspiring entrepreneur has five (5) young people that she works with full-time. Bontleful Beauty Spa now services Kathu-based clientele only, but they are aiming to expand to serve the entire Northern Cape.

## Beneficiary Stories:

### KUTLOANO MOKOENA



The 23-year-old Kutloano Mokoena from Bayswater in Bloemfontein is a Business Management graduate who obtained her qualification from Motheo TVET College. Kutloano is also a founder of Mristo Soaps, a manufacturing company that specialises in cleaning detergents for households and industrial purposes.

She visited the NYDA Bloemfontein Branch after being encouraged by one of her customers. The branch enrolled her on both the Generate Your Business Idea (GYI) and Start Your Business (SYI) trainings. Kutloano received her first Voucher for Financial and Accounting Systems in February 2018.

The agency further assisted the young aspiring entrepreneur with a Grant Funding of R49 991, 52 to purchase business equipment in May 2018, as well as the Business Plan Voucher in August of the same year.



### TRUDY WINDY MKANSI



Trudy Windy Mkansi is a 30-year-old young woman who established her own business after completing her Postgraduate Diploma in Business Management.

Ambesha Africa (Pty) Ltd is her company, which manufactures handcrafted patio furniture, lounge suites and swing chairs. Trudy operates her business in Riversands and has a branch in Kyalami, Gauteng. The NYDA assisted the young aspiring entrepreneur with financial support for her business. She received a Grant Funding of R 113 995, 00 to purchase business material and equipment.

Her first encounter with the agency was through social media when one young person expressed their words of gratitude to the NYDA Johannesburg Branch on Facebook. She then visited the same branch to access further information. The branch advised her to submit all required documents, which she did, and her Grant Funding was approved.

The company currently employs four (4) permanent staff members as well as four (4) people on a temporary basis.



## SISEKO LISBON



Siseko Lisbon, is a 30-year-old male from Port Elizabeth in Eastern Cape. His dream was to start his own business so that he can be able to make a living for himself, father and six (6) siblings. He heard about the NYDA from social media and approached the NYDA Port Elizabeth Branch to enquire about the products and services that are offered by the agency.

“I was advised by one of the consultants at NYDA that the agency offers grants to young entrepreneurs like myself who need assistance with establishing their businesses. I then visited their branch in Port Elizabeth and the assistance from the team was pleasant and beneficial. The staff was very helpful, attentive and responsive” said Siseko.

Siseko, went through the process of Business Management Training and applying for the NYDA Grant Funding to the value of R50 000 in November 2018. He used the funding to buy business equipment such as chairs, tables, boards, laptops and stationery. Siseko’s business is called Sawbrious Educational Academy which offers trainings and tutorial sessions. He currently employs three (3) young people on a full-time basis and six (6) are temps. Siseko intends to grow his business in the future.

“To young people, use all platforms given to you by NYDA and other youth development institutions to enhance and develop your personality. Take a chance while they are still available and put your dreams into actions” said Siseko.

“I would like to thank the NYDA Port Elizabeth Branch for their pleasant and great support. That was so humbling. I feel like I am part of the family,” Siseko concluded.

## Beneficiary Stories:

### NOTHISINAZO LENA



Nothisinazo Lena, is a 31-year-old female from Kabega, Port Elizabeth in Eastern Cape. She holds a National Diploma in Management. Her dream was to start her own business so that she can be able to make a living for herself. She came across the NYDA website and decided to approach the Port Elizabeth Branch to enquire about the products and services that are offered by the agency.

“I was advised by one of the consultants that the NYDA offers grants to young entrepreneurs like myself who need assistance with establishing their businesses. I then visited their office in Port Elizabeth and the assistance from the team was pleasant and beneficial. The staff members were very helpful, attentive and responsive,” said Nothisizano.

Nothisinazo went through the process of Entrepreneurship Development Programme (EDP) Training and applied for the NYDA Grant Funding to the value of R38 000 in November 2018, to buy a Vinyl Cutter and Heat Press.

Nothisinazo’s company is called Clockworks Branding and specialises in design and printing. She currently employs three (3) young people on a full-time basis and intends to grow the business into a workshop. Her future goals also include ensuring that Clockworks Branding becomes the leading and best printing company in Africa and venturing into real estate.

“Being in business is not a child’s play. Focus, be resilient, be sober minded and enjoy the ride. I think that the NYDA should have more campaigns for youth in the informal or rural areas. A lot of young people still do not know about the NYDA and the wonderful support you offer to young entrepreneurs,” said Nothisizano.

“I would like to thank the NYDA Port Elizabeth Branch for their pleasant and great support, that was so humbling,”

## MIKOVHE TSHIVHASE



**Mikovhe Tshivhase, is a 27-year-old male from Cotswold, Port Elizabeth in the Eastern Cape. He holds Master's Degree in Economics.**

**Mikovhe heard about the NYDA from social media and he approached the Port Elizabeth Branch to enquire about the products and services that are offered by the agency.**

**"I was advised by one of the consultants that the NYDA offers grants to young entrepreneurs like myself who need assistance with establishing their businesses. I then visited the NYDA Port Elizabeth Branch to get assistance," said Mikovhe.**

**The young entrepreneur then went through the Business Management Training and applied for NYDA Grant Funding. In November 2018, Mikovhe received grant funding to the value of R48 000 which he used to buy a mobile food trailer for his business called Dodo's Kitchen.**

**His business specialises in fast food and catering. Mikovhe currently employs four (4) young people on a full-time basis and intends to grow Dodo's Kitchen into a franchise.**

**"I enjoy creating and adding value to the society and playing part in boosting the economy of South Africa," said Mikovhe.**

**On his advice to other young people, Mikovhe encourage them to work hard to ensure that their businesses are sustainable. Mikovhe chose the entrepreneurship route as a solution to ending poverty and unemployment, which faces most young people in our country.**

**He concluded by thanking the NYDA Port Elizabeth branch for their hard work and support throughout his journey.**

## Beneficiary Stories:

### QHAMANANDE MASWANA



Qhamanande Maswana is a 28-year-old male from Rhayi Location in King William's Town, Eastern Cape. He has a National Diploma in Fine Arts.

The Eastern Cape-born young man was raised in a single-income household, and his dream was to start his own business so that he could be able to assist his family.

He then approached the NYDA East London Branch to enquire about the products and services that are offered by the agency. In December 2018, Qhamanande went through the process of applying for the NYDA Grant Funding to the value of R45, 898. 80, which enabled him to buy art material such as paints, brushes and canvas board.

In addition to the art material, he also used his Grant Funding to purchase branding equipment, colour printer, camera, laptop and a Wi-Fi router.

Qhamanande now operates as a Fine Artist with a studio in Johannesburg where he makes painting and drawings. He currently employs one (1) young person on a temporary basis and intends to grow the business and create an artist hub that will accommodate artists and offer studio spaces.

### IKE LEKGORO



Tlotlego Handcrafts was established in 2016 by Ike Lekgoro who is a 32-year-old young man from Ga-Nchabeleng area under Sekhukhune District Municipality in Limpopo. Ike received the NYDA Grant Funding to the value of R49 981, 06 to purchase industrial sewing machinery.

He approached the NYDA Groblersdal District Office to request financial assistance and went through the screening process to assess if his business was eligible for the requested funding. After a successful assessment, his grant application was approved.

The high level of unemployment rate is what drove him to pursue his passion and, Tlotlego Handcrafts was born as a result.

Initially, Ike started with handcrafting neck pieces, earrings, sandals and handbags. He was criticised when he roamed the streets in an effort to sell his items, but he did not give up.

Today, Tlotlego Handcrafts is a well established company that operates in Burgersfort with good quality products such as shoes, bags and leather wallets.

### ANGELIQUE DE VILLIERS



The 28-year-old Angelique De Villiers from Cape Town has defied the odds by celebrating five (5) years of being sober from drug abuse this year. She has taken full control of her life and is currently enrolled on a Learnership Programme with SGS Agriculture, Food & Life through the assistance of the NYDA. The Agency assisted Angelique with registering her CV on the Jobs Seekers Database after she had visited the Cape Town Branch.

The Western Cape-born was further supported through the Business Management Training course, which seeks to educate young people about starting and growing their businesses with the aim of creating employment. Start and Improve Your Business (SIYB) is the largest global business management training programme.

Angelique strongly believes that lack of information can delay one's progress. She therefore encourages young people to believe in themselves and explore opportunities that are being presented to them.

"The NYDA has assisted me with finding a job so that I can be able to support my family. This has had a positive impact in my life and has improved my confidence," Angelique concluded.

### EMILY LEMMETJIES



Emily Lemmetjies from Bonteheuwel in Western Cape is currently participating on a Learnership Programme, which she accessed through the NYDA Jobs Database. One of the NYDA officials advised her that the agency offers job placement opportunities to youth.

## Beneficiary Stories:

### CANDICE WEIDEMAN



Candice Weideman, is a 30-year-old female from Hermanus in Cape Town, Western Cape. She holds a National Diploma in Entrepreneurship and was raised with three siblings, and she is the only one who is working. Starting a business was one of her dreams as she was growing up and seeing that the opportunities of getting a job are limited, she wants to employ other young people for the economic growth of the country.

Candice heard about NYDA programs from SEDA, and she then approached the NYDA branch in Cape Town to enquire about the products and services that are offered by the agency. "I was advised by one of the consultants that the NYDA offers grants to young entrepreneurs like myself who need assistance with establishing their businesses", says Candice.

Candice, went through the process of applying for the NYDA Grant Funding to the value of R16 685.00 which was paid directly to the suppliers to buy sewing machine and over locker, which was approved in December 2019. She now runs a Handmade toys & Souvenirs; the name of the business is Rosalby Bears. She currently employs two permanent employees and she intends to own more shops and employ more young people.

"Seeing the return on investment, is the success to my business. Thank you NYDA (Cape Town branch), the challenges I had was access to funding with demand and supply", says Ms Weideman.

"To young people out there, life will always throw things at your way and even though it feels like you are drowning just keep pushing", says Ms Weideman.

### VUWANI MATSHAKATINI



Vuwani Matshakatini from Pimville in Soweto received the NYDA Grant Funding of R24 981, 70 for her business, which offers variety of products and services including catering, stationery, cleaning materials, as well as office supplies and maintenance.

## UNATHI MAJANGAZA



Unathi Majangaza is a 28-year-old female from New Brighton, Port Elizabeth in Eastern Cape. She holds BCom qualification in Business and Economics and is coming from a family of eight (8). Before approaching the NYDA she was studying and running an internet cafe.

**“My dream was to start a business so I can be able to build my own legacy, to be the building block and eliminate or decrease the high rate of unemployment in our country”, said Unathi.**

Unathi heard about the NYDA from a friend and she approached the branch in Port Elizabeth to enquire about products and services that are offered by the agency. **“I then visited their office and where the assistance from the team was pleasant and beneficial. The staff was very helpful, attentive and responsive”, said Unathi.**

She went through the Business Management Training and applied for the NYDA Grant Funding to the value of R50 000 in September 2019 which she used to buy PC, Heat press, Binding machine, EPSO L382 and paid for the installation. The grant amount received from the NYDA was paid directly to the supplier. Unathi’s business is called Mink Net Pty LTD and she currently employs two (2) young people on a part time basis and intends to expand the business nationally.

**“Challenges of running a business like this is the maintenance of the equipment and there are other opportunities that we would like to achieve. The NYDA Mentorship Programme will come handy for guidance in our businesses. Creating jobs for youth and have a stable growing business is a great success”, said Unathi.**

**“To young people, the sky is the limit. Anything that you want to achieve in life is possible, just keep your head up high to get your desired goal. I would like to thank the NYDA Port Elizabeth branch,” said Unathi.**

## Beneficiary Stories:

### ANDRE WILLIAMS FROM KUILSRIVER



The 32-year-old Andre Williams from Kuilsriver in Cape Town, Western Cape, holds a Mechanical Engineering qualification from False Bay College.

With the knowledge he acquired, he decided to open his own business that would allow him to exercise and expand his skill set. The young aspiring entrepreneur viewed the NYDA as an appropriate agency that would greatly assist in this regard. Andre then decided to take the first step by visiting the Cape Town branch, where he was advised about both the financial and non-financial support.

The Cape Town-based young entrepreneur initially enrolled for the Business Management Training that is offered by the NYDA, subsequently applied and was awarded the Grant Funding of R50 000 to buy engineering tools and equipment. He currently employs two people on full-time, as well as the other two on a temporary basis.

### LEBOHANG MOSHOKE



Lebohang Moshoke is a 23-year-old young woman from Gatesville in Western Cape who owns a business that manufactures clothing items for clients that have an appreciation of quality-stylish designs.

Her travel and exposure to boutique outlets cultivated her love and passion for clothes and attire. She decided to establish her own fashion design business and contacted the NYDA Cape Town branch for start-up capital, after her church members had informed her about the agency.

The young aspiring entrepreneur participated on the Business Management Training and subsequently applied for the NYDA Grant Funding. The agency assisted Lebohang's business, which currently employs two young people on a full-time basis, with R31 863.94 worth of equipment and merchandise. She intends to employ more young people and equip them with designing and sewing skills.

The Cape Town-based young entrepreneur has since been receiving opportunities to display her products at various fashion shows wherein she continuously gains insight about the industry.

### SINETHEMBA MONA



The NYDA has assisted Sinethemba Mona from De Doorns in Western Cape with a Grant Funding of R50 000 for her furniture and clothing business, Sneshy Furniture & Clothing.

Through the NYDA's intervention, the young aspiring entrepreneur could purchase a container and merchandise including furniture and garments. The 27-year-old registered for the Business Management Training at the Cape Town branch after she had heard on TV that the agency offers various products and services for young people. Sneshy Furniture & Clothing currently employs two young people.

Her aspirations involve owning multiple outlets that would be stationed in various areas so that she could reach more clients and expand her business. She intends to employ more young people and aims to move from operating in a container to running her business in a more stable structure.

She would like to thank the Cape Town branch for their support and understanding throughout her application process. "You have to be strong no matter how big your challenges may seem, never be ashamed to ask for help when there are various institutions available to assist you," said Sinethemba.

### MANDISA BIANCA MNISI



Two vibrant aspiring young entrepreneurs from Mpumalanga are the owners of Mandi and Prich BlackCotton, an establishment that specialises in designing and sewing of personalised accessories.

Ms. Mandisa Bianca Mnisi obtained her Level 2 Certificate in Design and Craft-Fashion from one of the Colleges in Mpumalanga. With Mr. Prechard Laureen Shiloane's savings, the pair was able to purchase material to start their business. They identified a market in Mpumalanga, particularly in the Ehlanzeni Region after carefully conducting their research.

They started manufacturing backpacks, targeting pre-schools, teenagers, youth and adults. Due to high demand of their products, the young aspiring entrepreneurs approached the NYDA Mbombela Branch for financial assistance. The agency approved a Grant Funding of R36 929, 00 for the partners to purchase sewing machines and stock. They were further assisted with a Financial Management Voucher to help them with their finances.

The company has since grown to such an extent that they continuously receive orders from various provinces including Limpopo, Gauteng and KwaZulu-Natal.

## Beneficiary Stories:

### JOB PLACEMENT PROGRAMME



Six unemployed young people from KwaZulu-Natal visited the NYDA Branch in Newcastle to enquire about Jobs opportunities. The branch referred them to submit their CV together with supporting documents to the agency's JOBS Placement Programme.



The Branch enrolled them on the Job Preparedness Training and subsequently registered them on the Agency's Jobs Seekers Database.

Through the programme, they were linked to job opportunities from the Department of Health under Amajuba District, where they are currently employed as Research Study Assistants.

The Job Placement Programme aims to connect both skilled and unskilled young people up to the age of 35 with companies that offer various employment opportunities. This multi-faceted programme also equips the youth with the necessary skills and knowledge through its Job Preparedness Training.

The NYDA encourages young people to visit their closest Branches to receive more information and further assistance.

### NYDA WATERBERG SERVICE CENTRE IN MODIMOLLE



On 26 January 2020, the NYDA Waterberg Service Centre in Modimolle, Limpopo, invited four young people for the signing of the Grant Funding contracts to purchase equipment for their businesses.

# REPORT OF THE AUDITOR-GENERAL



AUDITOR - GENERAL  
SOUTH AFRICA

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**nyda**

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

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

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

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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## OPINION

1. I have audited the financial statements of the National Youth Development Agency set out on pages 86 to 102, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, and cash flows statement and statement of comparison of budget information with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. 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 2020, and its financial performance and cash flows for the year then ended in accordance with the (Standards of GRAP) and the requirements of the Public Finance Management of South Africa, 1999 (Act No.1 of 1999) (PFMA).

## Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the 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.

7. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor-general's responsibilities for the audit of the financial statements**

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

#### **Report on the audit of the annual performance report**

##### **Introduction and scope**

10. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2020.

Programme	Pages in the annual performance report
Programme 2– Programme Design, Development and Delivery (PDDD)	47 and 53

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme 2 – programme design, development and delivery.

#### **Other matters**

15. I draw attention to the matters below.

#### **Achievement of planned targets**

16. Refer to the annual performance report on pages 47 to 66 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

#### **Adjustment of material misstatements**

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2 – programme design, development and delivery. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

#### **Report on the audit of compliance with legislation**

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. I did not receive other information prior to the date of this auditor's report. When I do receive and read this information, if I concluded that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if this is corrected this will not be necessary.

## Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor General*

Pretoria

27 October 2020



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit 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 public entity’s internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
  - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National Youth Development agency to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause the entity to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# AUDIT COMMITTEE REPORT

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NATIONAL YOUTH DEVELOPMENT AGENCY  
OUR YOUTH. OUR FUTURE.

# AUDIT COMMITTEE REPORT

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

## AUDIT COMMITTEE REPORT

The Committee is pleased to present its final annual report for the financial year ending 31 March 2020. This report is presented in accordance with the requirements of Section 77 of the Public Finance Management Act No. 1 of 1999, and Treasury Regulation paragraph 27.1.8 as amended and the recommendations contained in the King Report on Governance for South Africa and the King Code of Governance Principles (King IV).

### Audit Committee Members and Attendance

The National Youth Development Agency has a constituted Audit Committee for the financial year under review. During the current financial year, seven (four special) Audit Committee meetings were held. Interactive meetings are held between the Chairperson and Management as the need arises. The meeting attendance details during the 2019/2020 financial year were as follows:

Name of member	Name of member	Number of Ordinary meetings attended	Number of Special meetings attended	Total
Ms Rachel Kalidass (Independent Non-Executive Chairperson appointed 01 October 2018)		4	3	7
Mr Gideon Labane (Independent Non-Executive Member appointed 01 October 2018)		3	2	5
Ms Khomotjo Joy Maimela (Non-Executive Board Member - (Chairperson of Social & Ethics Committee))		2	3	5
Mr Yershen Pillay (Non-Executive Board Member)		4	3	7

### Audit Committee responsibility

We report that we have adopted appropriate formal terms of reference in our Charter in line with the requirements of Treasury Regulations paragraph 27.1.6, 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, with the exception of consistent reporting of Performance Information with planned targets and material impairment of the loan book.

In accordance with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provided the Audit Committee and Management with assurance whether the internal control environment is appropriate and effective.

This is achieved by means of the risk management, as well as the identification of corrective actions and suggested enhancements to the internal controls and processes. In the past financial year, internal control environment related audit findings (leadership, management and governance) are reflected as below:

- Regression in financial management from 100% to 79%
- Regression in performance information reporting from 83% to 64%
- Regression in compliance from 100% to 93%

Irregular expenditure has significantly reduced over the years - from R133 million in 2011/12 to R62 million in 2012/13, reduced further to R16 million in 2013/14, to R580 000 in 2014/15, R74 000 in 2015/16, R600 000 in 2016/17, R3 000 in 2017/18, zero irregular for 2018/19, and R171 000 for 2019/20.

From the various reports of the Internal Auditors, the Auditor-General Report on the Annual Financial Statements and the Management Letter of the Auditor-General, it was noted that there has been a stabilisation of the organisations internal control environment which has culminated in the **NYDA sustaining the clean audit again for the 2019/20 financial year (six years in succession).**

Of significance, is the 96% achievement of planned targets. The quality on 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 reports prepared and issued by the NYDA during the year under review, noting that there has been significant improvement around performance information compilation and reporting.

The Audit Committee will continue to monitor the achievement of all planned targets for the forthcoming financial year to achieve clean audit.

## **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 report thereto
- Reviewed the Agency's compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit
- Review of the information on predetermined objectives to be included in the annual report

## **Internal audit**

We are satisfied that the Internal Audit function is operating effectively, with the support of Management, and that it has addressed the risks pertinent to the NYDA in its internal audits.

## **Auditor-General of South Africa**

We have met with the Auditor-General of South Africa to ensure that there are no unresolved issues, and we concur with the conclusions of the Auditor-General of South Africa for the 2019/20 financial period.

## **Other matters/Investigations**

The Audit Committee received allegations through the whistle-blowing hotline. These were referred to Internal Audit to determine their validity thereof, and for further investigation. The Audit Committee on a regular basis receives progress reports on the status of these investigations and reviewed these forensic and investigation reports, ensuring that the necessary correction action is taken by Management.

## **Appreciation**

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 another successful year ahead.



**Ms Rachel Kalidass**  
Chairperson: Audit Committee

**National Youth Development Agency  
Annual Financial Statements for the year ended  
31 March 2020**



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

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The reports and statements set out below comprise the financial statements presented to the parliament:

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### Abbreviations

DBSA Development Bank of South Africa

FNB First National Bank

IDC Independent Development Corporation

IDT Independent Development Trust

SA GAAP South African Statements of Generally Accepted Accounting Practice

GRAP Generally Recognised Accounting Practice

NYC National Youth Commission

NYDA National Youth Development Agency

PFMA Public Finance Management Act

SETA Sector Education Training Authority

UYF Umsobomvu Youth Fund

VSP Voluntary Settlement Package

## Accounting Authority's Responsibilities and Approval

The National Youth Development Agency (NYDA), Section 3A Public Entity 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 2019 to 31 March 2020. The NYDA is governed through the NYDA Act and focuses on youth development between the ages of 14 & 35 through the Key Programmatic Areas of Economic Development through youth entrepreneurship, Education and Skills Development through the creation and facilitation of jobs, the coordination of the National Youth Services Programme and the implementation of the Integrated Youth Development Strategy across all sectors of government and society as well as Research and Knowledge Management.

The NYDA is established within the Department of Planning, Monitoring and Evaluation which is the transferring Department of the Agency and represents the Executive Authority. After the general elections in 2019, the NYDA was transferred from Department of Planning, Monitoring and Evaluation to Department of Women, Youth and Persons with Disabilities.

The Accounting Authority is the NYDA Board of Directors. Three members of the NYDA Board were sworn in as Members of Parliament in the sixth administration and therefore ceased to be members of the Board as from 22 May 2019. The Board did not meet a quorum based on its remaining members. The Executive Authority was made aware and has been consulting with the relevant structures to reconstitute the Accounting Authority.

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 the 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 result of operations and cash flows for the period then ended, in conformity with Standards of Generally Recognised Accounting Practice (Standard of GRAP), and directives and guidelines issued by the Accounting Standard Board (ASB). The external auditors are engaged to express an independent opinion on the financial statements and are given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with the 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 by the NYDA and all employees are required to maintain the highest ethical standard 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 risk 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, with 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. However, any system of internal control can provide only reasonable, and not absolute assurance against any misstatement or loss. The annual financial statements for the year ended 31 March 2020, which were prepared on a going concern basis, were approved for issue by the Accounting Authority and were signed on its behalf by:



**Mr Waseem Carrim**  
Chief Executive Officer  
30 September 2020

## Accounting Authority's Report

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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 2020.

### Board of Directors

The members of the Board of Directors are comprised as follows:

Board of Directors	Role
Mr Sifiso Mtsweni (Term ended 04 May 2020)	Executive Chairperson
Ms Bavelile Hlongwa (Resigned 22 May 2019) (Late)	Deputy Executive Chairperson
Mr Yershen Pillay (Term ended 04 May 2020)	Non-Executive member
Mr Kenny Morolong (Resigned 22 May 2019)	Non-Executive member
Ms Zandile Majozi (Resigned 22 May 2019)	Non-Executive member
Ms Joy Maimela (Term ended 04 May 2020)	Non-Executive member
Mr Waseem Carrim CA (SA)	Chief Executive Officer

The Chief Executive Officer is an ex officio member of the Board without voting rights.

### Bankers

Standard Bank of South Africa Limited

### Auditors

Auditor General of South Africa

### Company Secretary

Mr Tshediso Dassie (Term ended 04 May 2020)

The annual financial statements for the year ended 31 March 2020, as set out on 163 to 205, which have been prepared on a going concern basis, were approved by the Accounting Authority and signed on its behalf.



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**Mr Waseem Carrim**  
Chief Executive Officer  
30 September 2020

## Statement of Financial Position as at 31 March 2020

	Note	2020	2019
		R'000	R'000
<b>Assets</b>			
<b>Current assets</b>			
Receivables from exchange transactions	2	3 940	4 974
Receivables from non-exchange transactions	3	13 619	10 187
Cash and cash equivalents	4	63 712	99 128
		<b>81 270</b>	<b>114 289</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	5	47 002	27 862
Intangible assets	6	19 472	12 118
Loan receivables from exchange transactions	7	-	-
Rental deposit		5 009	5 356
		<b>71 483</b>	<b>45 336</b>
<b>Total assets</b>		<b>152 753</b>	<b>159 625</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Finance lease obligation	8	248	805
Payables from exchange transactions	9	48 701	73 169
Employee cost provisions	10	15 993	10 851
Deferred income	11	13 729	11 508
Deferred expenses	12	2 457	435
		<b>81 129</b>	<b>96 768</b>
<b>Non-current liabilities</b>			
Finance lease obligation	8	340	223
Deferred expenses	12	6 196	6 010
		<b>6 536</b>	<b>6 233</b>
<b>Total Liabilities</b>		<b>87 664</b>	<b>103 001</b>
<b>Net Assets</b>		<b>65 089</b>	<b>56 624</b>
<b>Accumulated surplus</b>		<b>65 089</b>	<b>56 624</b>

## Statement of Financial Performance

	Notes	2020	2019
		R'000	R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Interest income	14	4 864	5 750
Other income	15	2 004	410
Gain on disposal of assets and liabilities		4	55
		<b>6 872</b>	<b>6 215</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Grant income – Department of Planning, Monitoring and Evaluation		459 577	477 145
Donor funding income	22	47 839	31 047
		<b>507 416</b>	<b>508 192</b>
<b>Total revenue</b>		<b>514 288</b>	<b>514 407</b>
<b>Expenditure</b>			
Operating expenses	17-21	(164 867)	(150 517)
Donor funding disbursements	22	(47 839)	(31 047)
Finance costs		(73)	(114)
Project disbursements	24	(266 952)	(253 292)
Grant disbursements	23	(26 093)	(58 686)
<b>Total expenditure</b>		<b>(505 823)</b>	<b>(493 655)</b>
<b>Surplus / (Deficit) for the year</b>		<b>8 465</b>	<b>20 751</b>

## Statement of Changes in Net Assets

	Accumulated Surplus R'000	Total net assets R'000
Balance at 1 April 2018	35 873	35 873
Surplus for the year	20 751	20 751
<b>Balance at 1 April 2019</b>	<b>56 624</b>	<b>56 624</b>
Surplus for the year	8 465	8 465
<b>Balance at 31 March 2020</b>	<b>65 089</b>	<b>65 089</b>

## Cash Flow Statement

	Notes	2020 R'000	2019 R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfer income		459 577	477 145
Interest income received		6 873	7 204
Other receipts		60 537	29 432
		<b>526 987</b>	<b>513 781</b>
<b>Payments</b>			
Employee costs		(210 037)	(180 343)
Suppliers		(289 884)	(302 450)
Changes in working capital		(22 785)	(668)
		<b>(522 707)</b>	<b>(483 461)</b>
<b>Net cash flows from operating activities</b>	25	<b>4 280</b>	<b>30 320</b>
<b>Cash flows from investing activities</b>			
Property, Plant and Equipment		(29 491)	(11 953)
Proceeds from disposal of property, plant and equipment		-	167
Purchase of intangible assets		(8 400)	(25)
<b>Net cash flows from investing activities</b>		<b>(37 891)</b>	<b>(11 811)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(1 805)	(2 010)
Net increase / (decrease) in cash and cash equivalents		(35 416)	16 499
<b>Cash and cash equivalents at the beginning of the year</b>		<b>99 128</b>	<b>82 629</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>63 712</b>	<b>99 128</b>

## Statement of Comparison of Budget and Actual Amounts

	Approved Budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual
<b>Statement of Financial Performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Interest and loan income	7 000	(2 000)	5 000	4 864	136
Other income	-	-	-	2 004	(2 004)
Gains on disposals of assets	-	-	-	4	(4)
<b>Total revenue from exchange transactions</b>	<b>7 000</b>	<b>(2 000)</b>	<b>5 000</b>	<b>6 872</b>	<b>(1 872)</b>
<b>Revenue from non-exchange transactions</b>					
Transfer revenue					
Department of Planning, Monitoring and Evaluation	459 577	-	459 577	459 577	-
Donor funded income	34 500	13 000	47 500	47 839	(339)
Capital commitment rollover	18 921	-	18 921	18 921	-
<b>Total revenue from non-exchange transactions</b>	<b>512 998</b>	<b>13 000</b>	<b>525 998</b>	<b>526 337</b>	<b>(339)</b>
<b>Gross revenue</b>	<b>519 998</b>	<b>11 000</b>	<b>530 998</b>	<b>533 209</b>	<b>(2 211)</b>
<b>Expenditure</b>					
Administration and Overheads	48 559	(2 000)	46 559	46 767	(208)
Communications and Public Relations	24 135	2 000	26 135	26 331	(196)
Employee costs	185 000	25 000	210 000	210 418	(418)
Information Technology	29 696	(1 000)	28 696	28 556	140
Audits	5 650	(1 000)	4 650	4 441	209
Capacity Building	15 468	-	15 468	15 549	(81)
Legal Fees	1 000	-	1 000	1 145	(145)
Research	500	-	500	420	80
Risk	2 206	-	2 206	2 013	193
Human Resources	8 410	(2 000)	6 410	6 506	(96)
Workshops	14 819	(2 500)	12 319	12 413	(94)
Travel and Accommodation	33 721	(3 000)	30 721	30 869	(148)
Interest Paid	-	-	-	73	(73)
Project Disbursements	26 632	7 000	33 632	33 266	366
Impairment, write off, depreciation, amortisation	-	-	-	13 123	(13 123)
Donor funded expenditure	34 500	13 000	47 500	47 839	(339)
Grant disbursements	45 450	(19 000)	26 450	26 093	357
<b>Total expenditure</b>	<b>475 746</b>	<b>16 500</b>	<b>492 246</b>	<b>505 823</b>	<b>(13 577)</b>
Capital expenditure	44 252	(5 500)	38 752	37 891	861
<b>Gross expenditure</b>	<b>519 998</b>	<b>11 000</b>	<b>530 998</b>	<b>543 714</b>	<b>(12 716)</b>

## Accounting policies

### 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 (Standards of GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following Standards and Interpretations of GRAP are approved but not yet effective:

GRAP 104          Financial Instruments

### Basic 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.

### 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:

#### Financial Assets and Liabilities

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

##### Cash generating assets

Where impairment indicators exist, the determination of the recoverable amount of non-financial assets requires management to make assumptions on cash generating assets 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 time value of money and the risks specific to the asset.

##### Non-cash generating assets (services)

For non-cash generating assets, when an impairment indicator exists, management must determine a recoverable service amount. The recoverable service amount is the higher of assets fair value less costs to sell or value in use. It may not be possible to determine fair value less costs to sell in which case the alternative methods may be used to estimate fair value less costs to sell. Value in use is the present value of the assets remaining service potential.

##### 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.

## **Property, Plant and Equipment**

### **Depreciation and carrying value of property, plant and equipment**

Residual values are the estimated amounts that could be currently obtained from disposal of the asset after deducting costs of disposal if the asset was already or age and condition expected at the end of useful lives. The estimation of useful lives and residual values of assets is based on management's judgment. 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

### **Change in useful lives of assets**

The useful lives and residual values of property, plant and equipment and intangible assets were assessed at year end and adjustments were made

### **Provision for Bonus**

The provision for bonus is estimated based on management's best estimate of the expected bonus pay-out which is based on average employee and organisational performance scores.

## **1.2 Property, Plant and Equipment**

### **Definition of property, plant and equipment**

Property, Plant and Equipment is a tangible item that is held for use in the production or supply of goods and services, for rental to other 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 property, plant and equipment is recognised as an asset when:

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

Property, Plant and Equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the assets to location and condition necessary for it to be capable of operating in the manner intended by management. Trade discount 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 property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### **Subsequent recognition of property, plant and equipment**

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

## Depreciation and impairment of property, plant and equipment

Property, plant and 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 the useful life. Depreciation on equipment begins when an asset is available for use. Property, plant and 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 is accounted for as a change in accounting estimates.

At each reporting date, all items of property, plant and 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 cash-generating unit (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.

The useful lives of items of property, plant and equipment for the current and comparative period is as indicated below:

Motor vehicles	Straight line 4-6 years
Office equipment	Straight line 5-10 years
Computer hardware	Straight line 3-5 years
Leasehold improvements	Straight line

Leasehold improvements are depreciated on a straight line over the shorter of the term of the lease or the useful life thereof. Useful life is between 5 -10 years while lease terms range from 5 – 7 years.

## De-recognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised:

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

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

## 1.3 Intangible assets

An asset is identifiable if it either:

- Is separable, i.e. 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, identifiable asset or liability, regardless of whether the entity intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

### Initial recognition for 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; and
- The cost or fair value of the asset can be measured reliably.

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.

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 attributable to the asset during its development can be measured reliably.

### **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 all 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.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets with finite useful life are reviewed at each reporting date. If the expected useful life of the asset is different from the previous estimates, the amortisation period is charged 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 charged to reflect the change 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 asset at a rate of 14-20% per annum. Developed software is amortised when the software becomes available for use. Amortisation of these assets are 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 cost 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.

### **De-recognition of intangible assets**

Intangible assets are derecognised:

- On disposal; or
- When no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standards of GRAP on leases requires otherwise on a sale and leaseback).

### **1.4 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 lease - 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.

### **Classification of finance lease**

The leases are classified as finance leases as the assets will be used for the majority of their economic life.

### **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.

## **1.5 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 rate method. The effective interest rate 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.

## **1.6 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.

Grants are measured at the fair value received or receivable

The government grant received does not have any specific condition attached and is recognised as revenue once committed.

### **Donor Funding**

Donor funding represents the transfers of resources/funds to the entity by government and/or other organisations in return for a compliance with certain conditions relating to the operating activities of the entity.

Donor funding is recognised in profit or loss over the periods in which the entity recognises as expenses the related costs for which the funding is intended to compensate. i.e. Donor Funding income and disbursements are recognised in the statement of performance as and when the conditions are met. Funds received but not earned at reporting date are reported as a liability (Deferred income). Donor funding expense not recognised as an expense at the reporting date will be reported as an asset (Prepayment).

#### **1.7 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 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.

#### **1.8 Budget information**

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives. The budget period is aligned to the financial statement period.

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 have been included in the statement of comparison of budget and actual amounts. Comparative information is not required.

#### **1.9 Related Parties**

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

The Board and Key management are 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 individuals.

## **1.10 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 timeframe 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 recognized directly in surplus or deficit.

#### **Loans receivable**

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 rate 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.

#### **Receivables from exchange transactions and non-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 and non-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 recognized and carried at fair value and subsequently measured at amortised cost.

#### **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 use of an allowance account, when there is objective evidence that the asset may be impaired directly and against carrying value of an asset, when the asset is considered irrecoverable. The amount of the loss is recognised through surplus or deficit included under operating expenses. 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.

#### **De-recognition of financial instruments**

- 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.
- 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.

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.

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

Cash-generating assets held with the primary objective of generating a commercial return. As 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. Non cash-generating assets are assets other than cash-generating assets.

### **1.11 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 and sick 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 recognizes termination benefits as a liability and an expense when, and only when, the entity is demonstrably committed to either

- 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 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.

### **1.12 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 payments relating to youth development projects, managed internally by the NYDA, using its own capacity.

### **1.13 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.

### **1.14 Deferred income**

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

### **1.15 Grant disbursements**

Grant disbursements are recognised once the grant has been approved and the grant holder has been informed of such approval.

### **1.16 Voucher disbursements**

The Voucher Programme results in the following accounting treatment:

The issue to a young person of a voucher that is not yet redeemed is disclosed as a contingent liability as at financial year end, as there is only a possible obligation, contingent upon redemption of the voucher and delivery of the product.

The redemption of the voucher and delivery by a service provider without a product having passed all quality assurance is accounted for as an accrual.

The delivery by a service provider which has passed quality assurance is accounted for as a liability.

### **1.17 Non-current assets held for sale**

Non-current assets held for sale are classified and disclosed as current assets when there is an approved decision to dispose of the assets, and plans have been implemented to market the assets for sale and the sale is expected to be concluded within twelve months.

## Notes to the Annual Financial Statements

<b>2. Receivables from exchange transactions</b>	<b>2020 R'000</b>	<b>2019 R'000</b>
Sundry debtors	2 256	1 754
Prepaid expenses	3 301	4 549
Fixed asset receivables	18	12
Interest receivable banks	319	561
Less: Allowance for impairment	(1 952)	(1 902)
	<b>3 940</b>	<b>4 974</b>

### Receivables allowance for impairment reconciliation 2020

	<b>Allowance for impairment 2019</b>	<b>Impairment expense</b>	<b>Allowance for impairment 2020</b>
Allowance for impairment	1 902	50	1 952

### Receivables allowance for impairment reconciliation 2019

	<b>Allowance for impairment 2018</b>	<b>Impairment expense</b>	<b>Allowance for impairment 2019</b>
Allowance for impairment	1 902	-	1 902

<b>3. Receivables from non-exchange transactions</b>	<b>2020 R'000</b>	<b>2019 R'000</b>
National Student Financial Aid Services (NSFAS)	-	446
The Chemical Industries Education and Training Authority (CHIETA)	540	-
Flanders	693	578
Staff Loans	1 544	782
Department of Arts and Culture	950	1 000
Services Sector Training Education Authority (Service SETA)	9 892	7 381
	<b>13 619</b>	<b>10 187</b>

<b>4. Cash and cash equivalents</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Cash and cash equivalents consist of:		
<b>Unrestricted cash</b>		
Cash at bank on hand:	63 477	98 792
<b>Restricted cash</b>		
CIPC	235	336
<b>Cash and cash equivalents</b>	<b>63 712</b>	<b>99 128</b>

Restricted cash represent 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.

	<b>2020</b>			<b>2019</b>		
	<b>Cost</b>	<b>Accumulated depreciation and impairment</b>	<b>Carrying value</b>	<b>Cost</b>	<b>Accumulated depreciation and impairment</b>	<b>Carrying value</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>
Motor vehicles	8 172	(2 910)	5 262	4 207	(2 066)	2 141
Office equipment	9 253	(5 715)	3 538	9 502	(5 671)	3 831
Leasehold improvements	20 026	(5 621)	14 405	25 162	(15 896)	9 265
Furniture	19 606	(9 359)	10 247	15 558	(10 398)	5 160
Computer equipment	33 242	(19 692)	13 550	24 713	(17 248)	7 465
	<b>99 299</b>	<b>(43 297)</b>	<b>47 002</b>	<b>79 142</b>	<b>(51 280)</b>	<b>27 862</b>

## Reconciliation of equipment – 2020

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Motor vehicles	2 141	3 965	-	(844)	-	5 262
Office equipment	3 831	870	-	(1 067)	(95)	3 539
Leasehold improvements	9 265	8 468	-	(3 328)	-	14 405
Furniture	5 160	6 173	-	(1 056)	(54)	10 223
Computer equipment	7 465	10 015	(27)	(3 793)	(85)	13 575
	<b>27 862</b>	<b>29 491</b>	<b>(27)</b>	<b>(10 088)</b>	<b>(234)</b>	<b>47 002</b>

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Total R'000
Motor vehicles	2 579	-	-	(438)	-	2 141
Office equipment	3 538	1 770	(27)	(1 346)	(104)	3 831
Leasehold improvements	5 639	5 101	-	(1 475)	-	9 265
Furniture	4 744	1 960	-	(1 510)	(34)	5 160
Computer equipment	6 918	3 122	(212)	(2 303)	(60)	7 465
	<b>23 418</b>	<b>11 953</b>	<b>(239)</b>	<b>(7 072)</b>	<b>(198)</b>	<b>27 862</b>

## Reconciliation of equipment – 2019

## 6. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Software developed in house	12 633	(11 553)	1 081	12 633	(10 895)	1 738
Computer software purchased	2 954	(1 949)	1 004	4 677	(3 284)	1 393
Software under development	17 387	-	17 387	8 987	-	8 987
<b>Total</b>	<b>32 974</b>	<b>(13 502)</b>	<b>19 472</b>	<b>26 297</b>	<b>(14 179)</b>	<b>12 118</b>

### Reconciliation of intangible assets – 2020

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Software developed in house	1 738	-	-	-	(657)	-	1 081
Software purchased	1 393	-	-	-	(375)	(14)	1 004
Software under development	8 987	8 400	-	-	-	-	17 387
	<b>12 118</b>	<b>8 400</b>	<b>-</b>	<b>-</b>	<b>(1 032)</b>	<b>(14)</b>	<b>19 472</b>

### Reconciliation of intangible assets – 2019

	Opening balance	Additions	Disposals	Transfers	Amortisation	Impairment loss	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Software developed in house	2 793	-	-	-	(1 055)	-	1 738
Software purchased	1 811	25	-	-	(443)	-	1 393
Software under development	8 987	-	-	-	-	-	8 987
	<b>13 591</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>(1 498)</b>	<b>-</b>	<b>12 118</b>

	2020 R'000	2019 R'000
<b>7. Loans receivable from exchange transactions</b>		
Small Medium Enterprise	258 336	258 335
Micro loans, direct lending and intermediaries	114 705	114 695
Co-operatives	11 233	11 233
<b>Gross advances</b>	<b>384 274</b>	<b>384 263</b>
Add: Interest Receivables	113 701	112 003
Less: Loans written off	(213 451)	(213 451)
Less: Cumulative capital repayment	(230 637)	(230 626)
Less: Transfer from loans receivables	-	-
<b>Sub-totals</b>	<b>53 887</b>	<b>52 189</b>
Allowance for impairment	(53 887)	(52 189)
Small and medium enterprise	(30 919)	(30 447)
Micro, loans, direct lending and intermediaries	(10 338)	(9 928)
Co-operatives	(12 630)	(11 814)
<b>Net loans receivable from exchange transactions</b>	<b>-</b>	<b>-</b>
Due within one year	-	-
Due within more than one year	-	-

**Loans written off were written off after the following criteria had been met:**

The loan holders had no recoverable assets as surety against which to recover loans; the legal process was exhausted against loan holders; loan holders were not traceable through debt recovery procedures.

**Loans receivable allowance for impairment reconciliation 2020**

	Allowance for impairment 2019 R'000	Impairment change in provision R'000	Impairment reversal R'000	Allowance for impairment 2020 R'000
Small and medium enterprises	30 447	472	-	30 919
Micro, loans, direct lending and intermediaries	9 928	410	-	10 338
Co-operatives	11 814	816	-	12 630
	<b>52 189</b>	<b>1 698</b>	<b>-</b>	<b>53 887</b>

## 7. Loans receivable from exchange transactions (continued)

### Loans receivable allowance for impairment reconciliation 2019

	Allowance for impairment 2018 R'000	Impairment change in provision R'000	Impairment reversal R'000	Allowance for impairment 2019 R'000
Small and medium enterprises	111 749	(81 738)	436	30 447
Micro, loans, direct lending and intermediaries	9 892	36	-	9 928
Co-operatives	11 060	754	-	11 814
	<b>132 701</b>	<b>(80 948)</b>	<b>436</b>	<b>52 189</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 the attorneys in recovering the debt and their opinion on the recoverability;
- The reliance of the borrower on the few customers and the loss of this customer base;
- The cash flows of the business as shown on the bank statement and or management accounts;
- Defaults on expected repayments of interest and principal amounts by the borrower.

### Range of interest rates

	2020 R'000	2019 R'000
Small and medium enterprise	6 – 18%	6 – 18%
Micro, loans, direct lending and intermediaries	6 – 24%	6 – 24%
Co-operatives	3.5 – 10%	3.5 – 10%

## 8. Finance lease obligation

	2020 R'000	2019 R'000
Minimum lease payments due		
- Within one year	248	805
- In second to fifth year inclusive	340	223
	<b>588</b>	<b>1 028</b>
Less: Future finance charges	(80)	(94)
Present value of minimum lease payments	508	1 122
Present value of minimum lease payments due:		
- Within one year	248	805
- In second to fifth year	340	223
	<b>588</b>	<b>1 028</b>
Non-current liabilities	340	223
Current liabilities	248	805
	<b>588</b>	<b>1 028</b>

The NYDA has leased photocopiers from Konica Minolta for a period ranging from 31-36 months for fixed monthly rental payable in arrears with no residual value. Ownership of these machines will not pass to the end of the lease term.

<b>9. Trade and other payables from exchange transactions</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Trade payables	7 927	16 862
Accruals	40 774	56 307
	<b>48 701</b>	<b>73 169</b>

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

#### 10. Employee cost provisions

<b>Reconciliation of employee cost provisions 2020</b>					
	<b>Opening balance</b>	<b>Additions</b>	<b>Utilised during the year</b>	<b>Reversed during the year</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Employee termination	-	-	-	-	-
Provision for leave	3 610	4 511	(798)	-	7 323
Provision for performance bonus	7 217	19 410	(17 917)	-	8 709
Other employee provisions	88	-	(127)	-	(39)
	<b>10 915</b>	<b>23 921</b>	<b>(18 842)</b>	<b>-</b>	<b>15 993</b>
<b>Reconciliation of employee cost provisions 2019</b>					
	<b>Opening balance</b>	<b>Additions</b>	<b>Utilised during the year</b>	<b>Reversed during the year</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Employee termination	1 605	95	(1 700)	-	-
Provision for leave	3 903	3 277	(3 570)	-	3 610
Provision for performance bonus	6 933	9 657	(9 373)	-	7 217
Other employee provisions	-	24	-	-	24
	<b>12 441</b>	<b>13 053</b>	<b>(14 643)</b>	<b>-</b>	<b>10 851</b>

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

<b>11. Deferred income</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Department of Small Business Development - Braai Café	1 455	-
Department of Small Business Development - 1000 Businesses in 100 days	3	-
Flemish government – donor funding	2 749	587
Independent Development Trust	3 359	3 359
Industrial Development Corporation	2 267	3 000
Kwa-Zulu Natal Economic Development, Tourism and Environmental Affairs	10	1 517
Princes Youth Business International	236	236
Sedibeng District Municipality	67	-
The Young Patriots Programme	3 582	2 808
	<b>13 729</b>	<b>11 507</b>

Deferred income is comprised of the following:

- Department of Small Business Development - Braai Café
- Department of Small Business Development - 1000 Businesses in 100 days grant programme
- Flemish government: Donor support for conferencing, research, development and implementation of a National Youth Service volunteer programme.
- Independent Development Trust: Donor support for the implementation of the youth component of the Expanded Public Works Programme.
- Industrial Development Corporation: Donor support for the voucher programme of the Agency.
- KZN ETD: The KZN Provincial Government contributes to the NYDA Grant Program.
- Princes Youth Business International: Donor support by the Princes Fund for youth development Economic Development programmes.
- Sedibeng District Municipality: The Sedibeng District Municipality contributes to the NYDA Grant Program.
- The Young Patriots Programme: Donor support by the Department of Arts and Culture for the implementation of a National Youth Service programme.

<b>12. Deferred expenses</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Operating lease deferred expense	6 636	4 342
Tenant Installation Allowance – current portion	435	435
Tenant Installation Allowance – non-current portion	1 583	1 667
	<b>8 654</b>	<b>6 445</b>

### 13. Financial Instruments

Set out below is the classification of financial instruments held by the NYDA at 31 March 2020

2020	Financial assets at amortised cost	Financial assets at fair value through surplus / (deficit)	Financial liabilities at amortised cost	Total
	R'000	R'000	R'000	R'000
<b>Assets</b>				
Rental deposit	5 009	-	-	5 009
Receivables from exchange transactions	3 940	-	-	3 940
Receivables from non-exchange transactions	13 619	-	-	13 619
Cash and cash equivalents	63 711	-	-	63 711
	<b>86 279</b>			<b>86 279</b>
<b>Liabilities</b>				
Finance lease obligation	-	-	248	248
Trade and other payables from exchange transactions	-	-	48 701	48 701
			<b>48 949</b>	<b>48 949</b>
<b>2019</b>				
	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through surplus / (deficit)</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
	R'000	R'000	R'000	R'000
<b>Assets</b>				
Rental deposit	5 326	-	-	5 326
Receivables from exchange transactions	4 974	-	-	4 974
Receivables from non-exchange transactions	10 187	-	-	10 187
Cash and cash equivalents	99 128	-	-	99 128
	<b>119 645</b>			<b>119 645</b>
<b>Liabilities</b>				
Finance lease obligation	-	-	1 028	1 028
Trade and other payables from exchange transactions	-	-	73 169	73 169
			<b>74 197</b>	<b>74 197</b>

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

#### Credit risk

One of the NYDA's core business activities was to invest in small and medium enterprises. Consequently, the Agency was 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 was 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 was researched and assessed by

### 13. Financial Instruments (continued)

means of a due diligence process, whereby the entrepreneur was evaluated, the viability of the enterprise was considered, and various other indications were established and verified. In addition, the NYDA implemented a credit policy which assisted 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:

<b>Loans receivable from exchange transactions</b>	<b>2020 R'000</b>	<b>2019 R'000</b>
Small Medium Enterprise	-	-
Micro loans, direct lending and intermediaries	-	-
Co-operatives	-	-
	-	-
<b>General</b>		
Rental deposit	5 009	5 356
Receivables from exchange transactions	3 940	4 974
Receivables from non-exchange transactions	13 619	10 187
Cash and cash equivalents	63 711	99 128
	<b>86 279</b>	<b>119 645</b>
	<b>86 279</b>	<b>119 645</b>

#### Collateral and other credit enhancement on loans receivable

The nature of the NYDA's target market is township and rural youth owned enterprises 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,

### 13. Financial Instruments (continued)

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.

2020	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
<b>Assets</b>						
Rental deposit	5 009	-	-	-	-	5 009
Investment in associates						
Receivables from exchange transactions	-	-	-	3 940	-	3 940
Receivables from non-exchange transactions	-	-	-	13 619	-	13 619
Cash and cash equivalents	63 711	-	-	-	-	63 711
	<b>68 719</b>	<b>-</b>	<b>-</b>	<b>17 560</b>	<b>-</b>	<b>86 279</b>
<b>2019</b>						
2019	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
<b>Assets</b>						
Rental deposit	5 356	-	-	-	-	5 356
Investment in associates						
Receivables from exchange transactions	-	-	-	4 974	-	4 974
Receivables from non-exchange transactions	-	-	-	10 187	-	10 187
Cash and cash equivalents	99 128	-	-	-	-	99 128
	<b>106 684</b>	<b>-</b>	<b>-</b>	<b>12 961</b>	<b>-</b>	<b>119 645</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 investment 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:

### 13. Financial Instruments (continued)

- 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.

#### 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 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.

2020	Due immediately or within one month R'000	Due later than one month but not later than twelve months R'000	Due later than twelve months R'000	Total R'000
Receivables from exchange transactions	-	3 940	-	3 940
Receivables from non-exchange transactions	-	13 619	-	13 619
Rental deposit	-	-	5 009	5 009
Cash and cash equivalents	63 711	-	-	63 711
<b>Total current assets</b>	<b>63 711</b>	<b>17 560</b>	<b>5 009</b>	<b>86 279</b>
Finance lease obligation	-	(248)	(340)	(588)
Trade and other payables from exchange transactions	-	(48 701)	-	(48 701)
<b>Total current liabilities</b>	<b>-</b>	<b>(48 949)</b>	<b>(340)</b>	<b>(49 289)</b>
<b>Net liquidity of continuing operations</b>	<b>63 711</b>	<b>(31 390)</b>	<b>4 669</b>	<b>36 990</b>

### 13. Financial Instruments (continued)

2019	Due immediately or within one month R'000	Due later than one month but not later than twelve months R'000	Due later than twelve months R'000	Total R'000
Receivables from exchange transactions	-	4 974	-	4 974
Receivables from non-exchange transactions	-	10 187	-	10 187
Rental deposit	-	-	5 356	5 356
Cash and cash equivalents	99 128	-	-	99 128
<b>Total current assets</b>	<b>99 128</b>	<b>12 961</b>	<b>5 356</b>	<b>119 645</b>
Finance lease obligation	-	(805)	(223)	(1 028)
Trade and other payables from exchange transactions	-	(73 169)	-	(73 169)
<b>Total current liabilities</b>	<b>-</b>	<b>(73 974)</b>	<b>(223)</b>	<b>(74 197)</b>
<b>Net liquidity of continuing operations</b>	<b>99 128</b>	<b>(61 013)</b>	<b>5 133</b>	<b>45 448</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 loan.

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 2020, if interest rates had been 100 basis points higher, with all other variables held constant, interest income would have increased by approximately R637 120 (2019: R991 280). Consequently, income and accumulated reserves would have increased accordingly. If interest rates had been 100 basis points lower, with all other variables held constant, interest income would have decreased by approximately R637 120 (2019: R991 280). 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.

### 13. Financial Instruments (continued)

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

	2020 R'000	2019 R'000
Small Medium Enterprise	-	-
Micro loans, direct lending and intermediaries	-	-
Cash and cash equivalents	63 711	99 128
	<b>63 711</b>	<b>99 128</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.

#### 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.

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.

Industry	2020	2019
Building and construction	20%	20%
Health	10%	10%
Manufacturing	4%	4%
Printing	1%	1%
Retail	18%	18%
Services	18%	18%
Transport	6%	6%
Hospitality and leisure	23%	23%
	<b>100%</b>	<b>100%</b>

### 13. Financial Instruments (continued)

#### 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 monthly, 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, 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, to avoid deficits arising from the over commitment of funds.

<b>14. Interest income</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Cash and cash equivalents	3 130	3 777
Loans receivable – impaired	1 734	1 973
Loans receivable – not impaired	-	-
	<b>4 864</b>	<b>5 750</b>
<b>15. Other income</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Project Management Fees	1 587	-
Front end fees	-	9
Unallocated deposits	-	16
Bad debt and legal fee recovery	59	-
Recoveries from insurance claims	357	385
	<b>2 004</b>	<b>410</b>
<b>16. Auditor's remuneration</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
External audit fees	4 441	5 809
Internal audit fees	-	393
	<b>4 441</b>	<b>6 202</b>

	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
<b>17. The nature of operational expenses is as follows:</b>		
Admin costs	7 917	5 894
Amortisation	880	1 170
Audits	4 441	6 202
Capacity building	2 044	580
Communications	19 968	17 025
Depreciation	5 664	4 621
Employee costs	61 546	49 973
Human Resources costs	45	204
ICT	28 553	23 597
Impairment loss	1 917	(80 468)
Legal Fees	1 145	1 985
Printing of training materials	7	-
Rental	10 562	7 947
Repairs and Maintenance	208	248
Research	328	112
Risk	2 013	1 969
Staff Training	6 454	6 100
Travel	8 454	13 255
Workshops	2 635	8 059
Write offs	86	82 044
	<b>164 867</b>	<b>150 517</b>
<b>18. Depreciation and amortisation</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
<u>Depreciation</u>		
Depreciation – Computer equipment	3 794	2 303
Depreciation – Office Equipment	1 067	1 346
Depreciation – Furniture	1 056	1 510
Depreciation – Leasehold improvements	3 328	1 475
Depreciation – Motor Vehicles	844	438
<b>Total depreciation</b>	<b>10 088</b>	<b>7 072</b>
Less: Depreciation attributable to project disbursements	(4 425)	(2 772)
<b>Depreciation attributable to operating expenses</b>	<b>5 664</b>	<b>4 300</b>
<u>Amortisation</u>		
Intangible assets	1 031	1 498
Less: Attributable to project disbursements	(151)	-
<b>Amortisation of intangible assets</b>	<b>880</b>	<b>1 498</b>

<b>19. Employee related costs</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Salaries and allowance	191 250	160 809
Provident fund: Defined contribution	11 097	9 476
Termination benefits	1 129	302
Internship programme and temporary staff	207	3 118
Travel and reimbursed expenditure	6 735	5 525
<b>Total employee cost</b>	<b>210 418</b>	<b>179 230</b>
Attributable to project disbursements	(148 871)	(128 811)
<b>20. Allowance for impairment of assets</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Small and medium enterprises	472	-
Micro loans, direct lending and intermediaries	421	-
Co-operatives	816	-
	<b>1 709</b>	<b>-</b>
Equipment impairment	169	45
Intangibles impairment	-	-
Trade and other receivables	50	-
	<b>219</b>	<b>45</b>
<b>Reversals of impairment</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Small and medium enterprises	-	-
Micro loans, direct lending and intermediaries	(11)	-
Co-operatives	-	-
	<b>(11)</b>	<b>-</b>
Loans receivable from exchange transactions	1 698	-
	<b>1 698</b>	<b>-</b>
<b>Write-off assets</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Loans receivable from exchange transactions	1 698	81 875
Equipment written off	67	153
Intangibles written off	14	-
Trade and other receivables written off	4	16
	<b>1 783</b>	<b>82 044</b>

<b>21. Operating lease</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Buildings	26 173	21 859
Less: Attributable to project disbursements	(15 758)	(14 549)
	<b>10 415</b>	<b>7 310</b>
Future minimum rentals under non-cancellable operating leases within one year	24 599	21 992
After one year but not more than five years	68 372	74 474

The leases relate to the buildings occupied by the NYDA and the average terms vary from 5 - 7 years and the escalation rates range from 8 - 10%. There are renewal options up to the period of 2 years, there is however no option to purchase.

<b>22. Donor funding disbursements</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
The respective donor funding disbursements are as follows:		
BRICS	-	2 921
Department of Small Business Development - Braai Café	345	-
Department of Small Business Development - 1000 Businesses in 100 days	14 997	-
Flemish government	(36)	1 615
Free State Economic Development, Tourism and Environmental Affairs	1 000	-
Industrial Development Corporation	733	-
Kwa-Zulu Natal Economic Development, Tourism and Environmental Affairs	1 507	1 988
NSFAS	-	446
Sedibeng District Municipality	133	-
The Young Patriots Programme	8 731	9 240
The Chemical Industries Education and Training Authority (CHIETA)	720	-
The Services Sector Education and Training Authority (Services SETA) (Rural Grant)	4 208	-
The Services Sector Education and Training Authority (Services SETA) Apprenticeship Programme	13 266	11 092
The Services Sector Education and Training Authority (Services SETA) Artisan Training Programme	2 235	3 745
	<b>47 839</b>	<b>31 047</b>

**Donor funds were disbursed as follows:**

	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Capacity building	26 725	22 570
KZN Dep of EDTEA Grants - Individuals and Groups	1 507	1 988
Grants Co-operatives	345	-
Grants - Individuals	15 996	-
Media Products	500	83
Other	-	3
Printing of Manuals	-	203
Temporary Staff	-	446
Travel	1 303	4 982
Salaries & Wages – Normal	133	-
Voucher Disbursements	733	-
Workshops	596	772
	<b>47 839</b>	<b>31 047</b>

**23. Grant disbursements**

The respective grant disbursements are as follows:

	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Grant disbursements – individuals and cooperatives	26 093	58 686
Grant disbursements – special projects	-	-
	<b>26 093</b>	<b>58 686</b>

**24. Project disbursements**

The respective disbursements are as follows:

	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Programme Design, Delivery and Development	211 020	197 327
Corporate Partnerships and International Relations	9 513	5 511
National Youth Service	22 817	20 501
Research and policy	5 518	7 092
Executive Directors Projects	18 083	22 861
<b>Total project disbursements</b>	<b>266 952</b>	<b>253 292</b>

**The nature of project expenses is as follows:**

	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Admin costs	11 908	10 416
Amortisation	151	-
Capacity building	34 512	47 707
Communications	2 338	2 276
Depreciation	4 426	2 772
Employee costs	148 871	128 811
ICT	3	40
Printing of training materials	5 126	-
Rental	15 758	13 952
Repairs and Maintenance	174	630
Research	92	1 817
Sponsorship	4 025	3 245
Travel	22 414	23 207
Vouchers	7 375	8 388
Workshops	9 778	10 032
	<b>266 952</b>	<b>253 292</b>

The NYDA has an agreement with Sedibeng Municipality wherein the Sedibeng municipality is providing office space for the NYDA to service the youth within the Vaal boundaries. The Municipality has also seconded seven (7) of its employees to assist in carrying out its mandate in relation to the youth development. The NYDA is responsible for the payment of the employees. This expenditure has been disclosed under capacity building as project disbursements.

**25. Net cash flows from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Surplus / (Deficit)	8 465	20 751
<b>Adjusted for:</b>		
Gain on sale of assets and liabilities	(4)	(55)
Interest income	(4 864)	(5 750)
Interest received	6 873	7 204
Write-off assets	86	323
Impairment loss	248	198
Movements in provisions	5 142	(1 590)
Depreciation and amortisation	11 120	8 571
<b>Changes in working capital</b>		
Increase / (decrease) in receivables from exchange transactions	1 033	(2 528)
Increase / (decrease) in receivables from non-exchange transactions	(3 432)	(8 086)
Increase in deferred expenses	2 207	1 379
Increase / (decrease) in trade and other payables	(24 468)	6 954
(Increase) / decrease in rental deposit	(347)	(1 562)
Increase / (decrease) in deferred income	2 221	4 511
	<b>4 280</b>	<b>30 320</b>

2020	Short term employee benefits R'000	Bonus R'000	Expense allowance R'000	Defined contribution plan R'000	Total R'000
<b>Board of Directors</b>					
Chairperson of the Board – Mr Sifiso Mtsweni	1 099	-	25	52	1 175
Deputy Chairperson of the Board – Ms Bavelile Hlongwa (Resigned 22 May 2019)	163	-	7	-	170
Member of the Board – Mr Yershen Pillay	125	-	2	-	127
Member of the Board – Mr Kenny Morolong (Resigned 22 May 2019)	113	-	1	-	115
Member of the Board – Ms Zandile Majozi (Resigned 22 May 2019)	52	-	2	-	54
Member of the Board – Ms Joy Maimela	245	-	0	-	246
Independent audit committee chairperson – Ms. Rachel Kalidass	65	-	42	-	107
Independent HR member – Mr. Aobakwe Leepile	29	-	-	-	29
Chief Executive Officer – Mr Waseem Carrim CA (SA)	1 910	445	295	148	2 797
<b>Executive Directors</b>					
Chief Financial Officer – Mr Thami Mkhwanazi CA (SA)	1 751	363	75	101	2 290
<i>Executive Directors</i>					
Ms Ankie Motsoahae	1 301	256	13	79	1 649
Ms Juliet Tshoke	1 083	256	105	211	1 654
Mr Siyabonga Mbambo	1 076	231	25	286	1 618
Ms Palesa Notsi	1 216	206	83	104	1 608
Ms Mafiki Duma	1 277	-	44	186	1 507
	<b>11 505</b>	<b>1 756</b>	<b>720</b>	<b>1 165</b>	<b>15 147</b>

<b>26. Directors emoluments 2019</b>	<b>Short term employee benefits R'000</b>	<b>Bonus R'000</b>	<b>Expense allowance R'000</b>	<b>Defined contribution plan R'000</b>	<b>Total R'000</b>
<b>Board of Directors</b>					
Chairperson of the Board – Mr Sifiso Mtsweni	1 124	-	-	47	1 171
Deputy Chairperson of the Board – Ms Bavelile Hlongwa	994	-	10	-	1004
Member of the Board – Mr Yershen Pillay	277	-	12	-	289
Member of the Board – Mr Kenny Morolong	314	-	15	-	329
Member of the Board – Mr Ndumiso Mokako (resigned 31 March 2018)	-	-	-	-	-
Member of the Board – Ms Zandile Majozi	335	-	6	-	341
Member of the Board – Ms Joy Maimela	246	-	-	-	246
Independent audit committee chairperson – Ms. Rachel Kalidass	12	-	-	-	12
Independent audit committee member – Mr. Tayron Tshitauzi	47	-	13	-	60
Independent HR member – Mr. Aobakwe Leepile	-	-	-	-	-
Chief Executive Officer – Mr Waseem Carrim CA (SA) (Appointed 01 April 2018)	1 950	378	257	143	2 728
<b>Executive Directors</b>					
Chief Financial Officer – Mr Thami Mkhwanazi CA (SA) (Appointed 01 October 2018)	842	-	17	51	910
<i>Executive Directors</i>					
Ms Ankie Motsoahae	1 290	246	3	76	1 615
Ms Juliet Tshoke	1 165	267	81	201	1 714
Mr Lwazi Mboyi (Resigned 16 May 2018)	151	-	103	18	272
Mr Siyabonga Mbambo (acted 1 April 2018 – 31 July 2018, appointed Executive Director 01 August 2018)	986	196	131	249	1 562
Ms Palesa Notsi (Acted 29 May 2018 – 30 November 2018, appointed Executive Director 01 December 2018)	941	152	266	83	1 442
Ms Mafiki Duma (Appointed 01 February 2019)	241	-	3	36	280
	<b>10 915</b>	<b>1 239</b>	<b>917</b>	<b>904</b>	<b>13 975</b>

<b>27. Commitments</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Enterprise Resource Planning System	-	8 400
Computer Equipment	3 100	4 399
Vehicles	1 719	3 333
Office furniture and fittings	1 546	3 665
	<b>6 365</b>	<b>19 797</b>

## 28. Contingent liability and assets

### 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 event 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 occurs, 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.

The NYDA has the following contingent liabilities which meets the definition as provided above:

- **Vouchers:** The Agency has in issue R3 million vouchers which have not yet been utilised.
- **Litigations:** R150 000 claim for damages for incorrect use of a picture.

## 29. Contingent Assets

### Contingent Assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. i.e. a possible asset that may arise because of a gain that is contingent on future events that are not under an entity's control.

The NYDA has the following contingent asset which meets the definition as provided above:

- **Insurance Claim:** As at the end of the financial year the NYDA had lodged an insurance claim for financial losses incurred between 5 December 2016 and 29 November 2017. There are indications that the claim would not be repudiated, the settlement value is estimated at R5.3 million.

<b>30. Fruitless and wasteful expenditure</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	5 950	5 950
Late cancellation of contract	-	-
Interest paid	-	-
Staff loans	-	-
	<b>5 950</b>	<b>5 950</b>

<b>31. Irregular expenditure</b>	<b>2020</b>	<b>2019</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	280 936	280 936
Irregular expenditure incurred	171	-
Irregular expenditure condoned	-	-
	<b>281 107</b>	<b>280 936</b>

Irregular expenditure incurred during the 2018/19 year amounted to R170 733. The auditor general identified a conflict of interest on two procurements to the value of R164,178, where an employee of the NYDA did not declare the associate relationship with the service provider, R6 555 was incurred in 2019/20 for an award made without following the request for quotation process. The NYDA has investigated the procurements and the agency has taken necessary action against individuals who contributed to the incurrence of irregular expenditure by enforcing disciplinary action.

An application to treasury to write off fruitless and wasteful expenditure as well as irregular expenditure has been done, we are awaiting feedback.

### 32. Going Concern

The National Youth Development Agency (NYDA) prepares its annual financial statements in terms of Generally Recognised Accounting Practice (GRAP).

**GRAP 14, Paragraph 14** requires the entity to determine whether the going concern assumption is appropriate at the reporting date. Management has determined that the entity is a going concern due to the following:

**GRAP 14, Paragraph 15** states that "An entity shall not prepare its financial statements on the going concern basis if management determines after the reporting date either that there is an intention to liquidate the entity or to cease operating, or that there is no realistic alternative but to do so. There is no intention by the shareholder to liquidate the entity, cease operations or transfer the functions and activities of the entity.

The National Youth Development Agency (NYDA) is considered to be a going concern after consideration of the following factors:

- The Agency's total assets exceeds total liabilities.
- The Agency's current assets exceeds current liabilities.
- The Agency has accumulated equity surplus reserves.
- The Agency holds enough cash reserves to meet debt obligations as they become due and payable.

The Agency has initially received an allocation of R479 million from the Department of women, Youth and Persons with disabilities which will fund operations and projects for the 2020 / 2021 financial year. This was adjusted to R382 million as a result of Covid-19 and the NYDA has adjusted its operational budget.

The NYDA is established by an Act of Parliament with an aim to achieve a specific government mandate of youth development. Parliament has not given any indication of changing the delivery method on youth development and there are no indications that suggest they will do so in the foreseeable future.

The NYDA holds within its budget a R5 million as a contingency reserve which can aid in respect of any further budget deficits.

The financial statements of the NYDA for the year ended 31 March 2020 have therefore been prepared on a going concern basis after the above factors have been considered.

### **33. Events after the reporting date**

The NYDA has one event that occurred after the reporting date:

Three members of the NYDA Board were sworn in as Members of Parliament in the sixth administration and therefore ceased to be members of the Board as from 22 May 2019. The Board did not meet a quorum based on its remaining members. The Executive Authority was made aware and has been consulting with the relevant structures to reconstitute the Accounting Authority. As at the 4th of May 2020 the term of the 3rd Board of Directors of NYDA came to an end. The Executive Authority in consultation with National Treasury has since appointed the Chief Executive Officer as the acting Accounting Authority pending the appointment of the new board.

### **34. Budget against actual expenditure:**

#### **Material variance analysis:**

Variances above 10% are considered material by the NYDA and thus should be explained.

The reason for material variances in budget against actual expenditure are the following:

**Depreciation, amortisation and write-off:** These items are non-cash in nature and are not budgeted for.

### **35. Related Parties**

The NYDA is established within the Department of Planning, Monitoring and Evaluation (DPME) which is the transferring Department of the Agency and represents the Executive Authority. The related parties of the NYDA consist mainly of directors, key management personnel, DPME and Department of Women, Youth and Persons with Disabilities (DWYPD).

There were no related party transactions between the NYDA and DPME other than the revenue from transfers.

There were no related party transactions between the NYDA, the board and key management personnel, other than the remuneration which has been disclosed in note 26.

After the general elections in May 2019, the NYDA was transferred from DPME to DWYPD. The NYDA was still receiving revenue transfers from DPME until year-end. There were no related party transactions between the NYDA and DWYPD.

All transactions with the related parties are concluded on an arms-length basis.

# NYDA FOOTPRINT

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## HEAD OFFICE

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#### uMtata Full Service Branch

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Nelson Mandela Drive (Next to Shell Garage)  
Mtata

#### Port Elizabeth Full Service Branch

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Goven Mbeki Avenue  
Port Elizabeth  
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### FREE STATE

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#### Bloemfontein Full Service Branch

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**MPUMALANGA**

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**NORTHERN CAPE**

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**WESTERN CAPE**

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# DISTRICT CENTRES

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## **EASTERN CAPE**

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### **NYDA Sarah Baartman District Centre**

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## **GAUTENG**

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## **KWAZULU-NATAL**

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nyda

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**OUR YOUTH. OUR FUTURE.**



 National Youth Development Agency

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