



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

**DIRECTORATE:- NONPROFIT ORGANISATIONS
BUSINESS PLAN
OF THE
MTEF PERIOD 2007-08/2008-09**

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EXECUTIVE SUMMARY

This is the Business Plan of the Directorate- Nonprofit Organisations within the national Department of Social Development for the next MTEF period. The main purpose of the NPO Directorate is to administer the Nonprofit Organisations Act 71 of 1997 (NPO Act) that aims at creating an enabling environment for NPOs to flourish.

Civil Society in South Africa is characterized by a wide variety of organisations of different sizes and shapes across the political, economic and social spectrum of society that range from faith to community based organisation; charitable welfare to developmental nongovernmental organisations including other social and sports clubs. Literature on the subject of civil society posits that the sector plays an important role in societal change and stability that is critical for a functioning democracy. In South Africa, the economic value of the sector is projected to be more than R12, 5 billion in expenditures contributing more than 1.4% of the country's Gross Domestic Product.

South Africa, like any democratic society has an enabling legal environment for civil society that supports and encourages the formation of organisations. This legal framework is rooted in the fundamental human rights culture of the country's Constitution.

The NPO Act is perceived to be the entry point in the regulatory framework for organisations to derive benefits from the enabling environment as it provides a registration facility for all public nonprofit entities. These benefits includes, but not limited to, the tax exemption provisions as enlisted in the Taxation Amendments Law Act 9 of 2006 and exemption to pay skills levies as stipulated in the Skills Development Levies Act 9 of 1999. Furthermore, the National Development Agencies (NDA) Act and the Lotteries Act were enacted to established government institutions for funding NPOs.

However, a recent Audit Report of the Audit General and the Impact Assessment on the NPO Act identified a number of challenges in the implementation of the Act. These range from the fragmented regulatory framework, the internal business processes to register organisations, the absence of an accessible online database, and the lack of capacity of organisations to manage their affairs and complying with the NPO Act.

Based on these critical challenges, the Directorate has identified the following priorities as part of achieving the Departmental strategic goal and objectives as articulated within Programme Four of the Department:-

- i) Improve regulatory framework on NPOs;
- ii) Maintain an efficient administrative facility on the registration of NPOs;
- iii) Enhance and improve on accessibility of information on the registered organisations;
- iv) Enhance the institutional capacity of NPOs;
- v) Enhance the Directorate internal institutional capacity efficient performance.

In implementing these priorities, the Department has established three new sub-directorates within the NPO Directorate focusing on each of these strategic areas. An operational plan that has been costed and designed in the form of a log framework is attached to demonstrate how the Directorate will execute these objectives.

1. INTRODUCTION

The main purpose of the Directorate- Nonprofit Organisations, within the national Department of Social Development, is to administer the Nonprofit Organisations Act 71 of 1997 (NPO Act) that aims at creating an enabling environment for NPOs to flourish.

The Business Plan articulates how the Directorate intends to implement this mandate, what are the new strategic priorities and what informs them. The Plan relates the activities of the Directorate for the MTEF period 2007/08 to 2009.

The document starts with a brief background on the important role of nonprofit organisations in society and the different policies and legislative initiatives of government in creating an enabling legal environment to support and encourage the growth of civil society in South Africa. Within this context it specifically relates the objectives and intentions of the NPO Act and the role of the Directorate in carrying out this statutory mandate.

The document further articulates the current challenges of the NPO Directorate in implementing the provisions of the NPO Act. These challenges are then used as the argument to motivate and justify the current strategic priorities of the Directorate in implementing the Act. The Plan thereafter concludes with an operational log framework on how to implement these identified priorities for this financial year.

2. BACKGROUND

Civil Society in South Africa is characterized by a wide variety of organisations of different sizes and shapes across the political, economic and social spectrum of society¹. These range from faith and community based organisations, charities (welfare), traditional organisations like social and sports clubs, and a host of other development and social forms of organisations working tirelessly on the social fabric of society.

Literature on the subject of civil society posits that the sector plays an important role in societal change and stability that is critical for a functioning democracy. It is also argued that civil society plays a critical role in the nurturing of social capital and that says something of the health of society in social, political and economic terms. Robert Putnam (1993) and others go so far as to argue that the vibrancy of the sector is a much more reliable indicator for economic prosperity and public sector responsiveness in addressing societal needs². Other studies and arguments has advance a notion that it is difficult to conceive a society without social forms of organisations or to ignore the impact it has on the functioning of society.

In South Africa, the acknowledgement of the historical value of this sector is found in the volumes of South African policy documents that amongst others includes the Reconstruction and Development Programme (RDP) and the recent Marco Social Environmental Analysis Report that led to government's Accelerated Share Growth Initiative (ASGISA) strategy for the country.

¹ Civil Society here is referred to as "...the broad range of social institutions that operate outside the confines of the market and the state. [It is] known variously as the 'nonprofit, the 'voluntary,'...the 'third,' or the 'independent' sector". (Salamon, L. et al (1999:3). *Global Civil Society- Dimensions of the Nonprofit Sector*. The Johns Hopkins Center for Civil Society. Baltimore, MD.

² Putnam, R. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press.

The Johns Hopkins University International Comparative Study on Civil Society rated South African Civil Society number 18 after Italy and as the leading country within Africa and among other emerging growing economies because it has a relative sizeable civil society sector that is worth R9.3 billion contributing 1.2 % to the country's gross domestic product in 1998³. A recently Business Day feature article, projected the economic value of the sector to be R12, 5 billion of which national and other foreign governments contributes a revenue of R10 billion⁴.

It is therefore commonly accepted that any democratic government should then create an enabling legal environment for civil society to support and encourage the formation of organisations. South Africa is therefore no exemption to this phenomenon. It has a legal framework for civil society organisations that is rooted in the fundamental human rights culture of the country's Constitution. The right to freedom of religion, belief and opinion; of expression and; of association as contained in the Bills of Rights is essential for the civil society formations. This means that everyone has the right to associate with other people and form organisations and express themselves in what ever way they choose provided that this is done in compliance with the law.

Based on these fundamental principles of the Bills of Rights, the current legal framework on civil society organisations serves mainly three purposes. Firstly, it enables organisations to establish themselves as legal structures. Secondly, it regulates the way in which such legal structures operate. Part of this includes the registration of a legal entity with a government registration authority. Thirdly, it provides tax and other incentives for the sector to financial and otherwise sustains itself. According to the report on the Impact Assessment of the NPO Act, this compare fairly well with internationally accepted principles for legislation relating to nonprofits⁵.

In the main, civil society organisations can pursue three different options to become a legal entity within the current legal framework, namely:- Voluntary Associations; Trusts and incorporating a Section 21 Company. Different pieces of legislation govern each of these options and there is therefore a small difference in their governance structures.

Significantly within the legal framework is the Nonprofit Organisations Act 71 of 1997 (NPO Act) which attempts to mainstream the legislative framework for the registration of organisations as it provides a voluntary registration facility for all the above mentioned legal entities. Primarily, the purpose of the NPO Act is to create an enabling environment in which NPOs can flourish and to establish an administrative and regulatory framework within which organisations can conduct their affairs. Specifically the Act aimed at encouraging NPOs to maintain adequate standards of governance, transparency and accountability and to create an environment within which the public may have access to information on registered organisations. The National Department of Social Development is administrating this Act.

The NPO Act also makes provisions for the Department to establish a Directorate whose main responsible is to facilitate the process of developing and implementing policy and programs to support NPOs in their endeavour to register and to ensure that the standards of governance within organisations are maintained and improved. In essence, the main

³ Salamon, L. et al (ibid)

⁴ Renee Bonochis article on *BoE gives advice NGOs can bank on*. Business Day, Monday, March 5 2007.

⁵In 2005, the Department of the Social Development commissioned a study on the Impact Assessment of the NPO Act on the sector. The design of this assessment focussed on determining the impact of the Act on NPOs, donor and other agencies working with the nonprofit environment through a research process. The five objectives of the Act were used as the thematic focus areas for this research.

task of the Directorate is to administer the Act and to interact with all stakeholders and other interest groups. The text of the NPO Act is attached as annexure A.

The core business of the NPO Directorate is therefore to administrate an efficient registration facility and extending access to it. The administrative standards are clearly stipulated in the Act and the subsequent regulations. The Directorate receives applications from organisations to register as legal entities and reports of registered organisations in compliance with the requirements of the NPO Act. The Directorate is also responsible to capacitate organisations to improve and maintain good governance and to access the registration facility. The Directorate also holds information of registered organisations in custody for the public to access.

In executing this mandate, the Directorate is guided by the strategic priorities of government as identified by the Department in particular and the broader civil society in generally. However, the Directorate has been experiencing challenges in implementing its mandate and the section below highlight these constraints.

3. THE RATIONAL

The NPO Act is perceived to be the entry point in the regulatory framework for organisations to derive benefits from the enabling environment as it provides a Registration Facility for all public nonprofit entities. These benefits include, but not limited to, the tax exemption provisions as enlisted in the Taxation Amendments Law Act 9 of 2006 and exemption to pay skills levies as stipulated in the Skills Development Levies Act 9 of 1999. Furthermore, the National Development Agencies (NDA) Act and the Lotteries Act were enacted to establish government institutions for funding NPOs.

3.1 *The Challenges of the Registration Facility*

The Directorate has registered more than 43 500 organisations and this is a moving target that increases at a rate of more than 5% per month. Less than 10% of the registered organisations are NGOs and 90% are CBOs. Organisations are registered on a database.

In terms of the NPO Act, each registered organisation has an obligation to submit to the Directorate, nine (9) months after its financial year end, an annual report which includes a narrative and financial report. The Directorate's main responsibility is to keep the record of registered organisations as well as monitoring compliance of organisations to submit annual reports. To perform this task, organisations are registered according to the requirements of the NPO Act and annual reports of registered organisations are scrutinized for compliance. Rudimentary information is then captured on the NPO database system.

The last Audit Report of the Auditor General revealed and identified the monitoring of organisations to comply with section 18 of the NPO Act as one of the high risk areas for non-compliance of the Department with the Act. The Auditor General recommends that effective control measures should be implemented to ensure that the required information is submitted.

Furthermore, the Impact Assessment Report on the NPO Act found that the current information on the NPOs do not promote adequate accountability and transparency on the NPO sector because it seems that the available information offer limited opportunity to provide any significant monitoring data. The report recommends that

the Department should design and maintain an integrated information management system and communication strategy that would allow for broad based access and dissemination of information on nonprofits.

For this financial year, the Directorate has received an increased budget of R12, 274 million. This is an increment of more than 250% from the previous budget allocation of R4, 734 million. For example, the compensation of employment line item increased from R2, 28 million to R6, 28 million which translates into an increment of thirteen (13) new staff members that will increase the staff compliment of Directorate to twenty five (25) members.

This is very high risky for the Directorate to grow at this rapid rate. To mitigate against this, the Directorate's leadership and management will be geared towards enhancing the institutional capacity to better manage the internal business process of registering and support nonprofit organisations more efficiently. Three Sub-directorates will be formed for the functions of the registration facility, capacity building of nonprofit organisations and the online database management.

Furthermore, this substantial budget increment will also allow the Directorate to implement both the Auditor's General and the Impact Assessment Recommendations. The Department will be initiating a process to review and upgrading the existing database system of registering and monitoring organisations. This includes improving the electronic management of organisations records as per policy guidelines of the National Archives and Records Service of South Africa. This electronic record management system should ultimate provide easier and improved access to the records of organisations to monitor compliance to the Act and as part of the intended public information platform.

3.2 Capacity limitations of Nonprofit Organisations

The regulatory framework on NPO includes benefits a registered entity can leverage as mentioned elsewhere above. This effectively means that NPOs can mobilise resources for their activities within this legal framework. For example, an organisation that has register as a NPO is eligible for funding from the NDA and the Lotteries Board. The very same organisation can apply for tax exemption status with SARS to rise the necessary supplementary funding in the form of donations and can be exempted to pay certain taxes.

Furthermore, the very same organisations can apply for skills levies exemption implying that the organisation's skills training needs would be met by any relevant SETA on contingent that the organisation complies with other requirements of the National Skills Framework.

However, according to the findings of the Impact Assessment on the NPO Act, the striking feature that emerged from the sector is a general lack of capacity within NPOs to manage their affairs and delivery of quality services. This capacity constrain is translated into poor standards of financial reporting and maintenance of good corporate governance, which is a result of poor practices.

This report further found that NGOs are more able to access the benefits from the enabling legal environment than smaller emerging CBOs who are constrained by capacity challenges. This situation poses the greatest threat to efforts to maintain high standards across the sector.

Essential this means that organisations that are faced with capacity challenges will remain trapped in a vicious deprivation cycle because of their inability to access the training opportunities within the National Skills Development Framework. And yet, unutilised money is roll-over annually within the National Skills Fund.

On the other hand, NPOs, particularly CBOs, play an important role in social service delivery. This is demonstrated within the EPWP Social Sector programmes⁶. For example, CBOs are in the main the delivery agencies for Early Childhood Development (ECD) services in communities. Similarly, government initiated home based programmes are dependant on CBOs. The quality of services these organisations render is therefore very poor. Yet, the targeted work opportunities and sustainability of employment of the EPWP within the social sector are dependant on these organisations as they are the delivery agencies in terms of the current implementation model. Developing the capacity of these NPOs to deliver on the EPWP commitments is therefore a critical success factor for the Social Sector.

It is therefore imperative that a capacity building strategy should be pitched at a strategic level to build the institutional capabilities of organisations to meet the legal requirements so that they derive other benefits from the framework as mentioned above and as well as for the targeted beneficiary organisations in HCBC and ECD to accelerate both service delivery and efforts towards the envisaged target work opportunities.

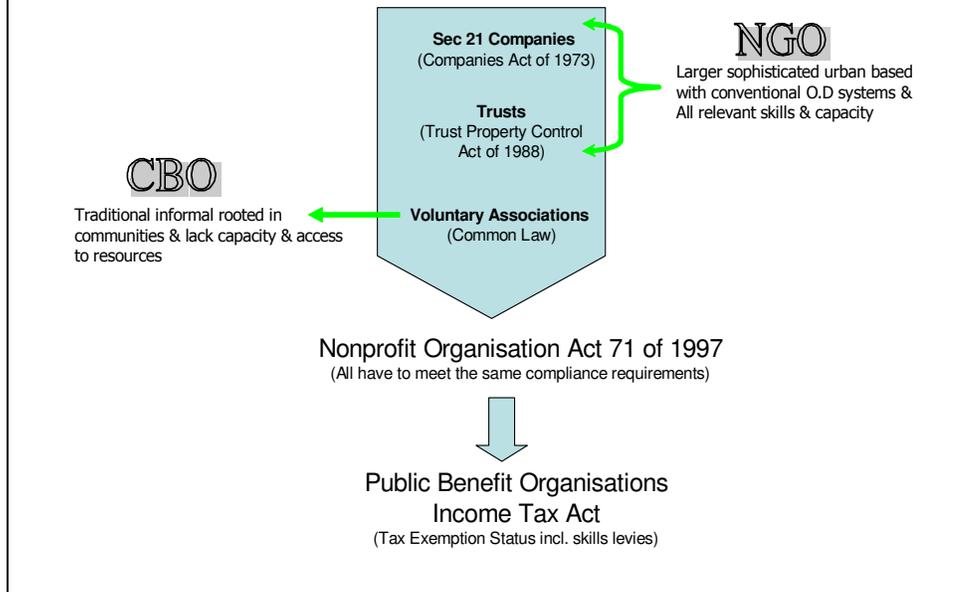
3.3 The Fragmented Regulatory Framework

The Impact Assessment has also identified a number of challenges within the existing legislative framework. One of these challenges is the fragmented regulatory framework as it requires too many registration processes to comply with. Even for a sophisticated and well-resourced organisation, the numerous registration processes and compliance procedures are frustrating. For example, a section 21 company may often have to register three times (Registrar of Companies, NPO Directorate and Tax Exemption Unit of SARS) and comply with three different regulatory bodies that require different kinds of information. Organisations then have to amend their founding documents and reporting requirements. In effect, the current environment may lead to inevitable variances in the perceived status of NPOs, and over time, undermines the status accorded to these legal entities. In addition, the lack of integration between the regulatory agencies reinforces unnecessary duplication of resources. Figure 1 below depicts complexity of the regulatory framework.

The assessment also found clear problems with a “one size fits all” approach to NPOs inherent in the NPO Act as the lack of recognition given to different categories of NPOs affects them in different ways. Small emergent CBOs are often unable to meet the minimum standards set by the Act as a result struggle to maintain compliance. A general lack of management capacity is a likely cause of organisations’ inability to report.

⁶ EPWP is nationwide programme aimed at utilising public budget to leverage and create work opportunities for unemployed and underemployed people. The Social Sector targets to for the next five years period over 180 000 (60 000 for ECD and 120 000 for HCBC) work opportunities with over 4 500 NPOs.

Figure 1 Regulatory Framework on NPO



One of the key recommendations of the Impact Assessment of the NPO Act is that the Minister of Social Development should facilitate a process to review and align legislation to allow for an integrated regulatory framework that allows for consistency within the legal framework for registering NPOs. This will require a high level political facilitation between Ministries of Trade and Industry, Justice and Constitutional Development, and Finance. The purpose of such an interaction should be to redefine the NPO Act and other relevant legislation so as to ultimately establish a single legislation mechanism for registering NPOs.

An inter-Ministerial Committee is therefore imperative to give expression to the above. The Technical Committee as envisaged in section 10 of the NPO Act should be established as a matter of urgency not only to support Ministerial Committee but also to engage and consolidate inputs from civil society towards a comprehensive legislative framework on nonprofits.

4. THE STRATEGIC APPROACH

The strategic approach of the Directorate is guided by the Department's strategic objectives and the Chief Directorate Focus areas. The implementation process of this approach is further informed by the needs of the sector as identified in the Impact Assessment on the NPO Act and challenges that were identified by the last Auditor General's report on the compliance of the Department to the NPO Act as articulated above.

4.1 Department of Social Development Strategic Objectives

The strategic objectives of the Department is to ensure the provision of comprehensive, integrated, sustainable and quality social service against vulnerability and poverty and to create an enabling environment for sustainable development in partnership with those committed to building a caring society.

To achieve the above, the Department has five programmes according to the 2007/08 Estimate National Expenditure (ENE). The NPO Directorate is part of Programme Four: Community Development which is geared towards contributing and achieving the latter part of the above strategic objective.

4.2 Strategic Focus of the Chief Directorate: Community Development

Programme Four, that is- the Chief Directorate on Community Development consists of four Directorates namely-

- i) Sustainable Livelihoods;
- ii) Community Development Policy and Standards;
- iii) Youth Development; and
- iv) Nonprofit Organisations

In the main these Directorates contributes towards developing, monitoring and facilitating the implementation of appropriate policies, strategies and programmes aimed at sustainable livelihoods and human development.

4.3 Directorate Nonprofit Organisations Strategic Focus Areas

As part of contributing towards this strategy, the NPO Directorate main focus is therefore to register and build the institutional capacity of Nonprofit Organisations by developing policies and programmes to create an enabling environment within which nonprofit organisations can be empowered to contribute and participate fully in the fight against poverty.

However, as mentioned before that the NPO Directorate is faced with a number challenges that relates to the fragmented regulatory framework, the internal business processes to register organisations, the absence of an accessible online database, and the lack of capacity of organisations to manage their affairs and compliance with the NPO Act. Based on these critical challenges, the Directorate has identified the following priorities as part of achieving the Departmental strategic goal and objectives as articulated within Programme Four of the Department:-

- i) Improve regulatory framework on NPOs;
- ii) Maintain an efficient administrative facility on the registration of NPOs;
- iii) Enhance and improve on accessibility of information on the registered organisations;
- iv) Enhance the institutional capacity of NPOs;
- v) Enhance the Directorate internal institutional capacity efficient performance.

The specific objectives of the Directorate for this financial year are:-

- i) To create an enabling legal environment for nonprofit organisations by-
 - a) Improving the regulatory framework; and
 - b) Maintaining an efficient administrative registration facility.
- ii) Develop, facilitate and monitor the implementation of programmes aimed at enhancing the institutional capacity of organisations, particularly CBOS, by-

- a) Increasing the capacity of the Provincial Community Development Practitioners to support organisations in their endeavours;
- b) Benchmarking good governance practices within organisations against the Code of Good Practices and designing specific interventions to close the gap.
- c) Developing a National Youth Service programme for unemployed graduate to capacitate nonprofit organisations.
- iii) Create an environment to access information on registered organisations by-
 - a) Developing a comprehensive online information platform on registered organisations.
 - b) Digitising all records of registered organisation for easier accessibility on web base platform.
- iv) Contributes towards creating an efficient management and administrative system that will facilitate improved service delivery.

The sub-Directorates will each implement these objectives as indicated in the Institutional Arrangement section below. The Log frames below further outline the Operational Plans that will be executed to meet these objectives. It also outlines the required budget figures per quarter to implement this comprehensive one three years plan. The total budget estimate requirement is R 11 030 millions for this first financial year. The attached monthly financial expenditure projections further give clarity of the implementation process of this Plan.

5. INSTITUTIONAL ARRANGEMENTS

In executing this plan, the Directorate will set-up three sub-directorates that will be responsible for each of the major strategic outputs areas as mentioned above. The diagram below outlines the allocation of functions and the number of staffing in each sub-directorate. As noted that sub-directorate on Registration have more staff members because it is the focus area of the main function of the Directorate.

5.1 Monitoring and Evaluation

Project monitoring and control relates to the ability of the Directorate to constantly collate relevant data timely to effect the necessary changes where need be during the implementation process of the different programmatic areas that relates to the different sub-directorates. The collate information would also eventually be used as a build-up process for evaluating the impact of the interventions at completion.

Monitoring the progress and evaluating the impact of the Directorate's interventions is essential not only to ensure efficient use of resources, but also to lay the ground work for the smooth scaling up of the programmes in longer term. The monitoring process will therefore be mainstreamed within the implementation process and mechanisms. Macro reporting will take place at management level on fortnights and weekly were need be. Different sub-directorates will also have their own monitoring and reporting meetings at unit level. The Deputy Directors of each sub-directorate will be responsible and will be hold accountable in this regard by management. The Director will then be responsible for the overall Directorate performance and linkage with other Department management structures.

Therefore all stakeholders and other institutional mechanisms should play very critical role in the overall monitoring and evaluation process of the performance of the Directorate.

There is therefore a need to have build-up evaluative processes at the different levels of our programmatic activities to ensure effective monitoring and control is undertaken both within sub-directorates and at Directorate level.

DIRECTORATE: NPO COMPLIANCE AND CAPACITY BUILDING

1 Director
1 Secretary

PURPOSE:

To encourage and support non profit organisations in their contribution to meet the diverse needs of the population needs of the country

FUNCTIONS:

1. Develop Institutional Capacity Building Programmes.
2. Administer an efficient registration facility.
3. Database management and stakeholder liaison.

SUB-DIRECTORATE: NPO CAPACITY BUILDING

PURPOSE:

To develop capacity building programme.

FUNCTIONS:

1. Institutional capacity strengthening.
2. Improvement standards of governance.
3. Benchmark good practices.
4. Assist provinces and local government to support NPOs.

1 Deputy Director
2 Assistant Directors
2 Administrative Officers

SUB-DIRECTORATE: REGISTRATION FACILITY

PURPOSE:

To maintain an efficient administrative facility for registration.

FUNCTIONS:

1. Register Organisations in terms of the NPO Act..
2. Monitor registered organisations in terms of the Act.
3. Liaison with Law enforcement agencies for criminal investigations on non compliance offences.

1 Deputy Director
2 Assistant Directors
6 Administrative Officers
3 Registry Clerk

SUB-DIRECTORATE: DATABASE MANAGEMENT & STAKEHOLDERS LIAISON

PURPOSE:

To create an environment within which the public access information on registered organisations. .

FUNCTIONS:

1. Manage and maintain an efficient database of all registered organisations.
2. Preserve documentations of registered organisations.
3. Facilitate public access to records of organisations.
4. Maintain an interfaced online public platform.
5. Manage a call centre.

1 Deputy Director
2 Assistant Directors
2 Administrative Officers

6. OPERATIONAL PLANS AND BUDGETARY REQUIREMENTS

KEY RESULT AREA	KEY ACTIVITIES/ OUTPUTS	PERFORMANCE MEASURES		RESOURCE REQUIREMENTS	ENABLING CONDITIONS
		TARGET DATE	INDICATOR		
Create an enabling legal environment for nonprofit organisations	Improved Regulatory Framework.	<p>Establish a Technical Committee in terms of section 10 of the Act.</p> <p>Conduct bi-quarterly consultation forums with sector</p> <p>Conduct an audit on legislation affecting the NPO sector.</p> <p>Draft legislation on an improved regulatory framework.</p>	<p>All relevant stakeholders input on the amendments of the NPO Act.</p> <p>Dual registrations for organisations are streamlined.</p>	<p>Inter-Ministerial task team.</p> <p>A total budget of R455K</p> <p>Technical assistance on an online database.</p> <p>Technical assistance on the digitization of records on nonprofit organisations.</p>	<p>Timely Ministry approval.</p> <p>The consultation on the regulations to appoint the Committee is completed on time.</p> <p>Willingness of other line Ministries to participate in the process.</p> <p>Relevant sections of the work are outsourced in time.</p> <p>Willingness of other line Departments to participate in the process.</p> <p>Willingness of provincial departments to participate and cooperate.</p> <p>Staff complement equivalent to the required work outputs</p>

KEY RESULT AREA	KEY ACTIVITIES/ OUTPUTS	PERFORMANCE MEASURES		RESOURCE REQUIREMENTS	ENABLING CONDITIONS
		TARGET DATE	INDICATOR		
	Maintain an efficient administrative facility for registration	Organisations that meet the requirements are registered within two months on receipt of application. Duly notify organisations for non-compliance. Defaulting NPOs are informed of the process on the arbitration.	Number of organisations registered. Improved internal business process to capture information on organisations. 100% of registered organisations comply with the reporting requirements. The Arbitration Panel adjudicates on all appeals.	A sub-directorate on Registration compliance consisting of eight (8) staff with two ASD. A total budget of R665K for this sub-directorate. Technical assistance on an online database.	A fully functional sub-directorate on Registration compliance. New members on the Panel of Arbitration. Outsourcing of data capturing is done in time. Staff complement equivalent to the required work outputs
Develop, facilitate and monitoring the implementation of capacity building of nonprofit organisations.	Conduct a train-a-trainer programme for the Provincial Community Development Practitioners. Review and Code of Good Practice. Benchmark good governances. Develop a National Youth Service (NYS) programme for unemployed graduate to capacitate nonprofit organisations.	Conduct at least six (6) workshops in the provinces. Develop terms of Reference and appoint a service provider Conclude MOA & project plan with Umsobomvu Youth Fund (UYF) and the National Dev Agency (NDA). Design an accredited training programme on capacitating organisations.	Ability of Community Development Practitioners to assist organisations with the legislative compliance on NPOs. Benchmark identifies gaps in practice. New publication improves governance in organisations. The National Youth Service contributes towards the targets of ASIGSA. 135 organisations are serviced by 45 unemployed graduates.	A sub-directorate on Capacity Building consisting of five (5) staff with two ASD. A total budget of R995K for this sub-directorate. Technical assistance on researching the level of governance in organisations. Technical Assistance on the accredited curriculum framework. Ring fenced budget allocation of R1, 2 million as part of the Department contribution to the Partnership with NDA & UYF.	A fully functional sub-directorate on Capacity Building. Willingness of the provincial departments to participate as partners in the programme. The Department Bid Committee process and adjudicate timely on the tender on benchmarking. Timely signing of Memorandum of Agreement with NDA & UYF. All Partners have the capacity to execute their responsibilities as per Agreement.

KEY RESULT AREA	KEY ACTIVITIES/ OUTPUTS	PERFORMANCE MEASURES		RESOURCE REQUIREMENTS	ENABLING CONDITIONS
		TARGET DATE	INDICATOR		
Create an environment to access information on registered organisations.	Develop a comprehensive online information platform on registered organisations.	Digitize reports on registered organisations. Develop a website on nonprofit organisations. Mainstream information needs of the National Account System (Stats SA).	Relevance on the information that is online. Improved readily available information on registered organisations.	Technical Assistance towards developing and enhance the current data to be online. A sub-directorate of five (5) staff members with a budget of R1 m.	The envisaged partnership with NDA & NMF success. The website create the necessary gratify for organisations to submit information online. Spontaneous of IT section on the needs of this Sub-Dir.
To provide an efficient management and administration system that will facilitate improved service delivery.	Expenditure Management	% Spending per Programme and Sub Programme. Quality and timelines of spending plans and expenditure projections. Quality and timelines of performance reports on achievements of set outputs and targets in line with Departmental Business Plan/Estimates of National Expenditure chapter.	95 – 100% spending per annum. Submission on due dates as required by Departmental Action Plan in line with PFMA and Treasury Guidelines. There is zero presence of incidents of wasteful and fruitless expenditure.	Equivalent number of middle managers complimentary to the organisational structure	Delegations of authority. Annual Implementation (Action) Plan. Services are procedure and Providers are paid on time. PFMA, Treasury Regulation and Departmental Policies.
	Staff Performance is managed	All officials have up to date and complete work plans as prescribed in the PMDS Policy and performance is reviewed according to policy. Annual performance assessments of all officials done in terms of PMDS Policy. Identified training needs as per PMDS are attend to.	Work plans - Annually by April Progress Reviews – Quarterly Performance Assessments – Annually in April	Equivalent number of middle managers complimentary to the organisational structure	Commitment and cooperation of HRM. PMDS Policy. Staff complement equivalent to the required work outputs. Coordination of training needs by SET.

KEY RESULT AREA	KEY ACTIVITIES/ OUTPUTS	PERFORMANCE MEASURES		RESOURCE REQUIREMENTS	ENABLING CONDITIONS
		TARGET DATE	INDICATOR		
	Staff discipline & grievances are managed	Compliance with Disciplinary Code and procedures of the public Service. Assist where necessary in dispute resolution matters.	Ongoing	Equivalent number of middle managers complimentary to the organisational structure	Disciplinary Code & Procedures. Grievance Rules
	Management of leave	All leave complies with Departmental Leave Policy.	Ongoing	Equivalent number of middle managers complimentary to the organisational structure	Commitment and cooperation of HRM. Departmental Leave Policy
	Management of the filling of posts	Participation in Job Evaluation Panels & selection Committees	Vacancies are filled within 3 months.		Commitment and cooperation of HRM.

6.1 Strategic Outputs and Quarterly Financial Projections

STRATEGIC GOAL: Create enabling environment within nonprofit organisations can be empowered and participate fully in the fight against poverty						
Strategic Objectives	Performance Measure Indicators	Activities	QUARTERLY FINANCIAL REQUIREMENTS			
			1 st	2 nd	3 rd	4 th
Create a legal environment for Nonprofit organisations	Improved Regulatory Framework	Establish a Technical Committee in terms of section 10 of the Act	R50 k	R507 k	R278 k	R389 k
		Conduct bi-quarterly consultation forums with sector				
		Conduct an audit on legislation affecting the NPO sector.				
		Draft legislation on an improved regulatory framework				
	An efficient administrative facility for registration is maintained.	Register organisations within two months on receipt of application.	R63 k	R63 k	R63 k	R63 k
Monitor reporting compliance of registered						

STRATEGIC GOAL:						
Create enabling environment within nonprofit organisations can be empowered and participate fully in the fight against poverty						
Strategic Objectives	Performance Measure Indicators	Activities	QUARTERLY FINANCIAL REQUIREMENTS			
			1st	2nd	3rd	4th
		organisations and data capture information.				
		Held constant arbitration hearing dependable on the appeal cases				
Develop, facilitate and monitor the implementation of capacity building of nonprofit organisations	Ability of Provincial Departments Community Development Practitioners to support organisations in organisational development.	Conduct a train-a-trainer programme for the Provincial Community Development Practitioners	R676 k	R792 k	R1, 230 k	R418 k
	Benchmark identifies gaps in practice. New publications and other interventions improve governance in organisations.	Review Code of Good Practice and Benchmark good governance				
	The National Youth Service contributes towards the targets of ASIGSA. 134 organisations are serviced by 45 unemployed graduates.	Develop a National Youth Service programme for unemployed graduates to capacitate nonprofit organisations				
Create an environment to access information on registered organisations	Relevance on the information that is online improved readily available information on registered organisations.	Develop a comprehensive online information platform on registered organisations.	R842 k	R363 k	R81 k	R69 k
Provide an efficient management and administrative system that will facilitate improved service delivery.	90-100% spending per annum.	Effectively manage Directorate spending patterns	R1,142 k	R1,179 k	R1,164 k	R1,155 k
	There is zero presence of incidents of wasteful and fruitless expenditure.	Manage & encourage staff members, optimise their outputs and effectively manage relationship in order to achieve organisational goals				
	Staff performance is effectively managed.	Ensure that all vacant posts are advertised on time and comply with all the necessary requirements of the recruitment process as per policy.				
	Filled in all vacant posts within three months					

6.2 2007/08 Financial Year Projected Monthly Expenditure per Economic Classification

PROGRAMME	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL	BUDGET	DEVIATION
	2007	2007	2007	2007	2007	2007	2007	2007	2007	2008	2008	2008	2007/08	(ENE)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
EXPENDITURE	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments															
Compensation of employees	370	380	392	382	407	390	376	386	402	384	390	381	4,643	-	(4,643)
Goods and services	301	596	388	228	692	482	426	817	57	71	68	328	4,451	-	(4,451)
Total current payments	671	977	781	610	1,098	872	802	1,203	459	455	458	709	9,094	-	(9,094)
Transfers and subsidies to:															
Current transfers															
Non-profit institutions	-	-	310	-	-	-	310	-	-	310	-	108	1,038	-	(1,038)
Subtotal current transfers and subsidies			310				310			310		108	1,038	-	(1,038)
Total Transfers and Subsidies			310				310			310		108	1,038	-	(1,038)
Payments for capital assets															
Machinery and equipment	9	33	-	290	33	9	-	33	9	-	33	449	898	-	(898)
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payments for capital assets	9	33	-	290	33	9	-	33	9	-	33	449	898	-	(898)
TOTAL EXPENDITURE	680	1,010	1,091	900	1,131	881	1,112	1,236	468	765	491	1,266	11,030	-	(11,030)

