

DSBD 2020/21 Quarter Four Performance Report

PORTFOLIO COMMITTEE ON SMALL
BUSINESS DEVELOPMENT

26 MAY 2021



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



Presentation Outline

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2	GOVERNANCE AND COMPLIANCE
3	PERFORMANCE SUMMARY
4	OVERALL PERFORMANCE BY PROGRAMME
5	FINANCIAL REPORT
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BACKGROUND AND PURPOSE

Background and Purpose

1.1. The report presents an overview of the activities of the Department of Small Business Development (DSBD) in line with the Public Finance Management Act 1 of 1999, Treasury Regulations 5.3 and 30.3 and the revised Framework for Strategic Plans and Annual Performance Plans.

1.2 The 2020/21 Q4 Performance Report reflects

1.2.1 Progress made on the implementation of Output Indicators and Annual Targets set in respect of the 2020/21 Quarter Four (Q4) in the revised 2020/21 Annual Performance Plan (APP);

1.2.2 Actual output and reasons for deviations;

1.2.3 Corrective measures and comments for 2020/21 Quarter Four.

1.2.4 Progress on audit findings as at 31 March 2021

GOVERNANCE AND COMPLIANCE

Governance and Compliance

COMMITTEE	NO. OF SCHEDULED MEETINGS	ACTUAL NO. OF MEETINGS	DATES
EXECUTIVE COMMITTEE	3	6	25 January 2021 22 February 2021 29 March 2021 (Special Meetings 15 March 2021 26 March 2021 31 March 2021)
MANAGEMENT COMMITTEE	3	4	18 January 2021 8 February 2021 8 March 2021 (Special Meeting: 24 March 2021)
RISK AND ETHICS MANAGEMENT COMMITTEE	1	1	31 March 2021
AUDIT AND RISK COMMITTEE	0	1	30 March 2021
ICT STEERING COMMITTEE	1	1	11 February 2021
TOTAL	8	13	

Governance and Compliance (cont.)

2.1. The Department complied with all the relevant provisions and rules of:

- The National Assembly;
- The National Council of Provinces;
- The Public Finance Management Act (PFMA), 1999 (No.1 of 1999);
- Treasury Regulations; and
- The National Treasury Framework for Annual Performance Reporting.

2.2. The Department submitted the preliminary 2020/21 Q3 Performance Report to the Department of Planning, Monitoring and Evaluation (DPME) on 29 January 2021.

2.3. The Department tabled the revised 2020/21 Annual Performance Plan on 17 February 2021.

2.4. The Department tabled the 2021//22 Annual Performance Plan in Parliament on 15 March 2021.

PERFORMANCE SUMMARY

Performance Summary – Q4 2020/21

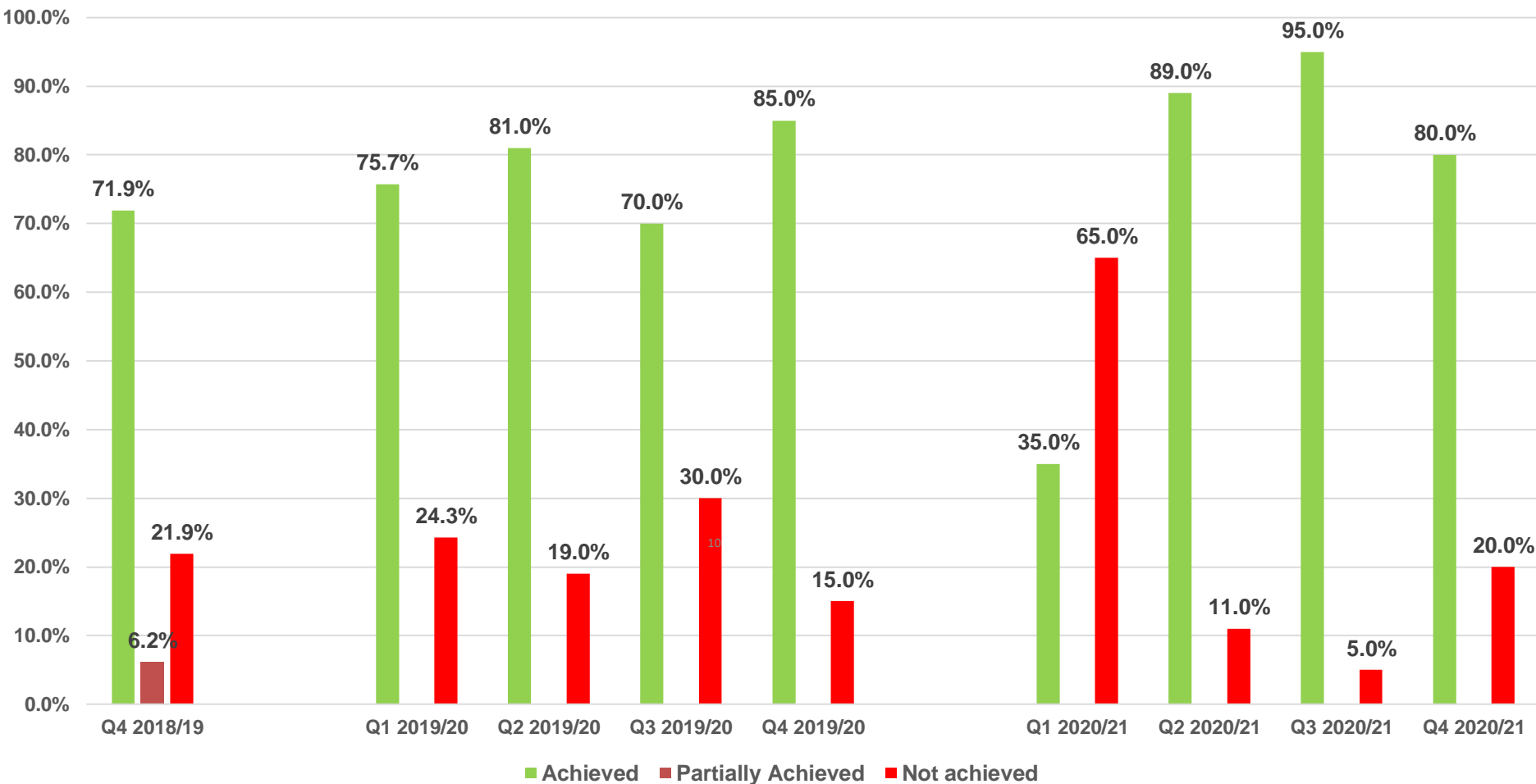
PERFORMANCE STATEMENT:

THE DEPARTMENT HAS 22 OUTPUT INDICATORS, 22 ANNUAL TARGETS IN THE REVISED AND RE-TABLED 2020/21 APP AND IS REPORTING AGAINST 20 QUARTERLY TARGETS.

Branch	No. of Output Indicators	Quarterly Targets	Achieved	Not Achieved
1. ADMINISTRATION	7	6	5 (83.3%)	1 (16.6%)
2. SECTOR POLICY AND RESEARCH	4	3	3 (100%)	0 (0%)
3. INTEGRATED CO-OPERATIVES DEVELOPMENT	7	7	5 (71%)	2 (28.57%)
4. ENTERPRISE DEVELOPMENT AND ENTREPRENEURSHIP	4	4	3 (75%)	1 (25%)
TOTAL	22	20	16 (80%)	4 (20%)

Performance Summary – Q4 2020/21

Preliminary Performance Report – Q4 2020/21



PROGRAMME 1

Overall Performance by Programme 1 – Administration

No.	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	Q4 MILESTONE	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE MEASURES
1.	Payment register.	% of valid creditors paid in under 30 days	100% of valid creditors paid in under 30 days	100% of valid creditors paid in under 30 days	Achieved 1 839 invoices amounting to R14 375 328.27 paid within 30 days.	N/A	N/A
2.	Expenditure Report	% variance on annual budget	<5% variance on annual budget	<5% variance on cash flow projections.	Not Achieved Overspent on the cashflow by 10.7%. Actual spent R182.4 mil against Cash Projections of R164.8 mil.	Cashflow misalignment.	Cash surplus from the first 3 quarters used to offset the overspent. Cashflow to be revised regularly to ensure alignment to expenditure.
3.	90% filled posts.	Percentage vacancy rate in funded posts.	<10% vacancy rate in funded posts.	<10% vacancy rate in funded posts.	Achieved 9,7% (20/206) vacancy rate in funded posts.	N/A	N/A
4.	Percentage of female SMS representation.	Percentage representation of PWDs.	≥ 50% of female SMS representation.	≥ 50% of female SMS representation.	Achieved 57.1% (20/35) female SMS representation	N/A	N/A
5.	2.8% representation of PWDs.	Percentage representation of PWDs	≥2.8% representation of PWDs.	≥2.8% representation of PWDs.	Achieved 3,3 % (7/215) representation of PWDs.	N/A	N/A
6.	Phase 2: SMME Database implemented	SMME Database –Government Agencies integrated data produced	Phase 2: SMME Database - Government Agencies integrated data implemented	Phase 2: SMME Database - Government Agencies integrated data implemented.	Achieved Phase 2: SMME Database - Government Agencies integrated data implemented.	N/A	N/A

PROGRAMME 2

Overall Performance by Programme 2 – Sector Policy and Research

No.	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	Q4 MILESTONE	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE MEASURES
1.	Amendment of National Small Enterprise Act commenced.	Report on consolidated public comments received on the National Small Enterprise Amendment Bill approved by EXCO.	Report on consolidated public comments received on the National Small Enterprise Amendment Bill approved by EXCO	Report on consolidated public comments received on the National Small Enterprise Amendment Bill approved by EXCO.	Achieved Report on consolidated public comments received on the National Small Enterprise Amendment Bill approved by EXCO.	N/A	N/A
2.	SMMEs and Co-operatives Funding Policy approved	Approved SMMEs and Co-operatives Funding Policy.	SMMEs and Co-operatives Funding Policy developed and approved by EXCO	SMMEs and Co-operatives Funding Policy approved by EXCO	Achieved SMMEs and Co-operatives Funding Policy approved by EXCO.	N/A	N/A
3.	Report on the implementation of SMME Support Plan 2019 – 2024	Report on the implementation of SMME Support Plan 2019 – 2024 approved by EXCO.	One (1) report on the implementation of SMME Support Plan 2019 – 2024 approved by EXCO.	One (1) report on the implementation of SMME Support Plan 2019 – 2024 approved by EXCO	Achieved One (1) report on the implementation of SMME Support Plan 2019 – 2024 was approved by EXCO.	N/A	N/A

PROGRAMME 3

Overall Performance by Programme 3 – Integrated Co-operatives Development

No.	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	Q4 MILESTONE	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE MEASURES
1.	Increased products produced by SMMEs and Co-operatives.	Number of products produced by SMMEs and Co-operatives linked to market.	200 products produced by SMMEs and Co-operatives linked to market.	150 products produced by SMMEs and Co-operatives linked to market.	Achieved 175 products produced by SMMEs and Co-operatives linked to Market	Support from leadership negotiating with private sector to support the initiative of listing SMMEs as suppliers, and capacity from Departmental business units to visit as many wholesalers as possible.	N/A
2.	At least 2 000 women entrepreneurs supported to register on international platform.	Number of women owned businesses supported to register on international platform.	2 000 women owned businesses supported to register on international platform.	1 400 women owned businesses supported to register on international platform.	Not Achieved. 564 Women Owned Enterprises registered on the International Platform	Stakeholder engagements conducted on the online platform, However the numbers of actual registers WOB was significantly lower than the target set.	Targeted approach to mobilise the WOB in year 2021/2022 based on lessons learned in year 2020/2021.
3.	Creative Industries Masterplan submitted to Minister.	Submission to Minister on Creative Industries Masterplan approved by Accounting Officer.	Creative Industries Masterplan finalised and submitted to Minister.	Creative Industries Masterplan finalised and submitted to Minister.	Achieved Creative Industries Masterplan finalised and submitted to Minister.	N/A	N/A

Overall Performance by Programme 3 – Integrated Co-operatives Development

No.	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	Q4 MILESTONE	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE MEASURES
4.	Approved National Integrated Small Enterprise Development Masterplan.	National Integrated Small Enterprise Development Masterplan approved by EXCO.	National Integrated Small Enterprise Development Masterplan approved by EXCO.	National Integrated Small Enterprise Development Masterplan approved by EXCO.	Achieved National Integrated Small Enterprise Development Masterplan was approved by EXCO.	N/A	N/A
5.	Increase in contribution to jobs by SMMEs and Co-operatives in priority sectors.	Annual report on the contribution to jobs by SMMEs and Co-operatives in priority sectors approved by EXCO.	Annual report on the contribution to jobs by SMMEs and Co-operatives in priority sectors approved by EXCO.	Annual report on the contribution to jobs by SMMEs and Co-operatives in priority sectors approved by EXCO.	Achieved Annual report on the contribution to jobs by SMMEs and Co-operatives in priority sectors approved by EXCO.	N/A	N/A
6.	National Small Enterprise Index Pilot Survey produced.	Number of progress reports on the SMMEs Index Pilot survey produced.	Two (2) progress reports on the SMMEs Index Pilot Survey produced.	Progress report on the SMMEs Index Pilot Survey produced	Achieved Progress report on the SMMEs Index Pilot Survey produced.	N/A	N/A
7.	Co-operatives supported through non-financial and/or financial support programmes.	Co-operatives supported through non-financial and/or financial to the value of the R' million.	Co-operatives supported through non-financial and/or financial to the value of R50.7 million.	Co-operatives supported through non-financial and/or financial to the value of R20.7 million	Not achieved Co-operatives supported through non-financial and/or financial to the value of R4.994 million.	Delays in administrative processes: delays in submission of supporting documents by grant applicants.	Finalisation of the outstanding CIS provisions.

PROGRAMME 4

Overall Performance by Programme 4 – Enterprise Development and Entrepreneurship

No.	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	Q4 MILESTONE	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE MEASURES
1.	Competitive SMMEs and Co-operatives supported.	Report on the number of competitive SMMEs and Co-operatives supported approved by EXCO.	Consolidated report on the 2 000 competitive SMMEs and Co-operatives supported approved by EXCO.	Consolidated report on the 2 000 competitive SMMEs and Co-operatives supported approved by EXCO.	Achieved Consolidated report on the 2000 competitive SMMEs and Cooperatives supported approved by EXCO.	The report indicated that 4630 competitive SMMEs and Co-operatives were supported. The report considered the SMMEs and Cooperatives assisted across the DSBD portfolio, which includes the agencies.	The target has been revised upwards for 2021/22 financial year.
2.	Township and Rural Enterprises supported.	Number of Township and Rural Enterprises supported financially and/or non-financially.	28 000 Township and Rural Enterprises supported financially and/or non-financially.	16 000 Township and Rural Enterprises supported financially and/or non-financially	Not Achieved: 630 Township and Rural Enterprises Supported by DSBD. Through Seda, 14 657 enterprises were supported.	To fast-track the processing of applications the process was amended to exclude the department.	The TREP term sheets have been revised to improve implementation in the 2021/22 financial year.
3.	SMMEs and Co-operatives in the Craft sector supported through Customised Sector Programme.	Number of Crafters supported through the Craft Customised Sector Programme.	700 Crafters supported through the Craft Customised Sector Programme.	250 crafters supported through the Craft Customised Sector Programme.	Achieved: 303 Crafters supported through the Craft Customised Sector Programme.	The programme was revised to assist SMMEs with COVID relief funding. Additional valid applications where vetted for support.	N/A

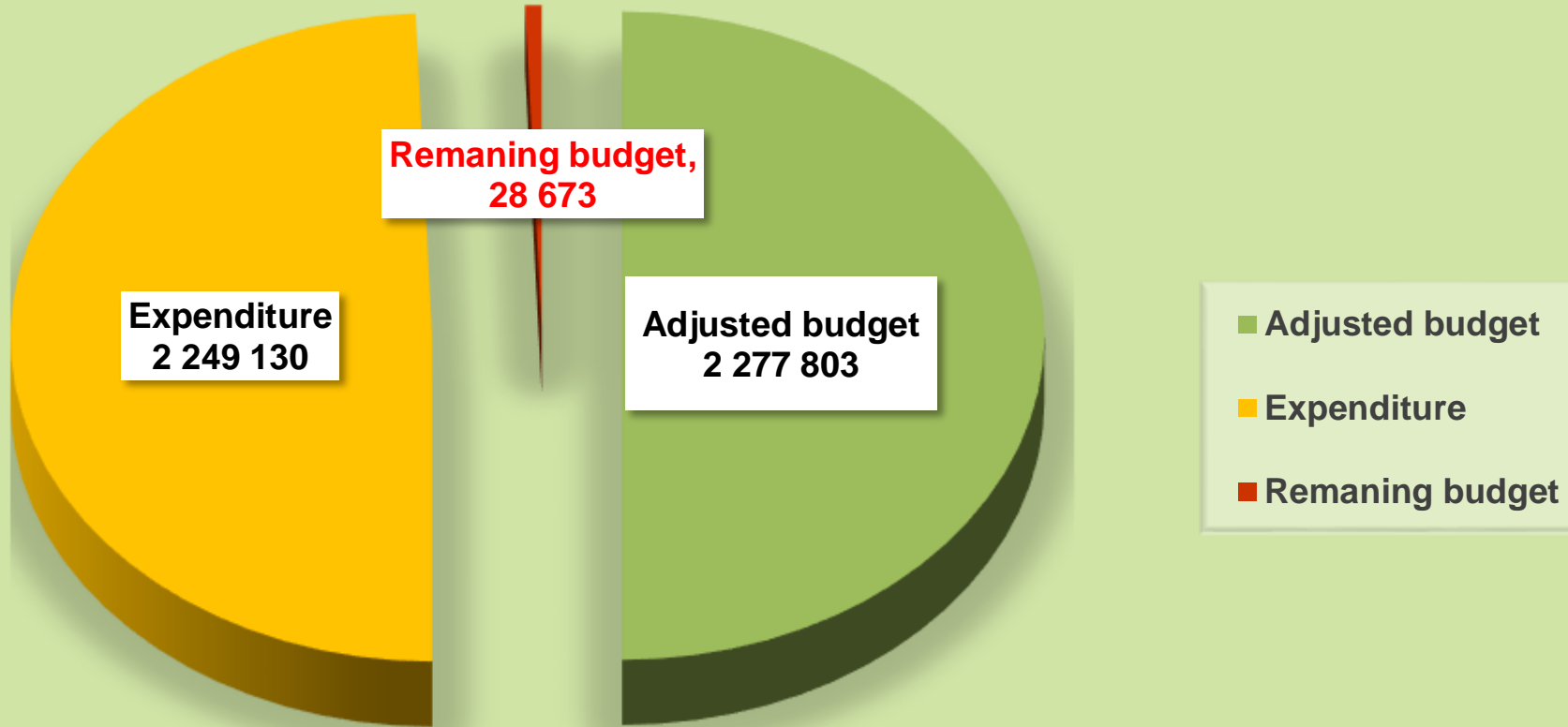
Overall Performance by Programme 4 – Enterprise Development and Entrepreneurship

No.	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	Q4 MILESTONE	ACTUAL OUTPUT	REASON FOR DEVIATION	CORRECTIVE MEASURES
4.	Districts in a province assisted with EODB Pilot Administrative Simplification Programme for SMMEs and Co-operatives – Baseline.	Number of districts in a province assisted with EODB Pilot Administrative Simplification Programme for SMMEs and Co-operatives – Baseline.	Two (2) Districts in a province assisted with EODB Pilot Administrative Simplification Programme for SMMEs and Co-operatives – Baseline.	Two (2) Districts in a province assisted with EODB Pilot Administrative Simplification Programme for SMMEs and Co-operatives – Baseline.	Achieved Three (3) Districts in a province assisted with EODB Pilot Administrative Simplification Programme for SMMEs and Co-operatives – Baseline.	A third municipality was added due to a dire need that was determined while the Department was implementing the project.	N/A

FINANCIAL REPORT

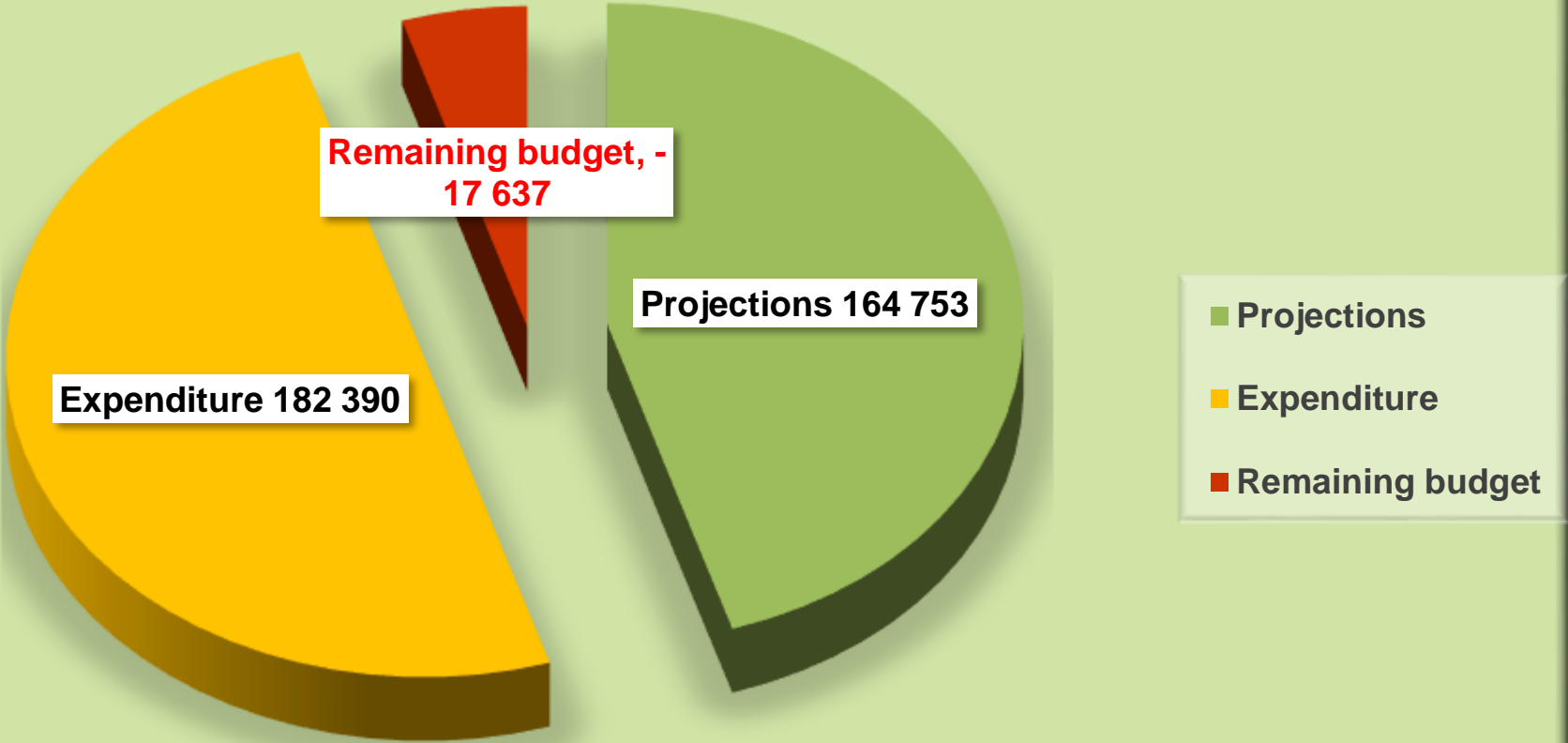
2020/21 PRELIMINARY ACTUAL EXPENDITURE VS ADJUSTED BUDGET

R'000

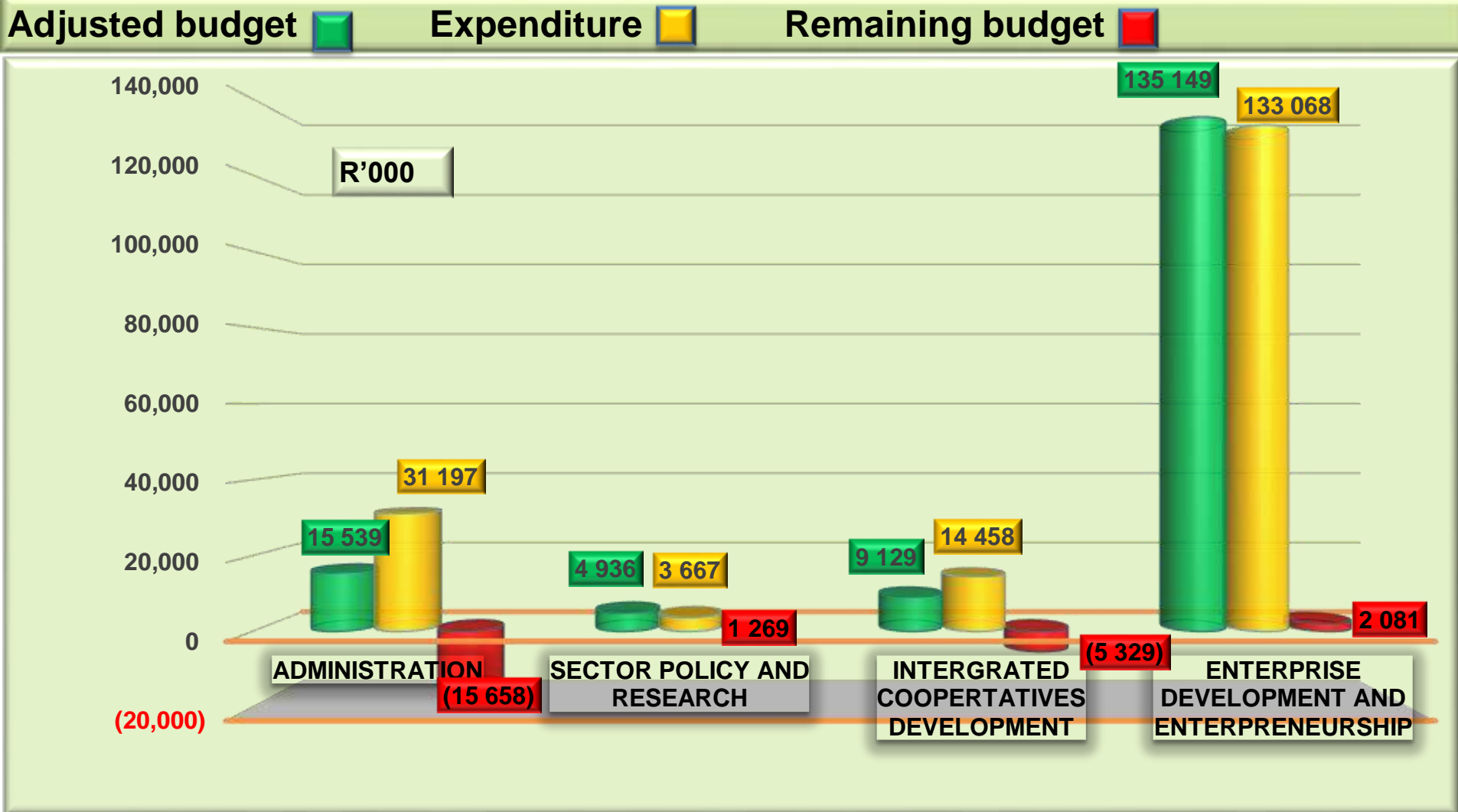


Q4 EXPENDITURE VS BUDGET

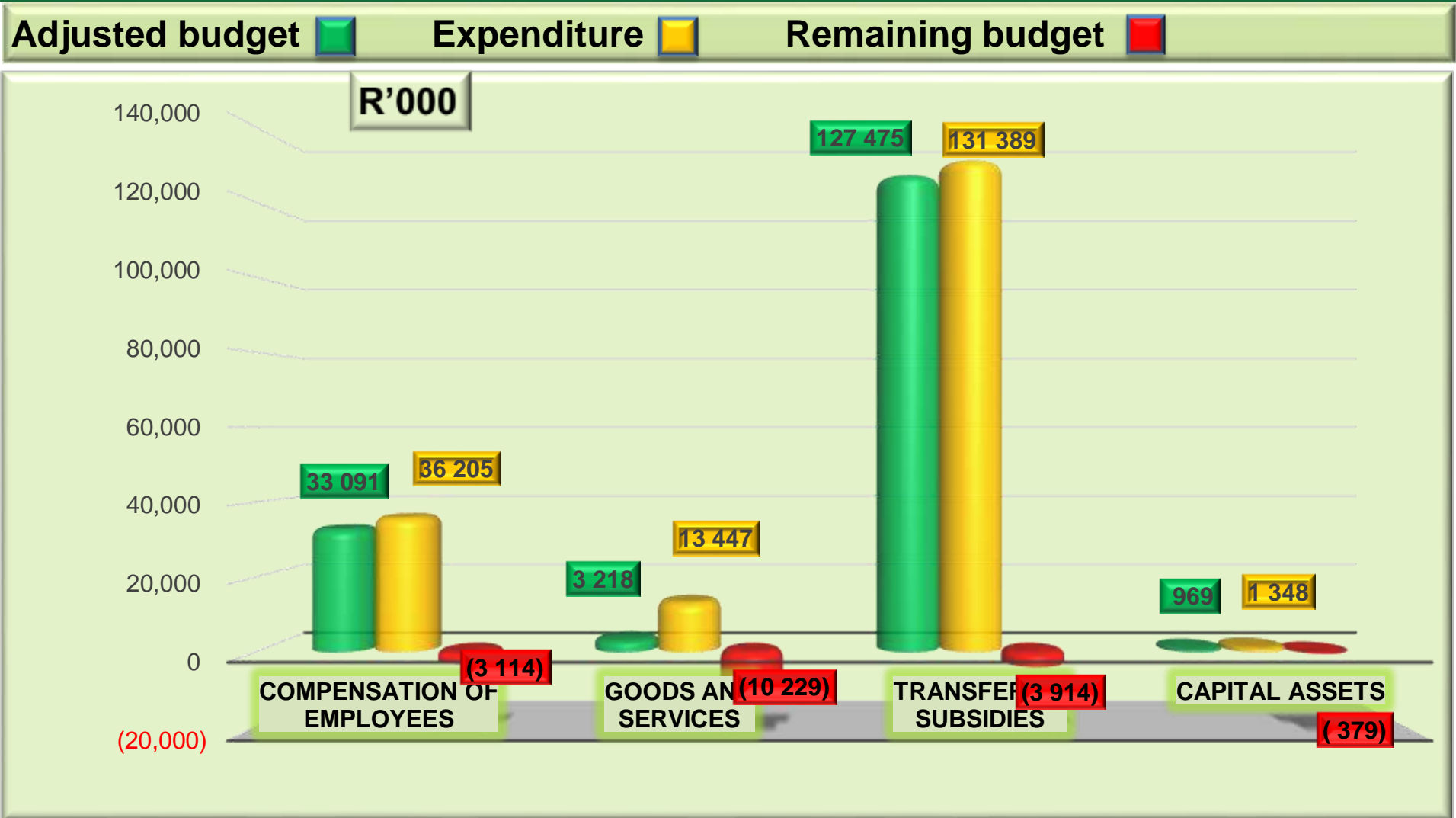
R'000



Q4 Performance Per Programme



Q4 Performance Per economic classification



Reasons for Variance

- **Compensation of Employees** – Payment of performance bonuses and notch adjustments for the 2019/20 cycle. A total amount of R10 million was not drawn down during the last quarter and was declared to National Treasury as savings.
- **Goods and services** – Office accommodation invoices for quarter three being paid in the month of March, higher travel invoices processed, and computer equipment paid which was erroneously classified under capital assets instead of goods and services.
- **Machinery and Equipment** – Payment of Computer equipment procured.
- **Transfers and subsidies-** Overperformance by Cooperatives Incentives Scheme and leave gratuity payment to employees that left the Department, the cost was not projected.

Audit Findings PROGRESS AS AT 31/03/2021

Area	2019/20 Total findings	Addressed	In Progress	Reasons for variance
Incentives	8	2	6	IMEDP, BBSDP-discontinued with outstanding claims to be finalized in Q1 of 2122. CIS claims being reviewed for completion
Predetermined objectives	8	8	0	N/A
Procurement and contract management	6	5	1	The request to condone submitted to National Treasury.
Human Resource Management	5	4	1	Key personnel management disclosure note verified by Director & CD before submission.
Governance	1	1	0	N/A
Contingent Liabilities	2	2	0	N/A
Policies	1	1	0	N/A
Provisions	1	1	0	N/A
Total	33	28	6	

85% of the reported findings have been resolved whilst the remaining 15% are in progress

2019/20 NEW Audit Findings: 21

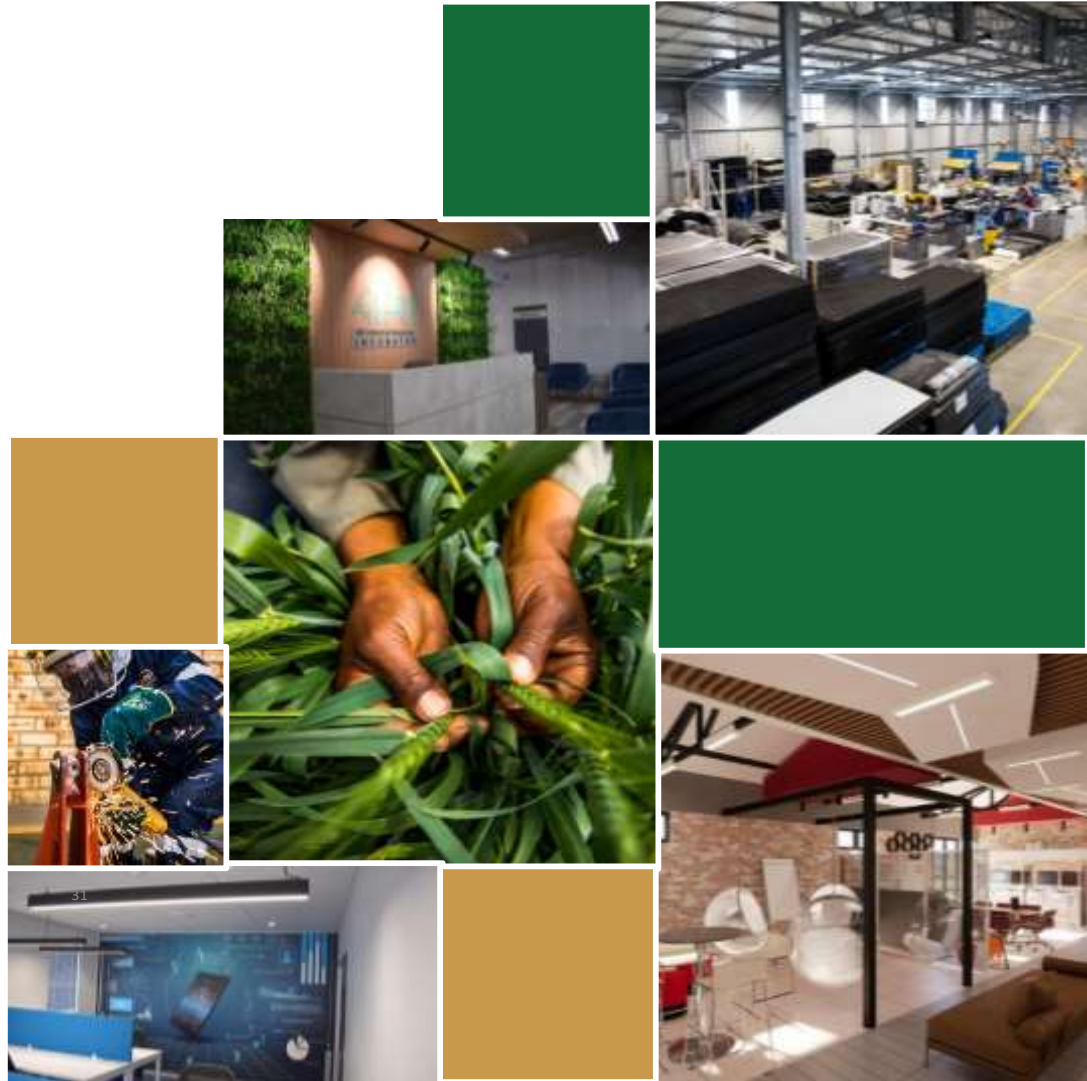
	<p>Predetermined objectives alignment to SMART objectives, 3</p>		
		<p>Disclosure note corrections: provisions, contingent liabilities, 3</p>	<p>Appropriation statement: incorrect classification of transfers, 3</p>
<p>SCM: SBD forms completion; deviations and contract value exceeded, 6</p>	<p>Human Resources, 3</p>	<p>Governance: audit committee + performance information policy review, 2</p>	<p>Non compliance with CCSP Guidelines, 1</p>

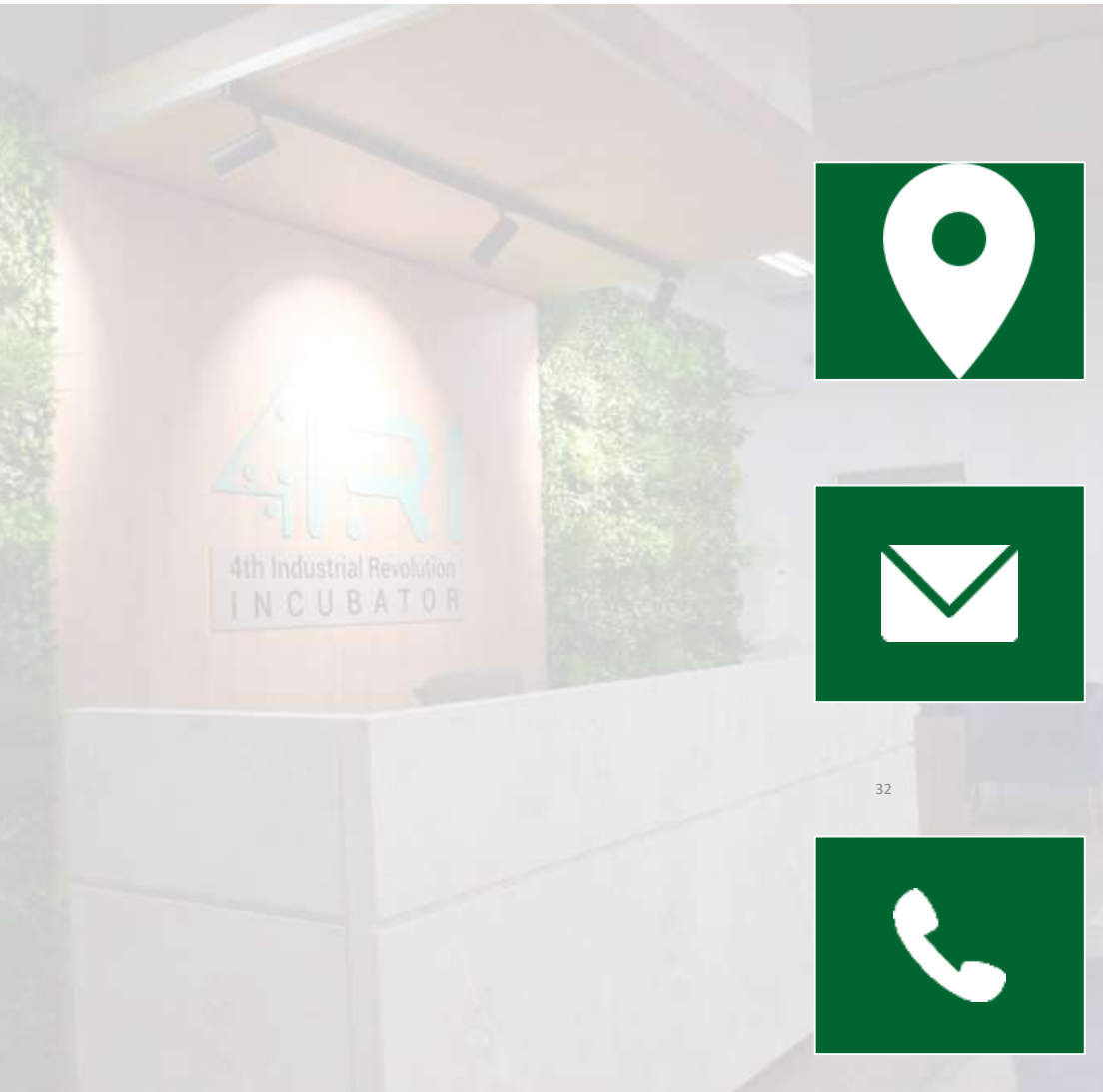
RECOMMENDATION

Recommendation

- It is recommended that the Portfolio Committee on Small Business Development adopts the Department's 2020/21 Quarter Four Preliminary Performance Report.

Thank You!





REACH OUT

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