

TO: MEETING (02/2020) OF THE BOARD OF TRUSTEES (BOT) OF THE KZN GROWTH FUND TRUST
(KGFT)

FROM: CEO: AUBREY SHABANE

HELD ON: 19 FEBRUARY 2020

AGENDA POINT: 8.1

AGENDA ITEM: APPROVAL OF THE 2020/21 FIVE YEAR CORPORATE PLAN AND 2020/21 ANNUAL
PERFORMANCE PLAN

1. THE PURPOSE OF THE SUBMISSION

The purpose of the submission is to present the Corporate Plan for the five-year period from 1 April 2020 to 31 March 2025 including relevant attachments and the 2020/201 Annual Performance Plan to the Board of Trustee's for approval.

2. BACKGROUND

The Trust's PFMA status has not yet been confirmed, however, the Board of Trustees has elected to apply the principles of the PFMA until such time National Treasury has made a determination on its status. In this regard, Section 52 of the Public Finance Managements Act prescribes that a public entity *"must submit to the to the accounting officer for a department designated by the executive authority responsible for that public entity or government business enterprise, and to the Treasury, at least one month, or another period agreed with the National Treasury, before the start of its financial year:*

- (a) A projection of revenue, expenditure and borrowings for that financial year in the prescribed format; and*
- (b) A corporate plan in the prescribed format covering the affairs of that public entity or business enterprise for the following three financial years, and, if it has subsidiaries, also the affairs of the subsidiaries.*

In this regard, therefore, since the Trustees have elected to apply the above principle, the Trust must prepare a Corporate Plan and Annual Performance Plan for submission to EDTEA and final submission by 28 February 2020 which contains the following information:

- a) Strategy;
- b) Key Performance Indicators;
- c) Governance Structures;
- d) A 3-year Financial Plan made up of a projected Income Statement, projected Balance Sheet and projected Cash Flow Statement;

- e) A Risk Management Plan (ERMP) which guides the management of risk in the Trust;
- f) A Fraud Prevention Plan (FPP) to assist in managing fraud risk in the Trust; and
- g) A Materiality and Significance framework (MSF) which sets the guidelines for reporting purposes.

3. DISCUSSION

The Corporate Plan and Annual Performance Plan has been prepared in line with the strategies previously deliberated at the last Strategy session held in January 2020.

The plans have been prepared on a basis that the en-commandite partnership model has not been brought into effect until certainty of the model and a partnership agreement has been concluded. Further, income from the guarantee fund has also not been modelled due to the uncertainty of the model that will be implemented.

4. RECOMMENDATION

The Board of Trustees is requested to approve the following as recommended by the Audit and Risk Committee:

- 4.1 Corporate Plan for the five-year period 1 April 2020 to 31 March 2025;
- 4.2 2020/21 Annual Performance Plan.

5. RESOLUTION

The Board of Trustees resolve to approve the following:

- 5.1 Corporate Plan for the five-year period 1 April 2020 to 31 March 2025;
- 5.2 2020/21 Annual Performance Plan.



Submitted by N Nkosi

Attachments:

- Agenda 8.1A – Five-year Corporate Plan
- Agenda 8.1B – 2020/21 Annual Performance Plan