

Dear Ms Comrie/Ritchie

Thank you very much for availing yourself for the meeting on Friday within such a short notice. For ease of reference, I have described below the chronology of events prior to our appointment service to the department Cooperative Governance (DCoG). We have also attached annexures which will also assist yourselves with facts surround some of your queries.

- On 12 November Insika foundation was registered as a Non Profit Company (NPC) at Companies and Intellectual Property Commission. Insika had five directors two of them Phiwisipho Mathenjwa and Zamilé Seme amicably parted ways with the NPO to pursue other interests. Please see annexure A
- The two later started their own NPCs/NPOs in which they participate in different projects.
- During late 2017 DCoG issued a Request for Proposal from Non- Profit organisations for the implementation of a three-year community work programme. Please see annexure B.
- In the requirements in order to qualify, the department was seeking organisations with proven knowledge, skills and project management experience. There was also a requirement to bring the CV's of the Chief Executive Officer / Executive Director, Chief Financial Officer/ Financial Manager, Human Resource Officer and Programme Manager/Project Leader. Due to Phiwisipho's human resources qualifications and experience he was allocated in a role of human resource management. There were 30 points allocated for this requirement.
- There was also a requirement to submit own procurement policy and Standard Operating Procedure on how the budget would be spend and how Insika submitted its procurement policy and standard operating Procedure with a clear explanation that an emerging NPO/NGO being Umnotho We Afrika Foundation would receive a minimum of 30% of the procurement value. Please see annexure C.
- Another requirement which carried 25 points was to empower an emerging NPO/NPC which in Insika case Umnotho was brought on board. Umnotho was registered in December 2017 and fitted the "emerging NPO/NPC" requirement. Its directors also had impressive CV's which was a plus for our submission. Umnotho was first approved NPO by the department of Social Development department on 20 November 2017. It was also going to be easy to form a partnership because one of its directors Phiwisipho had a history with Insika. Phiwisipho holds a Bachelor Degree in Communications, Post Graduate Diploma in human resources and holds an MBA and his CV was also submitted to the department. Based on our appointment on 1 April 2018 signed on 29 March 2018, we are confident that submitted a solid plan and proposal which was implementable. Please see annexure D.
- The transfer agreement entered into by the department and Insika has very strict conditions which includes "NPOS will implement cost effective, efficient and transparent procurement and provisioning system that will ensure value for money while implementing CWP". The NPO are also "required to appoint an auditor to account for the received Community Work Programme." The NPO/NPC are also compelled to stick to their approved "procurement of goods and services in line with approved NPO Corporate supply chain management guidelines. The department also has access to Insika banking accounts and at any given point could access information regarding the spending of the funds. Insika has been giving reports sometimes daily, weekly, Monthly and as in when they are required. The external

auditors for Insika Foundation are Nameng inc and internal auditors are EEG SA Consulting. Please see annexure E.

- The description of a line item “Request for Quotation” was an incorrect way of classification when Umnotho was involved because they were a partner in the contract. Please see annexure F.
- Amongst other things, Umnotho has assisted in the starting, registration, training, development and assisted 49 cooperatives in forming partnerships with various departments. Please see annexure G.