



## **TO WHOM IT MAY CONCERN**

10 JULY 2020

First Consulting has again been asked to investigate and report on the nature and extent of the voluntary contributions made to MOT SA by suppliers, stakeholders, service providers and various voluntary or pro-bono workers.

MOT SA provides training, support and guidance to TVET Colleges and High Schools, and in delivering the MOT Programme and relies on the staff in these institutes to present the lessons to the students and learners, as well as to support them after the sessions. MOT SA has therefore kept its full-time staff to an absolute minimum and thus from the Annual Financial Statements it would appear that the majority of the funds donated to the organisation are being spent on salaries.

In this report an attempt will be made to illustrate the value of the “in kind” donations made by all parties and through this, balance the perception that excessive funds are allocated to the remuneration packages of the small contingent of full-time staff members.

A position has been taken on assessing contributions for time given by lecturers, teachers, Board Members, interns and other contributors as well as donations of services and goods to MOT SA.

### **1. Colleges & Schools participating in the MOT Programme**

Currently six Colleges and eleven High Schools are active participants in the MOT Programme, with these being spread mainly over the Western Cape Peninsula, but in recent years two TVET Colleges in the Eastern Cape, namely Port Elizabeth and East Cape Midlands, have joined the programme.

The presentation of the programme takes the form of a lecturer or teacher being trained by MOT SA in the programme, and then they in turn present the programme to students and learners in the colleges and schools. The programme is scheduled to run for fifteen hours for high schools and nine hours for TVET Colleges, over a period of the year in three to six separate sessions. MOT Coaches need to prepare materials and lessons for these sessions and conduct follow-up interviews in support of the students and learners. The degree of follow up varies largely between MOT Coaches, the students and learners and in fact the schools and colleges too. Therefore, a position has been taken on averaging the time spent in preparation and follow-up in order to achieve a smoothing of the curve.

To ascertain the value of the hours spent on the full implementation of the programme, an average of the relevant salary bands of the lecturers and teachers, as set by the Education Departments for both Basic Education and Higher Education has been accepted as a figure to calculate the value. Most of the presenters are dedicated staff who are senior people who have longer terms of service therefore the actual value is more than likely higher than the mid-point average for the relevant salary bands. In the interests of not distorting the results overly in favour of MOT SA, the average of the salary band has been accepted as the figure to be used for the calculations.

### 1.1 TVET Colleges

Item	Value or statistic
Total number of active MOT Coaches	194
Average number of sessions a year	6
Total MOT Sessions for year under review	48
Average preparation time per session	2.0
Average presentation time per session	1.5
Total preparation time for year under review	84
Total presentation time for year under review	72
Total number of hours for sessions	156
Basic hourly rate of MOT Coaches	R 174.00 per hour
<b>Total value of TVET MOT Coaches' time on MOT sessions</b>	<b>R 27 144.00 *</b>

\* 156 hours on MOT Programme x R 174.00

### 1.2 College & Campus Co-ordinator

Each college and each campus has a MOT Co-ordinator who allocates time and effort to the MOT Programme in support of MOT Coaches and in liaising with the MOT SA office, in addition to their normal duties. In total 20 hours each was dedicated to the MOT programme by all these co-ordinators in all the campuses. Using the same average remuneration as above, this amounted to : -

6 MOT Co-ordinators - 120 hours x R 174.00 = **R 20 880.00**

### 1.3 High Schools

Item	Value or statistic
Total number of active MOT Coaches	71
Average number of sessions a year	6
Total MOT Sessions for year under review	22
Average preparation time per session	2.0
Average presentation time per session	1.5
Total preparation time for year under review	44
Total presentation time for year under review	33
Total number of hours for sessions	77
Basic hourly rate of MOT Coaches	R 161.00 per hour
<b>Total value of Schools MOT Coaches' time on MOT sessions</b>	<b>R 12 397.00 *</b>

\* 77 hours on MOT Programme x R 161.00

### 1.4 High Schools' Co-ordinator

Each High School has a MOT Co-ordinator who allocates time and effort to the MOT Programme in support of MOT Coaches and in liaising with the MOT SA office, in addition to their normal duties. In total 20 hours each was dedicated to the MOT programme by all these co-ordinators in all the schools. Using the same average remuneration as above, this amounted to : -

11 MOT Co-ordinators - 220 hours x R 161.00 = **R 35 420.00**

## 2. MOT Coaches Training Costs

In 2019, three MOT Coaches Basic Education and three Young MOTivators Education sessions (youth camps) were presented. These are now presented by the MOT SA Training & Programme Manager, with 2 MOT Alumni volunteers assisting

Item	Value or Statistic
Number of MOT Programme trainer presenters	1
Total time of presenter on training. 3 days x 8 hours per day	24 hours
Preparation time per presenter for sessions	8 hours
Remuneration of presenter	R 140.00 per hour
3 training sessions x 1 presenter x 24 hours x R 140.00	R 10 080.00
MOT Alumni Assistants @ R 150.00 per hour	R 21 600.00
<b>Total value of Presenter training cost</b>	<b>R 31 680.00</b>

## 3. Youth Camps

A weekend youth camp is held for each of the programmes, one for colleges and one for high schools. On each of the camps, supervision and input is rendered by lecturers or teachers who attend the camps and the cost of their overtime is carried by their college or school. Eight supervisors attend each camp and their remuneration is set at R 200.00 per hour and they are paid for seven hours.

2 camps x 8 supervisors x 7 hours x R 200.00

Total value is

**R 22 400.00**

In support of the MOT Coaches, and as an example of what the MOT Programme produces, six Young MOTivators, MOT Alumni members, volunteer their services at these Youth Camps for each group. Being junior to the supervisors, their equivalent value has been set at R 100.00 an hour and the same time of seven hours has been used. The value of their services is therefore

**R 8 400.00**

One guest speaker donates his/her services at these Youth Camps for each group. A speaker of this calibre would normally charge a fee in the region of R 6 000.00, therefore the value here is

**R 12 000.00.**

Total value of voluntary services for Youth Camps

**R 42 800.00**

#### 4. Direct Volunteer Workers

##### 4.1 Board Members

MOT SA Board meetings occur at least four times a year and on average last a minimum of three hours. The Annual General Meeting would make up a fifth meeting. On average for the past year, a total of nine members attend each Board meeting and the AGM. Given the professional standing of the Board members, a fee of R 1 500.00 an hour has been used to calculate the monetary value of their contribution to the organisation.

As such, the total contribution by these volunteers would be : -

(9 Members @ R 1 500.00 x 3 hours) = R 40 500.00 x 5 meetings a year =  
**R 202 500.00**

In addition to attending formal Board meetings, many Board members attend ad hoc meetings, donate their specialised skills or perform management functions in various areas during the course of the year. These services too, are performed pro-bono and are valued thus : -

- Verification and authorisation of banking transactions at one hour per week
  - 50 hours x R 1 500.00 **R 75 000.00**
- Coaching of Country Director
  - 5 hours x R 1 500.00 **R 7 500.00**
- Accompanying staff to potential donors for introduction
  - 10 hours x R 1 500.00 **R 15 000.00**
- Acting as Country Director prior to permanent appointment
  - Two months service **R 53 500.00**
- Soliciting support from Wynberg Rotary for Grant
  - 4 hours x R 1 500.00 **R 6 000.00**
- Attending meetings at schools promoting programme
  - 6 meetings x 2 hours x R 1 500.00 **R 18 000.00**

**Total value** **R 175 000.00**

#### 4.2 SETA Interns

During 2019, six interns spent 18 months each, working with MOT SA, and they not remunerated by MOT SA. They were paid a stipend by the SETA of R 3 000.00 a month each. Four were placed at various TVET college campuses to perform administrative work, related to the MOT Programme, and two were employed as a casual office administrative assistants in the MOT SA office.

Intern Donation

**R 216 000.00**

#### 5. Suppliers & Service Providers

The MOT SA office is very fortunate in that various suppliers and service providers offer their services or products to MOT SA at no cost. If this were not so kindly provided, the organisation would have to source the funds and pay market related prices for this. The table below reflects this value : -

Service Provider	Item	Hours	Value / Hour or Item	Total Value
Ayanda Mbanga Graphic Design	Annual Report Posters	80 5	400.00 400.00	32 000.00 2 000.00
CK Outdoors	Annual report editing	10	400.00	4 000.00
RSM Betty Dickson	Annual Audit & Quarterly input	150		110 000.00
Low & Schreiber Accountant	Management Accounts		10 000.00 pm	120 000.00
Old Mutual Auditorium	Auditorium for AGM	-	5 000.00	5 000.00
College of Cape Town Boardroom	Board Meeting Venue x 4	-	2 500.00	10 000.00
First Consulting	This Report	15	1 500.00	22 500.00
<b>TOTAL VALUE</b>				<b>305 500.00</b>

## 6. Value Summary

In summary, each of the categories of donation is listed in the table below with the paragraph number referring to the item concerned.

<b>No.</b>	<b>Item</b>	<b>Value</b>
1	MOT Implementation : - <ul style="list-style-type: none"> <li>• TVET Colleges</li> <li>• Co-ordinator</li> <li>• High Schools</li> <li>• Co-ordinator</li> </ul>	27 144.00 20 880.00 12 397.00 35 420.00
2	MOT Coach training costs	31 680.00
3	Youth Camps <ul style="list-style-type: none"> <li>• Supervisors</li> <li>• Young MOTivators</li> <li>• Guest Speakers</li> </ul>	22 400.00 8 400.00 12 000.00
4	Board Members time <ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Pro-bono work</li> </ul> SETA Interns	202 500.00 175 00.00 216 000.00
5	Service Providers <ul style="list-style-type: none"> <li>• Graphics</li> <li>• Financial</li> <li>• AGM Auditorium</li> <li>• Board Room</li> <li>• Report writing</li> </ul>	38 000.00 230 000.00 5 000.00 10 000.00 22 500.00
	<b>Total</b>	<b>R 1 060 921</b>

## 7. Employee Cost : Income Ratio

MOT SA appreciates the time and dedication of all these volunteers as it truly relieves the pressure on the limited resources of the organisation and assists hugely in keeping running costs of the programme to a minimum. However, as this value is not reflected in the financials of the organisation, it does suggest that the salary bill of MOT SA consumes the largest portion of donor funds. If this value, as presented above, is brought into account, it significantly improves the ratio of salaries to income and operating costs.

Total Income as per 2019 Financial Statements – R 1 523 555.00.

Total Employee Costs as per 2019 Financial Statements – R 462 121}

### 7.1 Ratio Without Voluntary Donations

Calculating the ratio of Employee Costs : Income, if the amounts of pro-bono and voluntary work are not taken into account, the ratio is **30.33 %**.

**(R 461 121.00 : R 1 523 555.00)**

### 7.2 Ratio With Voluntary Donations

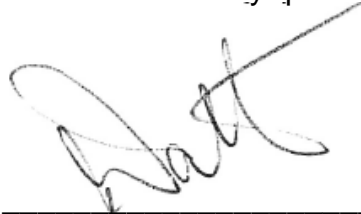
If the additional R 1 060 921 is taken into account then this ratio reduces to **17.78 %**.

**(R 1 523 555.00 + R 1 060 921.00 = 2 592 876.00)**

**New ratio R 461 121.00 : R 2 592 876.00 = 17.78 %**

In the opinion of First Consulting, this ratio is a much truer reflection of the situation at MOT SA, which in our opinion is very low for a training organisation. This indicates to us that the costs are being managed and controlled to the extent that donors of funds to the organisation can feel assured that the major portion of all funds donated to MOT SA are being channelled towards achieving the Mission of the organisation.

In the event of any questions, please contact the undersigned.



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