

Department of Communications

ANNUAL REPORT

2015/16

Vibrant and sustainable communication services for an informed citizenry and a positive image of South Africa



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Department:
Communications
REPUBLIC OF SOUTH AFRICA





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ANNUAL REPORT **2015/16**

Submission of the Department of Communications (DoC) 2015/16 Annual Report

To the Minister of Communications, Ms Faith Muthambi, MP.

I have the honour of submitting to you, in accordance with the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), the Annual Report of the DoC for the period 1 April 2015 to 31 March 2016.

A handwritten signature in black ink, appearing to read 'N. Munzhelele', positioned above a dotted line.

Mr Norman Munzhelele
Acting Accounting Officer: DoC

Date of submission: 2 August 2016

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

Physical address:

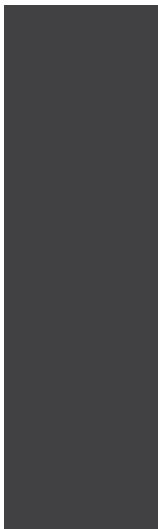
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2. LIST OF ABBREVIATIONS/ACRONYMS

A&RC	Audit and Risk Committee
AENE	Adjusted Estimates of National Expenditure
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
ASO	Analogue Switch-Off
BDM	Broadcasting Digital Migration
DG	Director-General
DoC	Department of Communications
DPME	Department of Planning, Monitoring and Evaluation
DSO	Digital Switch-On
DTH	Direct To Home
DTPS	Department of Telecommunications and Postal Services
DTT	Digital Terrestrial Television
DTT PMO	Digital Terrestrial Television Programme Management Office
ECA	Electronic Communications Act
EXCO	Executive Committee
FPB	Film and Publication Board
GCIS	Government Communication and Information System
HD	High Definition
HDI	Historically disadvantaged individual
HIV	Human Immunodeficiency Virus
HOA	Homeowner's Allowance
HoD	Head of Department
HPM	Human Progress Management
IAA	Internal Audit Activity
HR	Human Resource
HRD	Human Resource Development
HRM&D	Human Resource Management and Development

HRP	Human Resource Plan
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communications Technology
MANCO	Management Committee
MDDA	Media Development and Diversity Agency
MISS	Minimum Information Security System
MoU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NRF	National Revenue Fund
OAG	Office of the Accountant-General
PFMA	Public Finance Management Act
PSCBC	Public Service Coordinating Bargaining Council
PSETA	Public Service Sector Education and Training Authority
SABC	South African Broadcasting Corporation
SABPAB	South African Broadcast Production Advisory Body
SAFTAS	South African Film and Television Awards
SAPO	South African Post Office
SARS	South African Revenue Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SMS	Senior Management Service
SOE	State-Owned Entity
SSA	State Security Agency
STB	Set-Top Box
WRC	World Radio Conference
WSP	Workplace Skills Plan



FOREWORD BY THE MINISTER

It gives me pleasure to present the first Annual Report of the Department of Communications (DoC) for the 2015/16 financial year to Parliament. The establishment of the DoC was announced following the general elections in May 2014 by President Jacob Zuma. He stated that: “We have established a new Communications Ministry, which will be responsible for overarching communications policy and strategy, information dissemination and publicity as well as the branding of the country abroad.

Improved communication and marketing will promote an informed citizenry and also assist the country to promote investments, economic growth and job creation”. The Ministry comprises two national departments (The DoC and Government Communication and Information System (GCIS), and five state-owned entities (SOEs) – Independent Communications Authority of South Africa (ICASA), Brand South Africa, South African Broadcasting Corporation (SABC), Media Development and Diversity Agency (MDDA) and the Film and Publication Board (FPB).

The department was guided by key government policies and plans for the medium – term including the National Development Plan (NDP), the New Growth Path, the Nine-Point Plan in the development and implementation of policies, programmes and strategies. Achievements and challenges for the 2015/16 financial year in relation to policy directives and strategic outcome-related goals are also reflected in the Annual Report.

The 2015/16 financial year will be remembered as a breaking point year for the DoC, when it launched the set-top boxes (STBs) for the Broadcasting Migration Programme. The implementation of the long-awaited Digital Migration started in the Northern Cape. The department made significant progress in implementing the approved Broadcasting Digital Migration (BDM) Policy. Digital Terrestrial TV (DTT) (SANS 862) and Direct-to-Home (DTH) (SANS 1719) standards and Integrated Digital TV (SANS 10352) standard were finalised during the year under review. The department undertook a series of bilateral engagements with Botswana, Namibia,

Mozambique, Swaziland and Lesotho to ensure the harmonisation of the radio frequency spectrum in order to develop plans to reduce any potential broadcast signal interference. Public-awareness campaigns to educate the citizens about the need to migrate and the benefits of the BDM programme were launched on 3 July 2015.

The launch was followed by a series of Digital Migration *Izimbizo* campaigns that I led across the country. A conformance regime to ensure that the STBs and related accessories are produced in South Africa was finalised, and a panel of 26 manufacturers was established to produce STBs and related accessories such as antennae and satellite dishes. There has been challenges with implementing the Broadcasting Migration Programme; we noticed a slow registration take-up by citizens due to the TV-licence requirement and insufficient funding to conduct public and consumer awareness campaigns. Together with the SABC management we have since resolved to delink the TV-licence requirement from the STB subsidy registration process.



The objectives of the policy are to ensure that media development, transformation and diversity become a reality in South Africa, and to strengthen current legislations in place which are aimed at creating opportunities for South African media to grow, flourish and transform. Together with the GCIS, the DoC has implemented transformation interventions to overhaul the broader communications industry. Going forward print media transformation is our flagship project for the 2016/17 financial year, when the policy will be finalised and implemented. We will during the second quarter of the financial year host a colloquium on Print Media Transformation with all role players, including the public.

Work is at an advanced stage regarding the finalisation of the broadcasting policy review process. Some of the overarching and specific objectives of the review are to create a level playing field for emerging audio-visual media services; protect and empower consumers (audiences), in particular guarantee key societal values for the protection of minors and human dignity, and promoting the rights of visually or hearing-impaired persons; and promote South African content to support social cohesion and nation-building, and safeguard media diversity, pluralism, freedom of expression and information.

The protection of children against harmful online content also remains a critical component of our work and we have since introduced the Films and Publications Amendment Bill to Parliament.

An overarching National Communication Policy to refocus and improve government communications in all spheres has been completed and is being out to departments and entities. The department inaugurated the South African Broadcast Production Advisory Body (SABPAB) as empowered by Section 38 of the Broadcasting Act, 1999 (Act 4 of 1999). The main purpose of the body is to advise on how the development, production and display of local TV and radio content can be supported. The department is not adequately funded to fully discharge its mandate as pronounced by President Jacob Zuma in May 2014. We will, however, continue to make the best out of the available budget as we discharge our critical mandate.

I wish to thank Deputy Minister Stella Ndabeni-Abrahams for her cooperation and support towards the communication sector. Secondly, I would like to express my gratitude to the chairpersons and members of the Portfolio and Select Committees on Communications, as well as the boards of all our respective entities, for their oversight. Finally, a word of thanks to the public entities and the Director-General (DG) and his team for their support and spirit of cooperation. By working together we can move South Africa forward to attain economic freedom and ensure access to universal information for all our citizens.

Ms Faith Muthambi, MP

Minister of Communications

Date: 10 August 2016

DTT Public Awareness Campaign and related activities such as the Call Centre are not funded for the 2016/17 financial year. However, we will find alternative ways to ensure that these activities are implemented.

Government communications has happened largely at three levels, namely print media, broadcasting and face-to-face engagement with the citizens through programmes such as *izimbizo*. The media has remained largely dominated by monopoly players with its ownership and management remaining far below prevailing population demographics. To expedite the transformation of the media industry and address the challenges of media transformation, the department has developed a discussion paper on Media Transformation Policy.



Ms Stella Ndabeni-Abrahams, MP
Deputy Minister of Communications



REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the DoC:

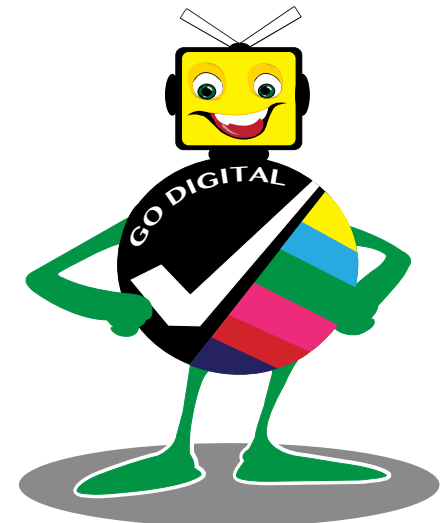
One of the core priorities of the DoC during the year under review was to establish the department as an independent department as pronounced by the President in June 2014. This required a sourcing of the DoC budget and establishing the programme structure. Furthermore, a number of administrative activities to migrate the financial, personnel and supportive service functions from the Department of Telecommunications and Postal Services (DTPS) and GCIS to the DoC were initiated. Despite this important focus on establishing the department, the DoC was able to execute all its core business mandates pertaining to the building of relationships, the review and drafting of policy and legislation, and implementing its oversight obligations as outlined in its Strategic Plan and Annual Performance Plan (APP).

The end of the 2015/16 financial year saw the DoC as an established department tasked with implementing its mandate. Part of this process included the

appointment of officials in line with the organisational structure and the budget as well as sourcing additional funds to fund the objectives and targets as committed in the APP. This placed the department in a good space to ensure access to information and media transformation in the country. The department had 82 targets planned for the 2015/16 financial year and 52 were achieved, 30 were not achieved. Overall the department achieved 63% of the 2015/16 planned deliverables. Programme 1 achieved 29 of its targets, Programme 2 achieved five, Programme 3 achieved 11 and Programme 4 achieved seven. The department also managed to overachieve five of its planned targets. The DoC has made good progress in establishing itself but still require support. Resources are core to the performance of any organisation.

During the year under review, significant attention was devoted to strengthening partnerships with communities through outreach campaigns, assisting the roll-out of DTT STBs. Nation-building and social cohesion will continue to remain a key priority as stipulated in the NDP.

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The review of the broadcasting policy was done and a *Green Paper on Broadcasting Policy Review* was finalised. The Minister approved the National Communication Policy, which is currently undergoing a cluster process. Some of the objectives of the policy are to provide the public with timely, accurate and clear information about government policies, programmes and plans as well as making information widely accessible to all South Africans with diverse needs. The Broadcasting Amendment Bill and Films and Publications Amendment Bill were approved by Cabinet and submitted to Parliament. In this regard, a few pieces of legislation and amendments were developed for public consultation and introduced to Parliament for consideration.

We remain committed to the principle of a responsive and accountable communications sector. We would like to thank everyone who dedicated their time and energy to implement our priorities. We appreciate the sterling leadership by Minister Muthambi and Deputy Minister Ndabeni-Abrahams. The department and its employees are committed to its values of operational and intellectual excellence anchored by quality relationships. The DoC acknowledges its staff as the critical driver in achieving exceptional performance and improved service delivery. The performance, financial and non-financial, is set out in this 2015/16 Annual Report.

Overview of the financial results of the department:

The DoC was originally allocated R1 280 888 000 for the 2015/16 financial year. The departmental budget baseline allocation was increased with R10 million during the Adjusted Estimates of National Expenditure (AENE). The DTT Project was formally handed over from the DTPS to the DoC on 31 January 2015. The function was, however, handed over without a budget and at the time the budget process had already been concluded for the 2015/16 financial year.



After consultations with the DTPS, it was agreed that a once-off transfer of R10 million would be done from the DTPS to the DoC in the 2015/16 financial year, increasing the baseline to R1 290 888 000.

Of the allocated budget of R1 290 888 000, an amount of R1 210 000 000 (94%) was allocated and transferred to the departmental agencies, leaving the organisation with a total operational budget of R80, 888 million, of which R10 million (that was received during the AENE as a once-off transfer from the DTPS) was specifically earmarked for the DTT Awareness Campaign. A total of R22 million was allocated for this function which historically resided at the DTPS (former DoC). The department

remains under-funded and had to use savings under Compensation of Employees, which was as a result of delays in filling vacant positions, to fund other strategic objectives.

During the 2015/16 financial year, an amount of R47,591 million (59%) was paid towards the compensation of employees, R28, 687 million (35%) was paid for goods and services whilst R1.558 million (2%) was for capital assets.

The DoC recorded a total saving of R2,846 million during the 2015/16 financial year, which represents 0.22% of the total budget allocation of R1,291 billion. The saving can mainly be attributed to the fact that

the R10 million for the DTT Awareness Campaign was only made available in the third quarter of the financial year, and spending only took place from the fourth quarter due to planning and procurement processes.

The DoC continues to adhere to sound financial management as stipulated in the PFMA of 1999, Treasury Regulations and good governance. The financial policies of the DoC had been in place since the establishment of the department and underpinning the current economic situation of the country in general. The DoC will continue to promote financial discipline across all levels in order to ensure responsible use of financial resources.

Table 1: Departmental receipts**5.3 Departmental receipts**

Departmental receipts	2015/16			2014/15		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	8	12	(4)	-	-	-
Interest, dividends and rent on land	4 000	3 406	594	-	-	-
Financial transactions in assets and liabilities	32	67	(35)	-	-	-
TOTAL	4 040	3 485	555	-	-	-

The departmental revenue mainly consists of interest received on the commercial bank account as well as interest on Loan 14 that is being received from the SABC in terms of Section 30(1) of the Exchequer Act, 1975 (Act 66 of 1975). In terms of Section 30(2) of the same Act, interest is payable six monthly in arrears on 31 January and 31 July every year at a rate of 6.5% per year.

The DoC has received approximately R1,3 billion from ICASA in respect of administrative fees. The department is deemed to be a “conduit” as it mainly transfers the administrative fees to the National Revenue Fund (NRF) and South African Revenue Service (SARS) respectively. Therefore, the department does not realise this revenue in the Statement of Financial Performance.

Table 2: Programme Expenditure**5.4 Programme Expenditure**

Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	48 207	48 2016	1	-	-	-
2. Communications, Policy Research and Development	7 266	4 896	2 370	-	-	-
3. Industry Research and Capacity Development	20 843	20 385	458	-	-	-
4. Entity Oversight	1 214 572	1 214 555	17	-	-	-
TOTAL	1 290 888	1 288 042	2 846	-	-	-

The department spent 99.8% of its allocated budget and realised a nett underspending of R2,846 million (0.2%). Apart from the fact that R1.2 billion was allocated to Programme 4: Entity Oversight, expenditure mainly took place under Programme 1. Owing to the limitation of Section 43 of the PFMA of 1999, the saving realised under Programme 2: Communications, Policy Research and Development could not be shifted to other programmes within the department. Programme 2 was constantly under-capacitated and hence a saving was realised in this programme.

5.5 Virements/rollovers

Since the department is effectively in its first year of operation, no rollover funds from 2014/15 could have been received.

The following table reflects the virement that was applied after the AENE:

Main division	AENE	Virement	Final appropriation
	(R'000)	(R'000)	(R'000)
1. Administration	42 414	5 793	48 207
2. Communications, Policy Research and Development	7 897	(631)	7 266
3. Industry Research and Capacity Development	20 197	646	20 843
4. Entity Oversight	1 220 380	(5 808)	1 214 572
TOTAL	1 290 888	0	1 290 888

The department was underfunded in the 2015/16 financial year and savings under Compensation of Employees were mainly used to fund expenditure under Goods and Services as well as Capital Expenditure of the department. Since the department was only established on 1 April 2015, many positions remained vacant for the bigger part of the financial year due to the recruitment, selection, verification and appointment processes that are taking long.

The increase in Programme 1: Administration was mainly funded by savings under Programme 4: Entity Oversight. Since the department was established with the Ministry, the expenditure in Programme 1 was mainly to fund operations of the Minister and Deputy Minister who mainly spent funds on travelling between Pretoria and Cape Town to honour their parliamentary duties.

The saving of R2,370 million under Programme 2: Communications, Policy Research and Development could not be reprioritised to other programmes due to the 8% virement limitation in terms of Section 43 of the PFMA of 1999. The department did not have any fruitless and wasteful expenditure during the period under review.

5.6 Future plans of the department

The department's future plans have been captured in the Strategic Plan 2015-2020 and the APP 2015-2018, and aligned to the priorities and outcomes of government over the 2014-2019 electoral period.



5.7 Public-Private Partnership (PPP)

The department did not enter into any PPP.

5.8 Discontinued activities/activities to be discontinued

The DoC will continue with its activities into the 2016/17 financial year. Although the department remains totally underfunded, it will have to find creative ways to fund its operations in the 2016/17 financial year.

5.9 New or proposed activities

No new activities will be introduced in the 2016/17 financial year.

5.10 Supply Chain Management (SCM)

- The department does not have unsolicited bid proposals concluded for the year under review. A policy on irregular and wasteful expenditure has been developed and approved. Internal controls and policies are in place and reviewed annually to avoid any form of irregular and wasteful expenditure. During the 2015/16 financial year, the GCIS was providing support in the procurement of goods and services.
- The department will be capacitating SCM of the DoC in the 2016/17 financial year.

5.11 Gifts and donations received in kind from non-related parties

During the 2015/16 financial year, the DoC received in-kind gifts, donations and sponsorships to the value of approximately R628 000. Sponsorships were mainly obtained during the launch of the DTT Awareness Campaign during December 2015.

5.12 Exemptions and deviations received from National Treasury

The department did not apply for or receive any exemption from National Treasury in respect of the PFMA of 1999, Treasury Regulations or deviation from the financial reporting requirements in respect of the current financial year.



5.13 Events after the reporting date

No events occurred after the reporting date and the date of approval of the Annual Financial Statements.

5.14 Investigations

Two investigations have been instituted into the governance matters of the MDDA and the procurement processes of STBs by the Universal Service and Access Agency of South Africa. The draft investigation reports have been compiled.

5.15 Acknowledgement/s or Appreciation

The department expresses appreciation to Minister Muthambi and Deputy Minister Ndabeni-Abrahams for their leadership and support during the 2015/16 financial year.

5.16 Approval and sign-off

The 2015/16 Annual Financial Statements is approved by the Acting Accounting Officer.

Mr Norman Munzhelele

Acting Accounting Officer: DoC

Date: 10 August 2016



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the Annual Report are consistent. The Annual Report is complete, accurate and is free from any omissions. The Annual Report has been prepared in accordance with the guidelines issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource (HR) information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, performance information, HR information and the financial affairs of the department for the financial year ended 31 March 2016.

Yours faithfully

A handwritten signature in black ink, appearing to read 'N. Munzhelele', written over a horizontal line.

Mr Norman Munzhelele

Acting Accounting Officer: DoC

Date: 10 August 2016

7. STRATEGIC OVERVIEW

7.1 Vision

Vibrant and sustainable communication services for an informed citizenry and positive image of South Africa.

7.2 Mission

Create an enabling environment for the provision of inclusive communication services to all South Africans in a manner that promotes socio-economic development and investment through broadcasting, new media, print media and other new technologies, and brand the country locally, regionally and internationally.

7.3 Values

- Certainty of the policy environment
- People centred
- Quality standards of products and services
- Integrity
- Responsiveness
- Innovation.

8. LEGISLATIVE AND OTHER MANDATE

8.1 Constitutional mandate

The DoC's constitutional mandate is derived from the Bill of Rights in the Constitution of the Republic of South Africa of 1996, in particular the principles of freedom of expression, freedom to receive or impart information or ideas and freedom of artistic creativity. Its main focus is to deepen democracy and sustain nation-building and patriotism by ensuring that the citizenry is informed about government programmes



and that they are able to influence and participate in such programmes.

8.2 Legislative and other mandates

The DoC's mandates are derived from the President's proclamation when establishing the department, and these are:

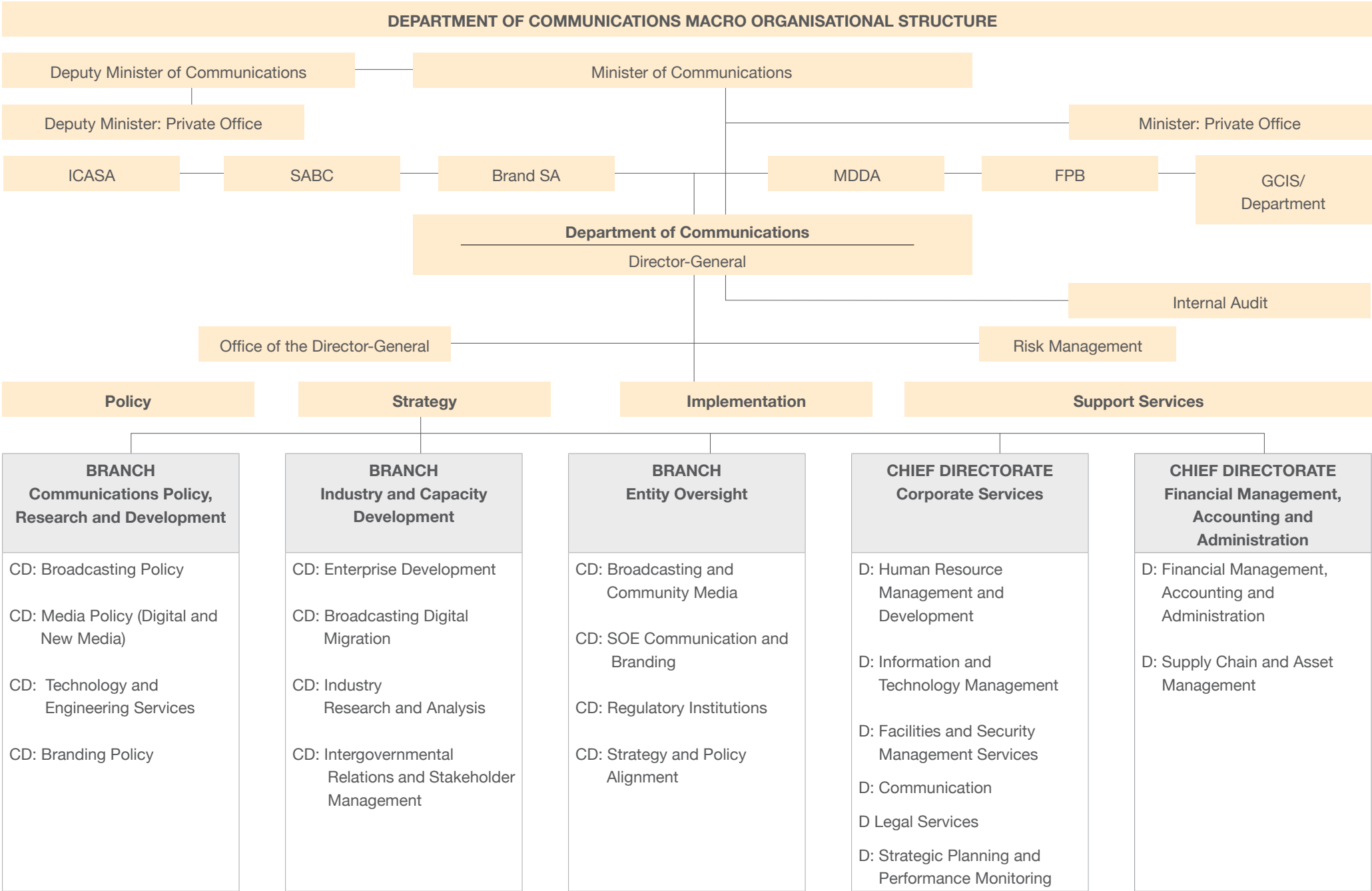
- Develop an overarching communications and broadcasting policy and strategy
- Provide information dissemination and publicity to promote an informed citizenry
- Brand South Africa abroad to assist the country promote investments, economic growth and job creation.

8.3 Furthermore, the legislative framework for the work of the DoC is contained primarily in the following legislation:

- Broadcasting Act, 1999 (Act 4 of 1999);
- Electronic Communications Act (ECA), 2005 (Act 36 of 2005);
- ICASA Act, 2000 (Act 13 of 2000);
- Films and Publications Act, 1996 (Act 65 of 1996); and
- MDDA Act, 2002 (Act 14 of 2002).

8.4 The department is also guided, amongst others, by:

- The Constitution of the Republic of South Africa of 1996;
- The Public Service Act, 1994 (Act 103 of 1994), as amended;
- The PFMA of 1999, as amended;
- International Telecommunications Union; and
- World Intellectual Property Organisation.



ENTITIES REPORTING TO THE MINISTER

Name of the entity	Legislative mandate	Financial relationship	Nature of operations
MDDA	The MDDA was set up in terms of the MDDA Act of 2002 to enable historically disadvantaged communities and individuals to gain access to the media. The mandate of the agency is to create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans; redress the exclusion and marginalisation of disadvantaged communities and people from access to the media and the media industry; and promote media development and diversity by providing support primarily to community and small commercial media projects. The overall objective of the agency is to ensure that all citizens can access information in a language of their choice, and to transform media access, ownership and control patterns in South Africa.	Transfer payment	<ul style="list-style-type: none"> • Provide technical, non-financial and financial support to diverse media platforms. • Provide support to the increased participation of communities in ownership and control of community and small commercial media. • Provide community media grants. • Promote ownership, control and access to information and content production by communities. • Enhance ownership, participation and control of print and digital media by independent media entrepreneurs. • Create and enhance a body of knowledge of the media landscape. • Build capacity for a diverse media industry.
SABC	The SABC is listed as a schedule 2 public entity in terms of the PFMA of 1999. Its mandate is set out in its charter and in the Broadcasting Act of 1999, as amended, and requires it to provide radio and TV broadcasting services to South Africa.	Transfer payment	<ul style="list-style-type: none"> • Radio broadcasting. • TV broadcasting. • Implement digital terrestrial migration and technology. • Programme and develop local content. • Expand commercial radio stations to increase the organisation's audience share. • Digitise value chain and distribution platforms.
ICASA	ICASA was established by the ICASA Act of 2000, as amended, to regulate the South African communications, broadcasting and postal services sectors. The regulator's mandate is defined in the ECA of 2005 as licensing and regulating electronic communications and broadcasting services, and in the Postal Services Act, 1998 (Act 124 of 1998) as regulating the postal services sector. Enabling legislation also empowers the regulator to monitor licensee compliance with licence terms and conditions, develop regulations for the three sectors, plan and manage the radio frequency spectrum and protect consumers in relation to these services.	Transfer payment	<ul style="list-style-type: none"> • Conduct advocacy and awareness campaigns. • Monitor spectrum interference. • Implement DTT projects. • Implement the activities of postal and broadcasting licensees. • Implement customer relationship management. • Use spectrum management tools to ensure the optimal use of the high demand radio frequency spectrum by licence holders.

Brand South Africa	Brand South Africa was established as a trust in 2002 and gazetted as a schedule 3A public entity in 2006, in accordance with the PFMA of 1999. Its purpose is to develop and implement a proactive and coordinated international marketing and communications strategy for South Africa, to contribute to job creation and poverty reduction, and to attract inward investment, trade and tourism.	Transfer payment	<ul style="list-style-type: none"> • Develop and manage brand strategy. • Render assistance to government and private sector entities in aligning their communications strategies with national messaging. • Improve brand-ranking index. • Host South African Competitiveness Forum. • Roll-out Play Your Part TV series.
FPB	The FPB regulates and controls the creation, production, possession, exhibition and distribution of films, interactive computer games and certain publications in terms of the Films and Publications Act of 1996. The board is also responsible for monitoring age restricted business premises for compliance with their licence and registration terms.	Transfer payment	<ul style="list-style-type: none"> • Protect children against premature exposure to adult experiences and harmful materials, particularly films, games and publications. • Conduct awareness programmes that inform and educate the public about films, videos and games that are harmful to children. • Conduct research on human trafficking. • Monitor compliance with the Films and Publications Act of 1996. • Develop and implement a content regulation framework that ensures 100% classification and labelling of classifiable content distributed on online, mobile and related platforms. • Implement programmes aimed at cyber safety and child online protection.



PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:

- Programme 2: Communication Policy, Research and Development on pages 37 to 43
- Programme 3: Industry and capacity development on pages 43 to 49
- Programme 4: Entity Oversight on pages 49 to 52.

I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete. I did not identify any material findings on the usefulness and reliability of the reported performance information for all the selected programmes.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The mandate of the DoC, as pronounced by President Zuma following the May 2014 general elections, include the development of an overarching communications and broadcasting policy and strategy, provision of information dissemination and publicity to promote an informed citizenry, and branding South Africa abroad. The department, under the leadership of Minister Muthambi, has devised the appropriate institutional mechanisms to drive the implementation of the above mandate.

Communication plays an important supportive role in the realisation of government's strategic objectives as outlined in the NDP and the MTEF. It energises and mobilises the nation to take an active role in realising government's programme of radical economic transformation which addresses poverty, unemployment and inequality. It is a catalyst in promoting nation-building, unity and social cohesion. It protects and defends the image of government by proactively communicating government messages and showcasing delivery successes, challenges and corrective action plans.

The central agenda of the DoC is to address issues of transformation in the industry and to drive effective performance of the communications sector. The media industry in South Africa has remained largely dominated by monopoly players with its ownership and management remaining far below prevailing population demographics.



Government communications happened largely at three levels, namely print media, broadcasting and face-to-face engagement with the citizens through programmes such as *izimbizo*. During the period under review, the department implemented the BDM Programme which achieved many milestones. Cabinet approved and gazetted BDM Policy amendments in March 2015 and bilateral engagements with neighbouring countries to ensure Frequency Spectrum Harmonisation agreements were carried out in May and June 2015.

The DTT Programme Management Office (DTT PMO) has embarked on the assessment of programme implementation show stoppers. The purpose of the assessment was to clear the path in order to realise the goal of the programme.

These include but not limited to determination and prioritisation of borderline areas, placement of purchase orders for DTT devices, establishment of a contact centre for DTT, finalisation of channel numbering for broadcasters, determination of broadcasters' new digital channels, establishment of logistics and distribution readiness of STBs and other critical issues of strategic importance. The most important key objective was for the DTT PMO to advise the Minister about engaging Cabinet regarding dual illumination performance period as dictated by Cabinet when approving BDM Policy amendments in March 2015.

The DTT PMO continued consultations with individual key role players and finalised a South African DTT Ecosystem. STB Conformance regimes for both DTT and DTH were finalised and implemented. The Digital Switch-On (DSO) and Analogue Switch-Off (ASO) plan has been completed by Sentech and adopted for implementation. This plan is aligned with the

South African Post Office (SAPO) registration and STB distribution and installation plan. A panel of manufacturers was established in August 2015. Six companies that were appointed to supply STBs received their certification to begin mass production of the devices, particularly the three to supply DTT and DTH STBs.

The Minister of Communications hosted an STB registration process event on 2 October 2015 in the town of Keimoes, Northern Cape, within the Kai !Garib Municipality. Commencement of the registration process was launched in line with the countrywide DSO and ASO plan of Sentech. Distribution and installation of government-subsidised devices commenced in December 2015 after which the Minister hosted an event to launch the Distribution and Installation process on 17 December 2015. During the day of the launch, 142 STBs were distributed.

Following the commencement of the mass production, distribution and installation of the STBs, the Minister hosted an STB Launch event titled “Zwi khou itea” (It is happening) in the town of Keimoes, Northern Cape within the Kai !Garib Municipality. The event took place on 17 December 2015 where industry players, key stakeholders and role players’ entities participated. Northern Cape Premier Silvia Lucas attended the STB launch event, which was broadcasted on the SABC 2 Morning Live show. Pamphlets and leaflets were designed and translated in local languages for the DTT awareness campaigns.

Sentech finalised the Contact Centre Business Case and Operational Model, which was approved by the DTT PMO and adopted for implementation. The proposal has since been provided to the Chief Financial Officer (CFO) for the provision of funding and engagement with relevant stakeholders. The department, in partnership with the DTSPS and Ellis company as the training provider, have trained seven

young people in the Northern Cape municipality where the Minister launched DTT late last year as part of the skills development and beneficiation initiative for the programme. Some 303 360 STBs have been produced and delivered to the SAPO warehouses branches. Some 174 857 antennae have been produced, of which 14 740 have been delivered to the SAPO warehouses’ branches. Some 43 620 satellite dishes have been produced, of which 40 020 have been delivered to SAPO warehouses’ branches. Some 10 814 qualifying consumers to receive government-subsidised STBs have been registered with the SAPO. Some 2 632 installation allocations for the government-subsidised STBs have been done in the Northern Cape. Some 1 613 installations have been completed in the Northern Cape.

The DoC has established the SABPAB as entailed in Section 38 of the Broadcasting Act of 1999 in order to advise the Minister on how the development,

production and display of local TV and radio content can be supported. The SABPAB convened two meetings during the financial year. Some 84 intergovernmental and stakeholder engagements (*izimbizo*) were held across the country and 16 international engagements were held with different structures and countries.

The Minister approved the National Communication Policy that is undergoing cluster process. The Broadcasting Amendment Bill and Films and Publications Amendment Bill were approved by Cabinet and submitted to Parliament. The FPB hosted the African Media Content Classification and Online Child Protection Conference Programme on Cyber Safety; Child Protection and Classification: An African Perspective from 12 to 14 October 2015. Two broadcasting policy papers were produced for international engagements: the position paper for the World Radio Conference 2015 (WRC15) that was held in Geneva and the South African position



paper on establishing the Pan-African TV and Radio network. The MDDA provided five radio stations with broadcasting infrastructure and supported 20 community media projects. The community radio stations that were supported resulted in the creation of 41 permanent jobs and 105 temporary jobs.

The 2015/16 quarterly oversight reports for DoC public entities were analysed and submitted to the Executive Authority. Some 12 funding requests for entities were submitted and funds were transferred to entities. The SABC funding model was reviewed and a report was compiled. The report indicates that the SABC will continue to be funded by a mix of commercial and public revenue. Most stakeholders that made submissions proposed that the mixed funding model (public and commercial revenue) be retained, but that the ratio of public funding to commercial revenue change.

2.2 Service Delivery Improvement Plan (SDIP)

The department did not have the SDIP during the period under review.

2.3 Organisational environment

The DoC is a new department that came into being after a proclamation transferring powers to new Ministers, as announced by President Zuma on 25 May 2014. Following the proclamation, the Minister of Public Service and Administration issued a determination on the transfer of functions and organisational structures in respect of the GCIS and the DoC. Based on the above processes, the department started operating on 1 April 2015 with an approved organisational structure comprising three core branches: Corporate Services, Financial Management, Accounting and Administration at chief directorate level. The department had 87 funded posts on its approved establishment and 65 of these posts are filled, 22 are still vacant and 25 employees have been employed in addition to the

establishment. The recruitment process is underway and the other appointments will be made in the following financial year.

A firm foundation for the effective functioning of the department has been laid with the approval of the organisational structure and the finalisation of the Strategic Plan 2015/16 to 2019/20. All entities reporting to the Ministry have been transferred and are fully discharging their mandates within the overall direction of the Ministry. The transferred staff from the DTPS brought the knowledge base for some of the programmes that the department is implementing. During the period under review, the department ensured the expedition of building institutional capacity, in particular employment of staff at leadership, management and support levels. During the year under review, the DoC established the necessary management instruments such as policies, procedures, plans and requisite computer systems and equipment to ensure a fully functional organisation.

The DoC is, however, still sharing office accommodation with the GCIS and the space has proven to be inadequate. The process of acquiring office space for the DoC has been put on hold due to lack of funding. A Memorandum of Understanding (MoU) has been signed between the DoC and GCIS, which allows GCIS officials to continue providing certain corporate services related support to the DoC until it is able to fully perform these functions.

The 2015/16 financial year presented a test to the department in ensuring that more is done with less capacity to implement the Strategic Plan 2015/16 to 2019/20. Given the bold leadership shown by the Minister and the Deputy Minister, and the relentless efforts of staff in driving the processes that have brought the department this far, it is satisfying to note that a firm foundation has been laid and the staff is ready to take this department to higher levels of success.



Table 4: Policies and legislation

2.4 Key policy developments and legislative changes

The DoC reviewed the following policies and legislation during the period under review. On the legislative front, the department amended the following legislation:

Name of Act	Purpose
Broadcasting Amendment Act	The objective of the amendment is to address the governance matters in relation to the size of the board, appointment procedure for the non-executive board of directors as well the removal and resignation of non-executive board members.
FPB Amendment Bill	The objective of the amendment is to align the Act and strengthen the capacity of the FPB to perform its functions.
National Communication Policy	To provide a vision and a framework within which the communication sector can grow and develop.

In the medium term the DoC anticipates to develop and review policies and legislation in a number of important areas:

Policy name	Purpose
<i>White Paper on Visual and Digital Content</i>	To review the 1998 <i>White Paper on Broadcasting</i> and related policies.
ICASA Amendment Bill	To amend the appointment procedures so as to reduce the number of councillors from nine to five to ensure operational efficiency and performance.
MDDA Amendment Bill	To align the Act to the name of the Minister of Communications and the department, and review the entity’s 10-year-old mandate in the digital environment.
Broadcasting radio frequency spectrum dividend policy	To ensure optimum allocation of radio frequency spectrum in support of growth and development of the broadcasting sector.
Media Transformation Policy	To address collectively the challenges in respect of transformation and diversity in print and digital media and seek solutions for immediate implementation.

3. STRATEGIC OUTCOME-ORIENTED GOALS (KEY ACHIEVEMENTS FOR OUTCOME 14: NATION-BUILDING AND SOCIAL COHESION)

The DoC plays a role in implementing Outcome 14: Nation-Building and Social Cohesion. The department has a role in “Forging a new overarching identity”. It needs to influence citizens to be proud of being South Africans and it has to improve the target from 66% to 75% of South Africans reflecting pride to be South Africans. It also has a role in improving identity based on self-description, from 52% to 60% target. The department has managed to drive a broadcasting system that preserves, informs and reflects the cultural heritage of all South Africans with a view to achieving 70% content that reflects South Africans. The above targets formed part of the Performance Agreement of the Minister of Communications and the President.

Some 60% of content reflecting South African perspectives and cultural diversity on SABC 1, 2 and 3 in accordance with Outcome 14 impacts the activity of promoting social cohesion across society through increased interaction across race and class. Brand South Africa conducted a national perception study key objectives of this study was to identify the trends that are shaping South African society. The results of the study indicates that citizens show a strong devotion to their country – 65% of the population describe themselves as South Africans first and 84% South Africans, reflecting pride to be South Africans.

Table 5: Outcome 14 – Impact Indicators.

Nation-building pillar	Impact Indicator	2019 targets	2015/16 targets	Actual Achievement 2015/2016
Promotion of social cohesion across society through increased interaction across race and class	Percentage of local content on SABC1 and 2	70% of content reflects South Africans	53% of content reflecting South African perspective and cultural diversity	60% of South African content reflecting South African perspectives and cultural diversity is shown on SABC 1, 2 and 3.
	Percentage of local content on SABC3			
Forging a new overarching identity	Pride in being South African	75% of South African reflecting pride to be South African	35% of South African reflecting pride to be South Africans	Domestic Perceptions Studies were conducted and results from the studies indicate that 84% of South Africans reflecting pride to be South Africans
	Identity based on self-description	60% of population describing themselves South African first	53% of improvement in South African national identity based on self-description	Domestic perceptions studies were conducted and shows a 65% improvement in South African national identity based on self-description.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

The purpose of the programme is to provide coordinated strategic and administrative support services to enable the Ministry and the department to deliver on mandates.

The programme's functions are organised into the following directorates and subprogrammes:

- 1. HR Management and Development (HRM&D):** Manages and facilitates the provisioning of HRM&D services.

- 2. Information and Technology Management:** Provides information and technology management services.
- 3. Facilities and Security Management Services:** Manages the provisioning of facilities management and security services.
- 4. Communications:** Provides communication and events management services to the department.
- 5. Legal Services:** Provides legal services.
- 6. Strategic Planning and Performance Monitoring:** Develops, reports and monitor the implementation of the Strategic Plan and the APP, and ensures that planning and performance reporting is coordinated across the department.
- 7. Financial Management, Accounting and Administration:** Manages finances.
- 8. SCM:** Manages supply chain and asset management.

- 9. Risk Management:** Performs risk management functions.

- 10. Internal Audit:** Provides internal audit functions.

Strategic objectives for the financial year under review

- Develop and implement effective HRM&D plans that support the strategic objectives of the department by 2019.
- Provide information and technology solutions and services to support the department in meeting its objectives by 2019.
- Provide effective facilities and security management services by 2019.
- Provide communication services to the department and production of publications, graphic designs, branding and marketing by 2019.
- Provide legal service and advice to the department by 2019.

- Develop, report and monitor the implementation of the Strategic Plan and the APP, and ensure that planning and performance reporting is coordinated across the department by 2019.
- Plan the department's budget, manage budget expenditure, prepare and submit regular reports and prepare financial statements by 2019.
- Render efficient and cost-effective supply chain and asset management by 2019.
- Implement and maintain effective, efficient and transparent systems of risk management and control by 2019.
- Render effective internal audit function by 2019.

Strategic objectives, performance indicators, planned targets and actual achievements

Key achievements

A MoU has been signed between the DoC and GCIS which allows the GCIS officials to provide corporate services related support to the DoC in managing and implementing key corporate services functions until such time as the DoC is able to fully perform these functions. The departmental HRM plan and policies were developed and approved. Critical posts were advertised and filled, the HRD strategy and induction programme were implemented, and a report was compiled on training attended during the period under review. Four employment equity reports were compiled. The Wellness, Human Progress Management (HPM), HIV and AIDS reports; Safety, Health, Environment, Risk and Quality Operational Plan and reports have been compiled. Security clearance/vetting forms were submitted to State Security Agency (SSA) as part of implementing security measures.

The department did not have funds for the implementation of learnership and internship programmes. The DoC as a newly established department has been exempted from the 2015/16 Management Performance Assessment Tool (MPAT) processes by the Department of Planning, Monitoring and Evaluation (DPME). The DoC is developing all relevant policies and reports in preparation for the 2016 MPAT process. The revised 2015/16 – 2019/20 APP and Strategic Plan for the medium term were approved and tabled in Parliament. Four quarterly reports for the implementation of the tabled APP were compiled and submitted to the DPME and National Treasury. Financial reports were compiled and presented to the DG, Ministry and National Treasury in line with Section 40 of the PFMA of 1999. The ENE was submitted to National Treasury on 13 November 2015. Risk management and internal audit reports were also compiled and submitted to the Audit and Risk committees (A&RCs).

A MoU was signed with GCIS wherein the GCIS Internal Audit unit is providing internal audit services to the DoC, as has been the case with other corporate support services. A number of internal audit projects were conducted and progress reports provided to management and to the A&RC. Specific focus was on audit projects relating to supply chain and finance, financial and non-financial statutory reporting, compliance, performance and the governance of Information and Communication Technologies (ICTs). These audits had a value-added services in assessing the design and effectiveness of a system of internal control, for the new DoC, which became operational with effect from 1 April 2015. Further details on the specific audits conducted is to be found on page 85 in the Governance Section of the Annual Report. The GCIS Internal Audit unit also provides administrative

and secretarial support to the governance structures established to deal with audit and related matters in pursuit of sound governance, risk management and control.

Challenges

There are targets in the APP that were identified with the hope that the DoC would acquire its own building. However, the department could not procure a building due to financial constraints. This resulted in the targets not being achieved, but the services are being provided by the GCIS as per the signed MoU. The delays in the implementation of the interim internal audit annual plan approved prior to commencement of the 2015/16 financial year, which meant that the targets set for the first quarter of the 2015/16 DoC APP were not met. However, a catch-up plan was developed that included reprioritisation of resources and revisions of audit plans to ensure that key audits as per the approved APP are implemented. Only 87 posts on the approved departmental structure are funded due to financial constraints.

Time taken to complete compulsory pre-employment screening that is conducted by the SSA affected the pace of filling vacant posts. Although a MoU was entered into with the GCIS which allowed GCIS officials to provide corporate services related support to the DoC with effect from 1 April 2015, the DoC could not develop the Workplace Skills Plan (WSP). The department was also unable to participate in the youth development programmes such as learnership and internship as it was in its first year of operation and the focus was on prioritising filling of the core functions of the department.

Misalignment of annual targets and quarterly targets.

Programme performance indicator	Reporting period	Annual target 2015/16	Quarterly targets				Comments
			Q1	Q2	Q3	Q4	
Information technology (IT) and systems procured and managed.	Quarterly	Procure and manage IT and systems. Four reports compiled.	Procure and manage IT and systems. Four reports compiled.	Procure and manage IT and systems. Four reports compiled.	Procure and manage IT and systems. Four reports compiled.	Procure and manage IT and systems. Four reports compiled.	Four reports target is stated in all the quarters instead of one report per quarter.
Financial policies, plans and procedures developed and the number of financial reports compiled and submitted to the Accounting Officer and the Executive.	Quarterly	Develop and implement financial policies, plans and procedures. Four quarterly financial reports compiled and submitted to the Accounting Officer and the Executive.	One financial report compiled and submitted to the Accounting Officer and the Executive.	One financial report compiled and submitted to the Accounting Officer and the Executive.	One financial report compiled and submitted to the Accounting Officer and the Executive.	One financial report compiled and submitted to the Accounting Officer and the Executive.	Financial policies, Plans and procedures developed are not mentioned in any of the quarterly targets.

Strategic objectives and performance indicators per subprogramme

Table 6.1: Subprogramme: Human Resource Management and Development

Subprogramme: Human Resource Management and Development						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Develop and implement effective HRM&D plans that support the strategic objectives of the department by 2019	Approved HRM&D policies and plans including setting up of HRM&D systems.	N/A	Develop and approve policies, plans, procedures, and set up HRM&D systems	HRM&D policies, plans and procedures were developed, approved and implemented.	None	None

	Number of reports on the implementation of plans prepared and submitted.	N/A	Four reports on the implementation of HRM&D plans.	Four reports on the implementation of HRM&D plans were compiled.	None	None
	Number of WSP prepared and submitted to the Public Service Sector Education and Training Authority (PSETA).	N/A	One WSP prepared and submitted.	Not achieved	The WSP was not submitted to PSETA	The DoC only became operation from 1 April 2015 with limited staff. The WSP will be prepared and submitted to PSETA in the first quarter of the 2016/17 financial year.
	Number of employment equity reports compiled	N/A	Four employment equity reports compiled	Four employment equity reports were compiled.	None	None
	Number of employee wellness programmes reports compiled.	N/A	Four employee wellness programmes reports compiled.	Four employee wellness programmes (HPM, HIV and AIDS) reports were compiled.	None	None
	Learnership programmes implemented and the number of reports compiled.	N/A	Implement learnership programmes and compile four reports.	Not achieved	Learnership programmes not implemented	The DoC only became operational from 1 April 2015 and the focus was on prioritising the filling of core functions of the department.
	Internship programme implemented and the number of reports compiled.	N/A	Implement internship programme and compile four reports.	Not achieved	Internship programme was implemented	The DoC only became operational from 1 April 2015 and the focus was on prioritising the filling of the core functions of department.
	Staff recruitment.	N/A	Advertise and recruit staff.	47 vacant posts were advertised, 30 permanent appointments and 11 contract appointment were made during the financial year.	None	None
	Induction and capacity development programmes to staff developed and implemented and the number of reports compiled.	N/A	Develop and implement induction and capacity development programmes to staff and compile four reports.	The induction and capacity development programme was developed and implemented. Four reports were compiled.	None	None

Table 6.2: Subprogramme: Information and Technology Management Services.

Subprogramme: Information and Technology Management Services						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Provision of IT solutions and services to support the department in meeting its objectives by 2019.	ICT policies relevant to the Public Service developed or applied.	N/A	Develop or apply ICT policies relevant to the Public Service.	ICT policies relevant to the Public Service were developed, approved and applied in the department.	None	None
	IT Management Strategy and Plan developed, implemented and the number of reports compiled.	N/A	Develop and implement IT Management Strategy and Plan.	Not achieved.	The IT Management Strategy and Plan were not developed	The IT Management Strategy and Plan were not developed due to capacity constraints.
	IT and systems procured and managed.	N/A	Procure and manage IT and systems Four reports compiled.	Reports on IT and systems procured were compiled.	None	None

Table 6.3: Subprogramme: Facilities and Security Management Services.

Subprogramme: Facilities and Security Management Services						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Provision of effective facilities and security management services by 2019.	Facilities management policies developed, implemented and the number of reports compiled.	N/A	Develop and implement facilities management policies and compile four quarterly reports.	Facilities management policies were developed and approved. Four implementation reports were also compiled.	None	None
	Security management policies developed, implemented and the number of reports compiled	N/A	Develop and implement security management policies. Compile four quarterly reports.	Security management policies were developed and approved. Four implementation reports were also compiled.	None	None

	Security systems procured and implemented.	N/A	Procure and implement security systems.	GCIS provided security systems for the DoC.	Security systems not procured.	The DoC is currently accommodated in the GCIS building and is using the security system. Security systems will be procured and implemented once the DoC has acquired a building.
	Information security measures including Minimum Information Security System (MISS) developed and implemented	N/A	Develop and implement information security measures, including MISS.	Security clearance/vetting forms were submitted to the SSA as part of implementing security measures in the department.	None	None

Table 6.4: Subprogramme: Communications.

Subprogramme: Communications						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Provision of communication services to the department and production of publications, graphic designs, branding and marketing by 2019.	communication policies, plans and procedures developed and implemented and the number of communication reports compiled.	N/A	Develop and Implement communication policies, plans and procedures. Four quarterly Communications reports compiled.	Communications policies, plans and procedures were developed and four implementation reports were compiled.	None	None
	Communication systems set up and managed and the number of reports compiled.	N/A	Set up and manage communication systems. Four quarterly reports compiled.	The department managed to set up communication systems and four quarterly reports were compiled.	None	None
	Communication content, graphics, publications, branding and marketing materials developed and the number of reports compiled.	N/A	Develop communication content, graphics, publications, branding and marketing materials. Four quarterly reports compiled	Four reports were compiled on the communication content, graphics, publication and branding materials developed during the financial year.	None	None

Table 6.5: Subprogramme: Legal Services.

Legal Services						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Provide legal service and advice to the department by 2019	Legal services rendered to the department and the number of reports compiled.	N/A	Render legal services to the department. Four quarterly reports compiled	Four reports on Legal services rendered to the department were compiled.	None	None
	Contracts, memoranda of understanding, legal instruments and litigation managed and the number of reports compiled	N/A	Manage contracts, memoranda of understanding, legal instruments and litigation Four quarterly reports compiled	Four reports were compiled on the contracts, memoranda of understanding, legal Instruments and litigation.	None	None
	Reviewed legislation, prepared Bills and the number of reports compiled.	N/A	Review legislation and prepare Bills. Four quarterly reports compiled	Four reports were compiled on all legislation that was reviewed and prepared during the financial year.	None	None

Table 6.6: Subprogramme: Strategic Planning and Performance Monitoring.

Subprogramme: Strategic Planning and Performance Monitoring						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Five-year Strategic Plan prepared, approved and reviewed	N/A	Prepare and get approval for the five-year Strategic Plan	The revised 2015/16 – 2019/20 five-year Strategic Plan was approved by the Minister and tabled in Parliament on the 11 of March 2016	None	None	None

	The number of APPs prepared and approved	N/A	One APP prepared and approved	The 2016/17 to 2018/19 APP was approved by the Minister and tabled in Parliament on 11 March 2016	None	None
	Annual reports prepared and submitted to the Executive, The Presidency and Parliament	N/A	Prepare and submit one Annual Report	Not achieved	Annual Report was not prepared and submitted to the Executive Authority and the DPME.	The legislated time frame for the submission of the Annual report to the AGSA, DPME and National Treasury is 31 May 2016 and to Executive and Parliament is 30 August 2016.
	The number of APP implementation reports prepared and submitted to the executive and regulatory authorities.	N/A	Four quarterly reports on the implementation of APP prepared and submitted to the Executive Authority and regulatory bodies	Four quarterly reports on the implementation of APP were submitted to MANCO, EXCO and regulatory bodies (DPME, National Treasury and Portfolio committee).	None	None
	The number of annual departmental monitoring and evaluation reports against the Strategic Plan prepared and submitted to the Executive Authority.	N/A	One annual monitoring and evaluation report prepared	Not achieved	Annual monitoring and evaluation report not been submitted to the Executive	The legislated time frame for the submission of the Annual Report to the AGSA, DPME and National Treasury is 31 May 2016 and to the Executive and Parliament is 30 August 2016.
	Score level on the implementation of MPAT to improve performance and compliance.	N/A	Implement MPAT to Improve performance and compliance and achieve a score of three	Not achieved	The MPAT process was not implemented in DoC for the 2015 cycle	As a newly established department, the DoC has been exempted from the 2015/16 MPAT processes by the DPME. The department is developing all relevant policies and reports in preparation for the 2016 MPAT process.

Table 6.7: Subprogramme: Financial Management, Accounting and Administration.

Subprogramme: Financial Management, Accounting and Administration						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Plan the department's budget, manage budget expenditure, prepare and submit regular reports and prepare financial statements by 2019	Financial policies, plans and procedures developed and the number of financial reports compiled and submitted to the Accounting Officer and the Executive.	N/A	Develop and implement financial policies, plans and procedures. Four quarterly financial reports compiled and submitted to the Accounting Officer and the Executive.	Financial policies, plans and procedures were develop and four quarterly financial reports compiled and submitted to the Accounting Officer and the Executive.	None	None
	Budget is prepared and managed in line with National Treasury legislation and guidelines.	N/A	Prepare and manage budget in line with National Treasury legislation and guidelines	In-year management reports were done in line with Section 40 of the PFMA of 1999. Drawings for 2016/17 were finalised and submitted to National Treasury on 29 February 2016 as per Treasury deadline. The Adjusted Appropriation Bill for the 2015/16 financial year and financial system was amended accordingly.	None	None
	The number of quarterly financial reports submitted to National Treasury.	N/A	Four quarterly financial reports submitted to National Treasury	Three quarterly IFS reports were done and submitted to National Treasury.	Quarter four report was not compiled	The legislation provide for three quarterly reports and the Annual Financial Statements which are prepared after the end of the financial year. This target will fall in the first quarter of the new financial year.
	Unqualified financial statements prepared and submitted for audit within set time frames.	N/A	Obtain unqualified audit opinion from the AGSA on financial statements	Not achieved	Unqualified financial statements were not yet prepared and submitted for audit	The legislated time frame for the submission of the Annual Report to the AGSA is 31 May 2016 and to Parliament is August, which is in the next financial year. The department was operational from 1 April 2015.

Table 6.8: Subprogramme: Supply Chain and Asset Management.

Subprogramme: Supply Chain and Asset Management						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Render efficient and cost-effective supply chain and asset management by 2019	SCM Policy developed and implemented and the number of implementation reports compiled	N/A	Develop and implement SCM Policy. Four SCM implementation reports compiled	SCM Policy was developed and four implementation reports were compiled	None	None
	Procurement Plan developed and the number of implementation reports compiled	N/A	Compile and implement Procurement Plan. Four implementation reports compiled	Procurement Plan was developed and four implementation reports were compiled	None	None
	Asset Management Plan developed and the number of implementation reports compiled	N/A	Develop Asset Management Plan. Four implementation reports compiled	Asset Management Plan was developed and four implementation reports were compiled	None	None

Table 6.9: Subprogramme: Risk Management.

Subprogramme: Risk Management						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Implement and maintain effective, efficient and transparent systems of risk management and control by 2019	Risk management policy, strategy and plan developed and the number of implementation reports compiled	N/A	Develop and implement risk management policy, strategy and plan. Four implementation reports compiled.	Not achieved	Risk management policy, strategy and plan were not developed.	The DoC only became operational from 1 April 2015 and the focus was on prioritising the filling of core functions of the department.
	Systems of risk management and control implemented and the number of implementation reports compiled	N/A	Implement systems of risk management and control. Four implementation reports compiled.	Reports were compiled on the systems of risk management and control.	Three implementation reports were compiled.	Operational risks relating to the Corporate Services function were implemented as per signed MoU with the GCIS. Core functions related risks were monitored through the process of monitoring the APP. Core function related risks were monitored through the process of monitoring the APP
	The number of risk identification and assessment reports compiled	N/A	Two risk identification and assessment reports compiled.	The strategic risks were identified and incorporated in the 2015-2019 Strategic Plan	Assessment reports were not compiled	DoC only became operational from 1 April 2015 and the focus was on prioritising the filling of core functions of the department.
	Fraud-Prevention Policy developed and the number of implementation reports compiled	N/A	Four implementation reports compiled.	Not achieved	Fraud-Prevention Policy was not developed	Fraud risks relating to the Corporate Services function were implemented as per signed MoU with GCIS.

Table 6.10: Subprogramme: Internal Audit

Subprogramme: Internal Audit						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Render effective internal audit function by 2019	Internal audit policy and plan developed, approved and the number of quarterly reports compiled	N/A	Internal audit policy and plan developed and approved. Four quarterly internal-audit reports compiled	Internal Audit policy and plan were developed and four quarterly internal-audit reports were compiled.	None	None
	The number of compliance-audit reports compiled	N/A	Four compliance-audit reports compiled	Four compliance-audit reports were compiled	None	None
	The number of performance audit reports compiled	N/A	Four performance-audit reports compiled	Four performance-audit reports were compiled	None	None
	The number of reports compiled on forensic investigations	N/A	Four forensic-investigation reports compiled	Four forensic-investigation reports were compiled	None	None

Strategy to overcome areas of under performance

The DoC manages performance in the following manner:

- Quarterly reports are presented and discussed at MANCO meetings.
- A report on unachieved targets as well as a progress report on carry-over deliverables is compiled and submitted to the EXCO.
- Monthly branch meetings are held to discuss performance and corrective measures.
- When assessing individual performance based on the signed performance agreements and work plans.

The targets that were not achieved in the period under review will be carried over to the 2016/17 APPs and operational plans.

Changes to planned targets

The department did not make any in-year changes to the planned targets.

Table 7: Linking performance with budgets: Subprogramme expenditure.

Subprogramme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Ministry	12 125	12 032	93	-	-	-
2. Departmental Management	28 397	28 725	(328)	-	-	-
3. Corporate Services	4 942	4 881	61	-	-	-
4. Financial Management	2 743	2 568	175	-	-	-
TOTAL	48 207	48 206	1	-	-	-

4.2 Programme 2: Communication Policy, Research and Development

The purpose of the programme is to conduct research, develop communications and broadcasting policies.

The programme's functions are organised into the following subprogrammes:

1. Broadcasting Policy, which conducts research and develops broadcasting policies.
2. Technology and Engineering Services, which conducts research and develops broadcasting spectrum policy and plan, develops standards and manages technology and engineering services.
3. Media Policy, which conducts research and develops print media, new media and communications policies.
4. Branding Policy, which conducts research and develops branding and messaging policies.

The strategic objectives for the financial year under review

- Conduct research in order to improve universal access to broadcasting services by 31 March 2019.

- Develop broadcasting policy papers for international engagements.
- Conduct research and develop the broadcasting spectrum policy and plan in order to ensure equitable allocation of spectrum to public, private and community players by 31 March 2017.
- Conduct research and develop media policies in order to broaden access to information by all citizens by 31 March 2019.
- Conduct research and develop branding policies that positively market the country locally and internationally in a manner that promotes socioeconomic development and investment by 31 March 2019.

Strategic objectives, performance indicators, planned targets and actual achievements

Key achievements

The draft Green Paper on broadcasting policy review was finalised and will be published for public consultations. Broadcasting Amendment Bill was approved by cabinet and submitted to Parliament.

The Minister approved the National Communication Policy that is undergoing cluster process. Analysis of submissions for the Community Broadcasting Support Strategy was finalised and presented to MANCO for approval.

Two broadcasting policy papers were produced for international engagements: the position paper for the World Radio Conference 2015 (WRC 15) that was held in Geneva and the South African position paper on establishing the Pan-African TV and Radio network.

The MDDA provided five radio stations with broadcasting infrastructure and supported 20 community media projects. The FPB conducted a series of consultations regarding the films and media classification system review. The FPB hosted the African Media Content Classification and Online Child Protection Conference Programme on Cyber Safety; Child Protection and Classification: An African Perspective on 12 to 14 October 2015. The Films and Publications Amendment Bill was approved by Cabinet and submitted to Parliament.

Strategic objectives and performance indicator per subprogramme

Table 8.1: Subprogramme: Broadcasting Policy.

Subprogramme: Broadcasting Policy						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Conduct research in order to improve universal access to broadcasting services by 31 March 2019	Broadcasting policy reviewed and <i>White Paper on Broadcasting Policy</i> developed, adopted and the number of implementation monitoring reports compiled	N/A	Conduct broadcasting policy review and develop Green Paper and <i>White Paper on Broadcasting Policy</i> for South Africa for Cabinet approval	Broadcasting policy review was conducted. A draft Green Paper was finalised and approved by MANCO on the review of the Broadcasting Policy.	The White Paper was not finalised for Cabinet approval.	There are ongoing discussions with the stakeholders both within government and the private sector on the finalisation of the White Paper for submission to Cabinet. The <i>White Paper on Broadcasting Policy</i> for South Africa will be submitted during the 2016/17 financial year.

	Broadcasting Amendment Bill drafted, approved by Cabinet, enacted into law by Parliament and the number of implementation monitoring reports compiled	N/A	Broadcasting Amendment Bill drafted, approved by Cabinet and enacted into law by Parliament	Broadcasting Amendment Bill was approved by Cabinet and introduced to Parliament for public hearings and enacting into law. The department presented the memorandum and objectives of the Bill to Parliament in February 2016. The department is in the process of supporting the parliamentary processes related to the Bill until it is passed by the National Assembly and presented to the President to enact into law.	Broadcasting Amendment Bill has not been enacted into law by Parliament.	Broadcasting Amendment Bill was not enacted into law by Parliament as it is undergoing parliamentary consultations processes. The process of enacting the Broadcasting Amendment Bill into an Act will be finalised in the 2016/17 financial year.
	ICASA Amendment Bill drafted, approved by Cabinet, enacted into law by Parliament and the number of implementation monitoring reports compiled	N/A	ICASA Amendment Bill drafted, approved by Cabinet and enacted into law by Parliament	Draft ICASA Amendment Bill was developed	ICASA Amendment Bill was not approved by Cabinet and introduced in Parliament.	The submission of the ICASA Amendment Bill to Cabinet and Parliament was postponed to the next financial year due to Cabinet decision that the department could only submit two strategic Bills. Therefore the drafting of the Bill has been postponed to the 2016/17 financial year.
	Community Broadcasting Support Strategy developed, approved and the number of implementation monitoring reports compiled	N/A	Community Broadcasting Support Strategy developed and approved	Community Broadcasting Support Strategy was not submitted to Cabinet for approval. The department was in the process of analysing the cost-benefit analysis on the Community Broadcasting Support Strategy before submission to Cabinet. The strategy will be finalised in the first quarter of the 2016/17 financial year.	Cabinet approval for Community Broadcasting Support Strategy not obtained.	Cost-benefit analysis on the Community Broadcasting Support Strategy is still ongoing before submission to Cabinet in the first quarter of the 2016/17 financial year.
	Number of broadcasting and communication policies and legislation approved for implementation	N/A	Three broadcasting and communication policies and legislation approved and implemented.	One National Communication Policy was approved by the Minister and it is undergoing cluster process. Broadcasting Amendment Bill and FBP Bill was approved by Cabinet and submitted to Parliament.	Three broadcasting and communication policies and legislation were not approved and implemented.	The policy and two legislation are still undergoing final consultation before approval and implementation.
Develop broadcasting policy papers for international engagements	Number of broadcasting policy papers produced for international engagements per year	N/A	Two broadcasting policy papers produced for international engagements	Two position papers were produced for international engagements: 1. The South African position on the Pan-African TV network. 2. Position paper on WRC15.	None	None

Table 8.2: Subprogramme: Technology and Engineering Services.

Subprogramme: Technology and Engineering Services						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Conduct research and develop the broadcasting spectrum policy and plan in order to ensure equitable allocation of spectrum to public, private and community players by 31 March 2017.	Broadcasting radio frequency spectrum dividend policy research conducted, the policy developed and policy directions issued to ICASA.	N/A	Research conducted on broadcasting radio frequency spectrum dividend policy and policy developed.	Research on broadcasting radio frequency spectrum dividend policy was conducted.	Frequency spectrum dividend policy was not developed.	The spectrum policy review is currently underway and will result in a White Paper. Consultation on the White Paper will allow the DoC to provide inputs and engage broadcasters in order to provide inputs on the <i>Spectrum Policy White Paper</i> when published.
	Number of STBs produced per year	N/A	235 000 STBs produced	303 360 STBs were produced and delivered to the SAPO warehouses' branches	Overachieved by 68 360	The over achievement was as a result of the effective implementation of the catch-up plan in preparation for the signal switch off in the Square Kilometre Array areas.
	Number of community radio stations provided with broadcasting infrastructure	N/A	Five community radio stations provided with broadcasting infrastructure	Five community radio stations provided with broadcasting infrastructure (Lekoa FM, Kgatleng FM, Maruleng FM, Madibogo FM, Bagaka FM)	None	None

Table 8.3: Subprogramme: Media Policy.

Subprogramme: Media Policy						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Conduct research and develop media policies in order to broaden access to information by all citizens by 31 March 2019	Cabinet approved The National Communication Policy and Plan and the number of quarterly implementation reports compiled	N/A	National Communication Policy developed and approved by Cabinet. Two quarterly implementation reports compiled	National Communication Policy was developed and approved by Minister for cluster consultation processes	National Communication Plan and two reports on the implementation of the National Communication Policy were not compiled.	National Communication Policy is currently undergoing cluster processes, as a result it could not be implemented. The implementation of the policy will be monitored and reports will be compiled during 2016/17 financial year.
	Media Transformation Policy developed and approved by Cabinet and the number of monitoring reports compiled	N/A	Media Transformation Policy developed and approved by Cabinet	The discussion paper on Media Transformation was developed	Cabinet approval of the Media Transformation Policy not obtained	Media Transformation Policy was not developed as consultation and engagement with the relevant stakeholders is still being coordinated before finalisation of the policy. The Media Transformation Policy will be carried into the 2016/17 financial year.
	Media Development and Diversity Position Paper developed, approved and the number of implementation reports compiled	N/A	Media Development and Diversity Position Paper developed and approved	Not achieved	Cabinet approval of the Media Development and Diversity Position Paper not obtained	The Media Development and Diversity Position Paper was not developed as it is going to be part of the implementation of Media Transformation Policy
	MDDA Amendment Bill developed and approved by Cabinet, enacted into law by Parliament and the number of monitoring reports compiled	N/A	MDDA Amendment Bill approved by Cabinet and enacted into by Parliament	The draft MDDA Bill was developed	MDDA Amendment Bill was not approved by Cabinet and was not enacted into by Parliament	The submission of the MDDA Amendment Bill to Cabinet and Parliament was postponed to the next financial year due to Cabinet decision that the department could only submit two strategic Bills. Therefore the drafting of the Bill has been postponed to the 2016/17 financial year.

	Number of community media projects implemented	N/A	20 community media projects implemented (<i>Die Horison, Puisano News, Inqubo Yabantu Abancinci, Trust for Community Outreach and Education – Community Newspaper, Qhawes Entertainment Group, Tshwarelo Creative Production, Nhlalala Community Newspaper, Tsoga o Phatsime News, Izwi labantwana, Ncube News</i> publication and music distributors, <i>SMME newspaper, Nkomazi Observer, Mmaiseng News, Kuruman Chronicle, Phetoho News, Bushbuckridge News, Xplore Magazine, Ezakwazulu News and Easter Cape women magazine.</i>	20 community media projects implemented.	N/A	N/A
	Community Media Support Strategy developed, adopted and the number of implementation reports compiled	N/A	Community Media Support Strategy developed and adopted.	Community Media Support Strategy was not developed and adopted	Cabinet approval of the Community Media Support Strategy was not obtained.	Community Media Support Strategy has been put on hold as it is going to be part of the implementation of the Audio-Visual and Digital Content Policy.
	FPB Bill drafted, enacted into law by Parliament and the number of implementation reports compiled	N/A	FPB Bill drafted and enacted into law by Parliament.	FPB Bill was approved by Cabinet and submitted/taled in Parliament for public hearings. The department presented the memorandum and objectives of the Bill to Parliament in February 2016.	FPB Bill has not being enacted into law by Parliament.	FPB was not enacted into law by Parliament as it is still undergoing parliamentary consultations processes. The department is in the process of supporting the parliamentary processes related to the Bill until it is passed by the National Assembly and presented to the President to enact into law.

	Films and media classification system reviewed, review paper approved by Cabinet and the number of implementation monitoring reports compiled	N/A	Films and media classification system reviewed and review paper approved by Cabinet	FPB has conducted series of consultations regarding the films and media classification system. The classification system is addressed as part of the Films and Publications Amendment Bill which was approved by Cabinet and is now in Parliament. The FPB hosted the African Media Content Classification and Online Child Protection Conference Programme on Cyber Safety; Child Protection and Classification: An African Perspective.	None	None
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Table 8.4: Subprogramme: Branding Policy.

Subprogramme: Branding Policy						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Conduct research and develop branding policies that positively market the country locally and internationally in a manner that promotes socioeconomic development and investment by 31 March 2019	Brand South Africa Bill developed, approved by Cabinet, enacted into law by Parliament and the number of biannual monitoring reports compiled	N/A	Brand South Africa Bill developed, approved by Cabinet and enacted into law by Parliament	Draft Brand South Africa Bill was developed	Brand South Africa Bill was not submitted to Cabinet and Parliament for enacting into law.	The submission of the Brand South Africa Bill to Cabinet and Parliament was postponed to the next financial year due to Cabinet decision that the department could only submit two strategic Bills. Therefore the drafting of the Bill has been postponed to the 2016/17 financial year.

Strategy to overcome areas of underperformance

The DoC manages performance in the following manner:

- Quarterly reports are presented and discussed at MANCO meetings.
- A report on unachieved targets as well as a progress report on carry-over deliverables is compiled and submitted to the EXCO.
- Monthly branch meetings are held to discuss performance and corrective measures.
- When assessing individual performance based on the signed performance agreements and work plans.
- The targets that were not achieved in the period under review will be carried over to the 2016/17 APPs and operational plans.

Changes to planned targets

The DoC did not make any in-year changes to the planned targets.

Table 9: Linking performance with budgets: Subprogramme expenditure

Subprogramme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Broadcasting Policy	6 341	4 883	1 458	-	-	-
Technical and Engineering Services	925	13	912	-	-	-
TOTAL	7 266	4 896	2 370	-	-	-

4.3 Programme 3: Industry and Capacity Development

The purpose of the programme is to manage enterprise development, BDM and industry research and analysis.

The programme's functions are organised into the following subprogrammes:

- Enterprise Development, which manages enterprise development.
- Broadcasting Digital Migration, which manages BDM.
- Industry Research and Analysis, which manages

industry research and analysis.

- Intergovernmental Relations and Stakeholder Management, which manages intergovernmental relations and stakeholder relations.

Strategic objectives for the financial year under review

- Build a competitive communications industry through the implementation of targeted interventions to support the growth and development of the creative industries by 31 March 2019.
- Manage digital broadcasting migration to ensure the successful migration from analogue to digital TV in South Africa within two years.
- Manage industry research and trend analysis on

an ongoing basis to ensure evidence-based policy making through the provision of qualitative and quantitative analysis.

- Develop and implement structured programmes of intergovernmental and stakeholders engagement in order to leverage support to strategic priorities of the department by 31 March 2018.

Strategic objectives, performance indicators, planned targets and actual achievements

Key achievements

The *Audio-Visual Green Paper* was developed and is ready to be published for public comments. The department established the SABPAB and two meetings of the body were convened.

Intergovernmental relations framework, stakeholder engagement framework and International Stakeholder Engagement Strategy were developed and approved by MANCO for implementation. As a result of implementing the strategies, 84 intergovernmental and stakeholder engagements (*izimbizo*) were held across the country and 16 International engagements we held with different structures and countries.

The department, in partnership with DTPS and Ellis company as the training provider, have trained seven young people in the Northern Cape municipality where the Minister launched DTT late last year. The training programme plans to cover all the municipalities with a target of 2 800 young people with an intention to increase this number. Some 115 288 686.3 TV-owning households were reached through the Broadcasting Awareness Campaign. Registrations of qualifying TV-owning households commenced in October 2015 in the Northern Cape. Distribution of the government-

subsidised STBs commenced in December 2015, marking a significant milestone. Some 303 360 STBs were supplied by the end of the financial year and 2 632 installations allocations for the government-subsidised STBs have been done in the Northern Cape. Some 1 613 installations have been completed in the Northern Cape.

Some 60% of content reflecting South African perspectives and cultural diversity on SABC 1, 2 and 3 in accordance with Outcome 14 impact activity of promoting social cohesion across society through increased interaction across race and class. Brand South Africa conducted a national perception study key and the objectives of this study was to identify the trends that are shaping South African society. The results of the study indicates that citizens show a strong devotion to their country – 65% of the population describe themselves as South Africans first and 84% South Africans reflect pride to be South

Africans. The success of the advisory body has been characterised by the 100% attendance and 99% in the last meeting respectively. In the course of its work the advisory body has invited presenters from the sector in order to understand the their status and issues. All invited presenters have honoured the invitation.

Two industry research reports were compiled on the South African audio-visual industry trends and regulation of the online content. The intention of these reports was to demonstrate the international trends with regards to the audio-visual. The intention of the online content regulation is to reflect how regulators in other jurisdictions are dealing with regulating online content. These reports were done in-house and not outsourced, despite the other target that needed to be achieved. Some of the broad challenges experienced among others were lack of financial resources.

Strategic objectives and performance indicator reports per subprogramme

Table 10.1: Subprogramme: Enterprise Development.

Subprogramme: Enterprise Development						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Build a competitive communications industry through the implementation of targeted interventions to support the growth and development of the creative industries by 31 March 2019	Audio-visual Digital Content Development Strategy developed, adopted and implemented and the number of implementation reports compiled	N/A	One Audio-visual Digital Content Development Strategy developed and adopted	The Audio Digital Content Development Strategy was developed and presented to the Economic Cluster in June 2015. The <i>Audio-visual Green Paper</i> was developed and submitted to EXCO for approval to publish for public comments	Audio-visual Digital Content Development Strategy was not adopted	Audio-visual Digital Content Strategy was not adopted as it still undergoing consultation processes. The <i>Audio-visual Green Paper</i> will be published and consultation planned to be done in the next financial year

Content in percentages that reflects South African perspectives and cultural diversity	N/A	55% of content reflecting South African perspectives and cultural diversity	60% of South African content reflecting South African perspectives and cultural diversity is shown on SABC.	The target is exceeded by 5%	The overachievement on SABC for local content is due to an overarching strategy to produce and source more programming that contains South African content and stories. Additional focus was also placed to secure local content from the provinces in order to reflect the rich and diverse South African cultures.
Percentage improvement in South African national identity based on self-description	N/A	53% of improvement in South African national identity based on self-description	Domestic perceptions studies were conducted and shows a 65% improvement in South African national identity based on self-description.	The target is exceeded by 12%	The variance is due to the use of a different data source (GCIS National Quantitative Tracker Study – GCIS Tracker) from the initial baseline data source. Data was taken from the GCIS Tracker because it was realised that GCIS in-house study allows for data consistency (ensuring that the indicators/questions are consistently in the questionnaire). With external data sources there is no control over questionnaire design (our questions of interest can be removed without consultation) nor the sampling and research methodology which can also compromise the reliability/representivity of the data. (See attached GCIS Tracker and FutureFact research designs).
Number of South Africans in percentages reflecting pride to be South Africans	N/A	35% of South Africans reflecting pride to be South Africans	Domestic Perceptions Studies were conducted and results from the studies indicate that 84% of South Africans reflecting pride to be South Africans.	The target is exceeded by 49%	The variance is due to the use of a different data source (GCIS National Quantitative Tracker Study – GCIS Tracker) from the initial baseline data source. Data was taken from the GCIS Tracker because it was realized that GCIS in-house study allows for data consistency (ensuring that the indicators/questions are consistently in the questionnaire). With external data sources there is no control over questionnaire design (our questions of interest can be removed without consultation) nor the sampling and research methodology which can also compromise the reliability/representivity of the data. (See attached GCIS Tracker and FutureFact research designs).
SABPAB established	N/A	Establish a SABPAB	The SABPAB was established and two meetings were convened during the financial year.	N/A	N/A

	Broadcasting Skills Development Programme developed, approved and implemented and the number of implementation reports compiled	N/A	Development and approval of Broadcasting Skills Development Programme 2 implementation reports compiled	DTT installer training programme was developed. The department in partnership with Ellis as the training provider trained a total of seven installers in the Northern Cape municipality as the prioritised province for DTT implementation and two reports were compiled	N/A	N/A
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Table 10.2: Subprogramme: Broadcast Digital Migration.

Subprogramme: Broadcast Digital Migration						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Manage digital broadcasting migration to ensure the successful migration from analogue to digital TV in South Africa within two years.	Digital broadcasting migrated from analogue, analogue signal switched off within timelines and the number of reports compiled	N/A	Migration from analogue to digital Broadcasting. Four quarterly reports on digital migration from analogue compiled	During the period under review the department implemented the digital broadcasting migration programme and four progress reports were compiled.	None	None
	Number of TV-owning households reached through the digital broadcasting awareness campaign per year	N/A	6 500 000 TV-owning households reached through digital broadcasting awareness campaign	The Minister launched a Public and Consumer awareness campaign on 3 July 2015. A number of awareness campaigns (<i>Izimbizo</i> , Evening news coverage and TV Breakfast show) were held and an average of 20 452 879, 44 TV-owning households were reached.	Overachieved by 13 952 879,44	The overachievement was due to a frequent TV coverage on the news and having held two TNA Business briefings: Morning Live SABC 2

	Number of reports showing consumer access to digital broadcasting in particular those supported by government programmes	N/A	Four quarterly reports showing consumer access to digital broadcasting in particular those supported by government programmes	Registrations of qualifying TV-owning households commenced in October 2015 in the Northern Cape. Distribution of the government-subsidised STBs commenced in December 2015 as a result one report on consumer access to digital broadcasting was compiled	Three quarterly reports showing consumer access to digital broadcasting in particular those supported by government programmes were not compiled	Three quarterly reports showing consumer access to digital broadcasting were not compiled as STBs were only produced and installed late in the third quarter (December). The DTT PMO will continuously monitor the production of government-subsidised STBs, distribution and installation of devices to assess the uptake and access to digital broadcasting in particular those supported by government programmes.
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Table 10.3: Subprogramme: Industry Research and Analysis.

Subprogramme: Broadcast Digital Migration						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Manage industry research and trend analysis on an ongoing basis to ensure evidence-based policy making through the provision of qualitative and quantitative analysis	Number of industry research reports compiled	N/A	Two industry research reports compiled	Two industry research reports were compiled on the South African audio-visual industry trends and Internet content regulation.	None	None

Table 10. 4: Subprogramme: Intergovernmental Relations and Stakeholder Management.

Subprogramme: Intergovernmental Relations and Stakeholder Management						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Develop and implement structured programmes of intergovernmental and stakeholders engagement in order to leverage support to strategic priorities of the department by 31 March 2018	Report on the development, adoption and implementation of Intergovernmental Relations Framework and the number of quarterly implementation reports compiled	N/A	One adopted Intergovernmental Relations Framework Two Intergovernmental Relations Framework implementation reports compiled	Intergovernmental Relations Framework was adopted by MANCO and two implementation reports were compiled.	None	None
	Report on the development, adoption and implementation of Stakeholder engagement framework and the number of quarterly implementation reports compiled	N/A	One adopted Stakeholder Engagement framework Two Stakeholder Engagement Framework implementation reports compiled	Stakeholder engagement Framework was adopted by MANCO and two implementation reports were compiled.	None	None
	Report on the development, adoption and implementation of International stakeholder engagement strategy and the number of quarterly implementation reports compiled	N/A	One adopted international stakeholder engagement Strategy. Two International Stakeholder Engagement Strategy implementation reports compiled	International stakeholder Engagement Strategy was adopted by MANCO and two implementation reports were compiled.	None	None

Strategy to overcome areas of underperformance

The DoC manages performance in the following manner:

- Quarterly reports are presented and discussed at MANCO meetings.
- A report on unachieved targets as well as a progress report on carry-over deliverables is compiled and submitted to the EXCO.
- Monthly branch meetings are held to discuss performance and corrective measures.
- When assessing individual performance based on the signed performance agreements and work plans.
- The targets that were not achieved in the period under review will be carried over to the 2016/17 APPs and operational plans.

Changes to planned targets

The department did not make any in-year changes to the planned targets.

Table 11: Linking performance with budgets: Subprogramme expenditure

Subprogramme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Enterprise Development	5 023	2 389	2 634	-	-	-
2. Broadcasting Digital Migration	14 485	15 260	(775)	-	-	-
3. Industry Research and Analysis	1 135	1 734	(599)	-	-	-
4. Intergovernmental Relations and Stakeholder Management	200	1 002	(802)	-	-	-
TOTAL	20 843	20 385	458	-	-	-

4.4 Programme 4: Entity Oversight

The purpose of the programme is to monitor the implementation of policies by state owned and regulatory institutions and to provide guidance and oversight on their governance matters.

The programme's functions are organised into the following subprogrammes:

1. Broadcasting and Community Media, which monitors the implementation of broadcasting and community media policies and provides guidance and oversight over the governance matters of SOEs.
2. SOE Communication and Branding, which monitors the implementation of communications and branding policies and provides guidance and oversight over the governance matters of SOEs.
3. Regulatory Institutions, which monitors the implementation of policies and provides guidance and oversight over the governance matters of regulatory institutions
4. Strategy and Policy Alignment, which ensures entity strategy and policy alignment to the

departmental mandates and manages entity funding.

List the strategic objectives for the financial year under review

- Provide guidance in and oversight of the governance matters of SOEs on an ongoing basis.
- Monitor the implementation of communications and branding policies by SOEs to ensure the strategic alignment with the department's priorities, by 31 March 2018.
- Issue policy directions to the regulatory institutions as required from time to time.
- Ensure timeous submission of entity funding requests within the stipulated timelines in order to ensure their viability and sustainability.
- Provide guidance in and oversight of the governance matters of SOEs on an ongoing basis.

Strategic objectives, performance indicators, planned targets and actual achievements

Key achievements

The Branch developed and implemented the "Policy Framework and Procedure on Oversight and Governance of Public Entities and Statutory Institutions". The framework resulted into the formation of a number of forums that are aimed at strengthening the oversight of public entities. These forums include bilateral meetings between Minister and the boards/councils of entities; Acting DG/chief executive officers of public entities; CEOs' forums; policy and regulatory forums; communication and marketing forum, and company secretaries' forums.

The 2015/16 quarterly oversight reports for DoC public entities were analysed and submitted to the Executive Authority. The performance agreements of ICASA Chairperson and councillors have been developed but not yet signed. All the accountability instruments were completed and submitted to the entities for finalisation and signing.

The Presidential Committee Report on SOEs was shared with the entities on 15 December and entities were requested to submit the analysis and action plan by 30 January 2016.

Some 12 funding requests for entities were submitted and funds were transferred to entities. The SABC funding model was reviewed and a report was compiled. The report indicates that the SABC will continue to be funded by a mix of commercial

and public revenue. Most stakeholders that made submissions proposed that the mixed funding model (public and commercial revenue) be retained, but that the ratio of public funding to commercial revenue change.

Challenges

Some of the entities that were previously reporting to other government departments did not understand the concept of oversight that was placed on them. In a number of cases, reports that are required in terms of the PFMA of 1999 and Treasury Regulations were not submitted on time to the department. This compromised the effective oversight on these entities.

Misalignment of annual targets and quarterly targets in the APP.

Programme performance indicator	Reporting period	Annual target 2015/16	Quarterly targets				Misalignment
			Q1	Q2	Q3	Q4	
Shareholder compact/ accountability arrangements of six entities reporting to the Minister reviewed and the number of implementation monitoring reports compiled	Annual	Review of six entities shareholder compact/ accountability arrangements and six implementation monitoring reports compiled	-	-	Engagement with other government departments that have entities for benchmarking	Review of six entities shareholder compact/ accountability arrangements	The number of implementation reports compiled is not mentioned in any of the quarterly targets.

Strategic objectives and performance indicator reports per subprogramme

Table 12.1: Subprogramme: Broadcasting and Community Media.

Subprogramme: Intergovernmental Relations and Stakeholder Management						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Provide guidance in and oversight of the governance matters of SOEs on an ongoing basis	Number of entity oversight reports submitted to the Executive Authority	N/A	Four quarterly entity oversight reports submitted to the Executive Authority	2015/16 quarterly entity oversight reports were submitted to the Executive Authority.	None	None
	100% implementation of Performance Management System of ICASA Chairperson and councillors		100% implementation of Performance Management System of ICASA Chairperson and councillors	The performance agreements were developed	Performance Management System of ICASA Chairperson and councillors was not implemented	Negotiations about agreements with the remaining Councillors of ICASA is still on going.

	Presidential Review Committee report on SOEs analysed by end of 2015/16 financial year	N/A	One Presidential Review Committee report on SOEs analysed	Presidential Committee Report on SOEs was analysed and a report was compiled with recommendations.	None	None
	Shareholder compact/accountability arrangements of six entities reporting to the Minister reviewed and the number of implementation monitoring reports compiled	N/A	Review of six entities shareholder compact/accountability arrangements and six implementation monitoring reports compiled	All the six shareholder Compact/accountability arrangements were reviewed, and implementation reports were compiled.	None	None

Table 12.2: Subprogramme: SOE Communication and Branding.

Subprogramme: SOE Communication and Branding						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Monitor the implementation of communications and branding policies by SOEs to ensure the strategic alignment with the department's priorities, by 31 March 2018	Number of reports on alignment of entities' strategies to departmental priorities compiled		Two reports on alignment of entities' strategies to departmental priorities compiled	Two reports on alignment of entities' strategies to departmental priorities were compiled	None	None

Table 12.3: Subprogramme: Regulatory Institutions.

Subprogramme: Regulatory Institutions						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Issue policy directions to the regulatory institutions as required from the time to time	Number of monitoring reports on the performance of regulatory institutions compiled and policy directions issued as and when required	N/A	Compile two monitoring reports on the performance of regulatory institutions and issue policy directions as and when required	Monitoring report on the performance of regulatory institutions compiled and no policy directions was required	None	None

Table 12.4: Subprogramme: Strategy and Policy Alignment.

Subprogramme: Strategy and Policy Alignment						
Strategic objectives	Performance Indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on deviations
Ensure timeous submission of entity funding requests within the stipulated timelines in order to ensure their viability and sustainability	Number of entity funding requests reports compiled	N/A	12 entity funding requests reports compiled	12 entity funding requests reports compiled and funds transferred.	None	None
	Funding of entities reviewed and the number of reports compiled	N/A	Review funding of entities and one report compiled	The funding model for SABC was reviewed and a report was compiled. The FPB submitted additional funding request through the 2016 MTEF process to National treasury	None	None

Strategy to overcome areas of under performance

The DoC manages performance in the following manner:

- Quarterly reports are presented and discussed at MANCO meetings.
- A report on unachieved targets as well as a progress report on carry-over deliverables is compiled and submitted to the EXCO.
- Monthly branch meetings are held to discuss performance and corrective measures.
- When assessing individual performance based on the signed performance agreements and work plans.
- The targets that were not achieved in the period under review will be carried over to the 2016/17 APPs and operational plans.

Changes to planned targets

The department did not make any in-year changes to the planned targets.

Table 13: Linking performance with budgets: Subprogramme expenditure

Subprogramme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management for Entity Oversight	2 105	2 559	(454)	-	-	-
Broadcasting and Community Media	196 048	196 875	(328)	-	-	-
Communication and Branding	540 441	539 136	1 305	-	-	-
Regulatory Institutions	475 978	475 978	-	-	-	-
Strategy and Policy Alignment	-	7	(7)	-	-	-
TOTAL	1 214 572	1 214 555	17	-	-	-

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Brand South Africa	Brand South Africa was established as a trust in 2002 and gazette as a schedule 3A public entity in 2006, in accordance with the PFMA of 1999. Its purpose is to develop and implement proactive and coordinated international marketing and communications strategy for South Africa, to contribute to job creation and poverty reduction, and to attract inward investment, trade and tourism.	173 160 000.00	152 046 265.00	<ul style="list-style-type: none"> • Ended the financial year at a vacancy rate of 4%. • Successful implementation of Play Your Part roadshows, which reached all provinces. • Field Research on perceptions about South Africa concluded in Angola, Democratic Republic of Congo (DRC), Senegal and Russia. • Conclusion of a study assessing Domestic Perceptions amongst South Africans (pride; active citizenship). • Provincial South African competitiveness Forum assessing the competitive strengths of each province (in consultation with stakeholders). • Brand South Africa undertook a number of dialogues in six countries (Angola, DRC, Ghana, Kenya, Nigeria and Senegal) in the continent under the theme: "Towards Agenda 2063: The Ties that Bind Us". • The dialogues focused on the 'Culture and Heritage' pillar of the Nation Brand. • South Africa is perceived positively in the continent with regards to her culture and heritage. This is a soft power approach to marketing South Africa to the rest of the continent. • Agenda 2063 is the call to action for Africans to build the "Brand Africa" we all want to see by 2063 and we all need to play our part in shaping that brand. • Leveraged relationships to showcase South African competitiveness in a range of areas through media tours • Strategic engagements with faith-based organisations to garner support on Brand South Africa's Play Your Part programme initiatives to promote tolerance amongst South Africans. • Conducted a reputation management programme in the United Kingdom, USA and the BRIC markets to position South Africa as a competitive destination. • A partnership with the South African Chamber of Commerce in the UK for their annual Business Awards ceremony and networking dinner. The occasion provided a platform for the South African community present to support the campaign against attacks on foreign nationals. • The USA office supported the Minister of Trade and Industry's visit to Washington DC. A press briefing with key media outlets representing print and TV was convened at the Embassy of South Africa offices, which provided the Minister with an opportunity to clarify perceptions surrounding South Africa's openness to doing business and the strategic relationship that we seek with the USA in South Africa and the rest of the African continent. • The Forum on China-Africa Cooperation was held in South Africa during the third quarter. Brand South Africa participated in the forum at multiple platforms and events. Brand South Africa facilitated the participation of key Chinese media in the forum.

Films and Publication Board	The FPB regulates and controls the creation, production, possession, exhibition and distribution of films, interactive computer games and certain publications in terms of the Films and Publications Act of 1996. The board is also responsible for monitoring age restricted business premises for compliance with their licence and registration terms.	82 359 000.00	82 359 000.00	<ul style="list-style-type: none"> • Implemented a content regulation framework that ensures 100% classification and labelling of classifiable material. • Implemented Automated Content Classification and labelling system. • Classified 100% of all legible content submissions: 340 • Reviewed Classification Governance Framework. • Continuously evaluated the convergence of societal norms and values to FPB classification ratings. • Reviewed Films and Publications Act of 1996 to appropriately regulate FPBs industries. • Conducted online compliance monitoring to ensure compliance of 2 600 online distributors. • Conducted 24 raids with the law-enforcement agencies to enforce compliance with the Act. • Ensured improved FPB brand identity and issued four quarterly copies of <i>The Scene</i> newspaper. • Improved the FPB's relationship with the media. • Conducted campaigns and Community Outreach University Dialogues (University of Johannesburg/UNISA/University of Limpopo). • Developed and implemented digital and social media strategy. Increased Facebook and Twitter fans by 20%. • Produced online and broadcast material to increase brand visibility, promote engagement and awareness of campaigns. • Launched Online Regulations and developed skill base for online Classifiers and Monitoring. • Reviewed and implemented online and telephonic tools for addressing cyber safety of children. • Trained 300 Educators on cyber safety. • Implemented cyber safety initiatives in Africa.
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ICASA	ICASA was established by the ICASA Act of 2000, as amended, to regulate the South African communications, broadcasting and postal service sectors. The regulator's mandate is defined in the ECA of 2005 as licensing and regulating electronic communications and broadcasting services, and in the Postal Services Act of 1998 as regulating the postal services sector. Enabling legislation also empowers the regulator to monitor licensee compliance with the licence terms and conditions, develop regulations for the three sectors, plan and manage radio frequency spectrum, and protect consumers in relation to these services.	393 619 000.00	328 965 247.00	<ul style="list-style-type: none"> • Conducted a total of 340 investigations of operators to ensure strict compliance with licence terms and conditions. • Resolved 90% of harmful radio frequencies cases reported to ICASA. • Approved regulations on E-Band and V-Band usage. • Installed the Advanced Spectrum Management System at ICASA Head Office. • Monitored the quality of service by all operators in the country. • Publish Draft Discussion Document on dynamic and opportunistic spectrum management, including a possible framework for TV whitespace spectrum. • Produced four spectrum monitoring reports. • Produced an annual report on contributions towards WRC Agenda items, • Produced a set of draft regulations/draft Position Paper/draft guidelines on infrastructure sharing.
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MDDA	<p>The MDDA was set up in terms of MDDA Act of 2002 to enable historically disadvantaged communities and individuals to gain access to the media. The mandate of the agency is to create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans; redress the exclusion and marginalization of disadvantaged communities and people from access to the media and the media industry; and promote media development and diversity by providing support primarily to community and commercial media projects. The overall objective of the agency is to ensure that all citizens can access information in a language of their choice, and to transform media access, ownership and control patterns in South Africa.</p>	22 615 000.00	22 615 000	<p>There are 27 community broadcasters funded for the 2015/16 financial year. Their contracts are valid and there are no issues raised/ recorded challenges at the moment.</p> <p>Community Broadcast Start-up projects: 13 community radio Strengthening: 13 community radio and one community TV Total: 27</p> <p>Print and Digital Media Start-up projects: Eight (Seven newspapers and one magazine) Strengthening: 16 (15 newspapers and one magazine) Total: 24</p> <p>Classification of beneficiaries (Community Broadcasters)</p> <ol style="list-style-type: none"> 23 of the funded projects in 2015/16 are led by males. four of the funded projects in 2015/16 are led by females. 12 of the funded projects are led by the youth. <p>Classification of beneficiaries (Print and Digital)</p> <ol style="list-style-type: none"> 18 of the funded projects in 2015/16 are led by males. six of the funded projects in 2015/16 are led by females. seven of the funded projects are led by the youth. <p>NB: It should be noted that none of the funded projects in the 2015/16 financial year are led by people living with disabilities. However, a substantial number of people with disabilities play several roles in the boards of various stations and publications.</p>
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				<p>Geographic location of the projects funded</p> <p>Community Broadcast The following is the geographic footprint of the community radio stations approved for funding during the 2015/16 financial year:</p> <p>Rural:</p> <ol style="list-style-type: none"> 1. Overberg District Municipality 2. Amathole District Municipality 3. Gert Sibande District Municipality 4. Nkangala District Municipality 5. Vhembe District Municipality 6. Joe Gqabi District Municipality 7. ZF Mgcau District Municipality 8. Ngaka Modiri Molema District Municipality 9. Bojanala District Municipality 10. OR Tambo District Municipality 11. Mopani District Municipality 12. Uthukela District Municipality 13. Uthungulu District Municipality. <p>Urban:</p> <ol style="list-style-type: none"> 1. City of Cape Town 2. City of Tshwane 3. West Rand District Municipality 4. Sedibeng District Municipality 5. Umgungundlovu District Municipality.
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SABC	<p>The SABC is listed as Schedule 2 public entity in terms of the PFMA of 1999. Its mandate is set out in its charter and in the Broadcasting Act of 1999, as amended, and requires it to provide radio and TV broadcasting services to South Africans.</p>	172 927 000.00	172 927 000.00	<p>SABC Education delivers the educational mandate of the SABC. The purpose is to share, in true South African style, compelling educational content gathered from a wide range of education issues that contribute to a rich South African identity.</p> <p>SABC Education builds sustainable relationships with South Africans by focusing on programming covering issues in the Formal Education, Tweens and Youth Development and Public Information and Social Development categories. The competitive advantage is SABC's radio and TV services that reach most South Africans. The educational programming (TV and radio), outreach activities and digital media campaigns are made possible by a grant from the DoC.</p> <p>SABC Education is active on social media sites like Twitter, Facebook and YouTube, which allow for direct interaction with users and help increase the share of our audiences. It is a great way to interact with us, ask questions and make suggestions.</p> <p>Credible and sustainable relationships have been formed with national and provincial departments of Communications; Basic Education; Arts and Culture; Higher Education and Training (DHET); Agriculture; Science and Technology; Water Affairs and Sanitation; Home Affairs; Environmental Affairs, and Tourism; just to name a few.</p> <p>Herewith a few of the achievements and the inroads our educational programming has made within communities and amongst the South African public at large:</p> <p>Raise Your Hand: The most recent initiative, Raise Your Hand, is a growing initiative designed to inform, motivate and encourage the public to become involved in improving the country's outlook on education. SABC Education calls on all South Africans to take part in the education of children. Each of us can begin to make a difference in our own communities. The campaign requires a shift in our national mindset and asks that we will consider and value education.</p> <p>Formal Education: Programming that supports the accredited curriculum from reception year to tertiary for learners and educators targeting the foundation, intermediate, senior, Further Education and Training, higher and Adult Basic Education and Training education phases.</p>
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			<p>48 Hours: Is a magazine series that prepares students in the last three grades of the senior phase for higher learning and helps them to make informed career choices in fields fairly unknown, particularly in previously disadvantage communities. The series in particular focus on artisan careers to coincide with the DHET's campaign: "Decade of the Artisan".</p> <p>Discover Science: The series is all about scientific experiments which teach the rules of nature to children. This was a co-production between SABC Education and the national public broadcaster in Japan namely "NHK". (2 x 12 minute episodes of the series were filmed in South Africa in June 2015). The scientific experiments shot in South Africa included the following:</p> <p>Can a giraffe go through a pinhole? This was a grand experiment using this principle to project a giraffe inside a box. The properties of light will be learned by changing the hole's size and position of the box to see if the giraffe will be projected.</p> <p>Shower in a desert: Is it possible to gather the water contained in the air of a dry desert and take a shower with it? The experiment took place in the Kalahari in collaboration with the Khoi/San community making use of Indigenous Knowledge Systems to bring visibility to age-old traditions that may be seen as non-viable.</p> <p>Rivoningo: The series targets Grade R – 3 learners, caregivers, parents and teachers. It covers numeracy, literacy and life skills for early childhood development and foundation phase. It uses multimedia to enhance access to education: Rivoningo has successfully developed storybook sets aimed at supporting the on-air offering.</p> <p>Geleza Nathi: The series targets grade 10 – 12 learners and make learning materials available to audiences covering content for grade 10 to 12 curricula in Accounting, Business Studies, English, Life Sciences, Mathematics, Mathematical Literacy and Physical Sciences. Geleza Nathi is South Africa's premium, one stop educational resource centre, aimed at bringing the cool back to school for Grades 10 – 12.</p> <p>Education Beyond the classroom: Geleza Nathi produced and packaged Curriculum and Assessment Policy Statement (CAPS) aligned study guides in DVD format for pupils at matric level. The CAPS DVD support material provides learners, with much needed resources to help them tackle those difficult areas of the syllabus in the comfort of their own homes.</p> <p>Putting Education on the Road: Geleza Nathi has successfully designed a real life mobile educational platform that allows Geleza Nathi to tour the country and thereby provides viewers with a personal experience to interact directly with the show while at the sometime expanding the national footprint for the programme into rural areas of the country.</p>
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			<p>Education through the wire: Facebook – Geleza Nathi has successfully implemented an online facility using Facebook and other social media platforms wherein learners enjoy a Q&A session with online educators on host of curriculum based issues. Since its inception Geleza Nathi has awarded bursaries and donated learning resource material to a countless number of South African students, who academically deserved but financially stranded, through partnerships with the relevant stakeholders in the private sector.</p> <p>Words and Numbers: An entertaining fun show for bright young minds. Words and numbers put contestants through their paces as they battle it out with words and numbers games in a captivating quiz show. Contenders must reach the top 40 and from there move into the quarter finals, semi-finals and finals to receive the trophy for the Words and Numbers champion of the season. The show focuses on literacy and numeracy among young learners and parents.</p> <p>TOMZ (Teenagers on a Mission): The series aims to take young people on a journey of scientific discovery in order to encourage creativity and innovation and also to simplify and demystify science and technology stereotypes by a way of promoting science as a way of life.</p> <p>Tweens and Youth Development: We breathe life and local pride into our programmes for young people in a youthful country. We promote youth involvement and empowerment.</p> <p>One Day Leader: a reality show seeks the best young leaders in South Africa, and puts their leadership skills and abilities to the test. The show has as its premise to unearth and nurture future Leaders in South Africa through a reality format show. The show is broadcast live and in the form of Tasks and Debates the audience at home is able to vote for their favourite Leader. The show has been unprecedented in its ability to make Leadership cool and aspirational to our Young Viewers.</p> <p>Kulcha Kwest: The series shows ordinary South African youth connecting with their culture. The show aims to ground them and help them embrace the beauty of their culture's and how they use their culture to inform them in their daily lives. The show goes a long way to dispel the myths and preconceived notions people might have around certain cultural practices and help young people to see how your culture forms an integral part of who you are.</p> <p>Skeem Saam: This daily educational drama explores the thrilling and enlightening journey to adulthood. The DoC funding made available to this property has assisted in building it into what is undoubtedly one of South Africa's most successful Daily Youth Dramas to date. It is the first time a show is looking at the struggles and triumphs a young male adult goes through to achieve adulthood. Skeem Saam has become such a powerful force with loyal audiences having exceeded the six million mark, falling just a few thousand viewers short of the country's top soaps: Uzalo and Generations. It received a 2016 South African Film and Television Awards (SAFTA) as the most popular drama on TV in South Africa.</p>
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			<p>Freedom is not Free: It shares experiences of carefree young South Africans who are extremely conscious of their past. This series tries to understand the world of young South African citizens who have external lineage. Through their experiences the show tackles what it means to have an identity outside the country and transit to South Africa.</p> <p>Public Information and Social Development: It is relevant in a changing South Africa and inspires audiences to play key roles in building democracy through social action campaigns.. iSpani: The series shares the many layers of employment and career planning with young, unemployed viewers. It takes viewers into the world of work. For most school leavers, the world of work is hard to get into. iSpani shares the many types of employment and career plans available. iSpani won the Award: Best Youth Show SAFTA 2016.</p> <p>Making Moves: the award winning series celebrates and promotes young successful South African entrepreneurs. Each week Making Moves profiles a budding entrepreneur who runs a company that has been in existence for over one year. The company is then paired with a mentor who gives the entrepreneur advice on how to improve the running of the company. An adviser booklet: Make Your Rights Work for You was developed to promote awareness of workplace rights.</p> <p>Living Land: has not only provided crucial information and knowledge to emergent farmers, but has also developed meaningful relationships with the Agriculture sector for the benefit of the emergent farmers. Living Land hosted emerging farmer workshops in Limpopo and Gauteng in partnership with the provincial departments of agriculture. The Living Land emerging farmer workshops gave farmers an opportunity to listen to and engage with top experts in the various fields of agriculture. Living Land distributed “How to” booklets which cover different topics on farming.</p> <p>Shift: is carefully formulated to get viewers thinking about shifting their mindsets and changing their attitudes. Shift is informative, inspiring, thought provoking and entertaining, with daily topical issues the show encourages viewers to speak out, voice their opinions and do things for themselves. Shift provides a forum for discussion on a variety of subjects such as, finance, self-esteem, entrepreneurship, empowerment, gender, education, technology, arts, culture, environment and social issues. Shift also focuses on young achievers, role models and case studies from everything that constitutes life in Msanzi; social, political, community, psychological, innovative, health and wellness.</p>
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Table 14: payments to public entities

5.2 Transfer payments to all organisations other than to public entities

6. CONDITIONAL GRANTS Not applicable.		7. DONOR FUNDS Not applicable.		8. CAPITAL INVESTMENT The department plans to leave the GCIS building and rent its own building.
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PART C: GOVERNANCE

1. INTRODUCTION

As required by the PFMA of 1999, the DoC maintains an effective, efficient and transparent internal control system to ensure proper use of financial and other resources within the Accounting Officer's area of responsibility.

The department is committed to maintain the highest standards of governance to ensure that public finances and resources are managed economically, effectively and efficiently. Good governance structures have been put in place to utilise state resources in a responsible way. Assessments have been conducted in areas where control measures are lacking or still need to be established, or improved. Where a lack of capacity was identified in specific units, posts were advertised to improve service rendering. In areas where weaknesses were identified during the period under review, these will be addressed in the 2016/17 financial year. *Batho Pele* principles and Code of Conduct for the Public Service are central ethical standards upon which decisions are made in pursuit of the DoC overarching mandate.

2. RISK MANAGEMENT

A MoU was signed between the DoC and GCIS which allows the GCIS officials to provide risk management services to the DoC, in terms of monitoring operational risks relating to the Corporate Services function. During the development of the 2015/16 Strategic Plan, the department identified possible risks that the DoC might be exposed to.

3. FRAUD AND CORRUPTION

A MoU was signed between the DoC and GCIS which allows the GCIS officials to monitor fraud risks relating to the Corporate Services function. During the financial year, the GCIS Risk Management Unit broadcasted fraud prevention messages on screensavers and on Did You Know posters; developed and disseminated a brochure and a newsletter to create awareness on fraud and corruption. The use of the Public Service National Anti-Corruption Hotline 1020 is encouraged. The following functional areas have been identified as areas that might be susceptible to fraud and corruption:

- HR on leave management;
- Finance on travel claims and petty cash;
- SCM on procurement and asset management.

4. MINIMISING CONFLICT OF INTEREST

The department enforces the mandatory financial disclosure requirement of all Senior Management Service (SMS) members as regulated by the Public Service Regulations. Processes outlined in the regulations are implemented by the executing authority in instances of officials failing to adhere to this requirement.

All employees who seek to perform remunerative work outside of their official duty are required to obtain the necessary permission to enable the department to determine if there is any conflict of interest or the employee's private work is not interfering with his/her official duties.

All panel members of recruitment interviews declare their interests to ensure that there is no conflict of interest in the appointment processes of the department.



5. CODE OF CONDUCT

To promote and maintain a high standard of professional ethics in the department, employees are expected to adhere to the Code of Conduct for the Public Service as outlined in Chapter 2 of the Public Service Regulations. New employees are inducted on the Code of Conduct and it is enforced through policies and circulars.

Non-compliance to the Code is handled in terms of the Public Service Coordinating Bargaining Council (PSCBC) Resolution 1 of 2003 and Chapter 7 of the Senior Management Handbook which deal with misconduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The DoC is sharing office accommodation with the GCIS and in line with the MoU signed between the two departments, the GCIS assisted with Occupational Health and Safety (OHS) functions such as OHS inspections and conducting evacuation drills during the 2015/16 financial year.

7. PORTFOLIO COMMITTEES

The following table contains the dates and topics for meetings with the Portfolio Committee on Communications.

Table 12.4: Subprogramme: Strategy and Policy Alignment.

Date of meeting	Agenda	Adopted date of minutes
1 April 2015	Interviews of candidates for the MDDA Board. Shortlist of candidates for the ICASA Council.	4 August 2015
21 April 2015	Adoption of Committee Report on the MDDA Board recommended candidates. Briefing by the AGSA on the analysis of the DoC and its entities. Briefing by the Research Unit on the research analysis of the DoC and its entities. Briefing by the DoC on its Strategic Plan and APP. Briefing by GCIS on its Strategic Plan and APP. Briefing by the ICASA on its Strategic Plan and APP.	4 August 2015
22 April 2015	Briefing by the SABC on its Strategic Plan and APP. Briefing by the MDDA on its Strategic Plan and APP. Briefing by the FPB on its Strategic Plan and APP. Briefing by Brand South Africa on its Strategic Plan and APP.	4 August 2015
5 May 2015	Shortlist of candidates for the ICASA Council.	4 August 2015
12 May 2015	Shortlist of candidates for the SABC Board. Adoption of the Budget Vote Report.	4 August 2015
26 May 2015	Shortlist of candidates for the SABC Board. Briefing by the Constitutional and Legal Services Unit on the Legal Opinion relating to the removal of SABC Board members.	4 August 2015
9 June 2015	Adoption of report recommending candidates for appointment to the ICASA Council.	4 August 2015
23 June 2015	Briefing by the Minister of Communications on the Memorandum of Incorporation of the SABC; Broadcasting Charter; and legislation and governance instruments for various entities under the DoC.	4 August 2015
18 August 2015	Briefing by the GCIS, SABC, ICASA, MDDA, FPB and Brand South Africa on their 2014/15 quarterly expenditure reports.	1 September 2015
22 September 2015	Briefing by National Association of Broadcasters, Association of Independent Publishers, South African Communications Forum and National Community Radio Forum on the state of community media.	2 February 2016
20 October 2015	Briefing by the AGSA on the Audit Outcomes of GCIS, SABC, ICASA, MDDA, FPB and Brand South Africa. Briefing by the GCIS, SABC, ICASA and the MDDA on their financial statements and annual reports for the 2014/15 financial year.	2 February 2016
21 October 2015	Briefing by Brand South Africa and FPB on their financial statements and annual reports for the 2014/15 financial year.	2 February 2016

3 November 2015	Consideration of the committee report on the filling of vacancies in the ICASA Council. Adoption of the Budgetary Review Recommendation Report.	2 February 2016
16 February 2016	Shortlisting of candidates for the SABC Board vacancies.	23 February 2016
23 February 2016	Briefing by the DoC on the Films and Publications Amendment Bill [B37 – 2015].	8 March 2016
8 March 2016	Briefing by the DoC on the Broadcast Amendment Bill [B39 – 2015].	15 March 2016
15 March 2016	Briefing by the DoC on the 2015/16 Third Quarter Performance and Expenditure Report.	5 April 2016

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)

During the period under review, the department did not appear before SCOPA and there are no SCOPA resolutions to report.

9. PRIOR MODIFICATION TO AUDIT REPORTS

There has been no modification of the audit report.

10. INTERNAL CONTROL UNIT

Policies, operational procedures, and financial and HRM delegations have been developed and implemented. These prescripts are updated annually, and duly authorised and implemented. These policies include the following areas: HR, wasteful budget and

expenditure management, entertainment, the use of mobile phones and communication devices, petty cash, subsistence and travel allowance, procurement and facilities management. As part of its internal control systems, the Chief Directorate: Finance, SCM and Auxiliary Services reconciles, among other items, staff costs, assets acquired, telephone costs and travel-related costs to ensure that financial information is correct. Budget and expenditure are managed to enforce fiscal discipline.

The DoC strives to use materials, technology, infrastructure, financial, human and other resources to ensure the highest standard of service delivery. It exercises sound risk management in all of its business dealings with stakeholders. The DoC's ethical standards are based on the *Batho Pele* principles and Code of Conduct for the Public Service.

In-year management and monthly/quarterly report

The DoC held biweekly MANCO meetings to track progress against APPs. The DoC reported progress on the implementation of its plans to National Treasury, DPME and the Executive Authority quarterly. Before the quarterly performance reports were approved, they were submitted to the Internal Audit Unit for verification and validation.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

A. Key activities and objectives of the internal audit

- a. The purpose of the Internal Audit Activity (IAA) is to provide an independent, objective assurance and consulting services designed to add value and improve the organisation's operations.
- b. The scope of work of the IAA is to determine whether the organisation's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure amongst others that:
 - i. Risks are appropriately identified and managed;
 - ii. Significant financial, managerial and operating information is accurate, reliable and timely;
 - iii. Resources are acquired economically, used efficiently, and adequately protected; and
 - iv. Programs, plans and objectives are achieved.

B. Summary of audit work done

Table 16

Output 2015/16	Actual output
Interim Financial Statements Q1, Q2 and Q3	Achieved
Quarterly Performance Information reviews Q1, Q2 and Q3	Achieved
Procurement and payments	Achieved
HR	Achieved
Operations audits	5/6 achieved
Asset Management	Achieved
Follow-up audits	Achieved
ICT audits (including transversal systems)	Achieved

C. Key activities and objectives of the audit committee

- a. The audit committee A&RC in fulfilling its oversight responsibilities to the DoC and its entities on governance, risk management, the system of internal control, and the audit process, reviews and make recommendations with regard to the following:
 - i. the effectiveness of the internal control systems;
 - ii. the effectiveness of the internal audit function;
 - iii. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
 - iv. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
 - v. any accounting and auditing concerns identified as a result of internal and external audits;
 - vi. the institution's compliance with legal and regulatory provisions; and
 - vii. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

D. Attendance of audit committee meetings by audit committee members

Table 17: The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	Number of meetings attended
Ms N Makhari	<ul style="list-style-type: none"> Independent Review Certification. Advanced Certificate in Auditing Certificate in the Theory of Accountancy Honours: Bachelor of Accounting science Higher Education Diploma (postgraduate) Bachelor of Commerce Diploma in State Finance and Auditing 	External	Achieved	November 2015	Achieved	2/2
Ms MK Mbonambi	<ul style="list-style-type: none"> Bachelor of Accounting B.Com Honours (Accounting) Certificate in Board Governance Certificate in Enterprise-wide Risk Management 	External	Achieved	November 2015	Achieved	1/2
Mr T Ramawa	<ul style="list-style-type: none"> B.Com Accounting Postgraduate Diploma in Accountancy Chartered Accountant CA 	External	Achieved	November 2015	Achieved	2/2
Vacant		Internal	Deputy DG			

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) (ii) of the PFMA of 1999 and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the department.

The following internal audit work was completed during the year under review:

- i. Interim financial statements
- ii. Quarterly Performance Information reviews
- iii. Procurement and payments
- iv. HR
- v. Operations audits
- vi. Asset Management
- vii. Follow-up audits
- viii. ICT audits (including transversal systems).

Table 18: The following were areas of concern:

Output 2015/16	Areas of concern
Interim financial statements	Misstatements of commitments and accruals
Quarterly Performance Information reviews	Completeness, accuracy and relevance of some of the portfolio of evidence for reported achievements
Procurement and payments	Effective management of Travel and Subsistence expenditure
HR	Job profiles and performance agreements Leave management

Operations audits	Document flow management Records managements Effective monitoring and reviews (including of DoC entities compliance)
Asset Management	Movements of assets Accuracy of the asset register
Follow-up audits	Some audit recommendations not implemented per agreed timelines
ICT audits (including transversal systems)	Effective management of system administrators' and user accounts activities, including timely implementation of recommendations from assurance providers.

In-Year Management and Monthly/Quarterly Report

The department has been reporting monthly and quarterly to the Treasury as is required by the PFMA of 1999.

Evaluation of financial statements

We have reviewed the annual financial statements prepared by the department.

Auditor General's Report

We have reviewed management responses and the implementation plan for audit issues raised by the Auditor-General in the year under review and we are satisfied with the efficacy of the intervention plans. The Audit Committee will monitor the implementation of the intervention plans to ensure improvement in the system of governance, risk management and control.

The Auditor-General was independent throughout the financial year under review, and the Audit Committee met with the Auditor-General to ensure that there are no unresolved issues.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and performance information, and is of the opinion that the audited annual financial statements and performance information be accepted and read together with the report of the Auditor-General.



Ndanduleni Makhari
Chairperson of the Audit Committee
DEPARTMENT OF COMMUNICATIONS
DATE: 29 July 2016



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the Public Service.

2. OVERVIEW OF HR

2.1 The status of HR in the department.

The new DoC became operational from 1 April 2015. As at 31 March 2016, the total number of funded posts was 87 of which 65 (75%), were filled and 22 vacant (25%). Females at SMS level accounted for eight (40%); and males 12 (60%). The number of employees with disabilities was two (3%).

2.2 HR priorities for the year under review and the impact of these

Since this was the first operational year for the department, the following were the main HR priorities:

- Ensuring that the departmental HR policies, systems and processes are developed, approved and implemented.
- Filling vacant positions to ensure the implementation of the approved APP.
- Achieving 50% representation of females at SMS and 2% of employees with disabilities.

2.3 Workforce planning and key strategies to attract and recruit a skilled and capable workforce

At the beginning of the 2015/16 financial year, the departmental vacancy rate was 53% and this vacancy rate was reduced to 25% at the end of the financial year. All vacant positions in the department were advertised to encourage open competition. The newspapers, DPSA Vacancy Circular and the departmental website are used to advertise vacant positions in line with the approved Departmental Recruitment and Selection Policy. The department also has an approved retention policy in place which is implemented where applicable to retain skilled and capable officials in the department.

2.4 Employee performance management.

The department experienced challenges regarding the signing of performance agreements during the 2015/16 performance cycle. The department became operational from 1 April 2015 and as at this date, the departmental establishment comprised 27 employees transferred from the DTPS and the staff in the Minister and Deputy Minister's offices.

The process of correctly placing the employees transferred from the DTPS delayed the process of concluding the performance agreements on the prescribed date of 31 May 2015. All the posts in Corporate Services, including HRM&D, were vacant and there was no dedicated HR support to assist with the conclusion of performance management documents.

2.5 Employee wellness programmes.

In line with the MoU between GCIS and the DoC, which allowed GCIS officials to provide corporate services related support to the DoC, approval was granted for the DoC staff members to use employee wellness services offered to GCIS employees by ICAS. The GCIS assisted the department in implementing health and wellness programmes to encourage healthy lifestyles. E-care, the online wellness service, was also made available to all staff members.

ICAS provided DoC employees and their immediate family members 24/7/365 days counselling services. Educational programmes on HIV and AIDS and other chronic illnesses took place. The DoC employees participated in institutionalised sports arranged by the GCIS such as soccer, aerobics and fun walks/runs.

2.6 Achievements and challenges faced by the DoC.

Achievements

- Departmental HR policies, systems and processes were developed, approved and implemented.
- The vacancy rate was reduced from 53% to 25%
- Employees with disabilities made up 3% of the departmental staff complement.
- A departmental Induction Manual was developed approved and implemented.

Challenges

- The HRM&D was capacitated from August 2015.
- The implementation of the Performance Management System was less successful

as the reporting lines and job descriptions of transferred employees were still being clarified, thus impacting on the submission of performance agreements on the legislated date.

- Only 87 posts on the approved departmental structure are funded due to financial constraints.
- Time taken to complete compulsory pre-employment screening that is conducted by the SSA affected the pace of filling vacant posts.
- Although a MoU was entered into with the GCIS which allowed GCIS officials to provide Corporate Services related support to the DoC with effect from 1 April 2015, the following legislated documents could not be developed: Employment Equity Plan, Employment Equity Report and a WSP.
- The department was also unable to participate in the youth development programmes such as learnership and internship due to financial constraints and limited office accommodation.

2.7 Future HR plans (HRPs)/goals.

The DoC has capacitated its HRM&D Directorate and the future HRPs are as follows:

- Review and implement the departmental HR policies.
- Development, approval and implementation of the departmental Employment Equity Plan, HRP and WSP.
- Strict implementation of the Performance Management System in the department.
- Proactive wellness programme for employees and their immediate family members.
- Establishment of HR Committee to monitor the implementation of all the HRPs.

3. HR OVERSIGHT STATISTICS

3.1. Personnel-related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel.
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 19: Personnel expenditure by programme for the period 1 April 2015 and 31 March 2016.

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
1. ADMINISTRATION	48 205	29 335	57	0	60.9	312
2. COMMUNICATION POLICY, RESEARCH AND DEVELOPMENT	4 896	3 764	0	0	76.9	40
3. INDUSTRY AND CAPACITY DEVELOPMENT	20 385	11 009	105	0	0.3	37
4. ENTITY OVERSIGHT	1 214 555	3 482	34	0	54	117
TOTAL	1 288 041	47 590	196	0	3.7	506

Table 20: Personnel costs by salary band for the period 1 April 2015 and 31 March 2016.

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Lower skilled (level 1-2)	0	0	0	0
Skilled (levels 3-5)	881	0.8	7	263
Highly skilled production (levels 6-8)	4 202	5	32	265
Highly skilled supervision (levels 9-12)	10 375	13.1	24	930
Senior and top management (levels 13-16)	26 425	34.6	31	1 724
TOTAL	41 883	53.5	94	3 182

Table 21: Salaries, overtime, HOA and medical aid by programme for the period 1 April 2015 and 31 March 2016.

Salary band	Salaries		Overtime		HOA		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
1. ADMINISTRATION	20 556	75.9	27	0.1	181	0.7	256	0.9
2. COMMUNICATION POLICY, RESEARCH AND DEVELOPMENT	2 648	75.1	14	0.4	79	2.2	71	2
3. INDUSTRY AND CAPACITY DEVELOPMENT	2 692	80.6	13	0.4	7	0.2	60	1.8
4. ENTITY OVERSIGHT	8 756	79.6	0	0	21	0.2	137	1.2
TOTAL	34 652	77.1	54	0.1	288	0.6	524	1.2

Table 22: Salaries, overtime, HOA and medical aid by salary band for the period 1 April 2015 and 31 March 2016.

Salary band	Salaries		Overtime		HOA		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	0	0	0	0	0	0	0	0
Skilled (levels 3-5)	738	164.7	10	2.6	40	9.7	25	6.4
Highly skilled production (levels 6-8)	3 428	158.2	32	1.4	116	5.2	91	4
Highly skilled supervision (levels 9-12)	8076	151.4	12	0.2	83	1.4	178	3.1
Senior management (levels 13-16)	22 409	161.3	0	0	49	0.3	229	1.5
TOTAL	34 652	77.1	54	0.1	288	0.6	524	1.2

3.2 Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 23: Employment and vacancies by programme as on 31 March 2016.

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 1	65	46	29%	6
Programme 2	9	7	22%	1
Programme 3	8	8	0	17
Programme 4	5	4	20%	1
TOTAL	87	65	25%	25

Table 24: Employment and vacancies by salary band as on 31 March 2016.

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (level 1-2)	0	0	0	0
Skilled (levels 3-5)	5	5	0	2
Highly skilled production (levels 6-8)	29	19	37	13
Highly skilled supervision (levels 9-12)	27	21	22	3
Senior management (levels 13-16)	26	20	19	7
TOTAL	87	65	25%	25

Table 25: Employment and vacancies by critical occupations as on 31 March 2016.

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related – Permanent	6	6	0	2
Client inform clerks (switch board, receptionist inform clerks) – Permanent	1	1	0	0
Communication and information related – Permanent	20	20	0	14
Financial and related professionals – Permanent	5	4	20	0
Financial clerks and credit controllers – Permanent	1	1	0	1
Food services aids and waiters – Permanent	1	1	0	1

HR & organisational develop & relate prof – Permanent	4	1	25	0
HR related – Permanent	3	1	33	0
HR clerks – Permanent	1	1	0	0
Library mail and related clerks – Permanent	3	3	0	0
Material-recording and transport clerks – Permanent	6	1	83	0
Secretaries & other keyboard operating clerks – Permanent	10	6	40	0
Senior managers – Permanent	26	20	76	7
TOTAL	87	65	25	25

Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed time frames and disciplinary steps taken.

Table 26: SMS post information as on 31 March 2016.

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
DG/Head of Department (HoD)	1	0	0	1	100
Salary level 15	1	0	0	1	100
Salary level 14	9	8	88	1	11
Salary level 13	15	12	80	3	20
TOTAL	26	20	77	6	23

Table 27: SMS post information as on 30 September 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
DG/HoD	1	0	0	1	100
Salary level 15	1	0	0	1	100
Salary level 14	9	8	89	1	11
Salary level 13	15	11	80	4	20
TOTAL	26	19	77	7	23

Table 28: Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

SMS Level	Advertising	Filling of vacant posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled within six months of becoming vacant	Number of vacancies per level not filled within six months but filled in 12 months
DG/HoD	1	0	0
Salary level 15	1	0	0
Salary level 14	4	3	0
Salary level 13	7	3	1
TOTAL	13	6	1

Table 29: Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not filled within twelve months
DG – The post was re-advertised and the shortlisting process is in progress.
Deputy DG – The post was advertised and the shortlisting process is in progress.
CFO – The post was re-advertised and the candidate assumed duty on 1 April 2016.
Director: IT – The post was re-advertised as no suitable candidate was found. An official has been appointed on a 12-month contract basis.
Director: SCM – The post was re-advertised as no suitable candidate was found
Director: Broadcasting Policy – Recommended candidate declined and the post was re-advertised.

Table 30: Disciplinary steps taken for not complying with the prescribed time frames for filling SMS post was advertised within 12 months for the period 1 April 2015 and 31 March 2016.

Reasons for vacancies not advertised within six months
None

Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 31: Job Evaluation by Salary band for the period 1 April 2015 and 31 March 2016.

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (level 1-2)	0	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0	0
SMS – Band A	0	0	0	0	0	0	0
SMS – Band B	0	0	0	0	0	0	0
SMS – Band C	0	0	0	0	0	0	0
SMS – Band D	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 32: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016.

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with a disability					0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 33: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 and 31 March 2016.

Employees with a disability	0
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Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 34.1: Annual turnover rates by salary band for the period 1 April 2015 and 31 March 2016.

Salary band	Number of employees at beginning of period: 1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (levels 3-5) – Permanent	2	4	0	0
Highly skilled production (levels 6-8) – Permanent	7	11	0	0
Highly skilled supervision (levels 9-12) – Permanent	12	10	0	0
SMS Band A – Permanent	8	4	3	38
SMS Band B – Permanent	4	3	0	0
SMS Band C – Permanent	0	0	0	0
SMS Band D – Permanent	0	0	0	0
Contract (levels 3-5)	1	1	0	0
Contract (levels 6-8)	1	11	0	0
Contract (levels 9-12)	3	1	0	0
Contract (Band A)	1	2	0	0
Contract (Band B)	2	0	0	0
Contract (Band C)	1	0	0	0
Contract (Band D)	1	0	0	0
TOTAL	43	47	3	3

Table 34.2: Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016.

Critical occupation	Number of employees at beginning of period: April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related – Permanent	3	6	0	0
Client inform clerks (switch board receptionist inform clerks) – Permanent	0	1	0	0

Communication and information related – Permanent	13	2	0	0
Financial clerks and credit controllers – Permanent	1	1	0	0
Food services aids and waiters – Permanent	0	2	0	0
HR clerks – Permanent	1	1	0	0
Library mail and related clerks – Permanent	1	1	0	0
Light vehicle drivers – Permanent	1	1	0	0
Messengers porters and deliverers – Permanent	1	2	0	0
Secretaries and other keyboard operating clerks – Permanent	2	5	0	0
Senior managers – Permanent	11	9	3	15
TOTAL	34	31	3	5

The table below identifies the major reasons why staff left the department.

Table 34.3: Reasons why staff left the department for the period 1 April 2015 and 31 March 2016.

Termination type	Number	% of total resignations
Death	0	0
Resignation	1	33.3
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service departments	1	33.3
Other	1	33.3
TOTAL	3	100

Table 34.4: Promotions by critical occupation for the period 1 April 2015 and 31 March 2016.

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
N/A	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 34.5: Promotions by salary band for the period 1 April 2015 and 31 March 2016.

Salary band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Highly skilled production (levels 6-8) – Permanent	0	0	0	0	0
Highly skilled supervision (levels 9-12) – Permanent	0	0	0	0	0
Senior management (levels 13-16) – Permanent	0	0	0	0	0
Contract (levels 6-8) – Permanent	0	0	0	0	0
Contract (levels 9-12) – Permanent	0	0	0	0	0
Contract (levels 13-16) – Permanent	0	0	0	0	0
TOTAL	0	0	0	0	0

Employment Equity

Table 35.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	11	0	0	1	6	0	2	0	20
Professionals	8	0	0	0	12	0	0	1	21
Technicians and associate professionals	7	0	0	0	10	0	1	0	18
Clerks	4	0	0	0	2	0	0	0	6
TOTAL	30	0	0	1	30	0	3	1	65

Table 35.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	11	0	0	1	6	0	2	0	20
Professionally qualified and experienced specialists and mid-management	8	0	0	0	12	0	0	1	21
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	10	0	1	0	18
Semi-skilled and discretionary decision making	4	0	0	0	2	0	0	0	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	30	0	0	1	30	0	3	1	65

Table 35.3: Recruitment for the period 1 April 2015 to 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management – Permanent	0	0	0	0	0	0	0	0	0
Senior Management – Permanent	4	0	0	1	3	0	2	0	10
Professionally qualified and experienced specialists and mid-management – Permanent	5	0	0	0	7	0	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen – Permanent	5	0	0	0	8	0	1	0	14
Semi-skilled and discretionary decision making – Permanent	3	0	0	0	3	0	0	0	5
Contract (Top Management) – Permanent	2	0	0	0	0	0	0	0	2
Contract (Senior Management) – Permanent	1	0	0	0	1	0	0	0	2
Contract (Professionally qualified) – Permanent	1	0	0	0	2	0	0	0	2
Contract (Skilled technical) – Permanent	6	0	0	0	0	0	0	0	6
Contract (Semi-skilled) – Permanent	2	0	0	0	0	1	0	0	3
TOTAL	29	0	0	1	24	1	3	1	59

Table 35.4: Promotions for the period 1 April 2015 to 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 35.6: Terminations for the period 1 April 2015 to 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management – Permanent	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management – Permanent	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen – Permanent	0	0	0	0	0	0	0	0	0
Contract (Senior Management) – Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified) – Permanent	0	0	0	0	0	0	0	0	0
Contract (Skilled technical) – Permanent	0	0	0	0	0	0	0	0	0
TOTAL	2	0	0	0	1	0	0	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 35.7: Disciplinary action for the period 1 April 2015 to 31 March 2016.

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
N/A	0	0	0	0	0	0	0	0	0

Table 35.8: Skills development for the period 1 April 2015 to 31 March 2016.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	0	0	2	0	0	0	5
Professionals	1	0	0	0	0	0	0	0	1
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	4	0	0	0	2	0	0	0	6
Employees with disabilities	0	0	0	0	0	0	0	0	0

Signing of performance agreements by SMS members

All SMS members must conclude and sign performance agreements within specific time frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed time frames and disciplinary steps taken is presented here.

Table 36.1: Signing of performance agreements by SMS members as on 31 May 2015.

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
DG/HoD	1	1	0	0%
Salary level 15	1	1	0	0%
Salary level 14	9	5	0	0%
Salary level 13	15	11	1	9%
TOTAL	26	18	1	6%

Table 36.2: Reasons for not having concluded performance agreements for all SMS members as on 31 March 2016.

Reasons
The process of correctly placing the employees transferred from the DTPS delayed the process of concluding the performance agreements on the prescribed date of 31 May 2015. All the posts in Corporate Services including, HRM&D were vacant and there was no dedicated HR support to assist with the conclusion of performance management documents.

Table 36.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2016.

Reasons
None

Performance

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 37.1: Performance rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016.

Race and Gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	0	0	0	0	0
Female	0	0	0	0	0
Asian					
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured					
Male	0	0	0	0	0
Female	0	0	0	0	0
White					
Male	0	0	0	0	0
Female	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 37.2: Performance rewards by salary band for personnel below SMS for the period 1 April 2015 to 31 March 2016.

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 37.3: Performance rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016.

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
N/A	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 37.4: Performance related rewards (cash bonus), by salary band for SMS for the period 1 April 2015 to 31 March 2016.

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 38.1: Foreign workers by salary band for the period 1 April 2015 and 31 March 2016.

Salary band	1 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	1	0	1	100
Contract (levels 9-12)	0	0	0	0	0	0
Contract (levels 13-16)	0	0	0	0	0	0
TOTAL	0	0	1	0	0	100

Table 38.2: Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016.

Major occupation	1 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	0	0	1	100	1	100
TOTAL	0	0	1	100	1	100

Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the Public Service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 39.1: Sick leave for the period 1 January 2015 to 31 December 2015.

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (levels 6-8)	16	81.3	4	21.1	4	17
Highly skilled supervision (levels 9-12)	6	83.3	3	15.8	2	15
Senior management (levels 13-16)	14	78.6	6	31.6	2	52
Contract (levels 3-5)	2	100	1	5.3	2	1
Contract (levels 9-12)	3	100	1	5.3	3	6
Contract (levels 13-16)	17	88.2	4	21.1	4	56
TOTAL	58	84.5	19	100	3	147

Table 39.2: Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2016.

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0
Senior management (levels 13-16)	0	0	0	0	0	0
TOTAL	58	0	0	0	0	0

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 39.3: Annual Leave for the period 1 January 2015 to 31 December 2016.

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Skilled (levels 3-5)	29	15	2
Highly skilled production (levels 6-8)	81	10	8
Highly skilled supervision (levels 9-12)	156	12	13
Senior management (levels 13-16)	163	11	15
Contract (levels 3-5)	10	10	1
Contract (levels 6-8)	46	15	3
Contract (levels 9-12)	76	11	7
Contract (levels 13-16)	82	9	9
TOTAL	643	11	58

Table 39.4: Capped leave for the period 1 January 2015 to 31 December 2015.

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2016
Lower skilled (levels 1-2)	0	0	0	0
Skilled levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
TOTAL	0	0	0	0

The following table summarise payments made to employees as a result of leave that was not taken.

Table 39.5: Leave pay-outs for the period 1 April 2015 and 31 March 2016.

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2015/16 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-out on termination of service for 2015/16	0	0	0
Current leave pay-out on termination of service for 2016:			
Level 5	7	1	7
Level 8	19	1	19
Level 8	23	1	23
Level 13	49	1	49
TOTAL	98	4	24

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2015/16 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-out on termination of service for 2015/16	0	0	0
Current leave pay-out on termination of service for 2016	98507.09	3	32835.70
TOTAL	98507.09	1	32835.70

HIV and AIDS and health promotion programmes

Table 40.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None.	N/A

Table 40.2: Details of health promotion and HIV and AIDS programmes (tick the applicable boxes and provide the required information).

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X	0	Ms M Thusi: Chief Director Ms J Stephens: Director.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X	0	Two employees Annual budget: R0

3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	X	0	24/7/364 days wellness counselling services which cover employees and their immediate family members. Services provided include HIV and AIDS and other chronic illnesses education and general screening services that include HCT, TB screening, cholesterol, diabetes, Pap-smear, PSA, etc.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	0	X	
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X	0	<ul style="list-style-type: none"> • Employee Wellness Policy • Gender Workplace Policy • Leave Policy • Recruitment Policy • Resettlement Policy • Overtime Policy • Employment Policy • EPMDS Policy • Retention Policy • Job Evaluation Policy • Training and Development Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X	0	<p>Departmental policies prevent discrimination of employees on the basis of their HIV status. The departmental HIV and AIDS programme also ensures non-discrimination of HIV-positive employees who have disclosed their status.</p> <p>If an employee is discriminated based on his/her HIV status the labour relations officer advises affected employee to report the matter to the Labour Court.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X	0	HCT and TB testing takes place quarterly to grant employees the opportunity to undergo testing.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X	0	Through monthly, quarterly and annual wellness reports and quarterly HCT reports. Service-provider assessment forms completed before HCT. After each session evaluation forms were completed to measure the impact.

3.3. Labour relations

Table 40.3: Collective agreements for the period 1 April 2015 and 31 March 2016.

Total number of collective agreements	None
---------------------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 40.4: Misconduct and disciplinary hearings finalised for the period 1 April 2015 and 31 March 2016.

Yes	No	No
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
TOTAL	0	0

Total number of disciplinary hearings finalised	None
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Table 40.5: Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016.

Type of misconduct	Number	% of total
N/A	0	0

Table 40.6: Grievances logged for the period 1 April 2015 and 31 March 2016.

Grievances	Number	% of total
Number of grievances resolved	0	0
Number of grievances not resolved	0	0
Total number of grievances lodged	0	0

Table 40.7: Disputes logged with councils for the period 1 April 2015 and 31 March 2016.

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

Table 40.8: Strike actions for the period 1 April 2015 and 31 March 2016.

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 40.9: Precautionary suspensions for the period 1 April 2015 and 31 March 2016.

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	0

Skills development

This section highlights the efforts of the department with regard to skills development.

Table 41.1: Training needs identified for the period 1 April 2015 and 31 March 2016.

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Subtotal	Female	0	0	0	0	0
	Male	0	0	0	0	0
TOTAL		0	0	0	0	0

Table 41.2: Training provided for the period 1 April 2015 and 31 March 2016.

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2	0	1	1	2
	Male	3	0	1		1
Professionals	Female	0	0	0	0	0
	Male	1		1		1
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Subtotal	Female	0	0	0	0	0
	Male	0	0	0	0	0
TOTAL		6	0	3	1	4

Injury on duty

The following tables provide basic information on injury on duty.

Table 41.3: Injury on duty for the period 1 April 2015 and 31 March 2016.

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
TOTAL	0	0

Utilisation of consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations 'consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 42.1: Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016.

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 42.2: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2015 and 31 March 2016.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

Table 42.3: Report on consultant appointments using donor funds for the period 1 April 2015 and 31 March 2016.

Project title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 42.4: Analysis of consultant appointments using donor funds, in terms of HDIs for the period 1 April 2015 and 31 March 2016.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

Severance packages

Table 43.1: Granting of employee initiated severance packages for the period 1 April 2015 and 31 March 2016.

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled levels 3-5	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
TOTAL	0	0	0	0





PART E: FINANCIAL INFORMATION

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Report of the Auditor-General to Parliament on Vote no. 3: Department of Communications

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Communications set out on pages 97 to 133, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Basis Standards (MCS) and the requirements of the Public Finance Management Act, (Act 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I

conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Communications as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard and the requirements of the PFMA.

Additional matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary information

8. The supplementary information set out on pages 134 to 137 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act 25 of 2004) (PAA) and the general notice issued in terms thereof. I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
 - Programme 2: Communication Policy, research and development on pages 37 to 43

- Programme 3: Industry and Capacity development on pages 43 to 49
 - Programme 4: Entity Oversight on pages 49 to 52
11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. I did not identify any material findings on the usefulness and reliability of the reported performance information for all the selected programmes.

Additional matters

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Achievement of planned targets

15. Refer to the annual performance report on pages 20 to 52 for information on the achievement of planned targets for the year.

Compliance with legislation

16. I Performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial management and other related matters
17. I did not identify any instances of material non-compliance with the selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
31 July 2016



APPROPRIATION STATEMENT
for the year end 31 March 2016

Appropriation per programme

2015/16								2014/15	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION	42 414	-	5 793	48 207	48 206	1	100.0%	-	-
2. COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT	7 897	-	(631)	7 266	4 896	2 370	67.4%	-	-
3. INDUSTRY AND CAPACITY DEVELOPMENT	20 197	-	646	20 843	20 385	458	97.8%	-	-
4. ENTITY OVERSIGHT	1 220 380	-	(5 808)	1 214 572	1 214 555	17	100.0%	-	-
TOTAL	1 290 888	-	-	1 290 888	1 288 042	2 846	99.8%	-	-
				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
Add									
Departmental receipts				3 486					
Actual amounts per Statement of Financial Performance (total revenue)				1 294 374					
Actual amounts per Statement of Financial Performance (total expenditure)					1 288 042				

Appropriation per economic classification									
2015/16								2014/15	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	80 060	-	(966)	79 094	76 279	2 815	96.4%	-	-
Compensation of employees	56 005	-	(7 905)	48 100	47 592	508	98.9%	-	-
Salaries and wages	48 104	-	(4 978)	43 126	43 283	(157)	100.4%	-	-
Social contributions	7 901	-	(2 927)	4 974	4 309	665	86.6%	-	-
Goods and services	24 055	-	6 939	30 994	28 687	2 307	92.6%	-	-
Administrative fees	140	-	140	280	280	-	100.0%	-	-
Advertising	10 000	-	(5 281)	4 719	3 163	1 556	67.0%	-	-
Minor assets	21	-	76	97	92	5	94.8%	-	-
Bursaries: Employees	-	-	61	61	62	(1)	101.6%	-	-
Catering: Departmental activities	57	-	1 063	1 120	1 086	34	97.0%	-	-
Communication (G&S)	1 247	-	786	2 033	1 924	109	94.6%	-	-
Computer services	-	-	34	34	34	-	100.0%	-	-
Consultants: Business and advisory services	6	-	25	31	31	-	100.0%	-	-
Legal services	-	-	2 418	2 418	2 416	2	99.9%	-	-
Contractors	1 021	-	(526)	495	342	153	69.1%	-	-
Agency and support / outsourced services	-	-	94	94	98	(4)	104.3%	-	-
Entertainment	40	-	(28)	12	11	1	91.7%	-	-
Fleet services (Including government motor transport)	1 505	-	816	2 321	2 317	4	99.8%	-	-
Consumable supplies	144	-	6	150	142	8	94.7%	-	-

Appropriation per economic classification									
2015/16								2014/15	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	767	-	305	1 072	980	92	91.4%	-	-
Operating leases	67	-	134	201	201	-	100.0%	-	-
Travel and subsistence	8 391	-	6 193	14 584	14 399	185	98.7%	-	-
Training and development	277	-	10	287	196	91	68.3%	-	-
Operating payments	371	-	336	707	636	71	90.0%	-	-
Rental and hiring	1	-	277	278	277	1	99.6%	-	-
Transfers and subsidies	1 210 156	-	50	1 210 206	1 210 205	1	100.0%	-	-
Departmental agencies and accounts	1 037 229	-	-	1 037 229	1 037 229	-	100.0%	-	-
Departmental agencies and accounts (non-business entities)	1 037 229	-	-	1 037 229	1 037 229	-	100.0%	-	-
Public corporations and private enterprises	172 927	-	-	172 927	172 927	-	100.0%	-	-
Public corporations	172 927	-	-	172 927	172 927	-	100.0%	-	-
Other transfers to public corporations	172 927	-	-	172 927	172 927	-	100.0%	-	-
Households	-	-	50	50	49	1	98.0%	-	-
Social benefits	-	-	50	50	49	1	98.0%	-	-
Payments for capital assets	672	-	916	1 588	1 558	30	98.1%	-	-
Machinery and equipment	672	-	916	1 588	1 558	30	98.1%	-	-
Other machinery and equipment	672	-	916	1 588	1 558	30	98.1%	-	-
TOTAL	1 290 888	-	-	1 290 888	1 288 042	2 846	99.8%	-	-

Programme 1: ADMINISTRATION									
2015/16								2014/15	
Subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 MINISTRY	7 507	-	4 618	12 125	12 032	93	99.2%	-	-
1.2 DEPARTMENTAL MANAGEMENT	17 477	-	10 920	28 397	28 725	(328)	101.2%	-	-
1.3 CORPORATE SERVICES	8 879	-	(3 937)	4 942	4 881	61	98.8%	-	-
1.4 FINANCIAL MANAGEMENT	8 551	-	(5 808)	2 743	2 568	175	93.6%	-	-
Total for subprogrammes	42 414	-	5 793	48 207	48 206	1	100.0%		

Appropriation per economic classification									
2015/16								2014/15	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	42 374	-	4 951	47 325	47 325	-	100.0%	-	-
Compensation of employees	34 067	-	(4 731)	29 336	29 337	(1)	100.0%	-	-
Salaries and wages	29 581	-	(2 754)	26 827	26 827	-	100.0%	-	-
Social contributions	4 486	-	(1 977)	2 509	2 510	(1)	100.0%	-	-
Goods and services	8 307	-	9 682	17 989	17 988	1	100.0%	-	-
Administrative fees	95	-	157	252	253	(1)	100.4%	-	-
Advertising	-	-	99	99	99	-	100.0%	-	-
Minor assets	6	-	31	37	38	(1)	102.7%	-	-
Bursaries: Employees	-	-	11	11	12	(1)	109.1%	-	-
Catering: Departmental activities	17	-	207	224	196	28	87.5%	-	-

Appropriation per economic classification									
2015/16								2014/15	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	751	-	394	1 145	1 124	21	98.2%	-	-
Consultants: Business and advisory services	-	-	13	13	13	-	100.0%	-	-
Legal services	-	-	576	576	576	-	100.0%	-	-
Contractors	2	-	265	267	267	-	100.0%	-	-
Agency and support / outsourced services	-	-	91	91	95	(4)	104.4%	-	-
Entertainment	40	-	(28)	12	11	1	91.7%	-	-
Fleet services (Including government motor transport)	1 497	-	822	2 319	2 317	2	99.9%	-	-
Consumable supplies	94	-	14	108	105	3	97.2%	-	-
Consumable: Stationery, printing and office supplies	169	-	236	405	406	(1)	100.2%	-	-
Operating leases	35	-	138	173	174	(1)	100.6%	-	-
Travel and subsistence	5 454	-	6 213	11 667	11 722	(55)	100.5%	-	-
Training and development	12	-	45	57	57	-	100.0%	-	-
Operating payments	134	-	321	445	455	10	97.8%	-	-
Rental and hiring	1	-	77	78	78	-	100.0%	-	-
Transfers and subsidies	-	-	50	50	49	1	98.0%	-	-
Households	-	-	50	50	49	1	98.0%	-	-
Social benefits	-	-	50	50	49	1	98.0%	-	-
Payments for capital assets	40	-	792	832	832	-	100.0%	-	-
Machinery and equipment	40	-	792	832	832	-	100.0%	-	-
Other machinery and equipment	40	-	792	832	832	-	100.0%	-	-
TOTAL	42 414	-	5 793	48 207	48 206	1	100.0%	-	-

1.1 MINISTRY									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 477	-	4 384	11 861	11 768	93	99.2%	-	-
Compensation of employees	3 693	-	189	3 882	3 882	-	100.0%	-	-
Goods and services	3 784	-	4 195	7 979	7 886	93	98.8%	-	-
Payments for capital assets	30	-	234	264	264	-	100.0%	-	-
Machinery and equipment	30	-	234	264	264	-	100.0%	-	-
TOTAL	7 507	-	4 618	12 125	12 032	93	99.2%	-	-

1.2 DEPARTMENTAL MANAGEMENT									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 477	-	10 606	28 083	28 402	(319)	101.1%	-	-
Compensation of employees	12 984	-	6 048	19 032	19 257	(225)	101.2%	-	-
Goods and services	4 493	-	4 558	9 051	9 145	(94)	101.0%	-	-
Transfers and subsidies	-	-	50	50	49	1	98.0%	-	-
Households	-	-	50	50	49	1	98.0%	-	-
Payments for capital assets	-	-	264	264	274	(10)	103.8%	-	-
Machinery and equipment	-	-	264	264	274	(10)	103.8%	-	-
TOTAL	17 477	-	10 920	28 397	28 725	(328)	101.2%	-	-

1.3 CORPORATE SERVICES									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 879	-	(4 231)	4 648	4 587	61	98.7%	-	-
Compensation of employees	8 879	-	(4 910)	3 969	3 881	88	97.8%	-	-
Goods and services	-	-	679	679	706	(27)	104.0%	-	-
Payments for capital assets	-	-	294	294	294	-	100.0%	-	-
Machinery and equipment	-	-	294	294	294	-	100.0%	-	-
TOTAL	8 879	-	(3 937)	4 942	4 881	61	98.8%	-	-

1.4 FINANCIAL MANAGEMENT									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 541	-	(5 808)	2 733	2 568	165	94.0%	-	-
Compensation of employees	8 511	-	(6 058)	2 453	2 317	136	94.5%	-	-
Goods and services	30	-	250	280	251	29	89.6%	-	-
Payments for capital assets	10	-	-	10	-	10	-	-	-
Machinery and equipment	10	-	-	10	-	10	-	-	-
TOTAL	8 551	-	(5,808)	2 743	2 568	175	93.6%	-	-

Programme 2: COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
2.1 BROADCASTING POLICY	6 864	-	(523)	6 341	4 883	1 458	77.0%	-	-
2.2 TECHNICAL AND ENGINEERING SERVICES	1 033	-	(108)	925	13	912	1.4%	-	-
Total for subprogrammes	7 897	-	(631)	7 266	4 896	2 370	67.4%	-	-

Economic classification									
Current payments	7 719	-	(1 067)	6 652	4 282	2 370	64.4%	-	-
Compensation of employees	5 769	-	-	5 769	3 764	2 005	65.2%	-	-
Salaries and wages	4 812	-	-	4 812	3 342	1 470	69.5%	-	-
Social contributions	957	-	-	957	422	535	44.1%	-	-
Goods and Services	1 950	-	(1 067)	883	518	365	58.7%	-	-
Administrative fees	1	-	4	5	4	1	80.0%	-	-
Advertising	-	-	19	19	19	-	100.0%	-	-
Minor assets	-	-	39	39	39	-	100.0%	-	-
Bursaries: Employees	-	-	35	35	35	-	100.0%	-	-
Communication (G&S)	92	-	(52)	40	30	10	75.0%	-	-
Legal services	799	-	(773)	26	-	26	-	-	-
Contractors	-	-	3	3	3	-	100.0%	-	-
Consumable supplies	6	-	-	6	2	4	33.3%	-	-
Consumable: Stationery, printing and office supplies	217	-	(58)	159	122	37	76.7%	-	-

Programme 2: COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Operating leases	-	-	28	28	27	1	96.4%	-	-
Travel and subsistence	595	-	(144)	451	226	225	50.1%	-	-
Training and development	40	-	(40)	-	-	-	-	-	-
Operating payments	200	-	(128)	72	11	61	15.3%	-	-
Payment of Capital assets	178	-	436	614	614	-	100.0%	-	-
Machinery and Equipment	178	-	436	614	614	-	100.0%	-	-
Other Machinery and Equipment	178	-	436	614	614	-	100.0%	-	-
TOTAL	7 897	-	(631)	7 266	4 896	2 370	67.4%	-	-

2.1 BROADCASTING POLICY									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 686	-	(959)	5 727	4 269	1 458	74,5%	-	-
Compensation of employees	4 844	-	-	4 844	3 763	1 081	77.7%	-	-
Goods and services	1 842	-	(959)	883	506	377	57.3%	-	-
Payments for capital assets	178	-	436	614	614	-	100.0%	-	-
Machinery and equipment	178	-	436	614	614	-	100.0%	-	-
TOTAL	6 864	-	(523)	6 341	4 883	1 458	77.0%	-	-

2.2 TECHNICAL AND ENGINEERING SERVICES									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 033	-	(108)	925	13	912	1.4%	-	-
Compensation of employees	925	-	-	925	1	924	0.1%	-	-
Goods and services	108	-	(108)	-	12	(12)	-	-	-
TOTAL	1 033	-	(108)	925	13	912	1.4%	-	-

Programme 3: INDUSTRY AND CAPACITY DEVELOPMENT									
2015/16								2014/15	
Subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 ENTERPRISE DEVELOPMENT	4 952	-	71	5 023	2 389	2 634	47.6%	-	-
3.2 BROADCASTING DIGITAL MIGRATION	13 996	-	489	14 485	15 260	(775)	105.4%	-	-
3.3 INDUSTRY RESEARCH AND ANALYSIS	1 049	-	86	1 135	1 734	(599)	152.8%	-	-
3.4 INTER-GOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT	200	-	-	200	1 002	(802)	501.0%	-	-
Total for subprogrammes	20 197	-	646	20 843	20 385	458	97.8%		

Economic classification									
Current payments	20 047	-	696	20 743	20 315	428	97.9%	-	-
Compensation of employees	7 607	-	1 889	9 496	11 008	(1 512)	115.9%	-	-
Salaries and wages	6 799	-	1 889	8 688	10 000	(1 312)	115.1%	-	-
Social contributions	808	-	-	808	1 008	(200)	124.8%	-	-
Goods and services	12 440	-	(1 193)	11 247	9 307	1 940	82.8%	-	-
Administrative fees	4	-	12	16	19	(3)	118.8%	-	-
Advertising	10 000	-	(5 399)	4 601	3 045	1 556	66.2%	-	-

Programme 3: INDUSTRY AND CAPACITY DEVELOPMENT									
2015/16								2014/15	
Subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Minor assets	3	-	9	12	12	-	100.0%	-	-
Audit costs: External	-	-	15	15	15	-	100.0%	-	-
Bursaries: Employees	-	-	886	886	888	(2)	100.2%	-	-
Catering: Departmental activities	280	-	492	772	707	65	91.6%	-	-
Communication (G&S)	-	-	34	34	34	-	100.0%	-	-
Computer services	6	-	12	18	18	-	100.0%	-	-
Consultants: Business and advisory services								-	-
Scientific and technological services	-	-	1 359	1 359	1 359	-	100.0%	-	-
Legal services	220	-	(18)	202	75	127	37.1%	-	-
Fleet services (Including government motor transport)								-	-
Consumable supplies	12	-	20	32	32	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	161	-	32	481	416	65	86.5%	-	-
Travel and Subsistence	1 584	-	666	2 250	2 208	42	98.1%	-	-
Training and development	170	-	25	195	105	90	53.8%	-	-
Operating payments	-	-	180	180	180	-	100.0%	-	-
Rental and hiring	-	-	194	194	194	-	100.0%	-	-
Payments for capital assets	150	-	(50)	100	70	30	70.0%	-	-
Machinery and equipment	150	-	(50)	100	70	30	70.0%	-	-
Other machinery and equipment	150	-	(50)	100	70	30	70.0%	-	-
TOTAL	20 197	646	20 843	20 385	458	-	97.8%	-	-

3.1 ENTERPRISE DEVELOPMENT									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 802	-	121	4 923	2 389	2 534	48.5%	-	-
Compensation of employees	4 062	-	400	4 462	2 201	2 261	49.3%	-	-
Goods and services	740	-	(279)	461	188	273	40.8%	-	-
Payments for capital assets	150	-	(50)	100	-	100	-	-	-
Machinery and equipment	150	-	(50)	100	-	100	-	-	-
TOTAL	4 952	-	71	5 023	2 389	2 634	47.6%	-	-

3.2 BROADCASTING DIGITAL MIGRATION									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 996	-	489	14 485	15 190	(705)	104.9%	-	-
Compensation of employees	2 816	-	1 489	4 305	6 576	(2 271)	152.8%	-	-
Goods and services	11 180	-	(1 000)	10 180	8 614	1 566	84.6%	-	-
Payments for capital assets	-	-	-	-	70	(70)	-	-	-
Machinery and equipment	-	-	-	-	70	(70)	-	-	-
TOTAL	13 996	-	489	14 485	15 260	(775)	105.4%	-	-

3.3 INDUSTRY RESEARCH AND ANALYSIS									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 049	-	86	1 135	1 734	(599)	152.8%	-	-
Compensation of employees	729	-	-	729	1 413	(684)	193.8%	-	-
Goods and services	320	-	86	406	321	85	79.1%	-	-
TOTAL	1 049	-	86	1 135	1 734	(599)	152.8%	-	-

3.4 INTER-GOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	200	-	-	200	1 002	(802)	501.0%	-	-
Compensation of employees	-	-	-	-	818	(818)	-	-	-
Goods and services	200	-	-	200	184	16	92.0%	-	-
TOTAL	200	-	-	200	1 002	(802)	501.0%	-	-

Programme 4: ENTITY OVERSIGHT									
2015/16								2014/15	
Subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 PROGRAMME MANAGEMENT FOR ENTITY OVERSIGHT	2 139	-	(34)	2 105	2 559	(454)	121.6%	-	-
4.2 BROADCASTING AND COMMUNITY MEDIA	197 953	-	(1 905)	196 048	196 875	(827)	100.4%	-	-
4.3 COMMUNICATION AND BRANDING	543 423	-	(2 982)	540 441	539 136	1 305	99.8%	-	-
4.4 REGULATORY INSTITUTIONS	476 865	-	(887)	475 978	475 978	-	100.0%	-	-
4.5 STRATEGY AND POLICY ALIGNMENT	-	-	-	-	7	(7)	-	-	-
Total for subprogrammes	1 220 380	-	(5 808)	1 214 572	1 214 555	17	100.0%	-	-

Economic classification									
Current payments	9 920	-	(5 546)	4 374	4 357	17	99.6%	-	-
Compensation of employees	8 562	-	(5 063)	3 499	3 483	16	99.5%	-	-
Salaries and wages	6 912	-	(4 113)	2 799	3 114	(315)	111.3%	-	-
Social contributions	1 650	-	(950)	700	369	331	52.7%	-	-
Goods and services	1 358	-	(483)	875	874	1	99.9%	-	-
Administrative fees	40	-	(33)	7	4	3	57.1%	-	-
Minor assets	12	-	(3)	9	3	6	33.3%	-	-
Catering: Departmental activities	40	-	(30)	10	2	8	20.0%	-	-
Communication (G&S)	124	-	(48)	76	63	13	82.9%	-	-
Legal services	-	-	483	483	481	2	99.6%	-	-
Fleet services (Including government motor transport)	8	-	(6)	2	-	2	-	-	-

Programme 4: ENTITY OVERSIGHT									
2015/16								2014/15	
Subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Consumable supplies	32	-	(28)	4	3	1	75.0%	-	-
Consumable: Stationery printing and office supplies	220	-	(193)	27	36	(9)	133.3%	-	-
Operating leases	32	-	(32)	-	-	-	-	-	-
Travel and subsistence	758	-	(542)	216	243	(27)	112.5%	-	-
Training and development	55	-	(20)	35	34	1	97.1%	-	-
Operating payments	37	-	(37)	-	-	-	-	-	-
Rental and hiring	-	-	6	6	5	1	83.3%		
Transfers and subsidies	1 210 156	-	-	1 210 156	1 210 156	-	100.0%	-	-
Departmental agencies and accounts	1 037 229	-	-	1 037 229	1 037 229	-	100.0%	-	-
Departmental agencies and accounts (non-business entities)	1 037 229	-	-	1 037 229	1 037 229	-	100.0%	-	-
Public corporations and private enterprises	172 927	-	-	172 927	172 927	-	100.0%	-	-
Public corporations	172 927	-	-	172 927	172 927	-	100.0%	-	-
Other transfers to public corporations	172 927		-	172 927	172 927	-	100.0%	-	-
Payments for capital assets	304	-	(262)	42	42	-	100.0%	-	-
Machinery and equipment	304	-	(262)	42	42	-	100.0%	-	-
Other machinery and equipment	304	-	(262)	42	42	-	100.0%	-	-
TOTAL	1 220 380	-	(5 808)	1 214 572	1 214 555	17	100.0%	-	-

4.1 PROGRAMME MANAGEMENT FOR ENTITY OVERSIGHT									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 063	-	-	2 063	2 517	(454)	122.0%	-	-
Compensation of employees	1 698	-	-	1 698	2 189	(491)	128.9%	-	-
Goods and services	365	-	-	365	328	37	89.9%	-	-
Payments for capital assets	76	-	(34)	42	42	-	100.0%	-	-
Machinery and equipment	76	-	(34)	42	42	-	100.0%	-	-
Other machinery and equipment	76	-	(34)	42	42	-	100.0%	-	-
TOTAL	2 139	-	(34)	2 105	2 559	(454)	121.6%	-	-

4.2 BROADCASTING AND COMMUNITY MEDIA									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 335	-	(1 829)	506	1 333	(827)	263.4%	-	-
Compensation of employees	2 004	-	(2 004)	-	798	(798)	-	-	-
Goods and services	331	-	175	506	535	(29)	105.7%	-	-
Transfers and subsidies	195 542	-	-	195 542	195 542	-	100.0%	-	-
Departmental agencies and accounts	22 615	-	-	22 615	22 615	-	100.0%	-	-
Public corporations and private enterprises	172 927	-	-	172 927	172 927	-	100.0%	-	-
Payments for capital assets	76	-	(76)	-	-	-	-	-	-
Machinery and equipment	76	-	(76)	-	-	-	-	-	-
TOTAL	197 953	-	(1 905)	196 048	196 875	(827)	100.4%	-	-

4.3 COMMUNICATION AND BRANDING									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 711	-	(2 906)	1 805	500	1 305	27.7%	-	-
Compensation of employees	4 380	-	(2 579)	1 801	496	1 305	27.5%	-	-
Goods and services	331	-	(327)	4	4	-	100.0%	-	-
Transfers and subsidies	538 636	-	-	538 636	538 636	-	100.0%	-	-
Departmental agencies and accounts	538 636	-	-	538 636	538 636	-	100.0%	-	-
Payments for capital assets	76	-	(76)	-	-	-	-	-	-
Machinery and equipment	76	-	(76)	-	-	-	-	-	-
TOTAL	543 423	-	(2 982)	540 441	539 136	1 305	99.8%	-	-

4.4 REGULATORY INSTITUTIONS									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	811	-	(811)	-	-	-	-	-	-
Compensation of employees	480	-	(480)	-	-	-	-	-	-
Goods and services	331	-	(331)	-	-	-	-	-	-
Transfers and subsidies	475 978	-	-	475 978	475 978	-	100.0%	-	-
Departmental agencies and accounts	475 978	-	-	475 978	475 978	-	100.0%	-	-
Payments for capital assets	76	-	(76)	-	-	-	-	-	-
Machinery and equipment	76	-	(76)	-	-	-	-	-	-
TOTAL	476 865	-	(887)	475 978	475 978	-	100.0%	-	-

4.5 STRATEGY AND POLICY ALIGNMENT

Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	7	(7)	-	-	-
Goods and services	-	-	-	-	7	(7)	-	-	-
TOTAL	-	-	-	-	7	(7)	-	-	-



NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2016

1. Detail of transfers and subsidies as per Appropriation Act (after virement):

Detail of these transactions can be viewed in the note on Transfers and Subsidies, Notes and Annexure 1 (A-D) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
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Programme 1: Administration	48 207	48 206	1	0%
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The underspending was as a result of cost containment measures on catering.

Programme 2: Communications Policy, Research and Development	7 266	4 896	2 370	33%
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The underspending is mainly due to funded posts that remained vacant throughout the financial year. This has also impacted on the goods and services expenditure. Due to 8% virement limitations, the savings could not be moved to fund other activities within the department.

Programme 3: Industry and Capacity and Development	20 843	20 385	458	2%
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The underspending stemmed from unpaid commitments in respect of Digital Terrestrial Television (DTT) Awareness Campaign. A request to rollover funds to 2016/17 financial year will be submitted to National Treasury.

Programme 4: Entity Oversight	1 214 572	1 214 555	17	0%
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The underspending was a result of vacancies that could not be filled as anticipated and the savings were reallocated to fund other programmes that were overspending.

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments				
Compensation of employees	48 100	47 592	508	1%
Goods and services	30 994	28 687	2 307	7%
Transfers and subsidies				
Departmental agencies and accounts	1 037 229	1 037 229	-	-
Public corporations and private enterprises	172 927	172 927	-	-
Households	50	49	1	0.0%
Payments for capital assets				
Machinery and equipment	1 588	1 558	30	0.0%

The underspending stemmed from unpaid commitments in respect of DTT Awareness Campaign. The savings in Programme 2 could not be utilised to fund activities within the department due to 8% virement limitation in terms of Section 43 of the PFMA of 1999.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2016

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
REVENUE			
Annual appropriation	1	1, 290, 888	-
Departmental revenue	2	3,486	-
TOTAL REVENUE		1,294,374	-
EXPENDITURE			
Current expenditure			
Compensation of employees	3	47,592	-
Goods and services	4	28,687	-
Total current expenditure		76,279	-
Transfers and subsidies			
Transfers and subsidies	5	1,210,205	-
Total transfers and subsidies		1,210,205	-
Expenditure for capital assets			
Tangible assets	6	1,558	-
Total expenditure for capital assets		1,558	-
TOTAL EXPENDITURE		1,288,042	-
SURPLUS/(DEFICIT) FOR THE YEAR		6,332	-
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		2,846	-
Annual appropriation		2,846	-
Conditional grants			
Departmental revenue and NRF Receipts	12	3,486	-
SURPLUS/(DEFICIT) FOR THE YEAR		6,332	-

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2016

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
ASSETS			
Current assets		6,119	-
Cash and cash equivalents	7	2,824	-
Prepayments and advances	8	3,032	-
Receivables	9	263	-
Non-current assets		27,391	-
Loans	10	27,391	-
TOTAL ASSETS		33,510	-
LIABILITIES			
Current liabilities		6,119	-
Voted funds to be surrendered to the Revenue Fund	11	2,846	-
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	12	1	-
Payables	13	3,272	-
TOTAL LIABILITIES		6,119	-
NET ASSETS		27,391	-
Represented by:			
Capitalisation reserve		27,391	-
TOTAL		27,391	-

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
Capitalisation Reserves			
Other movements	10	27,391	-
Closing balance		27,391	-
TOTAL		27,391	-

CASH FLOW STATEMENT for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,294,374	-
Annual appropriated funds received	1.1	1,290,888	-
Departmental revenue received	2.1:2.3	80	-
Interest received	2.2	3,406	-
Net (increase)/decrease in working capital		(23)	-
Surrendered to Revenue Fund		(3,485)	-
Current payments		(76,279)	-
Transfers and subsidies paid		(1,210,205)	-
Net cash flow available from operating activities	14	4,382	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	(1,558)	-
(Increase)/decrease in loans		(27,391)	-
Net cash flows from investing activities		(28,949)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		27,391	-
Net cash flows from financing activities		27,391	-
Net increase/(decrease) in cash and cash equivalents		2, 824	-
Cash and cash equivalents at end of period	7	2,824	-

ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public PFMA of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA of 1999 and the annual Division of Revenue Act.

1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard (MCS).

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

6. Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1 Appropriated funds

Appropriated funds comprise departmental allocations and direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and penalties) is measured at amounts receivable from collecting agents.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

10. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

11. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

12. Payables

Loans and payables are recognised in the statement of financial position at cost.

13. Capital Assets

13.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the Office of the Accountant-General (OAG)) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

13.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the

asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

14. Provisions and contingents

14.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

14.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

14.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

14.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

15. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

16. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

17. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

18. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error

has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

19. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

20. Departures from the MCS requirements

The department has compiled the Annual Financial Statements as per MCS. Management has concluded that the financial statements present fairly the department's primary and secondary information.

21. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the NRF when the underlying asset is disposed and the related funds are received.

22. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the NRF when recovered or are transferred to the statement of financial performance when written-off.

23. Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds):

		2015/16		2014/15	
	Final Appropriation	Actual Funds	Funds not requested/ not received	Final Appropriation	Appropriation
	R'000	Received	R'000	R'000	received
		R'000			R'000
Programmes					
Administration	48,207	48,207	-	-	-
Communications Policy, Research and Development	7,266	7,266	-	-	-
Industry and Capacity Development	20,843	20,843	-	-	-
Entity Oversight	1,214,572	1,214,572	-	-	-
Total	1,290,888	1,290,888	-	-	-

2. Departmental revenue

	Note	2015/16	2014/15
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	12	-
Interest, dividends and rent on land	2.2	3,406	-
Transactions in financial assets and liabilities	2.3	68	-
Total revenue collected		3,486	-
Departmental revenue collected		3,486	-

Included in the interest amount of R3,406 million is interest received from SABC on Loan No 14 in terms of Section 30(1) of the Exchequer Act of 1975. Interest is payable at a rate of 6.5% per annum, payable six monthly in arrears, on 31 January and 31 July every year. During the 2015/16 financial year, the DoC received R1,325 billion from ICASA that was surrendered to the NRF and SARS respectively. An amount of R3,259 million was deposited by ICASA in March 2016 and will be surrendered to NRF and SARS in April 2016. The DoC is deemed to be a "conduit" as it only passes administrative fees from ICASA to the NRF and SARS and, therefore, the department does not record the mentioned amounts as departmental revenue in the Statement of Financial Performance (PER) at year-end as this will overstate the department's revenue. An amount of R11 300.00 in respect of monthly parking fees was not recovered from officials by 31 March 2016. Officials were notified and recoveries will be taking place in April to June 2016.

2.1 Sales of goods and services other than capital assets

	Note	2015/16	2014/15
		R'000	R'000
Sales of goods and services produced by the department	2	12	-
Sales by market establishment		5	-
Other sales		7	-
Total		12	-

2.2 Interest, dividends and rent on land

	Note	2015/16	2014/15
		R'000	R'000
Interest	2	3,406	-
Total		3,406	-

Included in the interest amount of R3,406 million is interest received from SABC on Loan No 14 in terms of Section 30(1) of the Exchequer Act, (Act No 66 of 1975). Interest is payable at a rate of 6.5% per annum, payable six monthly in arrears, on 31 January and 31 July every year.

2.3 Transactions in financial assets and liabilities

	Note	2015/16	2014/15
		R'000	R'000
Other receipts including Recoverable Revenue	2	68	-
Total		68	-

3. Compensation of employees

3.1 Salaries and Wages

	Note	2015/16	2014/15
		R'000	R'000
Basic salary	3	30,094	-
Performance award		263	-
Service based		57	-
Compensative/circumstantial		1,746	-
Periodic payments		1,394	-
Other non-pensionable allowances		9,729	-
Total		43,283	-

3.2 Social contributions

	Note	2015/16	2014/15
		R'000	R'000
Employer contributions			
Pension		3,666	-
Medical		638	-
Bargaining council		5	-
Total		4,309	-
Total compensation of employees		47,592	-
Average number of employees		92	-

The average number of employees figure represents the number of officials as at 31 March 2016.

4. Goods and services

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Administrative fees		281	-
Advertising		3,163	-
Minor assets	4.1	92	-
Bursaries (employees)		61	-
Catering		1,085	-
Communication		1,921	-
Computer services	4.2	34	-
Consultants: Business and advisory services		31	-
Legal services		2,416	-
Contractors		342	-
Agency and support / outsourced services		98	-
Entertainment		11	-
Fleet services		2,317	-
Consumables	4.3	1,122	-
Operating leases		202	-
Rental and hiring		278	-
Travel and subsistence	4.4	14,401	-
Training and development		197	-
Other operating expenditure	4.5	635	-
Total		28,687	-

4.1 Minor assets

	<i>Note</i>	2015/16	2014/15
	4	R'000	R'000
Tangible assets			
Machinery and equipment		92	-
Total		92	-

4.2 Computer Services

	<i>Note</i>	2015/16	2014/15
	4	R'000	R'000
SITA computer services		34	-
Total		34	-

4.3 Consumables

	<i>Note</i>	2015/16	2014/15
	4	R'000	R'000
Consumable supplies		143	-
Uniform and clothing		49	-
Household supplies		52	-
Building material and supplies		25	-
IT consumables		12	-
Other consumables		5	-
Stationery, printing and office supplies		979	-
Total		1,122	-

4.4 Travel and subsistence

	<i>Note</i>	2015/16	2014/15
	<i>4</i>	R'000	R'000
Local		10,115	-
Foreign		4,286	-
Total		14,401	-

4.5 Other operating expenditure

	<i>Note</i>	2015/16	2014/15
	<i>4</i>	R'000	R'000
Resettlement costs		150	-
Other		485	-
Total		635	-

5. Transfers and subsidies

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Departmental agencies and accounts	<i>Annex 1A</i>	1,037,229	-
Public corporations and private enterprises	<i>Annex 1B</i>	172,927	-
Households	<i>Annex 1C</i>	49	-
Total		1,210,205	-

6. Expenditure for capital assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Tangible assets	<i>6.1</i>	1,558	-
Machinery and equipment		1,558	-
Total		1,558	-

6.1 Analysis of funds utilised to acquire capital assets – 2015/16

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Tangible assets		1,558	1,558
Machinery and equipment	<i>6</i>	1,558	1,558
Total		1,558	1,558

7. Cash and cash equivalents

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Consolidated Paymaster-General Account		3,375	-
Disbursements		(581)	-
Cash on hand		30	-
Total		2,824	-

8. Prepayments and advances

	<i>Note</i>	2015/16	2014/15
	<i>8.1</i>	R'000	R'000
Advances paid		3,032	-
Total		3,032	-

8.1 Advances paid

	<i>Note</i>	2015/16	2014/15
	<i>Annexure 4</i>	R'000	R'000
National departments		3,032	-
Total		3,032	-

9. Receivables

	<i>Note</i>	2015/16			2014/15		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<i>9.1</i>	202	-	202	-	-	-
Recoverable expenditure	<i>9.2</i>	33	-	33	-	-	-
Staff debt	<i>9.3</i>	28	-	28	-	-	-
Total		263	-	263	-	-	-

9.1 Claims recoverable

	<i>Note</i>	2015/16	2014/15
	<i>9 and Annex 3</i>	R'000	R'000
National departments		202	-
Total		202	-

9.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2015/16	2014/15
	<i>9</i>	R'000	R'000
Disall Damages & Losses: CA		33	-
Total		33	-

9.3 Staff debt

	<i>Note</i>	2015/16	2014/15
	<i>9</i>	R'000	R'000
Debt Account: CA		28	-
Total		28	-

10. Loans

	<i>Note</i>	2015/16	2014/15
	<i>9</i>	R'000	R'000
Public corporations		27,391	-
Total		27,391	-
Analysis of balance			
New Issues		27,391	-
Closing balance		27,391	-

In terms of Section 30(1) of the Exchequer Act of 1975, an amount of R27,391 million was made available by National Treasury to the SABC as permanent capital (SABC Loan: Channel Africa – Loan 14). The loan was transferred from the DTSPS to the department in line with Section 42 of the PFMA of 1999, when the SABC was transferred to the department to form part of the portfolio of the Ministry of Communications.

11. Voted funds to be surrendered to the Revenue Fund

	Note	2015/16	2014/15
		R'000	R'000
Transfer from statement of financial performance (as restated)		2,846	-
Closing balance		2,846	-

12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2015/16	2014/15
		R'000	R'000
Transfer from Statement of Financial Performance (as restated)		3,486	-
Paid during the year		(3,485)	-
Closing balance		(1)	-

An amount of R11 300.00 in respect of monthly parking fees was not recovered from officials by 31 March 2016. Officials were notified and recoveries will be taking place in April to June 2016.

13. Payables – current

	Note	2015/16	2014/15
	13	R'000	R'000
Other payables		3,272	-
Total		3,272	-

13.1 Other payables

	Note	2015/16	2014/15
		R'000	R'000
Sal: Income Tax:CL		12	-
Sal: Pension Fund:CL		1	-
Payable:Adv:N/dept:Adv ACC:CL		3,259	-
Closing balance		3,272	-

An amount of R3, 259 million was deposited by ICASA in March 2016 and will be surrendered to the NRF and SARS in April 2016.

14. Net cash flow available from operating activities

	Note	2015/16	2014/15
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		6,332	-
Add back non cash/cash movements not deemed operating activities		(1,950)	-
(Increase)/decrease in receivables – current		(263)	-
(Increase)/decrease in prepayments and advances		(3,032)	-
Increase/(decrease) in payables – current		3,272	-
Expenditure on capital assets		1,558	-
Surrenders to Revenue Fund		(3,485)	-
Net cash flow generated by operating activities		4,382	-

15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2015/16	2014/15
		R'000	R'000
Consolidated Paymaster-General Account		3,375	-
Disbursements		(581)	-
Cash on hand		30	-
Total		2,824	-

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

	Note	2015/16	2014/15
		R'000	R'000
Liable to Nature			
Claims against the department	Annex 2B	-	-
Total		-	-

An employee lodged a constructive dismissal claim against the department. The matter was referred to the PSCBC and the outcome of the matter was not yet known by 31 March 2016.

The following court cases are still pending and the outcomes were unknown by 31 March 2016:

E-TV vs DoC; Mashangu Ronny Lubisi vs SABC; Support Public Broadcasting Coalition vs SABC and Support Public Broadcasting Coalition vs DoC.

As at the date of submission of the Annual Financial Statements the outcome was unknown.

17. Commitments

	Note	2015/16	2014/15
		R'000	R'000
Current expenditure			
Approved and contracted		736	-
Approved but not yet contracted		186	-
		922	-
Capital expenditure			
Approved and contracted		1,065	-
		1,065	-
Total Commitments		1,987	-

18. Accruals and payables not recognised

18.1 Accruals

	2015/16	2015/16	2014/15
	R'000	R'000	R'000

Listed by economic classification

	30 Days	Total	Total
Goods and services	4,495	4,495	-
Capital assets	121	121	-
Total	4,616	4,616	-

Listed by programme level

Programme 1: Administration	3,464	-
Programme 2: Communications Policy, Research and Development	27	-
Programme 3: Industry and Capacity Development	873	-
Programme 4: Entity Oversight	252	-
Total	4,616	-

19. Employee benefits

	Note	2015/16 R'000	2014/15 R'000
Leave entitlement		2,391	-
Service bonus (13th cheque)		1,112	-
Performance awards		888	-
Capped leave commitments		860	-
Total Commitments		5,251	-

Included in the leave entitlement is negative leave credits amounting to R7,099.18 as at 31 March 2016. A total of 15 annual leave days were not captured on PERSAL by 31 March 2016 and the amount of the leave entitlement was adjusted accordingly. Provision for performance awards are calculated at 1.5% of the total budget on compensation of employees.

20. Lease commitments

20.1 Operating leases expenditure

	Machinery and equipment	Total
2015/16		
Not later than one year	226	226
Later than one year and not later than five years	250	250
Total lease commitments	476	476

21. Details of fruitless and wasteful expenditure under investigation (not in main note)

	2015/16 R'000
Incident	
Cancellation of interviews	13
Total	13



22. Related party transactions

	Note	2015/16	2014/15
Payments made		R'000	R'000
Goods and services		7,512	-
Total		7,512	-

Year end balances arising from revenue/payments

	Note	2015/16	2014/15
		R'000	R'000
Receivables from related parties		3,210	-
Total		3,210	-

In kind goods and services provided/received

	Note	2015/16	2014/15
		R'000	R'000
SABC – Sound system, sound technicians and one TV set		20	-
SABC – Morning Live-production and SABC News		450	-
Total		470	-

The following entities are listed as related parties: SABC, MDDA, Brand South Africa, GCIS, ICASA and FPB. Regarding ICASA, the DoC has received revenue in respect of licence fees and other revenue from ICASA that was surrendered to NRF and SARS respectively. This is not regarded as departmental revenue. During the establishment phase of the DoC in the 2015/16 financial year, the GCIS had rendered Corporate Services functions to the department in accordance with a MoU between the two departments. Assets were transferred from the GCIS to DoC in line with Section 42 of the PFMA of 1999. Payments that were made on the transversal systems of the GCIS were claimed from the DoC.

Claims amounting to R7,512 million was paid to the GCIS during the 2015/16 financial year. An amount of R5,237 million was paid to the GCIS in respect of media-buying campaigns of which R3,008 million was reflected as an outstanding or unspent balance on the suspense account. A claim amounting to R201 623.18 was issued to the GCIS in March 2016 and payment was not received by 31 March 2016. In addition to the above, the GCIS rendered 269 non-monetary services such as radio production, photography and video services during the 2015/16 financial year.

Regarding the MoU between the DoC and GCIS, officials from the GCIS rendered Corporate Services functions to the DoC. The functions that were rendered from 1 April 2015 to 31 March 2016 included the following: CFO responsibilities; budget activities and expenditure monitoring, including compilation of departmental and National Treasury reports; financial accounting such as bookkeeping, suspense account reconciliations and interim financial statements; salary administration, including subsistence and travel, debt management; transport activities such as transport arrangements and account reconciliation; petty cash, including daily recompilation and bank withdrawal; demand management activities such as compiling a procurement plan; procurement activities by issuing orders to suppliers and paying invoices; assets management such as appointment, transfers resignations; information management and technology, and internal audit. In certain aspects, the arrangements in respect of the MoU continues on a month-to-month basis in the 2016/17 financial year until such time that DoC can function independently from the GCIS.

Although the DTPS is not regarded as a related party to the DoC, it is partly responsible for the DTT campaign.

The total value of the assets loaned to the DoC by the GCIS amounts to R1,092 million.

23. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers (provide detail below)	2	4,119	-
Officials:			-
Level 15 to 16	6	4,776	-
Level 14 (incl. CFO if at a lower level)	9	8,203	-
Total		17,098	-

Although the department did not employ Internal Auditors or a CFO during the 2015/16 financial year, these services were rendered by the Chief Audit Executive and the CFO of the GCIS in line with the MoU in respect of the rendering of corporate services functions. The mentioned Level 14 officials did not receive any remuneration from the Department.

The total number of individuals disclosed under Level 15 to 16 includes advisors to the Ministry of Communications.

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	-	-	6,171	39	6,132
Transport assets			3,523		3,523
Computer equipment	-	-	2,120	39	2,081
Furniture and office equipment	-	-	313		313
Other machinery and equipment	-	-	215		215
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	-	-	6,171	39	6,132

The total value of the assets loaned to the DoC by the GCIS amount to R1, 092 million.

24.1 Additions

	Cash*	Non-cash	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1,558	4,492	121	6,171
Transport assets	-	3,523	-	3,523
Computer equipment	1,466	654	-	2,120
Furniture and office equipment	41	272	-	313
Other machinery and equipment	51	43	121	215
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1,558	4,492	121	6,171

Included above are assets that were transferred in accordance with Section 42 of the PFMA of 1999 from the GCIS to the value of R4.519 million. Telephone instruments were received on 31 March 2016 and will be paid in the 2016/17 financial year. Tangible assets to the value of approximately R744 000.00 were transferred and received from the DTPS during the 2015/16 financial year although the letter to formalise the transfer in terms of Section 42 of PFMA of 1999 has not yet been received. The assets will be added as non-cash in the 2016/17 financial year.

24.2 Disposals

	Non-Cash	Total disposals
	R'000	R'000
MACHINERY AND EQUIPMENT	39	39
Computer equipment	39	39
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	39	39

Subsequent to the transfer of assets from the GCIS to the DoC in terms of Section 42 of the PFMA of 1999, two laptops that were reported stolen were included in the overall figure disclosed above in the Note 24. The theft of both laptops was presented to the Theft and Losses Committee who resolved that the book value of the equipment be recovered from the officials. The stolen laptops were recorded on the Asset Register by 31 March 2016 and will be removed in the 2016/17 financial year in line with the decision of the Theft and Losses Committee. The book value of one laptop was recovered in full by 31 March 2016 and the book value of the second laptop is being recovered in instalments in the 2016/17 financial year.

24.3 Minor assets

	Machinery and equipment R'000	Total R'000
Additions	317	317
TOTAL MINOR ASSETS	317	317

	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	2	2
Number of minor assets at cost	152	152
TOTAL NUMBER OF MINOR ASSETS	154	154

Included in the total amount of minor assets (Additions), is assets to the value of R1,499.00 that were received at 31 March 2016 but will be paid in the 2016/17 financial year as well as minor assets of approximately R224 000.00 that were transferred from the GCIS to the DoC in terms of Section 42 of the PFMA of 1999. Minor assets to the value of approximately R309 000.00 were transferred and received from the DTPS during the 2015/16 financial year although the letter to formalise the transfer in terms of Section 42 of PFMA of 1999 has not yet been received. The minor assets will be added as additions in the 2016/17 financial year.

24.4 S42 Movable capital assets

Tangible assets to the value of approximately R744 000.00 were transferred and received from the DTPS during the 2015/16 financial year although the letter to formalise the transfer in terms of Section 42 of PFMA of 1999 has not yet been received. The assets will be added as non-cash in the 2016/17 financial year.

Minor assets to the value of approximately R309 000.00 were transferred and received from the DTPS during the 2015/16 financial year although the letter to formalise the transfer in terms of Section 42 of PFMA of 1999 has not yet been received. The minor assets will be added as additions in the 2016/17 financial year.

25. Transfere of functions

Following the restructuring of portfolios after the 2014 general elections, the DoC and GCIS operate as two separate national departments within the Ministry of Communications with effect from 1 April 2015.

During the establishment phase of the DoC, a MoU was drafted between the GCIS and DoC for the rendering of corporate service related functions. Transactions performed on behalf of the DoC on the transversal systems of the GCIS were treated as normal operational claims which was settled by 31 March 2016. A letter of transfer of tangible capital assets was signed by both Accounting officers to effect the transfer of computer equipment and furniture from GCIS to the DoC. Transfer of major and minor assets in accordance with Section 42 of the PFMA of 1999 amount to R4.838 million from the GCIS by 31 March 2016.

A Section 42 claim was received from the DTPS which included SABC Loan (SABC – Channel Africa – Loan 14), as well as staff debts. Both accounting officers agreed to the Section 42 transfer.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER			2014/15
	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
BRAND SOUTH AFRICA	173,160	-	-	173,160	173,160	100%	-
FILM & PUBLICATION BOARD (FPB)	82,359	-	-	82,359	82,359	100%	-
GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM (GCIS)	365,476	-	-	365,476	365,476	100%	-
THE INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA (ICASA)	393,619	-	-	393,619	393,619	100%	-
MEDIA DEVELOPMENT AND DIVERSITY AGENCY (MDDA)	22,615	-	-	22,615	22,615	100%	-
Total	1,037,229	-	-	1,037,229	1,037,229	100%	-

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2014/15		
	Adjusted Appropriation Act	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers	172,927	-	-	172,927	172,927	100%	-	-	-
SOUTH AFRICAN BROADCASTING CORPORATION	172,927	-	-	172,927	172,927	100%	-	-	-
Total	172,927	-	-	172,927	172,927	100%	-	-	-

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			Total Available R'000	TRANSFER		2014/15 Appropriation Act R'000
	Adjusted Appropriation	Rollovers	Adjustments		Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000		R'000	%	
Transfers							
Households: Employee Social Benefit	-	-	50	50	49	98%	-
TOTAL	-	-	50	50	49	-	-

ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16 R'000	2014/15 R'000
Received in kind			
SABC	Sound system, sound technicians and 1 TV set	20	-
LERATADIMA	One exhibitor's marque, 15 tables and 30 chairs	11	-
CZ ELECTRONICS	20 Bottles of wine, 20 golf T-shirts and 3 TV sets	14	-
TEMIC	Bottled water, one SunPoynt 19 inch TV, 1 solar panel and 2 lights	9	-
USAASA	Breakfast for 50 people and lunch for VIP 250 guests	64	-
KAI !GARIEB MUNICIPALITY	Venue, Transport to Community and Programme Director	60	-
SABC	Morning Live production and SABC News	450	-
ELLIES	Train 10 installers	-	-
REPUBLIC OF CHINA	Flight, accommodation, ground transport for three officials	-	-
TOTAL		628	-

ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening Balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department	-	-	-	-	-
TOTAL	-	-	-	-	-

An employee lodged a constructive dismissal claim against the department. The matter was referred to the PSCBC and the outcome of the matter was not yet known by 31 March 2016.

The following court cases are still pending and the outcomes were unknown by 31 March 2016:

E-TV vs DoC; Mashangu Ronny Lubisi vs SABC; Support Public Broadcasting Coalition vs SABC and Support Public Broadcasting Coalition vs DoC.

As at the date of submission of the Annual Financial Statements the outcome was unknown.

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department								
GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM	202	-	-	-	202	-	-	-
TOTAL	202	-	-	-	202	-	-	-

ANNEXURE 4
INTER-ENTITY ADVANCES PAID

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department								
Current								
GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM	3,008	-	-	-	3,008	-	-	-
DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION	-	-	24	-	24	-	-	-
TOTAL	3,008	-	24	-	3,032	-	-	-



PART F: APPENDIX



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Brand South Africa



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