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Department:
Communications
REPUBLIC OF SOUTH AFRICA

2018
2019



ANNUAL REPORT

department of communications
department of communications
department of communications

Submission of the Department of Communications 2018/19 Draft Annual Report

To the Minister of Communications, Ms Stella Ndabeni-Abrahams.

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 Department of Communications for the period 1 April 2018 to 31 March 2019.



Ms Nomvuyiso Batyi
Acting Director-General

Date of submission: 26 August 2019



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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ADG	Acting Director-General
AENE	Adjusted Estimates of National Expenditure
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
ASD	Assistant Director
AU	African Union
APP	Annual Performance Plan
BDM	Broadcasting Digital Migration
BRICS	Brazil, Russia, India, China and South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPM	Conference Preparatory Meeting
DAC	Department of Arts and Culture
DD	Deputy Director
DG	Director-General
DoC	Department of Communications
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DTH	Direct-to-Home
DTPS	Department of Telecommunications and Postal Services
DTT	Digital Terrestrial Television
ECA	Electronic Communications Act
EE	Employment Equity
ENE	Estimates of National Expenditure
ESEID	Economic Sectors, Employment and Infrastructure Development
FPB	Film and Publication Board
GCIS	Government Communication and Information System
GEMS	Government Employees Medical Scheme
HDI	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR	Human Resources
HRD	Human Resource Development
HRM&D	Human Resource Management and Development
HRP	Human Resource Plan
IARC	Internal Audit and Risk Committee
ICAS	Independent Counselling and Advisory Services
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communications Technology
IDTSOT	Interdepartmental Technical Senior Officials' Team
IT	Information Technology
ITU	International Telecommunications Union

Manco	Management Committee
MDDA	Media Development and Diversity Agency
MOI	Memorandum of Incorporation
MoU	Memorandum of Understanding
MPSA	Minister of Public Service and Administration
NCOP	National Council of Provinces
NDP	National Development Plan
NPWG	National Preparatory Working Group
PFMA	Public Finance Management Act
PSC	Public Service Commission
PSCBC	Public Service Coordinating Bargaining Council
PSETA	Public Service Sector Education and Training Authority
PSR	Public Service Regulations
QPR	Quarterly Performance Report
SABC	South African Broadcasting Corporation
SABPAB	South African Broadcast Production Advisory Body
SADC	Southern African Development Community
SCCR	Standing Committee on Copyright and Related Rights
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SHERQ	Safety, Health, Environment, Risk and Quality
SKA	Square Kilometre Array
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOE	State-Owned Entity
STB	Set-Top Box
STC	Specialised Technical Committees
WIPO	World Intellectual Property Organisation
WRC	World Radiocommunication Conference
WSP	Workplace Skills Plan



3. FOREWORD BY THE MINISTER



**Minister Stella
Ndabeni-Abrahams**

I hereby present, to Parliament, the Annual Report for the Department of Communications (DoC) for the 2018/19 financial year. The purpose of the report is to provide Parliament and the public with an overview of the performance of the department during the period under review and to account in broad terms for how allocated resources were used in fulfilling the statutory functions of the department towards achieving its mandate.

In the 2019 State of the Nation Address, his Excellency President Cyril Ramaphosa said the communications sector has a vast potential for boosting economic growth. The President further announced that the Minister of Communications would be issuing a policy direction to the Independent Communications Authority of South Africa (ICASA) for the licensing of the high-demand radio frequency spectrum. I am happy to report that the process is currently underway. It is for this reason that we as the DoC are accelerating the rollout and completion of the Broadcasting Digital Migration (BDM) Programme to make the digital dividend spectrum available

to intended users through the licensing process. In this regard, the BDM Programme's project management office will now re-sequence the provincial Analogue Switch-Off Plan to enable the early release of the high-demand spectrum. Areas close to the borders with our neighbouring countries have also been prioritised to avoid cross-border signal interference.

Government recognises the role the South African Broadcasting Corporation (SABC) plays in society. Therefore, it is committed to the development of a sustainable and relevant public broadcaster that is accountable to Parliament, the public and the shareholder. These institutions play a vital role in giving true meaning to the mission of ensuring that ours is a participatory democracy in which the people truly govern. We are, therefore, vested with the responsibility to ensure our people have access to diverse information and knowledge as it exists in the world, in the spirit of growth and renewal. As the DoC, we have resolved to ensure that innovation is at the heart of the country's growth agenda. Invariably, our response to the Fourth Industrial Revolution (4IR) must be linked to our struggle against poverty, unemployment and inequality.

In April, President Ramaphosa announced 31-member commission, which comprises representatives of an array of world-renowned experts from the public sector, business and finance; ICT; small, medium and micro enterprises (SMMEs); academia and research institutions. The commission is mandated by President Ramaphosa to advise government on policy and to coordinate, monitor and evaluate various initiatives that will position South Africa as a globally competitive player in the 4IR. The DoC provides the commission with operational and secretariat support. It is clear that the 4IR ecosystem is highly knowledge dependent, which will demand unprecedented efforts in learning, skills and talent development for South Africa to capitalise on this revolution.

The department, with the advice of this commission, will develop a multi-sectoral strategy and framework for Government, which will enable every government department and organ of state to develop their own plans to integrate 4IR into everything they do and ensure that the sectors in which they function align accordingly.

As a policymaker in the mass media space, the DoC is seizing the opportunities accruable from the 4IR phenomena and is working on providing agile policies that create an environment for our sector to grow

and become attractive for local and foreign investment, and thereby enable job creation for our young people. As cautioned by the 4IR experts, ours is not to chase technology as this is an impossible task, given its pace. We should focus on systems to empower South African societies to master technologies and act to counter a fatalistic and deterministic view of progress; to foster collaboration with our stakeholders; and to take advantage of these technologies to create a better world for our people by eliminating inequality, insecurity and displacement. Fortunately, the National Development Plan: Vision 2030 has already set a path for us as a country to follow. In our actions, we must strive to build a cohesive South African nation and contribute towards employment, particularly for the youth.

On 22 November 2018, President Ramaphosa announced changes to Cabinet and decided to merge the ministries of communications and of telecommunications and postal services into a single Ministry of Communications. The President stated that “this move is going to ensure that we have better alignment and coordination on matters that are critical to the future of our economy in the context of the 4IR. The two departments that will report to the new ministry – namely, the DoC and the Department of Telecommunications and Postal Services (DTPS) – will remain as separate departments until the end of the fifth administration. The decision to merge the two ministries is in line with the work that we have undertaken in line with the announcement which I made during the State of the Nation Address that we are going to look at realigning Government”. Following the above announcement, the process of reconfiguring the DoC and the DTPS has, therefore, started and will be soon concluded. A skills audit exercise was undertaken to ensure that employees were correctly matched during this merger.

Lastly, I would like to convey my outmost respect and gratitude to the Portfolio Committee on Communications for their guidance, the former Minister of Communications, Ms Nomvula Mokonyane, and the Deputy Minister, Pinky Kekana, for their valued inputs in the achievements of the department. My gratitude further goes to Team DoC and encourage them to continue to regulate in the interest of South Africans.



MS STELLA NDABENI-ABRAHAMS, MP
MINISTER

Date: 30 August 2019



4. DEPUTY MINISTER'S STATEMENT



**Deputy Minister
Pinky Kekana**

A new dawn is upon us as the DoC, with a new mandate from President Cyril Ramaphosa. We have been given a mandate to develop a comprehensive and globally shared view of how technology is affecting our lives and reshaping our economic, social, cultural and human environments. There has never been a time of greater promise, or greater peril.

The department's activities are guided by key government policies and plans including the National Development Plan: Vision 2030, the New Growth Path, the Nine-Point Plan in the development and implementation of policies, programmes and strategies for the medium term. Achievements and challenges for the 2018/19 financial year in relation to policy directives and strategic outcome-related goals are also reflected in the Annual Report.

The protection of children against harmful online content also remains a critical component of our work. The DoC and our entity, the Film and Publication Board, extend our heartfelt thanks to the South African public, special interest groups, distributors and stakeholders in the film and gaming space for their inputs into the revised Classification Guidelines, which have now been gazetted. These Classification Guidelines are an important step in implementing a ratings system that talks to the needs and values of society – this was not an easy task, considering the diversity of our social landscape and varied consumer and commercial priorities. This rigorous review process is undertaken every five years.

As the DoC, we firmly believe that community media is a critical driver of media pluralism and freedom of expression, elevating the voices of marginalised communities, raising awareness around grassroots issues and increasing access by communities to information in the language of their choice. It is for this reason that through the Media Development and Diversity Agency (MDDA), we have reaffirmed our responsibility to ensure that further resources are dedicated to governance and compliance training to assist community radio to adhere to their licence conditions.

We have taken a progressive approach to support community radio by increasing our focus on capacitating the sector on governance and compliance in addition to other key skills such as financial management and marketing.

The DoC has started with preparations to draft the Media Transformation and Diversity Charter. The charter, driven by the council, will ensure that while the print media sector continues to exercise its freedom of expression in the newsroom, the sector is also assisted to comply with the relevant legislative prescripts and regulations regarding transformation of the economy. The terms of reference has been finalised for the establishment of a steering committee to draft the charter. The charter seeks to achieve diverse but shared outcomes for the transformation and implementation of Broad-Based Black Economic Empowerment (B-BBEE) for the mainstream print media and publishing industry.

We remain committed to making a difference in the postal, broadcasting and telecommunications sectors in our country and the Southern African Development Community (SADC) through our involvement in the African continent and globally.



MS PINKY KEKANA, MP

DEPUTY MINISTER OF COMMUNICATIONS

Date: 30 August 2019

5. REPORT OF THE ACCOUNTING OFFICER



Ms Nomvuyiso Batyi
Acting Director-General

5.1 Overview of the operations of the Department of Communications

The DoC is entrusted with a huge responsibility of creating an enabling communications environment and dignity of South Africans as encapsulated in the theme “Universal Access”. The constitutional mandate for the department is to 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.

The DoC is executing its mandate of developing appropriate policies that will help to improve government communication and drive the communications sector to ensure universal access to all citizens. The department’s mandate is derived from Section 192 of the Constitution of the Republic of South Africa of 1996, which provides for the independence of broadcasting regulation

in the public interest, the International Telecommunication Union (ITU) and the World Intellectual Property Organisation (WIPO). Nation-building and social cohesion remain key priorities as stipulated in the National Development Plan (NDP).

The DoC will continued to work with our state-owned entities (SOEs) to deliver on their mandate. These institutions play a vital role in giving true meaning to our mission of ensuring that ours is participatory democracy in which the people truly govern. In this regard, this means that we are vested with the responsibility to ensure that our people have access to as diverse information and knowledge as exist in the world.

The inability of the department to provide effective oversight on SOEs is due to the current legislative framework governing entities. The current legislative framework does not align to the Cabinet-approved *White Paper on ICT Policy*. The White Paper calls for the rationalisation of SOEs. An improved oversight role will be realised with reviewed exercise, which will also lead to merging of some of the entities to ensure efficient implementation of the mandate with limited resources.

The NDP envisages a citizenry that actively participates in Government’s socio-economic transformation programmes to address poverty, unemployment and inequality in South Africa. This is given expression by Outcome 14 (Nation-Building and Social Cohesion) of Government’s 2014-2019 Medium-Term Strategic Framework, which is closely aligned with the work of the DoC. Over the reporting period, the department continued to focus on overseeing the implementation of Outcome 14, and its sub-outcomes of Fostering Constitutional Values, Equal Opportunities, Inclusion and Redress, Promoting Social Cohesion across Society through Increased Interaction across Race and Class, as well as Promoting Active Citizenry and Leadership.

For the 2018/19 financial year, the department had set itself 22 targets. Sixteen were achieved, translating in a performance figure of 73%. The six unachieved targets (27%) were largely experienced in core functions of the department’s work on policy development and the roll-out and successful completion of the BDM Programme, owing not only to the limited human capacity in those areas, but equally due to delays experienced during the implementation of the project and the impact it had on industry. To address the delays experienced in installation, the department has issued a communication to the Universal Service

and Access Agency of South Africa (USAASA) to consider an installation model making use of local installers who are directly sourced from districts and local municipalities. Furthermore, in the last quarter of 2018/19, an exercise was conducted to re-sequence the Analogue Switch-Off Plan to enable the early release of the digital dividend.

The DoC reviewed the following policies and legislation during the period under review. On the legislative front, the department amended the Film and Publication Board Amendment Bill, which is before Parliament. The department planned to spend 100% of its budget in the fourth quarter of the financial year; however, 98% of the total budget was spent due to slow spending on the Digital Terrestrial Television (DTT) Project. The departmental risk mitigation progress report was compiled, highlighting the progress on mitigating the identified departmental risks. Several strategic planning sessions were held towards the review of the 2018/19 Annual Performance Plan (APP) and finalisation of the 2019/20 APP. The department started the process of reconfiguring the ministries of telecommunications and postal services and communications into a single Ministry of Communications to ensure better alignment and coordination on matters that are critical to the future economy in the context of the 4IR.

5.2 Overview of the financial results of the department

The DoC was allocated R1,513 billion for the 2018/19 financial year. The departmental budget baseline allocation was increased with a nett amount of R3,1 million during the Adjusted Estimates of National Expenditure (AENE) for the Government Communication and Information System (GCIS) as a cost recovery for selling and distribution of the *Vuk'uzenzele* newspaper.

Out of the final budget allocation of R1,516 billion, an amount of R1,381 billion (91,1%) was allocated and transferred to the departmental agencies and the GCIS, leaving the organisation with a total operational budget of R135 million (8,9%). From the operational budget, an amount of R80,916 million (59,9%) was allocated towards the compensation of employees, R52,902 million (39,2%) was allocated to goods and services, while R660 000 (0,05%) was for the payment of capital assets. An amount of R1,125 million (0,83%) was budgeted for transfers and subsidies in respect of leave gratuity that was paid to employees who had left the employ of the department during the 2018/19 financial year.

The DoC recorded a total under-expenditure of R28,126 million during the 2018/19 financial year, which represent a saving of 1,85% of the total budget allocation of R1,516 billion. The underspending on compensation of employees was R6,9 million; this was as a result of the Cabinet reshuffle and announced reconfiguration of the DoC and DTPS by the Honourable President, which resulted on a moratorium on the filling of funded vacant positions. A further saving of R21,226 million was on goods and services which is mainly recorded in Programme 3: Industry and Capacity Development (DTT Project) as a result of reviewing the delivery model that led to delays in the procurement processes for marketing and branding material that could not be concluded by 31 March 2019.

The department has applied for a roll-over due to commitments that were made and are material in nature. It is expected that the roll-over will fund the recruitment and appointment of DTT officials which will be performed by the South African Post Office (SAPO) as per the signed Memorandum of Understanding (MoU), while the other funds will be paid to the Government Technical Advisory Centre for the development of a sound and reliable turnaround strategy for the SABC. The last tranche will be transferred to the GCIS to fund the DTT media awareness campaigns which will be done through SABC radio stations as well as community radio stations.

5.3 Departmental receipts

Departmental receipts	2018/19			2017/18		
	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	88	54	34	74	51	23
Interest, dividends and rent on land	1 900	1 801	99	2 462	1 992	470
Financial transactions in assets and liabilities	73	284	-211	176	182	-6
TOTAL	2 061	2 139	-78	2 712	2 225	487

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 and South African Revenue Service, respectively. Therefore, the department does not realise this revenue in the Statement of Financial Performance.

5.4 Programme expenditure

Programme	2018/19			2017/18		
	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	72 265	71 984	281	69 359	65 463	3 896
2. Communications, Policy Research and Development	10 646	9 161	1 485	6 642	5 837	805
3. Industry Research and Capacity Development	45 307	20 568	24 739	26 045	21 400	4 645
4. Entity Oversight	1 388 028	1 386 407	1 621	1 326 254	1 326 254	-
TOTAL	1 516 246	1 488 120	28 126	1 428 300	1 418 954	9 346

The DoC spent 98,15% of its allocated budget and realised a nett underspending of R28,126 million (1,85%). Apart from the fact that R1,388 billion was allocated to Programme 4: Entity Oversight, expenditure mainly took place under Programme 1 and Programme 3. The saving in Programme 3 is attributed to the slow spending on DTT awareness.

5.5 Roll-overs/additional funding

The department has applied for the roll-over on the savings realised and is still awaiting National Treasury's approval from the 2018/19 financial year to the 2019/20 financial year. These funds will exclusively be used to fund commitments towards DTT awareness in Programme 3 and to fund the turnaround strategy of the SABC.

The GCIS was allocated an additional R3,1 million based on the self-funding strategy that was formulated and approved by National Treasury in respect of the *Vuk'uzenzele* newspaper. The ultimate goal is to use the advertising revenue to steadily increase the print run and also double the frequency of the newspaper without compromising its primary aim.

5.6 Virements

Reprioritisation was applied within the vote mainly to fund the operations of the executive management in the department.

The DoC did not require to effect major virements between programmes after the AENE. A total of R1,974 million was shifted to Programme 1: Administration from other programmes as a result. The details of the virements effected after the AENE are reflected in the table below:

Main division	AENE	Virement	Final appropriation
	(R'000)	(R'000)	(R'000)
1. Administration	70 424	1 841	72 265
2. Communications, Policy Research and Development	11 246	(600)	10 646
3. Industry Research and Capacity Development	45 307	-	45 307
4. Entity Oversight	1 389 269	(1 241)	1 388 028
TOTAL	1 516 246	-	1 516 246

5.7 Future plans of the department

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

5.8 Public-Private Partnerships

The DoC did not enter into any public-private partnerships.

5.9 Discontinued activities/activities to be discontinued

The DoC will continue with its activities into the 2019/20 financial year. The DTT Project remains underfunded and will endeavour to source funding from the private sector.

5.10 New or proposed activities

No new activities will be introduced in the 2019/20 financial year.

5.11 Supply Chain Management

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.

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

During the 2018/19 financial year, the DoC received in-kind gifts, donations and sponsorships to the value of approximately R7 967 032,72.

5.13 Exemptions and deviations received from National Treasury

The department did not apply for or receive any exemption from National Treasury in respect of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), Treasury Regulations or deviation from the financial reporting requirements in respect of the current financial year.

5.14 Events after the reporting date

President Ramaphosa announced changes to Cabinet and decided to merge the ministries of communications and of telecommunications and postal services into a single Ministry of Communications. The two departments that will report to the new ministry - namely, the DoC and the Department of Telecommunications and Postal Services (DTPS) - will remain as separate departments until the end of the fifth administration. Following the above announcement, the process of reconfiguring the DoC and the DTPS has, therefore, started and will be soon concluded.

5.15 Investigations

The department is still investigate an irregular expenditure to the tune of R15 000, which was incurred as a result of not following Supply Chain Management (SCM) processes.

5.16 Acknowledgement/s or appreciation

The DoC expresses appreciation to ministers Mokonyane and Ndabeni-Abrahams as well as Deputy Minister Pinky Kekana for their leadership and support during the 2018/19 financial year.

5.17 Approval and sign-off

The 2018/19 draft AFS are approved by the Acting Accounting Officer.

Yours faithfully



Ms Nomvuyiso Batyi
Acting Director-General

Date: 26 August 2019

6. 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 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 (AFS) and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal controls 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 AFS.

The external auditors are engaged to express an independent opinion on the AFS.

In my opinion, the Annual Report fairly reflects the operations, performance information, HR information and the financial affairs of the DoC for the financial year ended 31 March 2019.

Yours faithfully



.....
Ms Nomvuyiso Batyi
Acting Director-General

Date: 26 August 2019

7. STRATEGIC OVERVIEW

Vision

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

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.

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

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.

8.2 Legislative and other mandates

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

- 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.

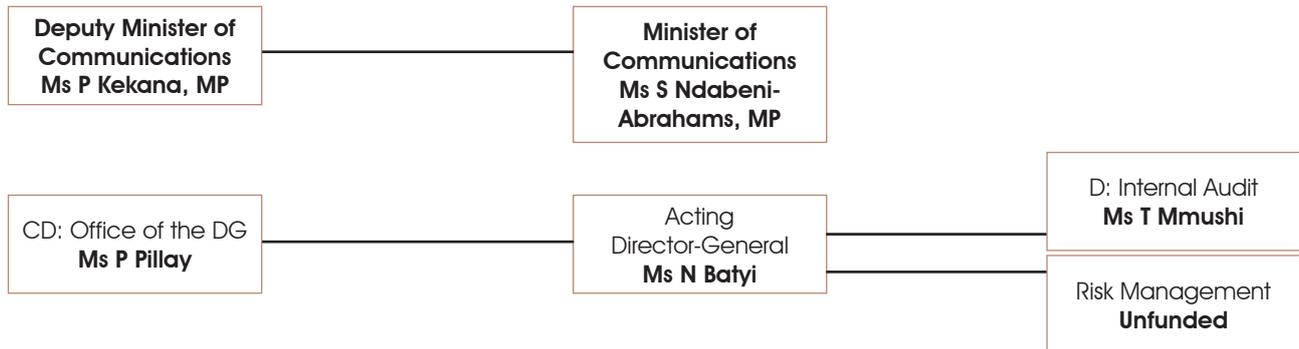
8.3 Furthermore, the legislative framework for the work of the DoC is contained primarily in the following legislation:

- 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)
- MDDA Act, 2002 (Act 14 of 2002).

8.4 The department is also guided, among other things, 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
- the ITU
- the WIPO.

9. ORGANISATIONAL STRUCTURE



Policy	Strategy	Implementation	Support
<p>BRANCH Communications Policy, Research and Development Unfunded</p> <p>CD: Broadcasting Policy Mr C Mashile</p> <p>CD: Media Policy Mr S Nene</p> <p>CD: Technology and Engineering Services Mr W Dlangamandla - Contract</p> <p>CD: Branding Policy Unfunded</p>	<p>BRANCH Industry and Capacity Development Unfunded</p> <p>CD: Enterprise Development Vacant</p> <p>CD: Broadcasting Digital Migration Dr F Mutuvhi</p> <p>CD: Industry Research and Analysis Unfunded</p> <p>CD: Intergovernmental Relations and Stakeholder Management Ms R Lusiba</p> <p>D: Stakeholder Management Mr A Mbolekwa</p> <p>D: Communications Ms T Dladla</p> <p>D: M & E Ms N Fisher - Contract</p> <p>D: Creative Industries Ms N Makwetu</p>	<p>BRANCH Entity Oversight Unfunded</p> <p>CD: Broadcasting and Community Media Vacant</p> <p>CD: SOE Communication and Branding Unfunded</p> <p>CD: Regulatory Institutions Unfunded</p> <p>CD: Strategy and Policy Alignment Unfunded</p> <p>D: Entity Oversight Mr P Vumazonke</p> <p>D: Entity Oversight Mr S Gcabashe</p>	<p>CHIEF DIRECTORATE Corporate Services Ms M Thusi</p> <p>D: Human Resource Management and Development Ms J Stephens</p> <p>D: Information Technology Management Unfunded</p> <p>D: Facilities and Security Management Services Unfunded</p> <p>D: Communications Mr M Molakeng - Contract</p> <p>D: :Legal Services Mr T Kgarabjang</p> <p>D: Strategic Planning and Performance Management Ms K Phetla</p>

10. ENTITIES REPORTING TO THE MINISTER

Name of the entity	Legislative mandate	Financial relationship	Nature of operations
<p>MDDA</p>	<p>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.</p>	<p>Transfer payment</p>	<ul style="list-style-type: none"> • Provision of technical, non-financial and financial support to diverse media platforms. • Provision of support to the increased participation of communities in ownership and control of community and small commercial media. • Provision of community media grants. • Promotion of ownership, control and access to information and content production by communities. • Enhancement of ownership, participation and control of print and digital media by independent media entrepreneurs. • Creation and enhancement of a body of knowledge of the media landscape. • Building of capacity for a diverse media industry.

Name of the entity	Legislative mandate	Financial relationship	Nature of operations
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 television broadcasting services to South Africa.	Transfer payment	<ul style="list-style-type: none"> • Radio broadcasting. • Television broadcasting. • Implementation of digital terrestrial migration and technology. • Programming and development of local content. • Expansion of commercial radio stations to increase the organisation's audience share. • Digitisation of 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"> • Conducting of advocacy and awareness campaigns. • Monitoring of spectrum interference. • Implementation of DTT projects. • Monitoring of the activities of postal and broadcasting licensees. • Implementation of customer relationship management. • Use of spectrum management tools to ensure the optimal use of the high-demand radio frequency spectrum by licence holders.



Name of the entity	Legislative mandate	Financial relationship	Nature of operations
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"> • Brand strategy development and management. • Rendering of assistance to government and private sector entities in aligning their communications strategies with national messaging. • Improvement of brand-ranking index. • Hosting of South African Competitiveness Forum. • Roll-out of <i>Play Your Part</i> television series.
Film and Publication Board (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"> • Protection of children against premature exposure to adult experiences and harmful materials; particularly films, games and publications. • Conducting of awareness programmes that inform and educate the public about films, videos and games that are harmful to children. • Conducting of research on human trafficking. • Monitoring compliance with the Films and Publications Act of 1996. • Development and implementation of a content regulation framework that ensures 100% classification and labelling of classifiable content distributed on online, mobile and related platforms. • Implementation of programmes aimed at cyber-safety and child online protection.



PART B:

PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the report on the audit of the annual performance report section of the auditor's report.

Refer to page 139 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF THE DEPARTMENTAL PERFORMANCE

2.1 Service-delivery Environment

The DoC is executing its mandate of developing appropriate policies that will help to improve government communication and drive the communications sector to ensure universal access to all citizens. The department's mandate is derived from Section 192 of the Constitution of the Republic of South Africa of 1996, which provides for the independence of broadcasting regulation in the public interest, the ITU and the WIPO. Nation-building and social cohesion remain key priorities as stipulated in the NDP.

The DoC has redefined its priorities for the 2018/19 to foster economic growth and job creation in South Africa. This redefining led to the re-tabling of the 2018/19 APP. The Human Resource Plan Implementation Report (HRPIR) was submitted to the DPSA, the 2018/19 Workplace Skills Plan (WSP) and 2017/18 Annual Training Report were submitted to Public Service Sector Education and Training Authority (PSETA). The 2018/19 three-year rolling Audit Strategic Plan and risk-based Internal Audit Annual Operational Plan was approved by both the Acting Director-General (ADG) and Chairperson of the Audit Committee. The department continued with compliance of payment of suppliers within 30 days; 100% of all compliant invoices received were paid within 30 days. The department spent 98% of the allocated budget.

The department coordinated a **Community Media Summit** on 30-31 July 2018. The summit focused on finding a sustainable funding model for the community media sector i.e. (i) regulation, (ii) funding model, (iii) signal distribution options and alternatives, and (vi) community media as a key communication tool for the local communities, (v) the identification and the role of critical partners. The community media sector has a greater potential to provide an informed, insightful and invaluable essential universal service to South Africans in their local areas. The prior engagements of the sector revealed a myriad of challenges plaguing the sector for some time. The recent switch-off of community radio stations has brought the challenges of the community radio stations sharply to the attention of the department and the minister.

The department has, during the year, started with the comprehensive review of its decades-long Broadcasting Policy. This exercise started with a two-day South African Public Broadcasting Policy Review Colloquium. The colloquium brought together international and national policy experts, as well as key stakeholders in the public broadcasting field. Participants shared information on key topics such as the demands of the 4IR as well as collaborative opportunities and strategies aimed at strengthening the SABC. Contributions from delegates who attended the colloquium were incorporated into an updated *White Paper on Audio-Visual and Digital Content Policy for South Africa*, which will form a cornerstone of the review of the department's policies to enable the 4IR and the digital economy.

The hosting of the colloquium was to follow up on the gazetted public broadcasting review, to ensure that there is direct and targeted or deliberate focus on the national public broadcasting service in South Africa. The colloquium discussed various challenges and opportunities facing the SABC, and outlined the direction the SABC will have to take within the complex matrix of social, economic, political and cultural forces.

The **4IR revolution** introduced a range of emerging technologies that are considered vital in shaping the economic and developmental agenda of the State and Government. These technologies have an impact in bringing global competitiveness for South Africa. To better grasp the 4IR and the accompanying emerging technologies, there is a need to outline some of them and describe some basic features, latest trends and commercial applications. International organisations undertook research to identify a range of technologies that are considered vital for adoption. These technologies are referred to as frontier technologies, which are impactful and widely adopted.

As a policymaker in the mass media space, the DoC is seizing the opportunities accruable from the 4IR phenomena and is working on providing agile policies that create an environment for its sector to grow and become attractive for local and foreign investment, and for South Africa's young people to find employment. As cautioned by the experts of the 4IR, ours is not to chase technology as this is an impossible task, given its pace. Rather, the DoC should focus on systems, empower South African societies to master technologies and act to counter a fatalistic and deterministic view of progress, foster collaboration with its stakeholders and take advantage of these technologies to create a better world for the nation's people through elimination of inequality, insecurity, and displacement/dislocation. Fortunately, the NDP: Vision 2030 has already set a path to follow. In our actions, the DoC must strive to build a cohesive South African nation and contribute towards employment, particularly the youth.

The current focus of the **Broadcasting Digital Migration (BDM) Programme** is to migrate all citizens who are still relying on analogue television services to the digital broadcast platforms, to pave the way for the analogue switch-off and decommissioning of the analogue television transmission infrastructure. All the main structural pillars to support the migration are in place. These are the policy environment, the digital transmission network, digital television channels and standards for consumer decoding devices. The slow pace of digital migration prompted the department to revise the delivery model to create demand to entice consumers to migrate. This includes cheaper decoding devices and more compelling content.

To enable investment in the sector to further economic growth, the DoC has re-sequenced the provincial Analogue Switch-Off Plan to enable the earlier release of the high-demand spectrum (digital dividend). Areas close to the borders with South Africa's neighbouring countries will also be prioritised to avoid signal interference.

The revised BDM delivery model and implementation plan approved by Cabinet in October 2018 provide opportunities to:

- Create certainty for both manufacturers and retailers. Faster migration will require flooding of devices in the market and create a demand-driven approach where consumers have easy access to the cheaper devices.
- Ensure effective collaboration with all stakeholders.
- Heightened education, awareness and communication as key elements to inform the public about the end-to-end migration process.

The benefits of the delivery model is reduced costs, boosting SMMEs in the electronic manufacturing industry, increased job opportunities, opportunities for broadcasters to create more channels boosting the content



industry, reduced risks to Government, enabling partnerships and collaboration, and ensuring transparency and accountability.

The ever-changing digital environment brought about by the convergence of technologies is an inevitable reality. It is in this context that the department is reviewing policies that have become archaic and are unable to address the new environment and reposition the industry for the future, and attract local and foreign investment. The **Media Transformation and Diversity Policy** is high on the department's agenda. The DoC will endeavour to conclude the Print Media Transformation Policy and a charter to achieve the maximum adherence to the B-BBEE scorecards with all its elements.

The DoC will continue to work with its **state-owned entities (SOEs)** to deliver on their mandate. Government recognises the role that the SABC plays in society. Therefore, it is committed to the development of a sustainable and relevant public broadcaster, which is accountable to the shareholders, the public and Parliament. These institutions play a vital role in giving true meaning to the department's mission of ensuring a participatory democracy in which the people truly govern. In this regard, this means that the DoC is vested with the responsibility to ensure that the people of South Africa have access to as diverse information and knowledge as exist in the world.

The inability of the department to provide effective oversight on SOEs is due to the current legislative framework governing entities. The current legislative framework does not align to the Cabinet-approved *White Paper on ICT Policy*. The White Paper calls for the rationalisation of SOEs. An improved oversight role will be realised with reviewed exercise, which will also lead to merging some of the entities to ensure efficient implementation of the mandate with limited resources.

The NDP envisages a citizenry that actively participates in Government's socio-economic transformation programmes to address poverty, unemployment and inequality in South Africa. This is given expression by **Outcome 14** (Nation-Building and Social Cohesion) of Government's 2014-2019 Medium-Term Strategic Framework, which is closely aligned with the work of the DoC. Over the reporting period, the department continued to focus on overseeing the implementation of Outcome 14, with its sub-outcomes of Fostering Constitutional Values, Equal Opportunities, Inclusion and Redress, Promoting Social Cohesion across Society through Increased Interaction across Race and Class, as well as Promoting Active Citizenry and Leadership.

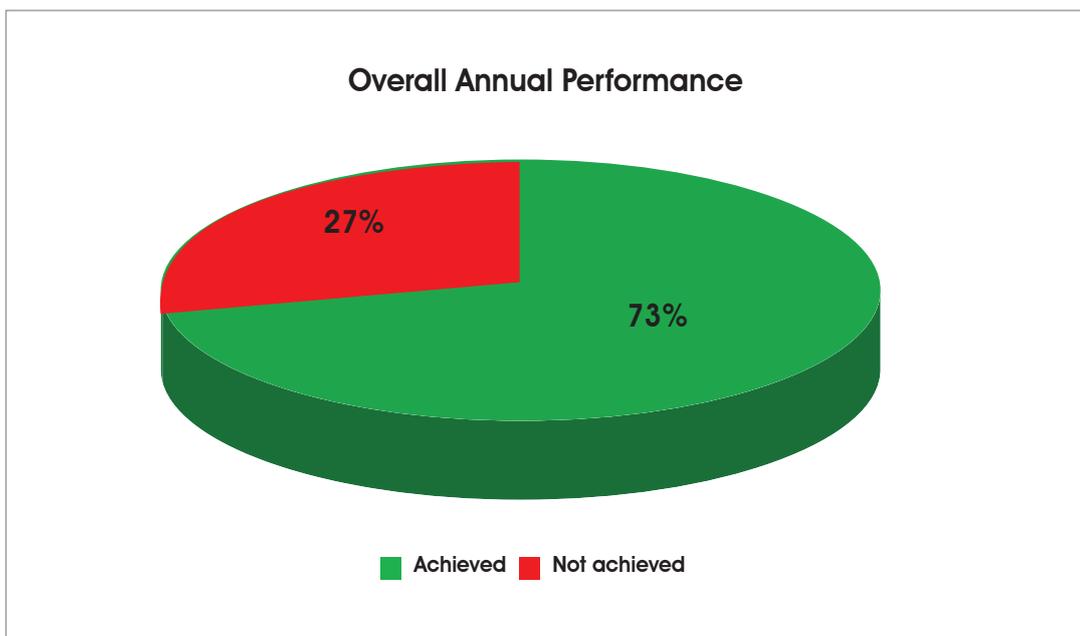
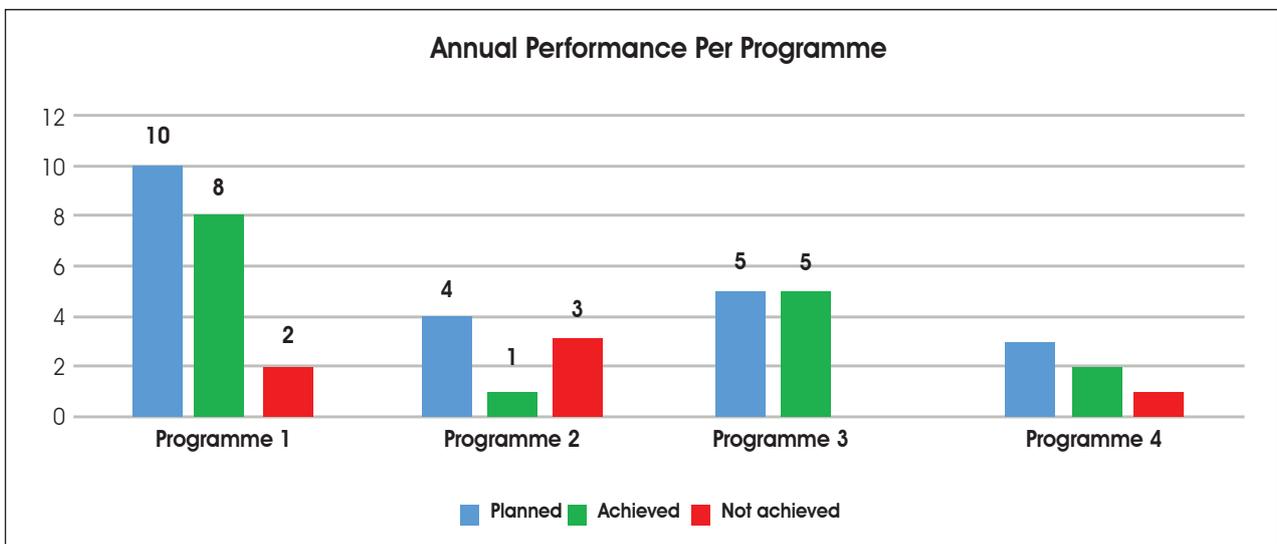
On 22 November 2018, President Ramaphosa announced changes to Cabinet and decided to **merge the ministries of communications and of telecommunications and postal services** into a single Ministry of Communications under Minister Ndabeni-Abrahams. The President stated that "this move is going to ensure that we have better alignment and coordination on matters that are critical to the future of our economy in the context of the 4IR. The two departments that will report to the new ministry – namely, the DoC and the DTPS – will remain as separate departments until the end of the fifth administration. The decision to merge the two ministries is in line with the work that we have undertaken in line with the announcement which I made during the State of the Nation Address that we are going to look at realigning Government". Following this announcement, the minister placed a moratorium on the filling of posts and extension of employment contracts, and indicated that the process of consolidating the two departments into one department be started and that such process be finalised upon commencement of the next administration. A skills-audit exercise was undertaken to ensure that employees were correctly matched during this merger.



2.2 2018/19 Overall Annual Performance

The department had 22 targets planned; 16 were achieved and six were not achieved. Programme 1 achieved eight targets, Programme 2 achieved one, Programme 3 achieved five of its targets and Programme 4 achieved two of its planned targets.

Programmes	Planned	Achieved	Not achieved	% Achieved
Programme 1	10	8	2	80%
Programme 2	4	1	3	25%
Programme 3	5	5	0	100%
Programme 4	3	2	1	67%
DOC	22	16	6	73%



2.3 Service Delivery Improvement Plan

The DoC has completed a Service Delivery Improvement Plan (SDIP). The tables below highlight the service-delivery plan and the achievements to date.

Main services and standards:

Main services	Beneficiaries	Current standard of service	Desired standard of service 2018/19	Actual achievement October 2018 to March 2019
<p>Manage awareness campaigns and consumer support for BDM Programme.</p> <p>Performance area: An integrated digital migration communication and marketing strategy for subsidised and unsubsidised markets developed and implemented.</p>	<p>Broadcasting industry and ICT sector, investors, broader television-owning households; business, education, hospitality, etc. (e.g. hotels, businesses, schools, tertiary institutions, hospitals) municipalities, manufacturers, retailers, co-operatives, churches, stockvels.</p>	<p>Ten digital migration broadcasting awareness campaigns coordinated (izimbizo) held.</p>	<p>Develop and implement an integrated digital migration communication.</p>	<p>A communication and awareness strategy was developed and approved for implementation. Education and awareness campaigns were carried out, of which the majority were in the Free State. These include door-to-door campaigns making use of volunteers, radio broadcast mobile vans, ministerial izimbizo campaigns and making use of television particularly to those areas of the Free State where analogue switch-off was targeted.</p>

Batho Pele arrangements with beneficiaries

(Consultation access, etc.)

Current/actual consultation arrangements	Desired arrangements	Actual achievements
<p>Eighty-three awareness campaigns were carried out in the Free State and Mpumalanga. Stakeholders to be consulted: traditional leaders, local municipalities, provincial government, church leaders, NGOs, etc.</p>	<p>Sixty-nine digital migration broadcasting awareness campaigns were conducted. Stakeholders to be consulted: traditional leaders, local municipalities, provincial government, church leaders, NGOs, etc.</p>	<p>Eighty-three digital migration broadcasting awareness campaigns were carried out with the assistance of district and local municipalities in the Free State. Other campaigns were carried out during the ministerial events in support of the programme. Stakeholders such as traditional leaders, local municipalities, provincial government, church leaders and NGOs were consulted during the planning phases of these events.</p>

Courtesy:

Current/actual courtesy mechanism	Desired courtesy mechanism	Actual achievements
<p>Acknowledgement of public request for information. Provide feedback and explain decisions taken. Publish promotional material in all languages.</p>	<p>Acknowledgement of public request for information. Provide feedback and explain decisions taken. Publish promotional material in all languages</p>	<p>A number of meetings were held with the industry and other relevant departments, namely manufacturers of television sets and decoders, broadcasters and SOEs playing a role in the delivery process of the programme. Promotional materials in different languages were developed, procured and have been distributed during the education and awareness campaigns carried out.</p>



Access:		
Current/actual access mechanism	Desired access mechanism	Actual achievements
<p>Registration at SAPO offices.</p> <p>Media engagements.</p> <p>Advertisement print/radio/television.</p> <p>Face-to-face interactions.</p>	<p>Registration at SAPO offices.</p> <p>Media engagements.</p> <p>Advertisement print/radio/television.</p>	<p>Registrations at SAPO continued across the country. In this regard, at least 127 577 registrations have been recorded.</p> <p>Radio interviews were carried out during some of the events.</p> <p>Television adverts were also done in the Free State towards the switch-off of the Senekal transmitter in January 2019, sensitising viewers about the developments.</p>
Openness and transparency:		
Current/actual openness and transparency mechanism	Desired openness and transparency mechanism	Actual achievements
<p>Publish one annual and four quarterly reports.</p> <p>Participate in parliamentary briefings.</p> <p>Coordinate ministerial information session.</p>	<p>Publish one annual and four quarterly reports.</p> <p>Participate in parliamentary briefings. Coordinate ministerial information session.</p>	<p>Four quarterly reports were compiled and discussed at Manco meetings.</p> <p>A 2018/19 BDM annual report was compiled.</p> <p>Ministerial information sessions were held on the programme.</p> <p>The department revised the BDM delivery model and it was approved by Cabinet.</p>
Information:		
Current/actual Information mechanism	Desired information mechanism	Actual achievements
<p>Television, radio, print, social media, stakeholder meetings, internal government publications, outdoor advertisements, izimbizo, mall activations, road shows, community events, DTT pamphlets, and government and promotional events.</p>	<p>Television, radio, print, social media, stakeholder meetings, internal government publications, outdoor advertisements, izimbizo, mall activations, road shows, community events, DTT pamphlets, and government and promotional events.</p>	<p>All the identified interventions are being done pre-, during and post-education and awareness events.</p>



Redress:		
Current/actual redress mechanism	Desired redress mechanism	Actual achievements
Acknowledge of receipt of information request/ complaints on DTT within two days. Full response within 10 working days.	Acknowledge of receipt of information request/complaints on DTT within two days. Full response within 10 working days.	There is a call centre established that is operated by Sentech to address DTT-related matters. Issues and/or complaints that comes through telephones or letters are responded to immediately.
Value for money:		
Current/actual value-for-money mechanism	Desired value-for-money mechanism	Actual achievements
Informative and accurate education about on BDM. Go Digital brand campaign launch in the public space	Informative and accurate education about on BDM. Go Digital brand campaign launch in the public space.	GO Digital brand is promoted at all the minister's and deputy minister's events.
HR:		
Current/actual HR mechanism	Desired HR mechanism	Actual achievements
15	5	7
Cost:		
Current/actual cost mechanism	Desired cost mechanism	Actual achievements
2017/18 awareness budget	2018/19 awareness budget	Almost 90% of the budget was committed to the programme activities. The funds carried over to the 2019/20 financial year is committed to the indigent registration drive and media engagement to be done before June 2019.
Time:		
Current/actual timeframes mechanism	Desired timeframes	Actual achievements
March 2018	March 2019	March 2019



Main services	Beneficiaries	Current standard of service	Desired standard of service 2018/19	Actual achievement April to September 2018
Provide governance oversight on the SOCs.	South African citizens. Broadcasting and media industry. National and provincial government departments. Local government. Civil society. Cabinet. Parliament's Portfolio Committee. Investors. International delegations. Parliament. AGSA. Office of the Public Protector. PSC. DPME. DoC. Audit Committee of the DoC Executive Authority/Minister.	A strategy to provide oversight to all entities implemented.	SOC Oversight Strategy developed and implemented.	Draft SOC Oversight Strategy was developed and presented to Manco.
Batho Pele arrangements with beneficiaries				
<i>(Consultation access, etc.):</i>				



Current/actual consultation arrangements	Desired arrangements	Actual achievements April to September 2018
<p>In terms of implementing the public entities governance protocols, the programme held 10 forums (CFO forums, company secretary forum, policy and regulatory forum, DG/CEO forum and bilateral engagements between the minister and board members).</p>	<p>Minister/chairperson, deputy chairperson and the CEO of bilateral engagements. The bilateral engagements will take place at a rate of five engagements per quarter totalling 20 meetings per annum.</p> <p>DG/CEO forum will be taking place quarterly and will total four meetings per annum. The CFO forum will take place bi-monthly and will therefore conclude six meetings per annum.</p> <p>The policy and regulation forum will take place on a quarterly basis and will conclude four meetings per annum.</p> <p>The communication and marketing forum will meet on quarterly basis, four meetings per annum</p> <p>The secretaries forum will be bi-monthly and will conclude six meetings per annum.</p>	<p>No forums were conducted due to the cancellation of minister/ chairperson, deputy chairperson and the CEO forum meetings. Fifteen QPR engagements were conducted. The QPR sessions that were planned for Q1 were not coordinated.</p> <p>Two DG/CEO forum/oversight visit was conducted. Other forums were postponed due to the unavailability of the relevant stakeholders.</p> <p>Three CFO forum was held. Other forums were postponed due to the unavailability of the relevant stakeholders.</p> <p>No policy and regulation forums were conducted due to the cancellation of meetings.</p> <p>No communication and marketing forums were conducted due to the cancellation of meetings.</p> <p>Two company secretary forums were held.</p>

Courtesy:

Current/actual courtesy mechanism	Desired courtesy mechanism	Actual achievements
<p>Provide feedback through quarterly reports, annual reports, ad-hoc reports and explain decisions taken.</p>	<p>Provide feedback through quarterly reports, annual reports, ad-hoc reports and explain decisions taken.</p>	<p>Twenty feedback letters were submitted to the SOE on the 2018/19 performance report. Five alignment report were submitted to the SOE of the 2019/20 APP.</p>

Access:

Current/actual access mechanism	Desired access mechanism	Actual achievements
<p>Email, printed copies, stakeholders consultation, bilaterals with entities.</p>	<p>Email, printed copies, stakeholders consultation, bilaterals with entities.</p>	<p>SOE accessed the service through, emails, consultations and forums.</p>



Information:		
Current/actual Information mechanism	Desired information mechanism	Actual achievements
Ten reports on the governance and financial viability of entities (ICASA, FPB, SABC and MDDA) compiled.	Ten reports on the governance and financial viability of entities (ICASA, FPB, SABC and MDDA) compiled.	Twenty performance assessment reports were drafted and submitted to the minister on the governance and financial viability of entities (ICASA, FPB, SABC and MDDA).
Openness and transparency:		
Current/actual openness and transparency mechanism	Desired openness and transparency mechanism	Actual achievements
One shareholder compact and three accountability instruments for 2016/17 were signed.	One shareholder compact and three accountability instruments signed. Performance agreements.	MDDA and FPB governance frameworks were reviewed and submitted to the ADG. 2018/19 one shareholder compact and three accountability instruments were signed. However, the ICASA performance agreements were not signed.
Redress:		
Current/actual redress mechanism	Desired redress mechanism	Actual achievements
Acknowledge of receipt within two days. Full response within 30 working days.	Acknowledge of receipt within two days. Full response within 20 working days.	Enquiries from the SOE were acknowledged and response provided.
Value for money:		
Current/actual value-for-money mechanism	Desired value-for-money mechanism	Actual achievements
Due diligence and also ensure that the service rendered is worth the value	Due diligence and also ensure that the service rendered is worth the value	The department ensured that SOEs deliver on their respective mandates, adhere to good governance practices and are financially viable.
Human Resources:		
Current/actual HR mechanism	Desired HR mechanism	Actual achievements
7	7	5



<i>Cost:</i>		
Current/actual cost mechanism	Desired cost mechanism	Actual achievements
0 = to the client. Transfers to SOEs	Transfer amount to each entity.	Twenty-eight funding requests compliant to the draw-down conditions were processed. Twelve transfers for the SABC (Channel Africa, Public Broadcaster and Programme Productions). Four transfers for Brand SA. Four transfers for the MDDA. Four transfers for the FPB. Four transfers for ICASA.
<i>Time:</i>		

2.4 Organisational Environment

The DoC is responsible for overarching communications policy and strategy, information dissemination and publicity as well as branding the country locally and abroad. Improved communications will promote an informed citizenry and will also assist the country to promote investments, economic growth and job creation. The department comprises five public entities, namely Brand South Africa, the FPB, ICASA, the MDDA and the SABC. The department has been building its own capacity and filling key strategic positions since its inception. The departmental vacancy rate is at 12,5%, above the 10% benchmark target as set by the DPSA. The department managed to recruit 19 employees and promoted one. Of the 83 funded posts, 70 have been filled and 10 are vacant. In terms of Employment Equity (EE), female personnel at a senior management service (SMS) level accounted for 10 (50%) and males 10 (50%). People with disabilities constitute 1%.

On 22 November 2018, President Ramaphosa announced changes to Cabinet and decided to merge the ministries of communications and of telecommunications and postal services into a single Ministry of Communications under Minister Ndabeni-Abrahams. The President stated that “this move is going to ensure that we have better alignment and coordination on matters that are critical to the future of our economy in the context of the 4IR. The two departments that will report to the new ministry – namely, the DoC and the DTPS – will remain as separate departments until the end of the fifth administration. The decision to merge the two ministries is in line with the work that we have undertaken in line with the announcement which I made during the State of the Nation Address that we are going to look at realigning Government”.

Following this announcement, the minister placed a moratorium on the filling of posts and extension of employment contracts and indicated that the process of consolidating the two departments into one department be started and that such process be finalised upon commencement of the next administration. Skills audit exercise is currently underway to ensure that employees are correctly matched during this merger.

As at 31 March 2019, the department trained 58 officials for the 2018/19 financial year and the quarterly monitoring reports were submitted to the PSETA.

Awareness on compliance with the Employee Performance Management and Development System was implemented during the period under review to ensure that officials are up to date and aware of compliance

rules and regulations, including the revised DPSA directive that had to be implemented from 1 April 2018. Performance agreements for the 2018/19 financial year were received and analysed. Biannual and annual performance assessment documents for 2017/18 were also quality assured for alignment with the performance agreements. The performance moderation of 2017/18 assessments was concluded in line with the departmental policy. The department participated in the wellness programmes, including the Big Walk and National Recreation Day.

3. 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 which is before Parliament:

Name of Act	Purpose
FPB Amendment Bill	The objective of the amendment is to align the Act and strengthen the capacity of the FPB to perform its functions.
Broadcasting Amendment Act	The objective of the amendments is to address governance matters in relation to the size of the board, appointment procedure for the non-executive board of directors as well as the removal and resignation of non-executive board members.
<i>White Paper on Audio-Visual and Digital Content Policy for South Africa</i>	To review the 1998 <i>White Paper on Broadcasting</i> and related policies.

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

Policy name	Purpose
Audio-Visual and Digital Content Bill for South Africa	To review the 1998 <i>White Paper on Broadcasting</i> and related policies.
Media Development and Diversity Amendment Bill	The objective of the amendment is 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.
Media Transformation and Diversity Charter	To address collectively the challenges in respect of transformation and diversity in print and digital media and seek solutions for immediate implementation.

3.1 Key Achievements for Outcome 14: Nation-Building And Social Cohesion

The DoC plays a role in implementing Outcome 14: Nation-Building and Social Cohesion.



Table 5: Outcome 14 – Impact indicators

Nation-building pillar	Impact indicator	2019 targets	2018/19 targets	Actual achievement 2018/19
Promotion of social cohesion across society through increased interaction across race and class	Percentage of local content on SABC1 and SABC2	70% of content reflects South Africans	70%	82%
Promotion of social cohesion across society through increased interaction across race and class	Percentage of local content on SABC3	70%	40%	61%
Study report	Conduct a study to measure the percentage of South Africans with pride of the national sporting teams	66%	N/A	66% agree that sport enhances the reputation of South Africa
Active citizenry and leadership	Active Citizenship Index	85%	N/A	60,6 (Social Cohesion Index Score – total 100, down from 66,8 in 2017)
Forging a new overarching identity	Pride in being South African	75% of South African reflecting pride to be South African	N/A	70,6 (Pride Index score, out of 100, down from 74 in 2017)
	Identity based on self-description	60% of population describing themselves South African first	N/A	60%



4. PERFORMANCE INFORMATION PER 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 DoC to deliver on mandates.

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

Ministry:

Office of the DG:

- Coordination of Outcome 14.
- Risk Management: Performs risk management functions.
- Internal Audit: Provides internal audit functions.

Subprogramme: Corporate Services

- HR Management and Development (HRM&D): Manages and facilitates the provisioning of HRM&D services.
- Information and Technology Management: Provides information and technology management services.
- Facilities and Security Management Services: Manages the provisioning of facilities management and security services.
- Communications: Provides communication and events management services to the department.
- Legal Services: Provides legal services.
- 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.

CFO:

- Financial Management, Accounting and Administration: Manages finances.
- SCM: Manages supply chain and asset management.

Strategic objectives for the financial year under review

- Ensure compliance with statutory requirements and good governance practices by 2019.

Strategic objectives, performance indicators, planned targets and actual achievements

The programme has ensured that the DoC receives a clean audit opinion from the AGSA for the year under review and continued in ensuring compliance of payment of suppliers within 30 days; 100% (2 028 payments) of all compliant invoices received for the period under review were paid within 30 days. The final draft APP was submitted to the DPME. The four quarterly reports on financial, compliance and performance audits were compiled against the Annual Operational Plan. During the period under review, the Legal Services directorate drafted contracts, MoUs (national and international) and initiated the processes of amending legislation. Legal Services also dealt with labour matters and provided legal opinions in all the matters that has legal implications. Legal Services further managed the litigation processes for the department. The Legal Services unit continued to provide services to both the GCIS and the DoC.

The department planned to spend 100% of its budget in the fourth quarter of the financial year; however, 98% of the total budget was spent due to slow spending on the DTT Project and Cabinet reshuffle that contributed to savings on compensation of employees. The departmental risk mitigation progress report was compiled, highlighting the progress on mitigating the identified departmental risks. Several planning sessions were held towards the review of the 2018/19 APP. The 2019/20 APP was finalised. The department delivered a presentation to the Portfolio Committee on the 2018/19 Quarter 1 to Quarter 3 performance. The department started the process of reconfiguring the ministries of telecommunications and postal services and communications into a single Ministry of Communications to ensure better alignment and coordination on matters that are critical to the future economy in the context of the 4IR.



Strategic objectives

Subprogramme: Human Resource Management and Development					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Ensure compliance with statutory requirements and good governance practices by 2019.	HRP implementation report was submitted to the DPSA.	HRP implementation report submitted to the DPSA.	HRP implementation report was submitted to the DPSA.	None	None

Performance Indicators

Subprogramme: Human Resource Management and Development							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
HRD strategy implemented.	Not achieved. The WSP was not submitted to the PSETA.	The WSP was approved and training programmes were conducted.	2017/18 WSP was submitted to PSETA. 2017/18 monitoring reports (quarterly training) reports were submitted to PSETA.	2018/19 WSP and 2017/18 Annual Training Report submitted to the PSETA.	2018/19 WSP and 2017/18 Annual Training Report were submitted to PSETA.	None	None

Strategic objectives

Subprogramme: Financial Management, Accounting and Administration: Financial Management, Accounting and Administration					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Ensure compliance with statutory requirements and good governance practices by 2019.	Clean audit opinion was achieved on 2016/17 AFS.	Unqualified audit outcome on 2017/18 AFS.	DoC received a clean audit for the 2017/18 financial year.	None	None



Performance Indicators

Subprogramme: Financial Management, Accounting and Administration							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Percentage expenditure in relation to the allocated budget.	Financial policies, plans and procedures were developed and four quarterly financial reports were also compiled and submitted to the Accounting Officer and the Executive.	N/A	N/A	Spend 100% of the budget according to the plan.	98% of the total budget was spent.	R6,947 million was saved on CoE due to Cabinet reshuffle in November 2018 and filling of posts that was put on hold due to DOC and DTPS reconfiguration as pronounced by the President. R23,325 million was saved on Goods and Services mainly in Programme 3 due to the changes in the delivery model of the DIT.	DIT will expedite the roll-out of the DIT Project as per the revised plan and through the assistance of the SAPO.

Subprogramme: Financial Management, Accounting and Administration							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Percentage of invoices paid within 30 days.	N/A	N/A	N/A	100% of all compliant invoices paid within 30 days.	100% of compliant invoices were paid within 30 days (2 028 payments were processed during the reporting period).	None	None



Subprogramme: Risk Management

Strategic Objectives:

Programme name: Risk Management					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Ensure compliance with statutory requirements and good governance practices by 2019.	Risk Management Plan (including fraud) was signed off.	Review and implement the Risk Management Plan.	The Risk Management Plan was reviewed and implemented.	None	None

Performance Indicators

Programme / Subprogramme: Risk Management							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Number of risk mitigation/assessment reports compiled.	Operational risks and core risks were monitored through the APP.	N/A	Four progress reports on risk mitigation were compiled.	Four progress reports on risk mitigation were compiled.	Four progress reports on risk mitigation were compiled.	None	None

Subprogramme: Internal Audit

Strategic Objectives:

Programme: Internal Audit					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Ensure compliance with statutory requirements and good governance practices by 2019.	The updated three-year 2018-2021 Internal Audit Strategic Plan was approved by the ARC.	Three-year rolling Audit Strategic Plan approved.	Three-year rolling Audit Strategic Plan was approved by both the ADG and Chairperson of the Audit Committee.	None	None

Performance Indicators

Programme / Subprogramme: Internal Audit							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Risk-based Internal Audit Annual Operational Plan approved.	N/A	2016/17 risk-based Internal Audit Plan and Operational Plan were developed and approved by the IARC.	2017/18 risk-based Internal Audit Plan and Operational Plan were developed and approved by the IARC.	2018/19 risk-based Internal Audit Annual Operational Plan approved.	2018/19 risk-based Internal Audit Annual Operational Plan was approved by both the ADG and the Chairperson of the Audit Committee.	None	None

Programme / Subprogramme: Internal Audit							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Number of progress reports on the implementation of the Annual Operational Plan (covering financial, compliance and performance).	Four compliance audit reports were compiled. Four performance audit reports were compiled.	Four quarterly progress reports on financial, compliance and performance audits against Annual Operational Plan were compiled.	Four quarterly progress reports on financial, compliance and performance audits against Annual Operational Plan were compiled.	Four reports on financial, compliance and performance audits against the Annual Operational Plan.	Three quarterly progress reports on financial, compliance and performance audits against Annual Operational Plan were compiled.	Financial reviews were not conducted in the fourth quarter due to the revised internal audit plan approved by the ARC.	The Q4 financial reviews will be conducted together with the 2018/19 annual financial reviews in the first quarter of 2019/20.

Strategy to overcome areas of under performance

The DoC manages performance in the following manner:

- Quarterly reports are presented to the minister and discussed at Manco, Audit and Risk Committee (ARC) and Portfolio Committee meetings for interventions.
- A report on targets that were not achieved is compiled and submitted to Manco for decision-making on corrective measures.

Linking performance with budgets: Subprogramme expenditure

Subprogramme	2018/19			2017/18		
	Final appropriation R'000	Actual expenditure R'000	(Over) / under expenditure R'000	Final appropriation R'000	Actual expenditure R'000	(Over) / under expenditure R'000
1. Ministry	6 620	6 614	6	10 745	10 065	680
2. Departmental Management	37 296	37 144	152	34 847	32 334	2 513
3. Internal Audit	1 141	1 134	7	1 096	1 093	3
4. Corporate Services	16 102	16 017	85	12 781	12 512	269
5. Financial Management	11 106	11 075	31	9 890	9 459	431
TOTAL	72 265	71 984	281	69 359	65 463	3 896

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:

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

The strategic objectives for the financial year under review were as follows:

- Improve universal access to broadcasting services by 2019.
- Broaden access to information all citizens by 2019.

Strategic objectives, performance indicators, planned targets and actual achievements

We are currently facing a rapid technologically changing environment evidenced by the ubiquitous proliferation of the social media platforms, Over the Top (OTT) Services, On Demand Services, the country migrating its system from analogue to digital and the complex and disrupted era ushered by the 4IR. During the financial year, the department started the process of finalising the draft *White Paper on Audio-Visual and Digital Content Policy for South Africa* through publishing an Issue Paper for public comment. Inputs from the Issue Paper will be incorporated into the draft White Paper for resubmission to Cabinet. The publishing of the gazette was followed by the hosting of the Colloquium for South African Public Broadcasting Policy Review in September 2018, under the theme "*Building a resilient public broadcaster, brought together by industry associations, lobby groups, non-governmental organisations, producers, the public, media representatives, as well as state organs such as the SABC, FPB, ICASA, MDDA, GCIS and the departments of communication, arts and culture, social development, defence, SAPS and various other entities*".

The department coordinated a Public Broadcasting Review Colloquium on 6-7 September 2018. The colloquium was opened by the former Minister of Communications, Ms Nomvula Mokonyane, as a keynote speaker; Deputy Minister of Communications, Ms Pinky Kekana provided an overview of the issues affecting this sector; while the Whip of the Portfolio Committee on Communications, Honourable Lerumo Kalako, spoke on the role of Parliament in exercising its constitutional oversight function over the SABC of the future and Mr Bongumusa Makhathini, Chairperson: The SABC. The colloquium dealt with how to build a resilient public broadcaster within the digitally converged environment through plenary presentations and commissions. The objectives of the colloquium, among other things, were as follows:

- Review the roles and social obligations of the SABC in context of an evolving digital environment.
- Critically examine the strategic challenges and opportunities facing the SABC over the five-year period from 2019 to 2023.

The draft *White Paper on Audio-Visual and Digital Content Policy for South Africa* was finalised and submitted to the Cabinet committee for approval to consult the public; however, it was withdrawn to ensure that it is aligned with the reconfigured department as per the announcement by the President on 22 November 2018. The primary objective of the *White Paper on Audio-Visual and Digital Content Policy for South Africa* is to review and position the sector to respond to the ever-changing digital environment brought about by the convergence of technologies.



In reviewing the sector, the following elements are pertinent:

- Review of the definition on what constitutes audio-visual or broadcasting in a converged environment where audio-visual can be consumed from any platform.
- Distribution of audio-visual content (to consider whether content must continue to be carried in the digital environment; given the importance of discoverability through electronic programming guides).
- Relevance and viability of South African public broadcasting services (other layers of broadcasting community and private broadcasting).
- Licensing in the era of OTT services.
- Competition issues (i.e. the pay television market or FTA market), between different tiers (FTA and pay-television) and between broadcasters and new services (including social media, internet television and audio streaming, IPTV and Video On Demand, for example).
- Promotion of South African music and television on different platforms with a consideration for protection of children, classification and content standards.
- Availability of spectrum for the transmission of audio-visual content (digital dividend released by the DTT Project).
- Developing human capital and skills in the digital environment within the audio-visual sector.
- Institutional arrangements to support the development of the sector.

The draft *White Paper on Audio-Visual and Digital Content Policy for South Africa* together with other Bills will be rationalised and presented in the 2019/20 financial year to as part of the Audio-Visual and Digital Content Strategy developed for the 4IR and the Broadcasting Amendment Bill to accommodate the reconfiguration.

The department coordinated a Community Media Summit on 30-31 July 2018. The summit found solutions to support initiatives that promote media freedom and a greater diversity. Effective implementation of these and other programmes and initiatives will set South Africa on a higher growth trajectory than currently projected. The summit revealed the financial and organisational weaknesses in individual stations or community print media projects which require some attention. The summit brought all sectors of the community media – including print, radio, television and multimedia, together with Government and relevant stakeholders – to explore new and innovative solutions to the challenges facing the sector for the short, medium and long-term. The department will now be focusing on the governance and suitability of the sector.

The department has commenced with the preparation for the drafting of the Media Transformation and Diversity Charter. The charter, driven by the council, will ensure that while the print media sector continues to exercise its freedom of expression in the newsroom, the sector is also assisted to comply with the relevant legislative prescripts and regulations regarding transformation of the economy. The programme finalised the terms of reference (ToR) for the establishment of a steering committee to draft the charter. The ToR for the steering committee on the draft Print Media Transformation and Diversity Charter seeks to achieve diverse but shared outcomes for the transformation and implementation of B-BBEE for the main stream print media and publishing industry. Furthermore, the programme drafted a business case and coordinated various stakeholder engagements with the industry. Working with the sector, the DoC will ensure that the print media value-chain is fully transformed by 2030; establish and monitor media pluralism to promote investments, diversity and linguistic plurality in the sector; promote inclusive economic transformation for meaningful participation of black people in the sector; and, most importantly, ensure the print media sector complies with the B-BBEE Act of 2014 and maximum adherence to the B-BBEE scorecards in all seven elements of empowerment such as ownership, management control, EE, skills development, preferential procurement, enterprise development and socio-economic development.

The process to review the MDDA Amendment Act of 2002 to align it with technological developments and good corporate governance practices has started and subsequently been put on hold due to the rationalisation of the SOE. The purpose of the amending the MDDA Act of 2002 was to insert and amend certain definitions, the procedure for the appointment of board members; to align the Act with B-BBEE and electronic communications legislations; to provide for further duties of the agency and to provide for matters connected therewith. The changes seek to improve the governance of the MDDA board, including the fiduciary duties of the board to move towards “best practice”.

A report on the recommendations from the Public Broadcasting Review Colloquium was developed and incorporated in the *White Paper on Audio-Visual and Digital Content Policy for South Africa* Bill. The department regarded the colloquium as a process which would contribute to the finalisation of the draft *White Paper on Audio-Visual and Digital Content Policy for South Africa* and happening parallel to the submissions related to the gazetted public broadcasting policy review published in June 2018. The following are some of the recommendations that were incorporated into the White Paper:

- The DDT policy needs to be reviewed (to make the policy enable a more sufficient roll-out).
- Define structures and processes to review and determine new mandates.
- Regulations to be reviewed from time to time to determine relevance and appropriateness.
- Regulator to be adequately resourced, including retaining portion of fees and levies charged on a cost-recovery basis.
- Impose limits on the share of advertising on subscription services.
- The SABC to quantify funding requirements and identify areas of funding.
- Government must fund implementation of disability requirements, early childhood development programming and universal roll-out of infrastructure.
- Urgently deal with institutional alignment.
- Redefine broadcasting to include linear and nonlinear broadcasting-like services; adopt a graduated approach to regulating non-linear services.
- The SABC to be empowered to offer linear and nonlinear services.
- Policy to undertake a study on regulation of online media.
- Must carry and must pay obligations on all profitable content services.
- Introduce measures to limit exclusive rights to premium content.
- The regulator to undertake periodic and regular reviews of all aspects of the mandate and the regulations.
- Increase more funds which are directed to the production of the new content.

Strategic Objective

Programme: Broadcasting Policy					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Improve universal access to broadcasting services and information by all citizens in 2019.	The Audio-Visual and Digital Content Bill has not been developed as it awaits the finalisation of the White Paper that was consulted with EDD and DTPS as recommended by Cabinet Committee on ESEID.	<i>White Paper on Audio-Visual and Digital Content Policy for South Africa</i> submitted to Cabinet for approval.	<i>White Paper on Audio-Visual and Digital Content Policy</i> for South Africa was not submitted to Cabinet for approval.	The final White Paper was finalised and submitted to Cabinet committee for approval to consult the public, however it was withdrawn to ensure that it is aligned to the reconfigured department.	The final <i>White Paper on Audio-Visual and Digital Content Policy for South Africa</i> together with other Bills will be rationalised in the 2019/20 financial year to accommodate the reconfiguration of departments.
Support the growth and development of the creative industries sector by 2019.	Draft Position Paper on the Media Transformation and Diversity Policy was submitted to the minister.	Draft Media Transformation and Diversity Charter developed.	Draft Media Transformation and Diversity Charter was not developed.	The draft charter could not be developed due to pending consultation with the sector on the ToR and other matters. Consultation meetings were postponed due to unavailability of stakeholders.	The finalisation of ToRs and the appointment of the steering committee will be coordinated in the first quarter of 2019/20 to enable the development of the draft charter by the steering committee.

Performance Indicators

Programme / Subprogramme: Broadcasting Policy							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
MDDA Amendment Act implemented.	N/A	N/A	N/A	MDDA Amendment Bill developed.	The MDDA Amendment Bill was not developed.	The development of the MDDA Amendment Bill could not be achieved due to pending finalisation of the MOI during Q3 and subsequently it has now being put on hold due to the rationalisation of the SOE.	The MDDA Amendment Bill will be rationalised in the 2019/20 financial year.

Programme / Subprogramme: Broadcasting Policy							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Public broadcasting reviewed.	NA	NA	A concept Paper on the Regulatory Policy Framework of the SABC was produced.	Review of public broadcasting coordinated.	The Public Broadcasting review was coordinated through the publishing of an issue paper, analysis of submissions and hosting of South African Public Broadcasting Policy Review Colloquium. Recommendations on the review of public broadcasting were incorporated into the <i>White Paper on Audio-Visual and Digital Content Policy for South Africa</i> that was resubmitted to Cabinet.	None	None



Changes to planned targets

The DoC tabled its 2018/19 – 2020/21 APP on 15 March 2018. An assessment of a number of critical programmes that the department is responsible for implementing was undertaken in May 2018, revealing the inevitable need for amendment of the 2018/19 – 2020/21 APP initially submitted to Parliament.

Programme performance indicator	2018/19 target in the first tabled APP	Actual Achievement first quarter 2018/19	2018/19 target in the retabled APP	Reason for change
South African Audio-Visual Digital Content Industry Strategy implemented	Final draft South African Audio-Visual Digital Content Industry Strategy developed	Final draft South African Audio-Visual Digital Content Industry Strategy was not developed.	Removed	Reprioritise the establishment of an Audio-Visual Content Programme that aims to empower youth. The revised target was monitored in the Departmental Operational Plan
Audio-Visual and Digital Content Act implemented	Draft Audio- Visual and Digital Content Bill for South Africa developed	Status report on the revised target is included on the performance report for subprogramme Broadcasting Policy.	Reprioritise the establishment of an Audio-Visual Content Programme that aims to empower youth and monitored in the Departmental Operational Plan	Renewed focus to finalise the Audio-Visual and Digital Content white paper for creating a vision for Broadcasting.

Strategy to overcome areas of underperformance

The DoC manages performance in the following manner:

- Quarterly reports are presented to the minister and discussed at Manco, ARC and Portfolio Committee meetings for interventions.
- A report on targets that were not achieved is compiled and submitted to Manco for decision-making on corrective measures.

Subprogramme name	2018/19			2017/18		
	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	8 813	7 607	1 206	6 532	5 811	721
Media Policy	397	236	161	27	23	4
Technical and Engineering Services	1 436	1 319	117	83	3	80
TOTAL	10 646	9 162	1 484	6 642	5 837	805



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.
- BDM, which manages digital migration.
- 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

- Support the growth and development of the creative industries by 2019.
- Manage BDM by 2019.
- Strengthen support and interrelations with stakeholders by 2019.
- Market the country locally and internationally to provide an enabling environment for investment by 2019.

Strategic objectives, performance indicators, planned targets and actual achievements

Access to information remains one of the key priorities of the department and it is in this context that the acceleration and completion of the BDM Programme remains a key deliverable. To date, the project is extremely behind schedule as underscored by less than 11% of the subsidised poor television-owning households completed, including those in the Square Kilometre Array (SKA) area. This figure discounts the non-subsidised segment of the population. This situation is further compounded by a resource-constrained environment across the Public Service. The current model's exclusive dependency on public funding increases its risk of not being completed.

This delay has not only resulted in South Africa missing the ITU deadline of June 2015, declaring its broadcasting signal vulnerable to unprotected interference; it has further brought uncertainty regarding the timelines for the immediate release of high-demand spectrum (digital dividend) required for mobile broadband services and the introduction of new entrants both in the telecoms and broadcasting sectors. Noting the slow progress to date, the revision to the current model was inevitable if South Africa is to make headway towards the completion of the project in a manner that is inclusive, affordable and efficient, and reduces the risk to Government.

The main objective of the *revised delivery model* is to push digital viewer migration to the 85% threshold and beyond, to enable the switch-off of all analogue broadcasts. This objective will be measured by the number of television-owning households who have been migrated from analogue to the digital platforms. The new model will without a doubt ensure participation of the SMME sector in the programme, enabling job creation while increasing economic benefits to the country.

Subsequent to the identification of the Free State and North West as flat terrain suitable for the distribution of terrestrial decoders, the department aimed to achieve analogue switch-off by 31 December 2018 in the Free State. Due to delays with indigent registrations and the lack of DTT decoders in retail, complete analogue switch-off could not be achieved in the Free State. Switch-off was, however, realised in Senekal, where the first analogue television transmitters in the province was switched off. This small step demonstrated that the



project is on the right track and should the criteria for Analogue Switch-Off be achieved in the rest of the province, then complete analogue switch-off can quickly be realised.

The DoC received the continued support from district and local municipalities in the Free State to advance the registration of qualifying indigent households. At least 83 education and awareness campaigns were carried out, of which the majority were in the Free State. These included door-to-door campaigns making use of casual workers, radio outside broadcasts, ministerial imbizo campaigns and making use of television in areas where Analogue Switch-Off was targeted. In this regard, a comprehensive awareness, education and communication campaign was developed. This was enabled through the sponsorship of an advertising agency to assist with the creative concept for the television and radio adverts and promotions.

The phased planning and implementation approach adopted by the department focusing on the Free State as the first province for analogue switch-off led to an improvement of **81%** registrations and **59%** installations for this province. The programme experienced a challenge of the installer service providers' contracts expiring. To ensure improved progress with installations, the department issued communication to USAASA to consider an installation model that uses local installers who are directly sourced from district and local municipalities.

By the end of the financial year, 1 012 518 of registrations had been recorded nationally, of which 326 368 was recorded between 1 April 2018 to 31 March 2019. A total of 509 073 installations have been completed across the country, of which 209 689 were carried out in the period between 1 April 2018 to 31 March 2019. In terms of the produced devices, by the end of the reporting period, 27 877 Direct-to-Home (DTH) additional satellite decoders were produced and delivered to the SAPO warehouses. A total of 891 870 decoders was therefore delivered to date to the SAPO. A total of 10 800 additional DTT antennae were also produced and delivered to the SAPO.

The Digital Migration Advisory Council was re-established, inaugurated and began with its work in July 2018. To achieve its mandate, ToRs were developed and signed with the appointed council members. An executive director was appointed in July 2018 to lead the project management office. Working groups were also established to conduct subject matter expert work for the programme. These included Technology, Research and Analysis, Consumer Awareness, Education and Support, Funding and Economics, and Policy and Regulatory. The new delivery model will subsidise indigent households through a voucher which will cover 100% of the migration costs for each television-owning household. The department has contracted Sentech to provide the call centre for viewer support.

The new model follows a demand-driven approach to viewer adoption, which requires the programme to focus on creating demand for digital television to entice viewers to take up the service. The project management office has, therefore, developed a generic decoder specification, following the expiry of the SANS 862 DTT standard, for manufacturers to make cheaper DTT decoders. The SABC will develop new channels to increase the content offering on the DTT platform. Adequate funding, compelling content, a cheaper and widely available DTT decoder, a re-sequenced roll-out plan to enable the earlier release of the digital dividend, a 100%-funded voucher subsidy and a responsive localised viewer support mechanism are all the ingredients needed for a successful and speedy migration.

On the Intergovernmental Relations and Stakeholder Management front, four bilateral engagements were coordinated with Lesotho, Russia, Namibia and China. The purpose of the bilateral engagements are as follows:



Lesotho: The purpose of the MOU was cooperation in communications, information dissemination and other related matters.

Russia: The Agreement on Mass Communications was listed as one of the agreement to be signed during the BRICS Summit; however, it was not concluded due to disagreement on some issues in the MOU. Follow-ups are being made on the finalisation of the MOU.

Namibia on cooperation on broadcasting and coordination of cross-border interference for terrestrial services, radio communications, content and other related matters at the third session of South Africa-Namibia Bi-National Commission. The purpose of the agreement is to promote cooperation in the field of radio and television broadcasting through consultation between the parties on the basis of equality and mutual benefit in accordance with their respective domestic laws.

China on the project of access to satellite television for 100 villages in South Africa. The project was, however, halted as it involved matters that were outside the mandate of the department and not in compliance with the policies of Government.

The department also coordinated engagements with the following multilateral structures:

- The 36th Session of the Standing Committee on Copyright and Related Rights (SCCR) under the WIPO. The SCCR made progress towards eliminating long-existing divisions on the definition of a broadcasting organisation as well as the definition as to the signal that will be protected under the treaty, once adopted. It furthermore adopted an action plan to gather momentum during the next sessions of the SCCR in 2018/2019 for comprehensive global best practice of limitations and exceptions applicable to libraries, archives, museums, educational and research institutions. South Africa's continued active participation in the negotiations is recommended.
- Two SADC forums (Southern Africa Internet Governance forum 2018 (SAIGF-18) and Second SADC-SABA Broadcasting Forum).
- The department also participated at the fifth SADC preparatory meeting for the ATU World Radio Communication Conference 2019 (WRC-19).
- An African Union (AU) multilateral structure on personal data protection and online privacy were coordinated. The theme for the Southern Africa Internet Governance forum 2018 (SAIGF-18) was "Inclusive and Secure Internet".
- An ITU Telecoms World was hosted by South Africa in Durban, KwaZulu-Natal. This was the first time the event was hosted in Africa. The event aimed to capture and disseminate information about the appetite for ICTs in Africa as a driver of development and the innovation that takes place in Africa using ICTs, whenever this is possible. The department jointly with DTPS coordinated the logistics and the overall attendance of the ITU executive and secretariat, countries, delegates and sector members.

The department has initiated an Audio-Visual Content Programme that aims to empower youth. The programme is addressing a need to empower SMMEs and to promote sectoral enterprise development. A pilot project was earmarked for the Free State through training of 25 youths on entrepreneurship skills. The training was conducted by the Small Enterprise Development Agency (SEDA). SEDA trained selected candidates through its EMPRETEC model that aims to empower candidates in setting up their own businesses or assist in charting a growth path for existing enterprises. The training took place in Bloemfontein in the Free State, from 19-25 November 2018. The broadcasters were engaged on exit opportunities for the trained producers. The CSIR Digital Mall was identified as the ideal marketing opportunity for content producers.



Engagements were held with MICT SETA, the SABC, E-Media, MultiChoice and the National Film and Video Foundation in the process of implementing the Audio-Visual Content Programme.

In partnership with GCIS, a workshop was coordinated between DoC entities and DEAFSA. The purpose of the workshop was to streamline and work with DEAFSA to address their concerns of marginalisation in the communications portfolio (in particular the absence of sign language interpreters, subtitling and captioning in SABC programmes).

The workshop took place over two days, including a tour of the SABC and Hector Peterson Memorial. A debriefing and summary of workshop action plan was compiled. Some of the deliberations during the engagements were that:

- The SABC committed to review its policy on subtitling and captioning.
- The MDDA will involve DEAFSA in its developmental activities.
- ICASA is to consider DEAFSA's input when developing codes for people with disabilities.
- A BDM policy to ensure subtitles and audio description are minimum features in the revised standards for DTT decoders.

The IGR coordinated an MOU with the Department of Cooperative Governance (DCoG) on the digital migration awareness. The purpose of the MOU is to formalise the working relationship between the DCoG and DoC to promote collaboration on the participation of the CWP participants in the DoC Digital Migration project as part of the useful work by achieving the following objectives:

- To fast-track the registration of subsidy-eligible beneficiaries for government-subsidised set-top boxes/decoders;
- To facilitate the training of qualified CWP participants as installers and after-care service providers of the installed decoders in qualifying households.
- To collaborate on youth and women empowerment programmes through the DoC and DCoG regarding skills development, enterprise and job creation.
- Joint reporting on these interventions.



Strategic Objective

Programme: Broadcasting Digital Migration					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Ensure the country migrates from analogue to digital broadcasting by 2019.	Analogue signal was not switched off in 88 borderline towns within seven provinces.	BDM Programme implemented.	BDM Programme was implemented and an annual report was compiled.	None	None



Performance Indicators

Programme / Subprogramme: Broadcasting Digital Migration							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Number of monitoring reports on implementation of the BDM Programme.	Registrations of qualifying television-owning households started in October 2015 in the Northern Cape. Distribution of the government-subsidised STBs started in December 2015; as a result, one report on consumer access to digital broadcasting was compiled.	Four quarterly reports showing consumer access to digital broadcasting were compiled.	Four quarterly reports showing consumer access to digital broadcasting were compiled.	Four quarterly monitoring reports on implementation of the BDM Programme.	Four quarterly monitoring reports on implementation of the BDM Programme were compiled.	None	None



Subprogramme: Intergovernmental Relations and Stakeholder Management

Programme: Intergovernmental Relations and Stakeholder Management					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Strengthen support, guidance and interrelations with stakeholders by 2019.	<p>Ten stakeholder engagements were coordinated as follows:</p> <ul style="list-style-type: none"> a. Interdepartmental meeting in preparation for WIPO's 34th Session of the SCCR. b. BRICS Interdepartmental. c. 24th BRICS IDTSOT. d. Interdepartmental meeting in preparation for the 57th Session of the WIPO General Assembly. e. South Africa-European Union interdepartmental steering committee. f. Third NPWG meeting in preparation of the WRC. 	Four bilateral engagements coordinated (China, Russia, Lesotho and Namibia).	Four bilateral engagements were coordinated: Lesotho, Russia, Namibia and China.	None	None



Programme: Intergovernmental Relations and Stakeholder Management					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
	<ul style="list-style-type: none"> g. Draft IP policy workshop. h. Preparatory meeting for WIPO SCCR. i. South Africa-Russia ITEC interdepartmental meeting. j. Interdepartmental meeting on Central Africa. 			None	None

Programme: Intergovernmental Relations and Stakeholder Management					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Market the country locally and internationally to provide an enabling environment for investment by 2019.	Four multilateral partnership were coordinated with WIPO, ITU, SADC and ATU.	Five multilateral structures engaged (WIPO, ITEC, ATU-ITU, SADC, AU).	<p>Six multilateral Structures were engaged as follows:</p> <ol style="list-style-type: none"> 1. WIPO – 36th session of the standing committee 2. SADC – Joint meeting of SADC ministers responsible for ICT and information. During this joint meeting of SADC Ministers, elements of trade and cooperation for ICT sector transversing into ITEC were discussed at length 3. Southern Africa Internet Governance Forum (SAIGF-18) 	None	None



Programme: Intergovernmental Relations and Stakeholder Management					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
			4. Second SADC- SABA Broadcasting Forum AU 5. 5th SADC preparatory meeting for the ATU World Radio Communications Conference 2019 (WRC-19) 6. ITU Telecoms World		



Performance Indicators

Programme / Subprogramme: Intergovernmental Relations and Stakeholder Management							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Number of position papers tabled at multilateral engagements.	N/A	Two position papers were tabled at the multilateral and bilateral engagements.	Two position papers were tabled on WIPO and WRC-19 at multilateral engagements.	Two position papers tabled at multilateral engagements (WIPO and WRC-19).	Two position papers were tabled at multilateral engagements; WIPO position paper on copyrights and related rights on WRC-19 Position Paper.	None	None



Strategy to overcome areas of underperformance

The DoC manages performance in the following manner:

- Quarterly reports are presented to the minister and discussed at Manco, ARC and Portfolio Committee meetings for interventions.
- A report on targets that were not achieved is compiled and submitted to Manco for decision-making on corrective measures.

Changes to planned targets

The DoC tabled its 2018/19 – 2020/21 APP on 15 March 2018. An assessment of a number of critical programmes that the department is responsible for implementing was undertaken in May 2018, revealing the inevitable need for amendment of the 2018/19 – 2020/21 APP initially submitted to Parliament.

Programme performance indicator	2018/19 target in the first tabled APP	Actual achievement 2018/19-first quarter	2018/19 target in the retabled APP	Reason for change
Analogue transmission services switched off in all provinces by 2019	Manage analogue signal transmission switched off in five provinces.	No first quarter target.	BDM Programme implemented	Getting Digital Terrestrial Television (DTT) back on track by reviewing the current delivery model.
Number of reports showing consumer access to digital devices, installations and aftercare compiled	Four quarterly reports on consumer access to digital devices, installations and aftercare	First quarter report on consumer access to digital devices, installations and aftercare was compiled. The reports highlights, STBs distributed to SAPO warehouses and installations that were completed.	Four quarterly monitoring reports on implementation of the BDM Programme	

Programme performance indicator	2018/19 target in the first tabled APP	Actual achievement 2018/19-first quarter	2018/19 target in the retabled APP	Reason for change
An integrated digital migration communication and marketing strategy for subsidised and unsubsidised markets implemented	Implement an integrated Digital migration on communication and marketing strategy	First quarter monitoring report on the implementation of the integrated digital migration communication and marketing strategy was compiled. The reports highlights awareness campaigns that were coordinated and households registered.	Removed	Alignment to the revised model and incorporated in the target for four quarterly monitoring reports on implementation of the BDM Programme
Number of bilateral engagements coordinated to advance digital migration and communication agenda	Seven bilateral engagements (China, Russia, India, Lesotho, Botswana, Rwanda, UK)	Status report on the revised target is included on the performance report for subprogramme: Intergovernmental Relations and Stakeholder Management.	Four bilateral engagements coordinated (China, Russia, Lesotho and Namibia)	Consideration of the available resources in the Subprogramme
Number of mandatory multilateral structures engaged to advance communications/ broadcasting positions	Four multilateral structures engaged (WIPO, ITEC, ITU, SADC, ATU)	Status report on the revised target is included on the performance report for subprogramme: Intergovernmental Relations and Stakeholder Management.	Five multilateral structures engaged (WIPO, ITEC, ATU, ITU, SADC, AU)	Included the AU multilateral structures

Linking performance with budgets: Subprogramme expenditure

Subprogramme	2018/19			2017/18		
	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	1 715	39	1 676	801	3	798
2. Broadcasting Digital Migration	36 367	14 525	21 842	18 840	15 147	3 693
3. Industry Research and Analysis	2 535	1 583	952	3 932	3 844	88
4. Intergovernmental Relations and Stakeholder Management	4 690	4 421	269	2 472	2 406	66
TOTAL	45 307	20 568	24 739	26 045	21 400	4 645

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.

Strategic objectives for the financial year under review:

- Improve capacity of the entities to deliver by 2019.
- Ensure viability and sustainability of SOEs by 2019.

Strategic objectives, performance indicators, planned targets and actual achievements

The DoC continued working with SOEs to deliver on their mandates as well as ensuring adherence to good governance practices and to ensure that they are financially viable. The 2018/19 quarterly performance oversight reports were analysed and submitted to the Executive Authority. The purpose of the oversight reports are to provide the minister with an analysis of the performance against key deliverables that were set for each quarter of the financial year for the DoC's SOEs. The overall achievement for the 2018/19 per SOE is Brand South Africa – 93%, FPB – 78,9%, MDDA – 63%, ICASA – 91% and SABC is at 35%. Feedback based on the analyses of performance reports were submitted to the chairpersons of councils/boards of entities for implementation of corrective actions.

The performance reviews highlighted issues of over and/or under-expenditure, cash flow shortages, non-compliance with the 30-day requirement to pay suppliers as well as a variety of issues that resulted into low achievement of planned targets. The programme also coordinated quarterly performance review sessions with SOEs. These performance review sessions were to engage entities on challenges that resulted into poor or under-performance. The programme developed two governance framework for the MDDA and the FPB in the 2018/19 financial year. The purpose of the agreements is to improve governance and accountability at the two entities.

Subprogramme: Strategy and Policy Alignment

Strategic objectives

Programme: Strategy and Policy Alignment					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Improve capacity of the entities to deliver by 2019.	The 2018/19 shareholder compact for SABC and accountability instruments for MDDA, Brand South Africa and FPB were developed.	Two (MDDA and FPB) governance frameworks reviewed.	Two (MDDA and FPB) governance frameworks were reviewed.	None	None
	Draft performance agreements of ICASA chairperson and other councillors were developed.				



Programme: Strategy and Policy Alignment					
Strategic objectives	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviation
Ensure SOEs' adherence to good governance and financial stability by 2019..	<p>Public entities' governance policy was implemented and a report was compiled on entity governance forum coordinated as per governance policy.</p> <p>Twenty nine funding requests compliant to the drawdown conditions were processed.</p>	Twenty performance reviews and compliance monitoring reports of SOEs developed.	20 performance reviews and compliance monitoring reports of SOEs were developed.	Five QPR sessions for the discussion of 2017/18 Q4 performance of SOE were not coordinated as planned in Q1 of the 2018/19 financial year.	The 2017/18 Q4 performance of SOE was discussed in the 2018/19 Q2.



Performance Indicators

Programme / Subprogramme: Strategy and Policy Alignment							
Performance indicator	Actual achievement 2015/16	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement 2018/19	Comment on deviation
Number of SOE QPR sessions coordinated.	N/A	N/A	N/A	Twenty SOE QPR sessions coordinated.	Fifteen SOE QPR sessions were coordinated.	Five QPR sessions for the discussion of 2017/18 quarter four performance of SOE were not coordinated as planned in the first quarter of the 2018/19 financial year due to the change of Accounting Officer impacted on the approval of the plans to conduct sessions with SOC over QPR.	The 2017/18 Q4 performance of SOE were discussed in the 2018/19 Q2.



Strategy to overcome areas of underperformance

The DoC manages performance in the following manner:

- Quarterly reports are presented to the minister and discussed at Manco, ARC and Portfolio Committee meetings for interventions.
- A report on targets that were not achieved is compiled and submitted to Manco for decision-making on corrective measures.

Changes to planned targets

The DoC tabled its 2018/19 – 2020/21 APP on 15 March 2018. An assessment of a number of critical programmes that the department is responsible for implementing was undertaken in May 2018, revealing the inevitable need for amendment of the 2018/19 – 2020/21 APP initially submitted to Parliament.

Programme performance indicator	2018/19 target in the first tabled APP	Actual achievement 2018/19-first quarter	2018/19 Indicator and target in the retabled APP	Reason for change
Number of shareholder compacts and accountability instruments signed	Two shareholder compacts (SABC and Brand SA), and three accountability instruments (ICASA, FPB and MDDA) signed	No first quarter target amendments	Number of SOEs' governance framework reviewed. Two (MDDA and FPB) governance Frameworks reviewed	Stabilising SOEs and improving internal capacity for effective delivery. The two entities (FPB and MDDA) experienced governance challenges in the previous years.
Number of reports on the governance and financial viability of entities compiled (ICASA, FPB, SABC, BrandSA and MDDA	Ten reports on the governance and financial viability of entities compiled	Status report on the revised target is included on the performance report for Programme Entity Oversight.	Removed	Incorporated in the target for 20 performance reviews and compliance monitoring reports of SOEs developed.
A strategy to provide oversight to all entities implemented	SOC Oversight Strategy developed and implemented	A stakeholder consultation report on SOC Oversight Strategy was not developed.	Removed	Monitored through the departmental operational plan and Service Delivery Improvement Plan (SDIP).

Linking performance with budgets: Subprogramme expenditure

Subprogramme	2018/19			2017/18		
	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	2 885	2 660	225	3 418	3 425	(7)
Broadcasting and Community Media	221 573	221 194	379	205 019	205 012	7
Communication and Branding	624 527	624 015	512	595 750	595 750	-
Regulatory Institutions	539 043	538 538	505	522 067	522 067	-
TOTAL	1 388 028	1 386 407	1 621	1 326 254	1 326 254	-



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 R'000	Amount spent by the public entity R'000	Achievements of the public entity
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 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.	200 430	211 584	<p>Brand South Africa has created a globally recognised country brand, currently ranked at 37 on the Nation Brand Index (NBI study).</p> <p>Brand South Africa has positively influenced perceptions on South Africa globally and domestically. This is evident in the investor perception study and domestic perception studies that are commissioned by Brand SA to Ipsos and Africa Response, respectively.</p> <p>Brand SA has led several multi-pronged strategic stakeholder engagements such as World Economic Forum Davos and WEF Africa. Brand South Africa leads with an integrated communications and marketing programme at these platforms. It also rallies behind mobilising Team SA to ensure alignment in country brand messaging.</p> <p>Brand South Africa has assisted stakeholders on how to promote a cohesive country brand image. This has been done by providing masterclass on country brand as well as the toolkit.</p>

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<p>This also includes implementation of the country brand reputation programme. This shows that Brand South Africa has been seen by its stakeholders as an ideal partner to collaborate with on matters of global importance.</p> <p>Brand SA has empowered stakeholders to understand the country brand performance when paired with peer countries so they can also promote the country in a positive and confident manner.</p> <p>South Africa has successfully championed Play Your Part initiative that promotes active citizenry and has rallied citizens to be Play Your Part ambassadors.</p>



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
FPB	<p>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.</p>	94 577	94 577	<p>Conducted outreach and awareness workshops reaching 5 876 learners, 970 educators and 1 296 parents. Classified 1 545 titles submitted for classification. Processed 2 807 new registration and renewal of distributors licences. Licensed seven online distributors (Video on Demand and online streaming platforms). Conducted 9 946 compliance monitoring inspections across the country issuing 91 non-compliance notices. Together with law enforcement, conducted 130 raids and confiscating 1 40 722 discs. Destroyed 123 686 illegal discs that were confiscated. Discs destroyed valued at R12.3 million. Reviewed Classification Guidelines and conducted consultations across the country. Public engagements reached 1 233 participants representing organisations across the country. Finalised review of FPB tariff model. Draft tariffs submitted to Minister of Communications for approval. Film and Publications Amendment Bill passed by National Assembly and the NCOP.</p>



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
ICASA	<p>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.</p> <p>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.</p>	443 961	443 961	<p>ICASA set 71 targets for the 2018/19 financial year. Sixty-four were achieved and seven were not achieved. The 64 targets achieved constitute 90% annual achievement.</p> <ul style="list-style-type: none"> • Access to high-demand spectrum from 566.695MHz to 890.305MHz (75% of the process for licensing of broadband (IMT) spectrum completed in the 2018-19 financial year). • Number of community television licences issued (100% of the process for licensing of commercial free-to-air television broadcasting services completed in the 2018-19 financial year). • 92% (7 896/8 360) of consumer complaints resolved in the 2018-19 financial year. • 60 broadcasting licensees monitored in the 2018-19 financial year. • 60 broadcasting licensees monitored in the 2018-19 financial year. • 2 029 high-site investigations conducted in the 2018-19 financial year.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
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 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 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>	30 669	30 669	<p>The MDDA achieved the annual targets for 80% of its key performance indicators for 2018/2019. Major highlights were achievements in its core mandate areas of financial and non-financial support for community and small commercial media.</p> <ul style="list-style-type: none"> • 12 community, small commercial and print media were approved for financial support, meeting the 2018/2019 targets. • In terms of community broadcast, while the target of 25 was not achieved, 20 projects were approved for funding, meeting strengthened selection and funding criteria. • In terms of capacity-building of community and small commercial media, all targets were met with a highlight being countrywide elections reporting training being held for projects across the country. Digital literacy training (including cybersecurity) also commenced for learners. • Research targets met included commissioning of a skills audit to guide sector capacity-building initiatives going forward. • Other achievements include the hosting of the community media summit attended by more than 50 sector stakeholders. • The MDDA achieved an unqualified audit, continuing its unbroken record since inception.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
SABC	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 television broadcasting services to South Africans.	187 421	<p>92 533 (Nation-building television and radio)</p> <p>50 068 (Channel Africa)</p> <p>Total 142 601</p>	<p>SABC Education delivers the educational mandate of the SABC. 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. Its educational programming (television and radio), outreach activities and digital media campaigns are made possible by a grant from the DoC. The SABC has formed credible and sustainable relationships with national and provincial departments of communications; basic education; arts and culture; higher education and training; 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 its educational programming has made within communities and among the South Africa public at large:</p> <p>1. Formal education:</p> <p>Programming that supports the accredited curriculum from reception year to tertiary for learners and educators targeting the foundation, intermediate, senior, FET (Further Education and Training), higher and ABET (Adult Basic Education and Training) education phases.</p> <ul style="list-style-type: none"> • 48 Hours: A reality television format that helps learners to explore new career choices and further study options through providing both theoretical and practical experience of the world of careers and entrepreneurship.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<ul style="list-style-type: none"> • Geleza Nathi: A magazine show that aims to provide curriculum support to learners in Grade 10 – 12. The show features a quiz element and focus largely on the following gateway subjects: English, Mathematics, Accounting, Life Sciences and Physical Sciences. Implemented revision programmes for both mid-year and final exams for the class of 2018. The production team visited the following provinces: North West, Northern Cape, Limpopo and Mpumalanga. • Words and Numbers: An entertaining fun show for bright young minds. <i>Words and Numbers</i> put contestants through their paces as they battle it out with words and numbers games in a captivating quiz show. The show focuses on literacy and numeracy among young learners and parents. • Battle of the VS: A youth focused show, where young people get to debate issues that are contextual, educational and socially relevant. Most of the themes featured on the show are mostly general but with foundations from curriculum specific subjects such as History, Mathematics, Science and Technology. • Each One Teach One: Apart from producing compelling intervention content inculcating on the triangular relationship within the education system, <i>Each One Teach One</i> embarked on a roadshow in Gauteng and Limpopo. The road shows incorporated assembly motivational talks, intimate workshops with learners, teachers and parents.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<ul style="list-style-type: none"> • It's for Life: An educational reality series that aims to develop candidates' "life skills" so that they can realise their social, personal and professional potential in the diverse, challenging context of South Africa. • TOMZ (Teenagers on a Mission): The series takes young people on a journey of scientific discovery 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. The series highlight is visiting schools around the country affording young people to engage with the programme and also partaking on the TOMZ quiz show. • The Epic Hang Out: A studio magazine show with inserts aimed at imparting and affording learners with skills to learning areas in the intermediate phase with more emphasis on Mathematics, Science, Technology and English using practical examples and visual literacy. The series is aligned to the CAPS curriculum. The series broadcast spelling BEE episodes in support of the 2018 national spelling BEE and was also a finalist in the 2018 Prix Jeunesse International Children Awards category. • Back from Zero: A reality show aimed at educating the South African society about how to manage their finances – leaving viewers' minds enriched, filled with hope and feeling more in control than before.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<p>2. 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> <ul style="list-style-type: none"> • One Day Leader: A reality show that seeks the best young leaders in South Africa and puts their leadership skills and abilities to the test. • Skeem Saam: This daily educational drama explores the thrilling and enlightening journey to adulthood. It looks at the struggles and triumphs a young male adult goes through to achieve adulthood. Skeem Saam's loyal audiences have now exceeded the six million mark. It received a 2016 SAFTA as the most popular drama on television in South Africa. Skeem Saam is currently rated number three in the country's top three most viewed shows. <p>3. Public information and social development: We are relevant in a changing South Africa; we inspire audiences to play key roles in building democracy through social action campaigns.</p> <ul style="list-style-type: none"> • ISpani: A docu-reality award-winning youth show that continues to share new and uncharted career fields. The series shares the many layers of employment and career planning with young, unemployed viewers. In October 2018, The Wonders of Aviation Vice-President Donald Schenk from the USA presented an award to the SABC for the <i>Ispani</i> careers programmes that was flighted on aviation. They recognised the show for their efforts in educating young people on all the various careers available to them in aviation.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<ul style="list-style-type: none"> • Making Moves: The award-winning series celebrates and promotes young successful South African entrepreneurs. Four entrepreneurs each won a cash injection of R50 000 into their business to improve and take it to the next level. • Living Land: The programme 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. <i>Living Land</i> hosted emerging farmer workshops in Limpopo and Gauteng in partnership with the provincial departments of agriculture. • Dijo Le Bophelo: A programme that raises awareness and consciousness about food, related health and lifestyle issues; with the aim to encourage viewers to examine their relationship with food, so as to make informed choices. • Raising Babies 101: A talk series for first time parents and every caregiver in South Africa. It covers every issue that affects parents – from scolding toddlers the correct way, raising babies with disabilities and screening ECD centres. • Daily Thetha: This is an informative, inspiring, thought-provoking programme, with topical issues encouraging viewers to voice their opinions and do things for themselves. It covers a variety of subjects such as finance, self-esteem, entrepreneurship, empowerment, gender, education, technology, arts, culture, environment and social issues. The show has a sign language interpreter. • At My Age: An intervention-driven format designed to help the aged who are affected by problems they cannot solve on their own.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<p>4. Outreach: SABC Education reaches out to audiences through on the ground activities, developing and distributing resource materials.</p> <ul style="list-style-type: none"> • Each One Teach One workshops: Main aim are to create a safe space for engagement and conversation between, teachers, learners, parents and the community regarding issues that disrupt their learning. • Living Land farmers workshops: provide crucial information and knowledge to emerging farmers. • Outreach Content Development: Produced and reproduced a number of publications to distribute to specific community areas in South Africa. • SABC Education career booklets • Cool Careers (artisanship booklets) • Study guides <p>5. Digital Education:</p> <ul style="list-style-type: none"> • SABC Education Mobile App: Through the use of Education Mobile App, online users are able to engage with SABC Education content on television and also listen to all radio stations. • SABC Education Virtual Academy (SEVA): Online self-help e-learning system aimed at converting SABC Education television programmes into online learning programmes for the public. The current phase of SEVA is focused on FET learner support in critical learning areas such as Mathematics, Accounting, English, and Physical and Life Sciences.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<ul style="list-style-type: none"> • Matric Results Service and App: SABC Education in partnership with the Department of Basic Education launched the Matric Results SMS and USSD campaign calling all South African matric students to register and receive their matric results. Education launched a new MatricsMate Mobile App. It was selected as number two from the top 100 free most-downloaded educational apps in Google Play Store. Khetha Podcast Facility: SABC Education has developed a podcast facility hosted by IONO.FM. • SABC Career Guide App: SABC Education has developed a career guide applications to house all the content on career opportunities. • Digital Resources: SABC Digital Education has finalised the process of digitalising its resources content and materials into e-books. <p>6. Radio educational programmes</p> <ul style="list-style-type: none"> • The DoC grant has enabled SABC Radio Education to service PBS radio stations' education mandate to produce and broadcast a minimum of 300 minutes of educational content and 60 minutes of children's content per week as required by ICASA. In line with the mandate requirements, Radio Education has established and sustained 10 critical learning areas on air across the PBS radio platform, namely ECD, State Your Mind, Teen Zone, Youth Ke Yona, Learner Support, Educator Development, Science and Technology, Civic Education and Health Features.



Name of public entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				<p>7. Channel Africa</p> <p>Channel Africa is South Africa's international public broadcast radio station which primary audience is the entire African continent. Its secondary audience is the rest of the world, where it harvests news and information.</p> <p>Channel Africa's vision is "The Voice of the African Renaissance – from the African Perspective".</p> <p>Its mission is "to promote the regeneration, revival and rejuvenation of South Africa and the continent as a whole, through the production and broadcast of dynamic, stimulating and interesting programmes".</p> <p>The station broadcasts in English, Kiswahili, Portuguese, Chi Nyanja, French and Silozi. Its content ranges from news, current affairs and informal knowledge-building programming. Content coverage varies from economics, trade, industry, technology, political and social issues, education, training, environment, wildlife, tourism, sports, arts, culture and entertainment, etc.</p> <ul style="list-style-type: none"> • e-books. <p>Channel Africa is a platform through which Africa is engaged in debate with itself and recognises South Africa as a role-player in continental and international affairs.</p> <p>Channel Africa promotes the country and the continent as a tourist destination, viable and attractive for foreign investments.</p>



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.



PART C:

GOVERNANCE



1. INTRODUCTION

The DoC is committed to continuously strengthening compliance, managing risks and upholding good governance within the risk, control and governance environment. This is fundamental to the management of public finance and the assurance that the use of the department's resources is effective, efficient and realises optimum value for money.

The DoC ensures continuous monitoring, reviewing and evaluation of mechanisms aimed at mitigating identified strategic and operational risks.

2. RISK MANAGEMENT

In terms of Section 38(1) of the PFMA of 1999, as amended, the Accounting Officer must ensure that the department develops and maintains effective, efficient and transparent systems of financial and risk management and internal control. The DoC managed to put in place plans to address every risk to which the department may be exposed, ensuring that risks are managed and/or mitigated to an acceptable level. The department ensures that risk is not only seen as a threat, but as an opportunity to enhance its commitment to continuous improvement.

The risk management process is aligned with the planning and objective-setting processes of the department. A strategic risk register which contains risks that are considered to impede the achievement of the DoC's strategic objectives has been developed and approved by the ARC. Divisions within the department compiled risk registers aligned with divisional operational plans. Both the strategic and operational risks are monitored quarterly and will be reported to the Audit and Risk Management Committee.

3. FRAUD AND CORRUPTION

The DoC is committed to a zero-tolerance approach to fraud and corruption. Since the department is still accommodated in the GCIS building, the GCIS Risk Management unit broadcasted fraud prevention messages on Did You Know posters and promoted the toll-free National Anti-Corruption Hotline (0800 701 701) as part of the initiative of encouraging the reporting of any form of fraudulent and/or corrupt activity.

Other fraud prevention measures entail pre-screening of all job applicants before appointments are made. SMS and designated employees are obliged to disclose their financial interests annually and all employees are required to obtain approval to perform any remunerative work outside the public service.

4. MINIMISING CONFLICT OF INTEREST

The department enforces the mandatory financial disclosure requirement of all SMS members and designated employees as regulated by the Public Service Regulations (PSR), 2016. The processes outlined in the PSR of 2016 are implemented by the executing authority in instances of officials failing to adhere to this requirement. Awareness was also made regarding the prohibition of employees to do business with any organs of state, or of being a director of a public or private company conducting business with an organ of state as outlined in the PSR of 2016.

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. Members of decision-making committees sign a declaration to indicate any conflict of interest that may arise in any matter they deal with.

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 the PSR, 2016. New employees are inducted on the Code of Conduct, and this is enforced through policies and circulars. The Code of Conduct is also periodically circulated to all employees. Compliance with the code enhances professionalism and helps to ensure confidence in the Public Service. 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 deals with misconduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The DoC is sharing office accommodation with the GCIS and the DoC has appointed its own Occupational Health and Safety (OHS) officers to serve in the OHS Committee, comprising officials from the two departments.

7. PORTFOLIO COMMITTEES

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

Date	Topic	Matters raised by the committee	Departmental response
17 April 2018	Presentation on the APP	<ul style="list-style-type: none"> • Vacant DG post raised as a concern. • Concern regarding the inadequate budget against the target set for the BDP Programme. To provide the committee with an implementation plan for provinces. The committee requested the DoC to draw from the lessons learnt and look at the best approach going forward. • Turnaround plan for the SABC. • Filling of vacancies of senior positions in the SABC. 	<ul style="list-style-type: none"> • The appointment of the DG was a stop-and-go process due to the constant changes in leadership. A moratorium is currently in place on the filling of all vacant position due to the imminent merger of departments. • The BDM Programme implementation plan was subsequently revised and approved by Cabinet in September 2018. • A turnaround plan for the SABC will be finalised in September 2019. • The vacant senior positions at the SABC were subsequently filled.

Date	Topic	Matters raised by the committee	Departmental response
24 April 2018	Discussion on the department's Q3 report	<ul style="list-style-type: none"> Concern raised on the 0% performance in Programme 2, which is the department's core mandate. There is a lot of developments in technology that needs to be developed and the DoC needs to find ways of keeping up with the developments in the sector. The audio visual policy is not sufficient. Concerns raised on the accountability instruments for entities to ensure proper oversight. 	<ul style="list-style-type: none"> Commenced the process of better alignment and coordination in the context of the 4IR. Accountability instruments were subsequently done.
	Investigation into the MDDA	Investigation to be done on the myriad of challenges the MDDA faced over the years resulting in weak governance and instability.	The investigation to be conducted by the Portfolio Committee.
29 May 2018	Union submission during oversight visit	Committee recommendation that the Minister of Communications suspend the Chairperson of ICASA, Mr R Mohlaloga.	<ul style="list-style-type: none"> The suspension was not effected in 2018 owing to legal technicalities as Mr Mohlaloga had appealed his conviction and lodged an interdict application. The Minister of Communications, in March 2019, removed Mr Mohlaloga from office.



Date	Topic	Matters raised by the committee	Departmental response
5 June 2018	SABC response to the submissions made by the union	<ul style="list-style-type: none"> • Members of the committee expressed dissatisfaction with the SABC board presentation because the board presentation did not provide sufficient details on the concerns raised by the labour unions. • The SABC board to submit a thorough report to the committee to fill the information gap as per the discussion. • On the dismissal of 26 television licence call agents, the minister and deputy minister must look into the matter with the SABC executive and board chairperson and prepare a thorough report for presentation to the committee. 	<ul style="list-style-type: none"> • Noted for action. • The SABC subsequently attended to the comments by the committee and submitted a thorough report. • A thorough report was presented to the committee.
21 August 2018	<ul style="list-style-type: none"> • SABC Turnaround Strategy • SABC sports rights, non-payment of independent producers, union concerns 	<ul style="list-style-type: none"> • The SABC board and the Minister of Communications to present the turnaround strategy once it is finalised. • The SABC to provide a strategy on how best to deal with television licence collection fees. • ICASA to review the sports broadcasting regulations. 	<ul style="list-style-type: none"> • The turnaround strategy that was approved by the SABC board was presented to the committee on 25 September 2018. • The SABC developed and is implementing its strategy to collect licence fees. • ICASA has started the process of reviewing the sports broadcasting regulations. ICASA received submissions and was to start hearings before the end of Q1 (May/ June 2019)



Date	Topic	Matters raised by the committee	Departmental response
4 September 2018	Amended APP	<ul style="list-style-type: none"> The committee noted the amendments to the APP which were meant to review the DTT delivery model, create a new vision for broadcasting and stabilising SOEs. Emphasis placed on the finalisation of the SABC turnaround strategy. 	The SABC turnaround plan will be finalised in September 2019.
25 September 2018	SABC turnaround plan	<ul style="list-style-type: none"> The committee noted that the SABC turnaround strategy was long overdue. The SABC presented its strategic roadmap aimed at guiding the corporation's turnaround to financial sustainability. The committee will monitor implementation of the strategic roadmap. Retrenchment of staff at the SABC should be the last resort. 	The SABC turnaround plan will be finalised in September 2019.
9 October 2018	Annual Report presentation	<ul style="list-style-type: none"> The filling of critical posts was raised. To ensure that targets set adhere to the "SMART" principle. 	Filling of posts is pending the finalisation of the reconfiguration process.
16 October 2018	SABC board: Shortlist of candidates	The committee discussed the recruitment process for the members of the MDDA and SABC boards and agreed to post the selected names for public comments.	None
6 November 2018	Election of chairperson; communications BRRR; committee programme	The committee considered and approved the communications BRRR.	None



Date	Topic	Matters raised by the committee	Departmental response
19 February 2019	Committee discussion on the SABC board and MDDA board vacancies	The committee deliberated on the finalisation of filling the vacancies. All candidates will be subjected to verification of qualifications and security clearance.	None
5 March 2019	SABC board interviews	Eight candidates shortlisted were interviewed.	None
14 March 2019	State of the department and entities	<ul style="list-style-type: none"> Members expressed concern on the coverage of the upcoming general elections. The reduction of the Brand SA board and the impact on its mandate. 	<ul style="list-style-type: none"> Both entities indicated readiness on the election coverage. To be considered during the SOE rationalisation process.

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS

During the period under review, the DoC did not appear before the Standing Committee on Public Accounts (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

The department does not have Internal Control Unit.

11. INTERNAL AUDIT AND RISK COMMITTEES

The DoC's Accounting Officer has established an Internal Audit Activity under the control and direction of the Audit Committee complying with and operating in accordance with the PFMA of 1999, Section 77 and Treasury Regulation 3.1.

The key objective of the Internal Audit Activity is to add value and improve the department's operations by providing objective assurance and consulting services. This is done by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes.

The Internal Audit Directorate performed the audits for the DoC. The audit committee plays an important role in ensuring that the department functions according to good governance, accounting and auditing standards.

11.1 THE INTERNAL AUDIT (IA) ACTIVITY REVIEWS ARE THE FOLLOWING:

- The reliability and integrity of financial, operational and performance information.
- Compliance with laws, regulations, policies and contracts.
- Safeguarding of assets.
- The economical and efficient use of resources.
- Establishment of operational goals and objectives.
- Assessment of the adequacy and effectiveness of controls around IT processes.

11.2 KEY ACTIVITIES OF THE INTERNAL AUDIT AND RISK

- Development of three-year internal audit plans and annual plans approved by the Audit Committee and the Accounting Officer.
- Implementation of the approved internal audit plans.
- Quarterly reports to the Audit Committee.
- Perform secretarial functions to the Audit Committee.
- Review the internal audit and audit committee charters.
- Quality reviews of the Internal Audit Activity.
- Participation and provision of advice in the department's committee meetings.
- Training and development of officials to keep abreast with the professional and public service developments.

11.3 SUMMARY OF WORK DONE

The Internal Audit provided assurance services during the financial year.

THE FOLLOWING REVIEWS WERE PERFORMED:

Department of Communications	
Type of a review	No of reviews
Compliance/regularity	4
Financial audits	2
Strategic Plan and Annual Performance Plan	1
Performance information (Predetermined objectives)	4
IT audits	1
Follow-up reviews	2
MPAT	1
TOTAL	15

12. REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

12.1 INTRODUCTION

The Audit Committee was established as a statutory committee in terms of Section 38 (1) (a) (ii) of the PFMA of 1999 and Treasury Regulation 3.1.13. The committee is pleased to present its report for the financial year ending 31 March 2019. The report is presented in accordance with the requirement of the PFMA of 1999 and in line with the National Treasury Annual Report guide.

12.2 AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit Committee has discharged its oversight responsibilities to the DoC independently and objectively in compliance with Section 76, 77 and 38 (1) (a) of the PFMA of 1999 and Treasury Regulation 3.1. The Audit Committee adopted formal terms of reference (Audit Committee Charter) and has discharged its responsibilities as contained therein, and regulated its affairs in compliance with the charter.

12.3 COMMITTEE COMPOSITION

The DoC has a duly constituted Audit Committee, comprising of three independent members, and remained instrumental in providing independent and objective advice to the department. The following table discloses relevant information on the audit committee members who were in office during the period 1 April 2018 to 31 March 2019.

12.4 RELEVANT INFORMATION ON THE AUDIT AND RISK COMMITTEE MEMBERS

Name of the member	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned	Number of meetings attended
Ayanda Pearl Zinhle Mafuleka	<ul style="list-style-type: none">Chartered accountantB. Comp (Honours) CTAB. Comp degreeAdvanced Financial Management certificate	External member		March 2018	N/A	4/5

Name of the member	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned	Number of meetings attended
Ntokozo Makhosazane Gugulethu Langa	<ul style="list-style-type: none"> Chartered accountant Bachelor of Accountancy (CTA) Bachelor of Accountancy Advanced Diploma in Auditing National Certificate: Financial Markets and Instruments 	External member		March 2018	N/A	4/5
Joshua Motjuwadi	<ul style="list-style-type: none"> Bachelor of Science Executive Development Programme (EDP) Delivering Information Services (DIS) 	External member		March 2018	N/A	5/5

12.5 During the financial year, the Audit and Risk Committee met four times and performed, among other activities, the following key responsibilities:

- Approved the 2018/19 strategic and coverage plans of the Internal Audit and reviewed their performance during the year.
- Reviewed the Strategic Plan of the AGSA for the financial year ended 31 March 2019.
- Reviewed in-year management reporting relating to financial management, risk management and performance management.
- Reviewed the Annual Financial Statements for the financial year ended 31 March 2019.
- Reviewed the improvements implemented by management to address control weaknesses reported by Internal Audit and the AGSA.
- Reviewed the annual Audit Report and Management Report from the AG.
- Reviewed the information on predetermined objectives prepared for the Annual Report.
- Reviewed the quality and observed the timeliness of the financial information made available to ensure that adequate oversight is provided.
- Reviewed and discussed the interim financial statements during the reporting period.

13. 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 areas were raised as concerns by Internal Audit:

Area covered	Audit concern
AFS 2018/19 and interim financial statements 2017/18 (Q2)	Over/understatement of commitments, accruals and payables. Supporting schedules to substantiate disclosure items relating to assets not provided, partially due to assets that could not be accounted for that are under investigation.
Q4 Performance Report and Annual Report 2018/19, and Quarterly Reports 2018/19 (Q1, 2 and 3)	Reported achievements not consistent with pre-determined indicators and targets. Insufficient and relevant portfolio of evidence to support reported achievements.
HR	Inadequate and weaknesses in controls over administration of leave, vetting of employees, recruitment process.
SCM and expenditure management	Recurring weaknesses around the controls over manual suppliers' orders, system for receipt and payment of invoices within 30 days, and the impact of the aforementioned to general commitments, accruals and payables. Inadequate and weaknesses in controls within SCM; lack of segregation of duties due to capacity.
ICT	Weaknesses were noted regarding the administration of user access controls and monitoring of users and administrators' activities.
Entity oversight	Monitoring of QPRs and corrective actions not adequate.
BDM	Monitoring and evaluation process not in place. Installations reported on the SAPO report not consistent/accurate with the sampled site inspections performed.

13.1 INTERNAL AUDIT

The department has a functional Internal Audit Unit which is not adequately resourced. The Internal Audit Unit performed its Annual Plan adequately. The committee is satisfied that the Internal Audit Unit has operated effectively, despite its limitation of resources (HR) for the period under review. The work performed by Internal Audit Unit has enabled the committee to fulfil its duties around compliance, financial management and performance and IT.

13.2 EXTERNAL AUDIT

In the performance of its duties, the committee considered the work and matters raised by the external auditor (the AG). The committee has consistently monitored the progress made by management in the implementation of corrective measures (2018/19 Action Plan). However, the committee is still concerned with the number and nature of recurring findings.



13.3 RISK MANAGEMENT

The Audit and Risk Committee was presented with the risk management reports during the year. However, the committee has noted that there is a need to improve the department's maturity level which will assist in the effective treatment of risks.

13.4 IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORT

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA of 1999. The Audit Committee considered the Interim Financial Statements and Quarterly Performance Reports (QPRs), together with statements of expenditure against budget including intervention measures to ensure compliance with all relevant prescripts.

13.5 EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the quarterly/interim financial statements during the reporting period.
- Reviewed and discussed the annual financial statements to be presented for auditing purposes.
- Reviewed the annual Audit Report and Management Report from the AG.
- Reviewed the information on predetermined objectives prepared for the Annual Report.
- Reviewed the quality and observed the timeliness of the financial information made available to ensure that adequate oversight is provided.

14. APPRECIATION

We commend management on their commitment to strong governance within the department. The Audit Committee encourages the organisation to maintain its commitment to high levels of governance and strong systems of internal control, especially during this time of extremely restrictive budgets and other resources.



Ms Ayanda Mafuleka
Chairperson of the Audit and Risk Committee
Department of Communications

31 July 2019

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 HUMAN RESOURCES

2.1 The status of human resources in the department

As at 31 March 2019, the total number of funded posts was 80 of which 70 (87,5%), were filled and 10 vacant (12,5%). Females at SMS level accounted for 10 (50%); and males 10 (50%). The number of employees with disabilities was one (1%).

2.2 Human resource priorities for the year under review and the impact of these

- Filling vacant positions to ensure the implementation of the approved APP.
- Achieving 50% representation of females at SMS and 2% of employees with disabilities.
- Implementation of the WSP to ensure a highly skilled workforce.
- 100% submission of financial disclosures by designated employees to mitigate against conflict of interests and to detect any corrupt activities in the department.

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

- The workforce was planned in line with the strategic objectives of the department and the available compensation of employees budget.
- Posts were prioritised in terms of the urgent strategic needs of the department and the urgency of filling them. 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.
- All SMS members undergo technical and competency assessment tests as part of the recruitment process.
- The HR plan was monitored and EE targets were communicated and implemented during the filling of posts.
- The department also has an approved retention policy in place which is implemented where applicable to retain skilled and capable officials in the department.
- Exit interviews were conducted to establish reasons why employees leave the department and to identify areas of improvement to enhance the current retention strategies.

2.4 Employee performance management

- The departmental Employee Performance Management and Development System Policy and processes have been reviewed to align them with the Minister for Public Service and Administration's directives on performance management and development system with effect from 1 April 2018.
- All staff members are expected to enter into performance agreements by 31 May and employees appointed after April are required to sign their performance agreements within three months of their appointments.
- The performance assessments are conducted twice a year and eligible employees are rewarded in line the departmental Employee Performance Management and Development System Policy.

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 (Independent Counselling and Advisory Services). 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 counselling services.
- Educational programmes on HIV and AIDS as well as other chronic illnesses took place.
- The DoC employees participated in the wellness programmes, including the Big Walk and National Recreation Day.

2.6 Achievements and challenges faced by the department

Achievements

- Although the departmental WSP was not sufficiently funded, the department managed to train 58 employees through the implementation of 70 training interventions.
- The department finalised the moderation of performance assessments before the legislated timeframe.
- Some 50% of female employees occupy SMS posts.

Challenges

- Only 80 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 State Security Agency affected the pace of filling vacant posts.
- Achieving disability representation remains a challenge due limited number of funded posts.
- The WSP is still not sufficiently funded.
- 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 human resource plans/goals

On 22 November 2018, President Ramaphosa announced changes to Cabinet and decided to merge the ministries of communications and of telecommunications and postal services into a single Ministry of Communications under Minister Ndabeni-Abrahams. The President stated that "this move is going to ensure that we have better alignment and coordination on matters that are critical to the future of our economy in the context of the 4IR. The two departments that will report to the new ministry – namely, the DoC and the DTPS – will remain as separate departments until the end of the fifth administration. The decision to merge the two ministries is in line with the work that we have undertaken in line with the announcement which I made during the State of the Nation Address that we are going to look at realigning Government".

The future plans will be considered after the reconfiguration as announced by the President.



3. HUMAN RESOURCES OVERSIGHT STATISTICS

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, home owners allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2018 to 31 March 2019

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)
DoC: Administration	71,984	49,901	422	408	69,32	768
DoC: Communication Policy, Research and Development	9,162	6,806	0	46	74,29	851
DoC: Entity Oversight	20,568	11,791	0	515	57,33	907
DoC: Industry and Capacity Development	1 386,407	5,145	0	0	0,37	643
Total	1 488,121	73,643	422	969	4,95	3,169

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
02 Skilled (Levels 3 - 5)	729,00	1,00	4,00	182 250,00
03 Highly skilled production (Levels 6 - 8)	10 139,00	12,90	25,00	397 348,00
04 Highly skilled supervision (Levels 9 - 12)	13 497,00	19,10	18,00	793 941,00
05 Senior management (Levels > = 13)	26 524,00	36,50	22,00	1 290 700,00
11 Contract (Levels 3 - 5)	502,00	0,70	5,00	251 000,00
12 Contract (Levels 6 - 8)	1 771,00	2,50	5,00	354 200,00
13 Contract (Levels 9 - 12)	5 066,00	7,20	7,00	723 714,00
14 Contract (Levels > = 13)	13 385,00	17,10	7,00	1 725 000,00
19 Periodical remuneration	2 030,00	1,50	7,00	147 143,00
TOTAL	73 643,00	100,00	92,00	756 772,00

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 to 31 March 2019

Programme	Salaries		Overtime		Home Owners Allowance		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
DoC: Administration	39 711,00	86,00	412,00	0,90	442,00	1,00	670,00	1,50
DoC: Communication Policy Research and Development	5 990,00	87,10	5,00	0,10	95,00	1,40	119,00	1,70
DoC: Entity Oversight	4 472,00	86,80	43,00	0,80	40,00	0,80	77,00	1,50

Programme	Salaries		Overtime		Home Owners Allowance		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
DoC: Industry and Capacity Development	10 768,00	86,50	0,00	0,00	21,00	0,20	84,00	0,70
Total	60 941,00	86,30	460,00	0,70	598,00	0,80	950,00	1,30

Table 3.1.4 Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Salaries		Overtime		Home owners allowance		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
02 Skilled (Levels 3 - 5)	576,00	78,80	16,00	2,20	34,00	4,70	32,00	4,40
03 Highly skilled production (Levels 6 - 8)	7 181,00	78,10	283,00	3,10	366,00	4,00	373,00	4,10
04 Highly skilled supervision (Levels 9 - 12)	11 772,00	86,70	123,00	0,90	113,00	0,80	239,00	1,80
05 Senior management (Levels >= 13)	23 045,00	87,40	0,00	0,00	85,00	0,30	306,00	1,20
11 Contract (Levels 3 - 5)	484,00	96,40	3,00	0,60	0,00	0,00	0,00	0,00
12 Contract (Levels 6 - 8)	1 607,00	89,40	28,00	1,60	0,00	0,00	0,00	0,00

Salary band	Salaries		Overtime		Home owners allowance		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
13 Contract (Levels 9 - 12)	4 539,00	88,20	6,00	0,10	0,00	0,00	0,00	0,00
14 Contract (Levels > = 13)	11 074,00	90,50	0,00	0,00	0,00	0,00	0,00	0,00
19 Periodical remuneration	662,00	60,60	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	60 941,00	86,30	460,00	0,70	598,00	0,80	950,00	1,30

Table 3.2.1 Employment and vacancies by programme as on 31 March 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 1	57	48	16%	6
Programme 2	8	8	0%	0
Programme 3	7	7	0%	6
Programme 4	8	7	12,5%	0
Total	80	70	12,5%	12

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019

Salary band	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Lower skilled (1 - 2)	0	0	0	0
Skilled (3 - 5)	5	5	0%	0
Highly skilled production (6 - 8)	31	25	9%	3
Highly skilled supervision (9 - 12)	21	20	5%	4
Senior management (13 - 16)	23	20	13%	5
Total	80	70	12,5%	12

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019

Critical occupation	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
Administrative Related, permanent	12	12	0	4
Client Inform Clerks (switch board, receptionist inform clerks), permanent	0	0	0	0
Communication and Information related, permanent	8	8	0	2
Financial and related professionals, permanent	8	6	25	0
Financial clerks and credit controllers, permanent	1	1	0	0
Food services aids and waiters, permanent	2	2	0	0
HR and organised development and related professionals, permanent	2	2	0	0
HR-related, permanent	4	3	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	% Vacancy rate	Number of employees additional to the establishment
HR clerks, permanent	1	1	0	0
Library mail and related clerks, permanent	2	2	0	0
Material-recording and transport clerks, permanent	9	9	0	0
Secretaries and other keyboard-operating clerks, permanent	8	4	50	1
Senior managers, permanent	23	20	13	5
Total	80	70	12,5	12

3.3 Filling of Senior Management Service 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 timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2019

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
Director-General / Head of Department	1	0	0	1	100
Salary level 15	0	0	0	0	0
Salary level 14	8	7	87,5	1	12,5
Salary level 13	14	13	92	1	7
Total	23	20	87	3	13

Table 3.3.2 SMS post information as on 30 September 2018

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
Director-General / Head of Department	1	0	0	1	100
Salary level 15	0	0	0	0	100
Salary level 14	8	7	87,5	1	12,5
Salary level 13	14	13	92	1	7
Total	23	20	87	3	13

Table 3.3.3 Advertising and filling of SMS posts for the period 01 April 2018 to 31 March 2019

SMS Level	Advertising		Filling of posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level filled in six months but filled in 12 months	Number of vacancies per level not filled in six months but filled in 12 months
Director-General / Head of Department	1	0	0	0
Salary level 16	0	0	0	0
Salary level 15	0	0	0	0
Salary level 14	1	0	0	0
Salary level 13	1	0	0	0
Total	3	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2018 to 31 March 2019

Reasons for vacancies not advertised within six months
Chief Director: Entity Oversight – The post was advertised but no suitable candidate was found
Director: Cabinet Support – The post was advertised but could not be filled.
Reasons for vacancies not filled within 12 months
Chief Director: Entity Oversight – The post was advertised but no suitable candidate was found.
Director: Cabinet Support – The post was advertised but no suitable candidate was found.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 to 31 March 2019

Reasons for vacancies not advertised within six months
None
Reasons for vacancies not filled within six months
None



3.4 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 3.4.1 Job evaluation by salary band for the period 1 April 2018 to 31 March 2019

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 (Levels 1 - 2)	0	0	0	0	0	0	0
Skilled (Levels 3 - 5)	5	2	40	0	0	0	0
Highly skilled production (Levels 6 - 8)	32	0	0	0	0	0	0
Highly skilled supervision (Levels 9 - 12)	20	0	0	0	0	0	0
SMS Band A	1	0	0	0	0	0	0
SMS Band B	8	0	0	0	0	0	0
SMS Band C	14	0	0	0	0	0	0
SMS Band D	0	0	0	0	0	0	0
Total	80	2	0	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 to 31 March 2019

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
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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 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 to 31 March 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A				
Total number of employees whose salaries exceeded the level determined by job evaluation			0	
Percentage of total employed			0	

The following table summarises the beneficiaries of the above in terms of race, gender and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 to 31 March 2019

Total number of employees whose salaries exceeded the grades determined by job evaluation	None
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3.5 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 3.5.1 Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Number of employees at beginning of period 1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1 - 2), permanent	0	0	0	0
Skilled (Levels 3 - 5), permanent	4	4	1	33
Highly skilled production (Levels 6 - 8), permanent	24	5	2	8,6
Highly skilled supervision (Levels 9 - 12), permanent	22	2	4	23
SMS Band A, permanent	8	1	0	0
SMS Band B, permanent	12	1	0	0
SMS Band C, permanent	0	0	2	25
SMS Band D, permanent	0	0	3	0
Contract (Levels 3 - 5), permanent	1	0	2	100
Contract (Levels 6 - 8), permanent	2	3	2	100
Contract (Levels 9 - 12), permanent	3	2	2	20
Contract Band A, permanent	3	0	2	33
Contract Band B, permanent	1	0	1	50
Contract Band C, permanent	0	1	1	50
Contract Band D, permanent	0	0	2	50
TOTAL	80	19	24	30

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Critical occupation	Number of employees at beginning of period April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	15	5	3	33
Communication and Information Related Permanent	9	3	0	67
Financial and Related Professionals Permanent	8	2	0	13
Financial Clerks and Credit Controllers Permanent	0	0	0	0
Food Services Aids and Waiters Permanent	1	1	1	0
Human Resources Clerks Permanent	1	0	1	0
Human Resources Related Permanent	6	0	0	17
Library Mail and Related Clerks Permanent	3	0	1	0
Light Vehicle Drivers Permanent	3	2	0	3
Logistical Support Personnel Permanent	3	1	0	0
Material-recording and Transport Clerks Permanent	2	0	1	0
Other Administration and Related Clerks and Organisers Permanent	0	0	0	0
Other Occupations Permanent	0	0	0	10
Secretaries and other Keyboard Operating Clerks Permanent	6	3	2	0
Senior Managers Permanent	23	2	0	22
Total	80	19	9	30

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2018 to 31 March 2019

Termination type	Number	% of total resignations
Death	2	7%
Resignation	6	31%
Expiry of contract	14	54%
Dismissal – operational changes	0	0
Dismissal – misconduct	1	4%
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other public service departments	1	4%
Other	0	0
Total	24	100%
Total number of employees who left as a % of total employment	24	100%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 to 31 March 2019

Occupation	Employees 1 April 2018	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
Administrative officer	1	1	7	0	0
Personal assistant	0	0	0	0	0
Senior supply chain officer	0	0	0	0	0
TOTAL	1	1	100	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Employees 1 April 2018	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
Lower skilled (Levels 1 - 2)	0	0	0	0	0
Skilled (Levels 3 - 5)	0	0	0	0	0
Highly skilled production (Levels 6 - 8)	1	1	7	0	0
Highly skilled supervision (Levels 9 - 12)		0	0	0	0
Senior management (Levels 13 - 16)		0	0	0	0
Total	1	1	7	0	0

3.6 Employment equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2019

Occupational category	Male			Female			Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
Legislators, senior officials and managers	9	0	0	1	8	0	2	0	20
Professionals	12	0	0	0	8	0	0	0	20
Technicians and associate professionals	11	0	0	0	13	0	1	0	25
Clerks	2	0	0	0	2	1	0	0	5
Total	34	0	0	1	31	1	3	0	70
Employees with disabilities	0	0	0	0	0	0	1	0	1

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

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	9	0	0	1	8	0	2	0	20
Professionally qualified and experienced specialists and mid-management	12	0	0	0	8	0	0	0	20
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	11	0	0	0	13	0	1	0	25
Semi-skilled and discretionary decision-making	2	0	0	0	2	1	0	0	5
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	34	0	0	1	31	1	3	0	70



Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019

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	2	1	0	0	1	1	0	0	5
Professionally qualified and experienced specialists and mid-management	3	0	0	0	1	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	3	0	0	0	8
Semi-skilled and discretionary decision-making	2	0	0	0	0	1	0	0	1
Unskilled and defined decision-making	0		0	0	0	0	0	0	0
Total	12	1	0	0	5	1	0	0	19
Employees with disabilities	0	0	0	0	0	0	0	0	0



Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

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	1	0	0	0	0	0	0	0	1
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	1	0	1						
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019

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	5	0	0	0	1	2	0	0	8
Professionally qualified and experienced specialists and mid-management	5	0	0	0	3	0	0	1	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	3	0	0	0	5
Semi-skilled and discretionary decision-making	1	0	0	0	1	1	0	0	2
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	8	2	0	1	24
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2018 to 31 March 2019

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 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	0	0	1	3	0	0	0	8
Professionals	14	0	0	0	8	0	0	0	22
Technicians and associate professionals	6	0	0	0	5	0	0	0	11
Clerks	6	0	0	0	10	0	0	0	16
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	1	0	0	0	0	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	31	0	0	1	26	0	0	0	58
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of performance agreements by SMS members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018

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
Salary level 16	1	0	0	0
Salary level 15	0	0	0	0
Salary level 14	9	9	9	100%
Salary level 13	15	15	13	86%
Total	25	24	22	91,6%

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2019

Reasons
Disagreement with the supervisor and a grievance was subsequently lodged

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2019

Reasons
None

3.8 Performance rewards

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 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	8,00	38,00	21,00	389,00	48 645,00
African, Male	8,00	41,00	20,00	370,00	46 254,00
Asian, Female	1,00	3,00	33,00	34,00	34 280,00
Asian, Male	0,00	0,00	0,00	0,00	0,00
Coloured, Female	0,00	1,00	0,00	0,00	0,00
Coloured, Male	0,00	1,00	0,00	0,00	0,00
Total Blacks, Female	9,00	42,00	21,00	423,00	47 049,00
Total Blacks, Male	8,00	42,00	19,00	370,00	46 254,00
White, Female	1,00	1,00	100,00	61,00	61 120,00
White, Male	1,00	1,00	100,00	85,00	85 340,00
Total	19,00	86,00	22,00	940,00	49 470,00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

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	
02 Skilled (Levels 3 - 5)	1,00	4,00	25,00	19,00	19 420,00	100%
03 Highly skilled production (Levels 6 - 8)	8,00	23,00	35,00	230,00	8 810,00	12%
04 Highly skilled supervision (Levels 9 - 12)	8,00	17,00	47,00	472,00	8 994,00	0,12%
11 Contract (Levels 3 - 5)	0,00	2,00	0,00	0,00	0,00	15%
12 Contract (Levels 6 - 8)	0,00	5,00	0,00	0,00	0,00	0%
Total	17,00	51,00	33,00	722,00	42 462,00	33%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	1,00	5,00	20,00	61,00	61 120,00
Human Resources Clerks	4,00	4,00	100,00	111,00	27 660,00
Messengers Porters and Deliverers	0,00	1,00	0,00	0,00	0,00
Logistical Support Personnel	1,00	3,00	33,00	22,00	22 030,00
Finance and Economics Related	2,00	2,00	100,00	179,00	89 385,00
Other Administrative and Related Clerks and Organisers	0,00	4,00	0,00	0,00	0,00

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Other Occupations	0,00	1,00	0,00	0,00	0,00
Financial and Related Professionals	2,00	4,00	50,00	129,00	64 560,00
Administrative Related	5,00	20,00	25,00	210,00	42 014,00
Communication and Information Related	0,00	1,00	0,00	0,00	0,00
Secretaries and other Keyboard Operating Clerks	1,00	7,00	14,00	25,00	25 360,00
Library Mail and Related Clerks	0,00	3,00	0,00	0,00	0,00
Human Resources Related	0,00	4,00	0,00	0,00	0,00
Material-recording and Transport Clerks	1,00	1,00	100,00	51,00	50 660,00
Senior Managers	1,00	23,00	4,00	133,00	132 740,00
Light Vehicle Drivers	1,00	1,00	100,00	19,00	19 420,00
Food Services Aids and Waiters	0,00	2,00	0,00	0,00	0,00
Total	19,00	86,00	22,00	940,00	49 470,00

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile		% of total within salary bands	Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees		Total cost (R'000)	Average cost per employee	
Band A	2,00	16,00	2,50	218,08	109 040,00	1,10
Band B	0,00	8,00	0,00	0,00	0,00	0,00
Band C	0,00	2,00	0,00	0,00	0,00	0,00
Band D	0,00	1,00	0,00	0,00	0,00	0,00
Total	2,00	27,00	7,40	218,08	109 040,00	1,10

3.9 HIV and AIDS, and health promotion programmes

Table 3.9.1 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
N/A	N/A
N/A	N/A

Table 3.9.2 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 PSR, 2001? If so, provide her/his name and position.	Yes		Ms M Thusi Chief Director: Corporate Services
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.	Yes		Three officials No budget; the MoU between the GCIS and the DoC allowed the DoC staff members to use the employee wellness services offered to GCIS employees by ICAS and GEMS
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.	Yes		<p>HIV and TB Management Health and Productivity Policy SHERQ Wellness Management Policy</p> <p>ICAS services:</p> <ul style="list-style-type: none"> • Psychosocial counselling • Life management • Managerial support • e/Care • 24-hour confidential service • Musculoskeletal health management • Medical and health support and advice <p>GEMS services:</p> <ul style="list-style-type: none"> • Blood pressure check • Blood sugar and cholesterol • Weight, height and waist circumference • HCT (HIV counselling and testing).



Question	Yes	No	Details, if yes
<p>4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the PSR, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	Yes		<p>HR Committee 1. Ms M Thusi CD: CS Chairperson 2. Ms M Thindisa CFO 3. Mr F Mutuyhi CD: DIT 5. Ms N Makwetu D:ED 6. Mr P Vumazonke D: BCM 7. Ms E Mohapi SDF DD: HRD 8. Ms B Motlhaaleng DD: HRM 9. Mr M Baqwa DD: SOE 10. Mr I Skhosana: (Organised Labour PSA) 11. Ms Makgoale DD: ED 12. Mr T Malapane ASD: HRD</p>
<p>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.</p>	Yes		<p>HIV and AIDS and TB Policy</p>
<p>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.</p>	Yes		<p>HIV and AIDS and TB Policy Reporting on stigma on a quarterly basis to DPSA Created awareness on: <ul style="list-style-type: none"> • Voluntary male medical circumcision • HIV and AIDS stigma and discrimination at workplace Provision of condoms and femidoms in the workplace.</p>
<p>7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.</p>		No	



Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Quarterly/annual reports are submitted to the DPISA on Employee Health and Wellness. <ul style="list-style-type: none"> • HIV and TB Management Policy • Health and Productivity Policy • SHERQ Policy • Wellness Management Policy • ICAS wellness services • GEMS health screenings

3.10 Foreign workers

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

Table 3.10.1 Foreign workers by salary band for the period 1 April 2018 to 31 March 2019

Salary band	1 April 2017		31 March 2018		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	0	0	0	0
Contract (Levels 9 - 12)	0	0	0	0	0	0
Contract (Levels 13 - 16)	0	0	0	0	0	0
Total	0		0		0	0

Table 3.10.2 Foreign workers by major occupation for the period 1 April 2018 to 31 March 2019

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0

3.11 Leave use

The PSC 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 3.11.1 Sick leave for the period 1 January 2018 to 31 December 2018

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)
Contract (Levels 13 - 16)	21,00	100,00	2,00	3,10	11,00	91,00
Contract (Levels 3 - 5)	5,00	80,00	1,00	1,60	5,00	4,00
Contract (Levels 6 - 8)	22,00	45,50	5,00	7,80	4,00	24,00
Contract (Levels 9 - 12)	12,00	100,00	2,00	3,10	6,00	34,00
Skilled (Levels 3 - 5)	27,00	66,70	3,00	4,70	9,00	20,00
Highly skilled production (Levels 6 - 8)	139,00	66,90	23,00	7,80	6,00	183,00
Highly skilled supervision (Levels 9 - 12)	109,00	62,40	16,00	3,10	7,00	263,00
Top and senior management (Levels 13 - 16)	87,00	78,20	12,00	18,80	7,00	335,00
Total	422,00	69,70	64,00	100,00	7,00	954,00

Table 3.11.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability 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)	14	100	1	50	14	16
Highly skilled supervision (Levels 9 - 12)	0	0	0	0	0	0
Senior Management (Levels 13 - 16)	0	0	0	0	0	0
Contract (Levels 9 - 12)	15	100	1	50	15	40
Total	29	100	2	100	15	56

The table below summarises the use 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 3.11.3 Annual leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1 - 2)	0	0	0
Skilled (Levels 3 - 5)	70	7	4
Highly skilled production (Levels 6 - 8)	517	3	21
Highly skilled supervision (Levels 9 - 12)	454	5	23
Senior Management (Levels 13 - 16)	413	5	21
Contract (Levels 13 - 16)	81	25	12
Contract (Levels 3 - 5)	26	20	9
Contract (Levels 6 - 8)	22	21	4
Contract (Levels 9 - 12)	49	4	10
Total	1 632	90	18

Table 3.11.4 Capped leave for the period 1 January 2018 to 31 December 2018

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 December 2018
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	25
Highly skilled supervision (Levels 9 - 12)	1	1	1	25
Senior Management (Levels 13 - 16)	0	0	0	48
Total	1	1	1	41

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

Table 3.11.5 Leave pay-outs for the period 1 April 2018 to 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2018 due to non-use of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2018/19	0	0	0
Current leave pay-out on termination of service for 2018/19	548	16	3 425
Total	548	16	3 425

3.12 Labour relations

Table 3.12.1 Collective agreements for the period 1 April 2018 to 31 March 2019

Subject matter	Date
Total number of collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
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 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

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

Table 3.12.4 Grievances logged for the period 1 April 2018 to 31 March 2019

Grievances	Number	% of Total
Number of grievances resolved	1	100
Number of grievances not resolved	4	20
Total number of grievances lodged	5	100

Table 3.12.5 Disputes logged with councils for the period 1 April 2018 to 31 March 2019

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	100%

Table 3.12.6 Strike actions for the period 1 April 2018 to 31 March 2019

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



Table 3.12.7 Precautionary suspensions for the period 1 April 2018 to 31 March 2019

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)	0,00

3.14 Injury on Duty

Table 3.14.1 Injury on duty for the period 1 April 2018 to 31 March 2019

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

3.15 Use of consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 to 31 March 2019

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 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of HDIs for the period 1 April 2018 to 31 March 2019

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 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2018 to 31 March 2019

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 3.15.4 Analysis of consultant appointments using donor funds, in terms of HDIs for the period 1 April 2018 to 31 March 2019

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



3.16 Severance packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2018 to 31 March 2019

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

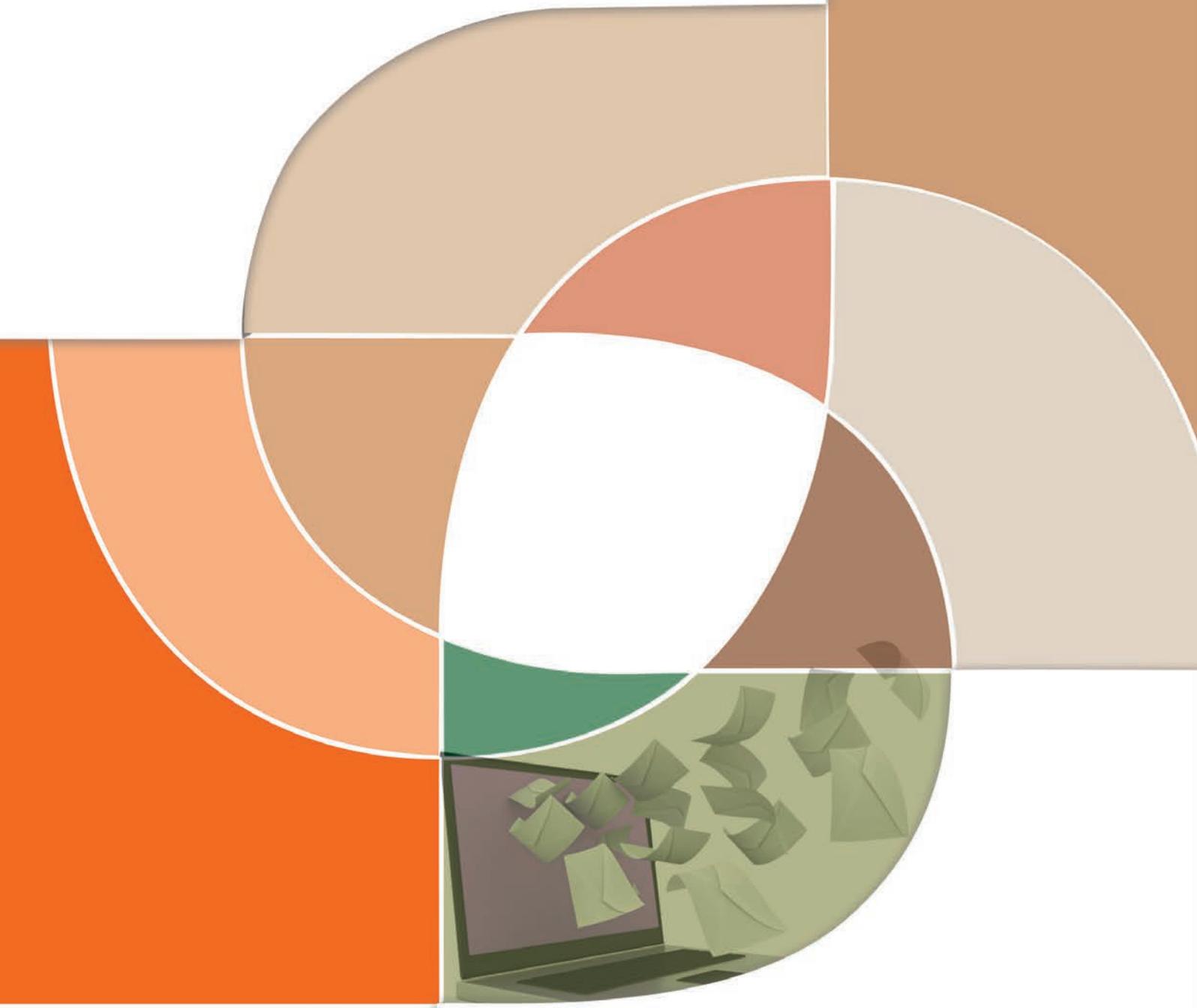
3.17 Skills development

Table 3.17.1 Training needs identified for the period 1 April 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period				Total
			Learnerships	Skills programmes and other short courses	Other forms of training		
Legislators, senior officials and managers	Female	12	0	5	0	5	
	Male	13	0	3	0	3	
Professionals	Female	11	0	8	0	8	
	Male	13	0	8	0	8	
Technicians and associate professionals	Female	18	0	10	0	10	
	Male	9	0	8	0	8	

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period				Total
			Learnerships	Skills programmes and other short courses	Other forms of training		
Clerks	Female	1	0	15	0	15	
	Male	0	0	11	0	11	
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	2	0	0	0	0	
	Male	1	0	2	0	2	
Elementary occupations	Female	0	0	0	0	0	
	Male	0	0	0	0	0	
Subtotal	Female	44	0	38	0	38	
	Male	36	0	32	0	32	
Total		80	0	70	0	70	

PART E:
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2019



Report of the auditor-general to Parliament on vote no. 3: Department of Communications.

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Communications set out on pages 146 to 199, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Communications as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999.

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

5. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Significant Subsequent Events

6. As disclosed in note 26 to the financial statements, the President announced the appointment of a reconfigured national executive following the May 2019 general elections. The Department of Communications and the Department of Telecommunications and Postal Services will merge and be called the Department of Communications and Digital Technologies. The ultimate timing of the merger could not be determined.



Other matters

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 200 to 207 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.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the 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.
10. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Communications's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures

also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019.

Programmes	Pages in annual performance report
Programme 2– communications policy, research and development	45 – 52
Programme 3 – Industry and capacity development	53 – 66
Programme 4 – Entity oversight	67– 72

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 3 – Industry and capacity development

18. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the target *BDM programme implemented*. This was due to inadequate technical indicator descriptions and proper performance management systems, processes and formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of “*BDM Programme was implemented and an annual report was compiled*” as reported in the annual performance report.

19. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:

- Programme 2 –Communications policy, research and development
- Programme 4 –Entity Oversight

Other matters

20. I draw attention to the matters below.



Achievement of planned targets

21. Refer to the annual performance report on pages 35 to 72 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 17 to 18 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of communications policy, research and development, industry and capacity development and entity oversight. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. I have nothing to report in this respect.



Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
30. Management did not implement adequate review procedures to ensure that indicators and targets included in the annual performance plan were useful and that information reported in the annual performance report was adequately supported with appropriate evidence.

Auditor-General

Pretoria

31 July 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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 department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Communication's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

Appropriation per programme										
Voted funds and Direct charges	2018/19					2017/18				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. ADMINISTRATION	70 424	-	1 841	72 265	71 984	281	99,6%	69 359	65 464	
2. COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT	11 246	-	(600)	10 646	9 162	1 484	86,1%	6 642	5 836	
3. INDUSTRY AND CAPACITY DEVELOPMENT	45 307	-	-	45 307	20 568	24 739	45,4%	26 045	21 400	
4. ENTITY OVERSIGHT	1 389 269	-	(1 241)	1 388 028	1 386 407	1 621	99,9%	1 326 254	1 326 254	
TOTAL	1 516 246	-	-	1 516 246	1 488 121	28 125	98,1%	1 428 300	1 418 954	
Add				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure	
Departmental receipts				2 138				2 225		
Actual amounts per Statement of Financial Performance (total revenue)				1 518 384				1 430 525		
Actual amounts per Statement of Financial Performance (total expenditure)					1 488 121				1 418 954	

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

Appropriation per economic classification	2018/19						2017/18		
	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	134 668	(63)	(787)	133 818	105 694	28 124	79.0%	103 358	93 937
Compensation of employees	80 916	-	-	80 916	73 643	7 273	91.0%	71 169	64 484
Salaries and wages	73 518	(43)	(161)	73 314	66 670	6 644	90.9%	63 652	58 204
Social contributions	7 398	43	161	7 602	6 973	629	91.7%	7 517	6 280
Goods and services	53 752	(63)	(787)	52 902	32 051	20 851	60.6%	32 189	29 453
Administrative fees	970	100	-	1 070	478	592	44.7%	596	534
Advertising	7 070	(2 643)	-	4 427	3 141	1 286	71.0%	1 885	1 535
Minor assets	84	98	-	182	69	113	37.9%	56	42
Audit costs: External	1 750	(624)	(177)	949	948	1	99.9%	1 057	1 056
Bursaries: Employees	20	(6)	-	14	14	-	100.0%	13	13
Catering: Departmental activities	824	241	-	1 065	566	499	53.1%	671	600
Communication (G&S)	2 073	569	(120)	2 522	2 003	519	79.4%	1 688	1 584
Computer services	566	(31)	-	535	533	2	99.6%	435	313
Consultants: Business and advisory services	1 850	423	-	2 273	766	1 507	33.7%	564	553
Legal services	1 960	(381)	-	1 579	1 078	501	68.3%	2 801	2 747
Contractors	217	(54)	-	163	143	20	87.7%	36	32
Agency and support / outsourced services	126	327	-	453	397	56	87.6%	-	-
Entertainment	51	(51)	-	-	-	-	-	43	43
Fleet services (including government motor transport)									
	2 793	(1 479)	(9)	1 305	1 033	272	79.2%	2 910	2 689

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

Consumable supplies	458	(129)	-	329	187	142	226	194
Consumable: Stationery, printing and office supplies	1 951	492	(70)	2 373	1 165	1 208	1 388	1 173
Operating leases	365	4 787	-	5 152	5 004	148	290	287
Property payments	2,936	(2,933)	-	3	-	3	-	87
Travel and subsistence	22 518	1 455	(411)	23 562	13 152	10 410	16 466	15 258
Training and development	500	(75)	-	425	422	3	53	51
Operating payments	799	(263)	-	536	239	297	463	280
Venues and facilities	817	214	-	1 031	659	372	6	5
Rental and hiring	3 054	(100)	-	2 954	55	2 899	543	377
Transfers and subsidies	1 381 471	-	297	1 381 768	1 381 748	21	1 322 852	1 322 851
Departmental agencies and accounts	1 193 222	-	-	1 193 222	1 193 222	-	1 147 822	1 147 822
Departmental agencies and accounts (non-business entities)	1 193 222	-	-	1 193 222	1 193 222	-	1 147 822	1 147 822
Public corporations and private enterprises	187 421	-	-	187 421	187 421	-	173 766	173 766
Public corporations	187 421	-	-	187 421	187 421	-	173 766	173 766
Other transfers to public corporations	187 421	-	-	187 421	187 421	-	173 766	173 766
Households	828	-	297	1 125	1 105	21	1 264	1 263
Social benefits	828	-	297	1 125	1 105	21	1 264	1 263
Payments for capital assets	107	63	490	660	638	22	2 090	2 088
Machinery and equipment	107	63	398	568	547	21	2 090	2 088
Transport equipment	-	-	-	-	-	-	1 505	1 505
Other machinery and equipment	107	63	398	568	547	21	585	583
Software and intangible assets	-	-	92	92	91	1	-	-
Payment for financial assets	-	-	-	-	40	(40)	-	78
TOTAL	1 516 246	-	-	1 516 246	1 488 121	28 125	1 428 300	1 418 954
								98.1%

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

Sub programme	2018/19						2017/18		
	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	9 727	(2 853)	(254)	6 620	6 614	6	99.9%	10 745	10 066
1.2 DEPARTMENTAL MANAGEMENT	29 827	5 766	1 703	37 296	37 143	153	99.6%	34 847	32 334
1.3 INTERNAL AUDIT	2 332	(1 106)	(85)	1 141	1 134	7	99.4%	1 096	1 093
1.4 CORPORATE SERVICES	16 646	(881)	337	16 102	16 017	85	99.5%	12 781	12 512
1.5 FINANCIAL MANAGEMENT	11 892	(926)	140	11 106	11 076	31	99.7%	9 890	9 459
Total for sub programmes	70 424	-	1 841	72 265	71 984	281	99.6%	69 359	65 464
Economic classification									
Current payments	69 748	-	1 410	71 158	70 871	287	99.6%	66 471	62 504
Compensation of employees	48 096	-	1 841	49 937	49 900	37	99.9%	46 182	42 333
Salaries and wages	43 368	160	1 680	45 208	45 185	23	99.9%	41 326	38 083
Social contributions	4 728	(160)	161	4 729	4 715	14	99.7%	4 856	4 250
Goods and services	21 652	-	(431)	21 221	20 971	250	98.8%	20 289	20 171
Administrative fees	314	74	-	388	375	13	96.6%	444	443
Advertising	50	24	-	74	74	-	100.0%	177	177
Minor assets	30	5	-	35	33	2	94.3%	41	34
Audit costs: External	1 750	(624)	(177)	949	948	1	99.9%	1 057	1 056
Bursaries: Employees	20	(6)	-	14	14	-	100.0%	13	13
Catering: Departmental activities	223	(86)	-	137	132	5	96.4%	111	99
Communication (G&S)	1 317	500	(120)	1 697	1 687	10	99.4%	1 312	1 301
Computer services	566	(31)	-	535	533	2	99.6%	433	312

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Consultants: Business and advisory services	250	160	-	410	408	2	99.5%	64	55
Legal services	1 460	(381)	-	1 079	1 078	1	99.9%	2 527	2 525
Contractors	57	(39)	-	18	15	3	83.3%	29	27
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	51	(51)	-	-	-	-	-	43	43
Fleet services(Including government motor transport)	2 370	(1 583)	-	787	780	7	99.1%	2 596	2 569
Consumable supplies	317	(159)	-	158	144	14	91.1%	192	176
Consumable: Stationery, printing and office supplies	360	(117)	-	243	240	3	98.7%	224	217
Operating leases	161	4 747	-	4 908	4 903	5	99.9%	138	137
Property payments	2 936	(2 936)	-	-	-	-	-	-	-
Travel and subsistence	8 509	616	(134)	8 991	8 931	60	99.3%	10 540	10 662
Training and development	500	(75)	-	425	422	3	99.3%	51	51
Operating payments	381	(128)	-	253	135	118	53.4%	292	269
Venues and facilities	30	90	-	120	119	1	99.2%	6	5
Transfers and subsidies	651	-	297	948	930	19	98.0%	798	798
Households	651	-	297	948	930	19	98.0%	798	798
Social benefits	651	-	297	948	930	19	98.0%	798	798
Payments for capital assets	25	-	134	159	153	6	96.5%	2 090	2 088
Machinery and equipment	25	-	134	159	153	6	96.5%	2 090	2 088
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	25	-	134	159	153	6	96.5%	2 090	2 088
Payment for financial assets	-	-	-	-	30	(30)	-	-	74
TOTAL	70 424	-	1 841	72 265	71 984	281	99.6%	69 359	65 464

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	2018/19					2017/18			
	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									
Economic classification	9 727	(2 853)	(254)	6 620	6 584	36	99.5%	9 209	8 520
Current payments									
Compensation of employees	4 758	(1 032)	-	3 726	3 720	6	99.8%	5 046	4 391
Goods and services	4 969	(1 821)	(254)	2 894	2 864	30	99.0%	4 163	4 129
Payments for capital assets	-	-	-	-	-	-	-	1 536	1 535
Machinery and equipment	-	-	-	-	-	-	-	1 536	1 535
Transport equipment	-	-	-	-	-	-	-	1 505	1 505
Other machinery and equipment	-	-	-	-	-	-	-	31	30
Payments of financial assets	-	-	-	-	30	(30)	-	-	11
TOTAL	9 727	(2 853)	(254)	6 620	6 614	6	99.9%	10 745	10 066

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1.2 DEPARTMENTAL MANAGEMENT	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29 181	5 766	1 373	36 320	36 190	130	99.6%	33 995	31 414
Compensation of employees	21 630	2 503	1 373	25 506	25 494	12	100.0%	23 281	20 595
Goods and services	7 551	3 263	-	10 814	10 696	118	98.9%	10 714	10 819
Transfers and subsidies	621	-	-	-	370	(370)	-	789	789
Households	621	-	-	-	370	(370)	-	789	789
Payments for capital assets	25	-	42	67	62	5	93.1%	63	68
Machinery and equipment	25	-	42	67	62	5	93.1%	63	68
Payment for financial assets	-	-	-	-	-	-	-	-	63
TOTAL	29 827	5 766	1 703	37 296	37 143	153	99.6%	34 847	32 334

1.3 INTERNAL AUDIT	2018/19						2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 332	(1 106)	(177)	1 049	1 043	6	99.4%	1 096	1 093
Goods and services	2 332	(1 106)	(177)	1 049	1 043	6	99.4%	1 096	1 093
Payments for capital assets	-	-	92	92	91	1	98.9%	-	-
Other Machinery and equipment	-	-	92	92	91	1	98.9%	-	-
TOTAL	2 332	(1 106)	(85)	1 141	1 134	7	99.4%	1 096	1 093

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	2018/19						2017/18		
	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
1.4 CORPORATE SERVICES									
Economic classification	16 646	(881)	337	16 102	16 017	85	99.5%	12 754	12 486
Current payments	10 496	(479)	337	10 354	10 347	7	99.9%	9 005	8 903
Compensation of employees	6 150	(402)	-	5 748	5 670	78	98.6%	3 749	3 583
Transfers and subsidies	-	-	-	-	-	-	-	9	9
Households	-	-	-	-	-	-	-	9	9
Payments for capital assets	-	-	-	-	-	-	-	18	17
Machinery and equipment	-	-	-	-	-	-	-	18	17
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	16 646	(881)	337	16 102	16 017	85	99.5%	12 781	12 512

	2018/19						2017/18		
	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
1.5 FINANCIAL MANAGEMENT									
Economic classification	11 862	(926)	131	11 067	11 037	30	99.7%	9 417	8 991
Current payments	11 212	(992)	131	10 351	10 339	12	99.9%	8 850	8 444
Compensation of employees	650	66	-	716	698	18	97.5%	567	547
Transfers and subsidies	30	-	9	39	39	1	98.7%	-	-
Households	30	-	9	39	39	1	98.7%	-	-
Payments for capital assets	-	-	-	-	-	-	-	473	468
Machinery and equipment	-	-	-	-	-	-	-	473	468
TOTAL	11 892	(926)	140	11 106	11 076	31	99.7%	9 890	9 459

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	2018/19					2017/18			
	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
Programme 2: COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT									
Sub programme									
2.1 BROADCASTING POLICY	8 574	839	(600)	8 813	7 607	1 206	86.3%	6 532	5 810
2.2 MEDIA POLICY	250	147	-	397	236	161	59.4%	27	23
2.3 TECHNOLOGY AND ENGINEERING SERVICES	2 422	(986)	-	1 436	1 319	117	91.9%	83	3
Total for sub programmes	11 246	-	(600)	10 646	9 162	1 484	86.1%	6 642	5 836
Economic Classification									
Current payments	11 246	(43)	(679)	10 524	9 040	1 484	85.9%	6 642	5 836
Compensation of employees	7 971	-	(600)	7 371	6 806	565	92.3%	5 215	4 409
Salaries and wages	7 360	(503)	(600)	6 257	6 085	172	97.3%	4 512	3 912
Social contributions	611	503	-	1 114	721	393	64.7%	703	497
Goods and Services	3 275	(43)	(79)	3 153	2 234	919	70.9%	1 427	1 427
Administrative fees	28	12	-	40	18	22	45.0%	21	13
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	43	8	-	51	7	44	13.7%	4	-
Catering: Departmental activities	70	12	-	82	26	56	31.7%	13	3
Communication (G&S)	137	27	-	164	96	68	58.5%	73	76
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory	100	150	-	250	246	4	98.4%	-	-
Contractors	50	(43)	-	7	-	7	-	-	-
Agency and support / outsourced services	126	(70)	-	56	-	56	-	-	-

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	11	(9)	2	-	2	-	2	-	-
Fleet services (including government motor transport)									
Consumable supplies	33	-	33	3	30	9.1%	4		3
Consumable: Stationery, printing and office supplies	310	(17)	223	48	175	21.5%	1		-
Operating leases	60	-	60	26	34	43.3%	78		77
Travel and subsistence	1 720	(96)	1 624	1 211	413	74.6%	1 233		1 255
Operating payments	170	(135)	35	28	7	80.0%	-		-
Venues and facilities	417	109	526	525	1	99.8%	-		-
Transfer and subsidies	-	-	-	-	-	-	-		-
Households	-	-	-	-	-	-	-		-
Social benefits	-	-	-	-	-	-	-		-
Payment of Capital assets	-	43	122	122	-	100.0%	-		-
Machinery and Equipment	-	43	122	122	-	100.0%	-		-
Transport equipment	-	43	122	122	-	100.0%	-		-
Total	11 246	(600)	10 646	9 162	1 484	86.1%	6 642		5 836

	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R000	R000	R000	R000	R000	R000	%	R000	R000
Current payments	8 574	796	(679)	8 691	7 485	1 206	86.1%	6 532	5 810
Compensation of employees	5 716	669	(600)	5 785	5 329	456	92.1%	5 115	4 386
Goods and services	2 858	127	(79)	2 906	2 156	750	74.2%	1 417	1 424
Transfer and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	43	79	122	122	-	100.0%	-	-
Machinery and equipment	-	43	79	122	122	-	100.0%	-	-
TOTAL	8 574	839	(600)	8 813	7 607	1 206	86.3%	6 532	5 810

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	2018/19						2017/18		
	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	250	147	-	397	236	161	59.4%	27	23
Compensation of employees	-	213	-	213	211	2	99.1%	27	23
Goods and services	250	(66)	-	184	25	159	13.6%	-	-
TOTAL	250	147	-	397	236	161	59.4%	27	23

	2018/19						2017/18		
	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	2 422	(986)	-	1 436	1 319	117	91.9%	83	3
Compensation of employees	2 255	(882)	-	1 373	1 266	107	92.2%	73	-
Goods and services	167	(104)	-	63	53	10	84.1%	10	3
TOTAL	2 422	(986)	-	1 436	1 319	117	91.9%	83	3

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Programme 3: INDUSTRY AND CAPACITY DEVELOPMENT	2018/19						2017/18		
	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	2 000	(8)	(277)	1 715	39	1 676	2.3%	801	3
3.2 BROADCASTING DIGITAL MIGRATION	37 855	(1 765)	277	36 367	14 525	21 842	39.9%	18 840	15 147
3.3 INDUSTRY RESEARCH AND ANALYSIS	3 223	(688)	-	2 535	1 583	952	62.4%	3 932	3 844
3.4 INTER-GOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT	2 229	2 461	-	4 690	4 421	269	94.3%	2 472	2 406
Total for sub programmes	45 307	-	-	45 307	20 568	24 739	45.4%	26 045	21 400
Economic classification									
Current payments	45 108	-	(277)	44 831	20 086	24 745	44.8%	25 579	20 931
Compensation of employees	18 365	-	-	18 365	11 791	6 574	64.2%	15 536	13 506
Salaries and wages	17 581	(343)	-	17 238	10 795	6 443	62.6%	13 994	12 385
Social contributions	784	343	-	1 127	996	131	88.4%	1 542	1 121
Goods and services	26 743	-	(277)	26 466	8 295	18 171	31.3%	10 043	7 425
Administrative fees	624	-	-	624	71	553	11.4%	121	70
Advertising	7 020	(2 667)	-	4 353	3 067	1 286	70.5%	1 695	1 346
Minor assets	3	73	-	76	25	51	32.9%	9	7
Catering: Departmental activities	526	300	-	826	400	426	48.4%	511	469
Communication (G&S)	319	25	-	344	167	177	48.5%	242	148
Computer services	-	-	-	-	-	-	-	2	1

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Consultants: Business and advisory services	1 500	113	-	1 613	112	1 501	6.9%	500	498
Legal services	500	-	-	500	-	500	-	274	222
Contractors	110	28	-	138	128	10	92.8%	5	3
Agency and support / outsourced services	-	397	-	397	397	-	100.0%	-	-
Fleet services (including government motor transport)	412	104	-	516	253	263	49.0%	314	120
Consumable supplies	82	28	-	110	33	77	30.0%	25	10
Consumable: Stationery, printing and office supplies	987	638	-	1 625	841	784	51.8%	1 159	952
Operating leases	-	34	-	34	33	1	97.1%	39	38
Property payments	-	3	-	3	-	3	-	-	87
Travel and Subsistence	11 116	1 009	(277)	11 848	2 640	9 208	22.3%	4 445	3 077
Operating payments	120	-	-	120	58	62	48.3%	159	-
Venues and facilities	370	15	-	385	15	370	3.9%	-	-
Rental and hiring	3 054	(100)	-	2 954	55	2 899	1.9%	543	377
Transfer and subsidies	117	-	-	117	116	1	99.1%	466	465
Households	117	-	-	117	116	1	99.1%	466	465
Social benefits	117	-	-	117	116	1	99.1%	466	465
Payments for capital assets	82	-	277	359	356	3	99.2%	-	-
Machinery and equipment	82	-	277	359	356	3	99.2%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	82	-	277	359	356	3	99.2%	-	-
Payment for financial assets	-	-	-	-	10	(10)	-	-	4
TOTAL	45,307	-	-	45,307	20,568	24,739	45.4%	26,045	21,400

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	2018/19						2017/18		
	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									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments	1 962	30	(277)	1 715	39	1 676	2.3%	801	3
Compensation of employees	-	-	-	-	-	-	-	737	-
Goods and services	1 962	30	(277)	1 715	39	1 676	2.3%	64	3
Payments for capital assets	38	(38)	-	-	-	-	-	-	-
Machinery and equipment	38	(38)	-	-	-	-	-	-	-
TOTAL	2 000	(8)	(277)	1 715	39	1 676	2.3%	801	3
3.2 BROADCASTING DIGITAL MIGRATION									
	2018/19						2017/18		
	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	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments	37 694	(1 803)	-	35 891	14 043	21 848	39.1%	18 558	14 862
Compensation of employees	13 671	(1 242)	-	12 429	6 473	5 956	52.1%	8 970	7 835
Goods and services	24 023	(561)	-	23 462	7 570	15 892	32.3%	9 588	7 027
Transfer and subsidies	117	-	-	117	116	1	99.1%	282	281
Households	117	-	-	117	116	1	99.1%	282	281
Payments for capital assets	44	38	277	359	356	3	99.2%	-	-
Machinery and equipment	44	38	277	359	356	3	99.2%	-	-
Payment for financial assets	-	-	-	-	10	(10)	-	-	4
TOTAL	37 855	(1 765)	277	36 367	14 525	21 842	39.9%	18 840	15 147

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3.3 INDUSTRY RESEARCH AND ANALYSIS									
	2018/19					2017/18			
	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	3 223	(688)	-	2 535	1 583	952	62.4%	3 788	3 700
Current payments	2 875	(744)	-	2 131	1 514	617	71.0%	3 572	3 475
Compensation of employees	348	56	-	404	69	335	17.1%	216	225
Goods and services	-	-	-	-	-	-	-	144	144
Transfer and subsidies	-	-	-	-	-	-	-	144	144
Households	-	-	-	-	-	-	-	144	144
TOTAL	3 223	(688)	-	2 535	1 583	952	62.4%	3 932	3 844

3.4 INTER-GOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT									
	2018/19					2017/18			
	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	2 229	2 461	-	4 690	4 421	269	94.3%	2 432	2 366
Current payments	1 819	1 986	-	3 805	3 804	1	100.0%	2 257	2 196
Compensation of employees	410	475	-	885	617	268	69.7%	175	170
Goods and services	-	-	-	-	-	-	-	40	40
Transfer and subsidies	-	-	-	-	-	-	-	40	40
Households	-	-	-	-	-	-	-	40	40
TOTAL	2 229	2 461	-	4 690	4 421	269	94.3%	2 472	2 406

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Sub programme	2018/19						2017/18		
	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	2 538	347	-	2 885	2 660	225	92.2%	3 418	3 425
4.2 BROADCASTING AND COMMUNITY MEDIA	221 636	(63)	-	221 573	221 194	379	99.8%	205 019	205 012
4.3 COMMUNICATION AND BRANDING	624 535	(8)	-	624 527	624 015	512	99.9%	595 750	595 750
4.4 REGULATORY INSTITUTIONS	540 560	(276)	(1 241)	539 043	538 538	505	99.9%	522 067	522 067
Total for sub programmes	1 389 269	-	(1 241)	1 388 028	1 386 407	1 621	99.9%	1 326 254	1 326 254
Economic classification	8 566	(20)	(1 241)	7 305	5 698	1 607	78.0%	4 666	4 666
Current payments	6 484	-	(1 241)	5 243	5 146	97	98.1%	4 236	4 236
Compensation of employees	5 209	643	(1 241)	4 611	4 605	6	99.9%	3 820	3 824
Salaries and wages	1 275	(643)	-	632	541	91	85.6%	416	412
Social contributions	2 082	(20)	-	2 062	552	1 510	26.8%	430	430
Goods and services	4	14	-	18	14	4	77.8%	10	8
Administrative fees	-	-	-	-	-	-	-	13	12
Advertising	8	12	-	20	4	16	20.0%	2	1
Minor assets	5	15	-	20	8	12	40.0%	36	29
Catering: Departmental activities									

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

Communication (G&S)	300	17	-	317	53	264	16.7%	61	59
Contractors	-	-	-	-	-	-	-	2	2
Consumable supplies	26	2	-	28	7	21	25.0%	5	5
Consumable; Stationery printing and office supplies	294	(12)	-	282	36	246	12.8%	4	4
Operating leases	144	6	-	150	42	108	28.0%	35	35
Travel and subsistence	1 173	(74)	-	1 099	370	729	33.7%	248	264
Training and development	-	-	-	-	-	-	-	2	-
Operating payments	128	-	-	128	18	110	14.1%	12	11
Transfers and subsidies	1 380 703	-	-	1 380 703	1 380 702	1	100.0%	1 321 588	1 321 588
Departmental agencies and accounts	1 193 222	-	-	1 193 222	1 193 222	-	100.0%	1 147 822	1 147 822
Departmental agencies and accounts (non-business entities)	1 193 222	-	-	1 193 222	1 193 222	-	100.0%	1 147 822	1 147 822
Private enterprises	187 421	-	-	187 421	187 421	-	100.0%	173 766	173 766
Public corporations	187 421	-	-	187 421	187 421	-	100.0%	173 766	173 766
Other transfers to public corporations	187 421	-	-	187 421	187 421	-	100.0%	173 766	173 766
Households	60	-	-	60	59	1	98.3%	-	-
Social benefits	60	-	-	60	59	1	98.3%	-	-
Payments for capital assets	-	20	-	20	7	13	35.0%	-	-
Machinery and equipment	-	20	-	20	7	13	35.0%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	20	-	20	7	13	35.0%	-	-
TOTAL	1 389 269	-	(1 241)	1 388 028	1 386 407	1 621	99.9%	1 326 254	1 326 254

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

4.1 PROGRAMME MANAGEMENT FOR ENTITY OVERSIGHT	2018/19						2017/18		
	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	2 478	339	-	2 817	2 594	223	92.1%	3 418	3 425
Current payments	1 956	190	-	2 146	2 141	5	99.8%	3 045	3 042
Compensation of employees	522	149	-	671	453	218	67.5%	373	383
Goods and services	60	-	-	60	59	1	98.3%	-	-
Transfers and subsidies	60	-	-	60	59	1	98.3%	-	-
Households	60	-	-	60	59	1	98.3%	-	-
TOTAL	2 538	347	-	2 885	2 660	225	92.2%	3 418	3 425

4.2 BROADCASTING AND COMMUNITY MEDIA	2018/19						2017/18		
	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	3 546	(63)	-	3 483	3 104	379	89.1%	1 248	1 241
Current payments	3 026	(14)	-	3 012	3 005	7	99.8%	1 191	1 194
Compensation of employees	520	(49)	-	471	99	372	21.0%	57	47
Goods and services	218 090	-	-	218 090	218 090	-	100.0%	203 771	203 771
Transfers and subsidies	30 669	-	-	30 669	30 669	-	100.0%	30 005	30 005
Departmental agencies and accounts	187 421	-	-	187 421	187 421	-	100.0%	173 766	173 766
Public corporations and private enterprises	221 636	(63)	-	221 573	221 194	379	99.8%	205 019	205 012
TOTAL	221 636	(63)	-	221 573	221 194	379	99.8%	205 019	205 012

DEPARTMENT OF COMMUNICATIONS
VOTE 3

APPROPRIATION STATEMENT
for the period ending 31 March 2019

4.3 COMMUNICATION AND BRANDING	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	520	(20)	-	500	-	500	-	-	-
Compensation of employees	-	-	-	-	2	(2)	-	-	-
Goods and services	520	(20)	-	500	-	500	-	-	-
Transfers and subsidies	624 015	-	-	624 015	624 015	-	100.0%	595 750	595 750
Departmental agencies and accounts	624 015	-	-	624 015	624 015	-	100.0%	595 750	595 750
Payments for capital assets	-	12	-	12	-	12	-	-	-
Machinery and equipment	-	12	-	12	-	12	-	-	-
TOTAL	624 535	(8)	-	624 527	624 015	512	99.9%	595 750	595 750

4.4 REGULATORY INSTITUTIONS	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 022	(276)	(1 241)	505	-	505	-	-	-
Compensation of employees	1 502	(176)	(1 241)	85	-	85	-	-	-
Goods and services	520	(100)	-	420	-	420	-	-	-
Transfers and subsidies	538 538	-	-	538 538	538 538	-	100.00%	522 067	522 067
Departmental agencies and accounts	538 538	-	-	538 538	538 538	-	100.00%	522 067	522 067
TOTAL	540 560	(276)	(1 241)	539 043	538 538	505	99.9%	522 067	522 067

DEPARTMENT OF COMMUNICATIONS

VOTE 3

NOTES TO THE APPROPRIATION STATEMENT

for the period ending 31 March 2019

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-C) 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	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Programme 2: Communications Policy, Research and Development	10 646	9 162	1 484	14%

The underspending is due to slow spending on travelling, consultations and operating costs as a result of changed plans to do the consultations and roadshows to various provinces for the Audio Visual Strategy and the Gazetting of the Draft White Paper on the Audio and Digital Content Policy.

Programme 3: Industry and Capacity and Development	45 307	20 568	24 739	55%
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The Underspending is due to the review of the Digital Migration Model which resulted in slow spending on travelling costs, administration costs and other related costs for Digital Terrestrial Television (DTT) project.

DEPARTMENT OF COMMUNICATIONS

VOTE 3

NOTES TO THE APPROPRIATION STATEMENT

for the period ending 31 March 2019

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments	133 818	105 694	28 124	79.0%
Compensation of employees	80 916	73 643	7 273	91.0%
Goods and services	52 902	32 051	20 851	60.6%
Transfers and subsidies	1 381 768	1 381 748	21	100.0%
Departmental agencies and accounts	1 193 222	1 193 222	-	100.0%
Public corporations and private enterprises	187 421	187 421	-	100.0%
Households	1 125	1 105	21	98.2%
Payments for capital assets	660	638	22	96.7%
Machinery and equipment	660	638	22	96.7%
Payments for financial assets	-	40	(40)	-

The variance is mainly due to the review of the Digital Migration Model which resulted in slow spending on travelling costs, administration costs and other related costs for Digital Terrestrial Television (DTT) project.

DEPARTMENT OF COMMUNICATIONS

VOTE 3

STATEMENT OF FINANCIAL PERFORMANCE
for the period ending 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	1,516,246	1,428,300
Departmental revenue	2	2,138	2,225
TOTAL REVENUE		1,518,384	1,430,525
EXPENDITURE			
Current expenditure			
Compensation of employees	3	73,643	64,484
Goods and services	4	32,051	29,453
Total current expenditure		105,694	93,937
Transfers and subsidies			
Transfers and subsidies	6	1,381,748	1,322,851
Total transfers and subsidies		1,381,748	1,322,851
Expenditure for capital assets			
Tangible assets	7	548	2,088
Intangible assets	7	91	-
Total expenditure for capital assets		639	2,088
Payment for financial assets	5	40	78
TOTAL EXPENDITURE		1,488,121	1,418,954
SURPLUS/(DEFICIT) FOR THE YEAR		30,263	11,571
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		28,125	9,346
Annual appropriation		28,125	9,346
Departmental revenue and NRF Receipts	13	2,138	2,225
SURPLUS/(DEFICIT) FOR THE YEAR		30,263	11,571

DEPARTMENT OF COMMUNICATIONS

VOTE 3

STATEMENT OF FINANCIAL POSITION
for the period ending 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets		28,224	9,378
Cash and cash equivalents	8	10,803	9,182
Prepayments and advances	9	17,268	79
Receivables	10	153	117
Non-current assets		17,554	20,799
Receivables	10	152	-
Loans	11	17,402	20,799
TOTAL ASSETS		45,778	30,177
LIABILITIES			
Current liabilities		28,376	9,378
Voted funds to be surrendered to the Revenue Fund	12	28,125	9,346
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	243	2
Payables	14	8	30
TOTAL LIABILITIES		28,376	9,378
NET ASSETS		17,402	20,799
Represented by:			
Capitalisation reserve		17,402	20,799
TOTAL		17,402	20,799

DEPARTMENT OF COMMUNICATIONS
VOTE 3

STATEMENT OF CHANGES IN NET ASSETS
for the period ending 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
Capitalisation Reserves			
Opening balance		20,799	27,391
Movement in Equity	11	(3,397)	(6,592)
Closing balance		<u>17,402</u>	<u>20,799</u>
Recoverable revenue			
Opening balance		-	98
Transfers		-	(98)
Debts recovered		-	(98)
Closing balance		-	-
TOTAL		<u>17,402</u>	<u>20,799</u>

DEPARTMENT OF COMMUNICATIONS

VOTE 3

CASH FLOW STATEMENTS
for the period ending 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,518,384	1,430,525
Annual appropriated funds received	1.1	1,516,246	1,428,300
Departmental revenue received	2.1 & 2.3	337	233
Interest received	2.2	1,801	1,992
Net (increase)/decrease in working capital		(17,399)	374
Surrendered to Revenue Fund		(11,243)	(16,203)
Current payments		(105,694)	(93,937)
Payments for financial assets		(40)	(78)
Transfers and subsidies paid		(1,381,748)	(1,322,851)
Net cash flow available from operating activities	15	2,260	(2,170)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(639)	(2,088)
(Increase)/decrease in loans		3,397	6,592
Net cash flows from investing activities		2,758	4,504
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(3,397)	(6,690)
Net cash flows from financing activities		(3,397)	(6,690)
Net increase/(decrease) in cash and cash equivalents		(1,621)	(4,356)
Cash and cash equivalents at beginning of period		9,182	13,538
Cash and cash equivalents at end of period	8	(10,803)	9,182

ACCOUNTING POLICIES

for the period ending 31 March 2019

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 Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

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

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.



ACCOUNTING POLICIES

for the period ending 31 March 2019

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 comprises of Departmental allocations as well as 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.

ACCOUNTING POLICIES

for the period ending 31 March 2019

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.

ACCOUNTING POLICIES

for the period ending 31 March 2019

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 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.



ACCOUNTING POLICIES

for the period ending 31 March 2019

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.



ACCOUNTING POLICIES

for the period ending 31 March 2019

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 with funding and the related funds are received; or
- approved by Parliament 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.

ACCOUNTING POLICIES

for the period ending 31 March 2019

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 Departments has compiled the Annual Financial Statements as per Modified Cash Standards. 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 National Revenue Fund 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 National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

ACCOUNTING POLICIES

for the period ending 31 March 2019

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.

24 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.



DEPARTMENT OF COMMUNICATIONS

VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the period ending 31 March 2019

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):

	2018/19			2017/18	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	70,424	70,424	-	69,359	69,359
Communications Policy, Research and Development	11,246	11,246	-	6,642	6,642
Industry and Capacity Development	45,307	45,307	-	26,045	26,045
Entity Oversight	1,389,269	1,389,269	-	1,326,254	1,326,254
Total	1,516,246	1,516,246	-	1,428,300	1,428,300

All funds were requested from National Treasury by 31 March 2019.

2. Departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services other than capital assets	2.1	53	51
Interest, dividends and rent on land	2.2	1,801	1,992
Transactions in financial assets and liabilities	2.3	284	182
Total revenue collected		2,138	2,225
Departmental revenue collected		2,138	2,225

Included in the total revenue 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.

2.1 Sales of goods and services other than capital assets

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the department	2	53	51
Sales by market establishment		43	41
Other sales		10	10
Total		53	51

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2.2 Interest, dividends and rent on land

	Note 2	2018/19 R'000	2017/18 R'000
Interest		1,801	1,992
Total		1,801	1,992

2.3 Transactions in financial assets and liabilities

	Note 2	2018/19 R'000	2017/18 R'000
Other Receipts including Recoverable Revenue		284	182
Total		284	182

2.4 Cash received not recognised (not included in the main note)

Name of entity	Amount received R'000	2018/19	Balance R'000
		Amount paid to the revenue fund R'000	
Independent Communications Authority of South Africa (Spectrum)	1,397,634	1,397,634	-
Independent Communications Authority of South Africa (Surplus 2017/18)	10,262	10,262	-
Brand South Africa (Surplus)	4,603	4,603	-
Total	1,412,499	1,412,499	-

Name of entity	Amount received R'000	2017/18	Balance R'000
		Amount paid to the revenue fund R'000	
Independent Communication Authority of South Africa (ICASA)	1,318,423	1,318,423	-
Total	1,318,423	1,318,423	-

A total of R1,620 billion was received from ICASA during the 2018/19 financial year of which R222 million was surrendered to SARS. 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.

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3. Compensation of employees

3.1 Salaries and Wages

	Note	2018/19	2017/18
	3	R'000	R'000
Basic salary		48,541	42,671
Performance award		968	501
Service Based		10	69
Compensative/circumstantial		1,827	1,496
Periodic payments		670	308
Other non-pensionable allowances		14,654	13,160
Total		66,670	58,205

3.2 Social contributions

	Note	2018/19	2017/18
	3	R'000	R'000
Employer contributions			
Pension		5,999	5,340
Medical		966	932
Bargaining council		8	7
Total		6,973	6,279
Total compensation of employees		73,643	64,484
Average number of employees		85	86

The average number of employees figure represent the total number of officials in service as at 31 March 2019.

4. Goods and services

	Note	2018/19	2017/18
		R'000	R'000
Administrative fees		478	535
Advertising		3,141	1,536
Minor assets	4.1	69	44
Bursaries (employees)		14	13
Catering		566	596
Communication		2,003	1,588
Computer services	4.2	533	314
Consultants: Business and advisory services		766	553
Legal services		1,078	2,746
Contractors		142	31
Agency and support / outsourced services		397	-
Entertainment		-	42
Audit cost-external	4.3	948	1,056

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Fleet services		1,033	2,687
Consumables	4.4	1,352	1,366
Operating leases		5,004	287
Rental and hiring		55	377
Travel and subsistence	4.5	13,152	15,258
Venues and facilities		659	5
Training and development		422	51
Other operating expenditure	4.6	239	368
Total		32,051	29,453

4.1 Minor assets

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Tangible assets			
Machinery and equipment		69	44
Total		69	44

4.2 Computer Services

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
SITA Computer Services		474	311
External computer service providers		59	3
Total		533	314

4.3 Audit cost-external

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Regularity audits		948	1,056
Total		948	1,056

4.4 Consumables

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Consumable supplies		187	194
Uniform and clothing		39	71
Household supplies		94	94
Building material and supplies		33	3
IT consumables		4	-
Other consumables		17	26
Stationery, printing and office supplies		1,165	1,172
Total		1,352	1,366

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4.5 Travel and subsistence

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Local		11,651	13,791
Foreign		1,501	1,467
Total		13,152	15,258

4.6 Other operating expenditure

	<i>Note</i>	2018/19	2017/18
	4	R'000	R'000
Other		239	368
Total		239	368

5. Payments for financial assets

	<i>Note</i>	2018/19	2017/18
		R'000	R'000
Other material losses written off	5.1	40	-
Debts written off	5.2	-	78
Total		40	78

5.1 Other material losses written off

Nature of losses	<i>Note</i>	2018/19	2017/18
(Group major categories, but list material items)	5	R'000	R'000
Damages to vehicles		40	-
Total		40	-

5.2 Debts written off

Other debt written off	<i>Note</i>	2018/19	2017/18
	5	R'000	R'000
Damage on car rental		-	28
Administration Fee		-	1
Cellular telephone debt		-	35
No shows		-	14
Total		-	78
Total debt written off		-	78

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6. Transfers and subsidies

		2018/19 R'000	2017/18 R'000
	<i>Note</i>		
Departmental agencies and accounts	Annex 1A	1,193,222	1,147,822
Public corporations and private enterprises	Annex 1B	187,421	173,766
Households	Annex 1C	1,105	1,263
Total		<u>1,381,748</u>	<u>1,322,851</u>

7. Expenditure for capital assets

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Tangible assets		548	2,088
Machinery and equipment	26	548	2,088
Total		<u>548</u>	<u>2,088</u>
Intangible assets		91	-
Software	26	91	-
Total		<u>639</u>	<u>2,088</u>

7.1 Analysis of funds utilised to acquire capital assets-2018/19

	Voted Funds R'000	Total R'000
Tangible assets	548	548
Machinery and equipment	548	548
Intangible assets	91	91
Software	91	91
Total	<u>639</u>	<u>639</u>

7.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Total R'000
Tangible assets	2,088	2,088
Machinery and equipment	2,088	2,088
Total	<u>2,088</u>	<u>2,088</u>

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8. Cash and cash equivalents

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account		18,727	10,742
Disbursements		(7,954)	(1,595)
Cash on hand		30	35
Total		10,803	9,182

Three amounts to the total value of R35 million were received in the Paymaster General Account (PMG) of the Department in the first week of April 2019 which related to deposits made into the commercial bank account in March 2019.

9. Prepayments and advances

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Advances paid (Not expensed)	9.1	17,268	79
Total		17,268	79

9.1 Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2018 R'000	Less: Amount expensed in current year R'000	Add or Less: Other R'000	Add: Cur- rent year advances R'000	Balance as at 31 March 2019 R'000
	<i>Annexure 5</i>					
National departments		79	(867)	-	18,056	17,268
Total		79	(867)	-	18,056	17,268

	<i>Note</i>	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add or Less: Other R'000	Add: Cur- rent Year advances R'000	Balance as at 31 March 2018 R'000
	9					
National departments						
Provincial departments		388	(950)	641	-	79
Total		388	(950)	641	-	79

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9.2 Advances paid (Expensed)

	<i>Note</i>	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current year advances	Balance as at 31 March 2019
	<i>Annexure 5</i>	R'000	R'000	R'000	R'000	R'000
National departments		2,658	(2,658)	-	-	-
Total		2,658	(2,658)	-	-	-

	<i>Note</i>	Amount as at 1 April 2017	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2018
		R'000	R'000	R'000	R'000	R'000
National departments		2,863	(205)	-	-	2,658
Total		2,863	(205)	-	-	2,658

10. Receivables

	<i>Note</i>	2018/19			2017/18		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	90	-	90	60	-	60
Recoverable expenditure	10.2	1	-	1	44	-	44
Staff debt	10.3	62	152	214	7	-	7
Other debtors	10.4	-	-	-	6	-	6
Total		153	152	305	117	-	117

10.1 Claims recoverable

	<i>Note</i>	2018/19	2017/18
	<i>10 and Annex 3</i>	R'000	R'000
National departments		90	60
Total		90	60

10.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2018/19	2017/18
	<i>10</i>	R'000	R'000
Disall Damages & Losses: CA		1	44
Total		1	44

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10.3 Staff debt

	<i>Note</i> 10	2018/19 R'000	2017/18 R'000
Debt Account: CA		214	-
Subsistence and Travel Account		-	7
Total		214	7

10.4 Other debtors

	<i>Note</i> 10	2018/19 R'000	2017/18 R'000
Sal: Tax Debt		-	3
Debt Account: Private Institutions		-	3
Total		-	6

11. Loans

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Public corporations		17,402	20,799
Total		17,402	20,799

Analysis of Balance

Opening balance	20,799	27,391
Repayments	(3,397)	(6,592)
Closing balance	17,402	20,799

In terms of section 30 (1) of the Exchequer Act, Act 66 of 1975, an amount of R27,391 million was made available by the National Treasury to the South African Broadcasting Corporation (SABC) as permanent capital (SABC Loan: Channel Africa - Loan 14). The loan was transferred from the Department of Telecommunications and Postal Services to the department in line with Section 42 of the Public Finance Management Act, Act 1 of 1999, when SABC was transferred to the department to form part of the portfolio of the Ministry of Communications.

The SABC Loan will be reduced by R2, 488 million in the 2019/20 financial year. The mentioned amount is a current assets.

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Opening balance		9,346	13,978
As restated		9,346	13,978
Transfer from statement of financial performance (as restated)		28,125	9,346
Paid during the year		(9,346)	(13,978)
Closing balance		28,125	9,346

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

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Opening balance		2	2
As restated		2	2
Transfer from Statement of Financial Performance (as restated)		2,138	2,225
Paid during the year		(1,897)	(2,225)
Closing balance		243	2

14. Payables – current

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Other payables	14.1	8	30
Total		8	30

14.1 Other payables

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Sal: Income Tax:CL	14	8	22
Disall Damages & Losses: CA		-	7
Payable: Adv: Pub Ent Adv Acc. CL		-	1
Total		8	30

15. Net cash flow available from operating activities

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		30,263	11,571
Add back non cash/cash movements not deemed operating activities		(28,003)	(13,741)
(Increase)/decrease in receivables – current		(188)	31
(Increase)/decrease in prepayments and advances		(17,189)	322
Increase/(decrease) in payables – current		(22)	21
Expenditure on capital assets		639	2,088
Surrenders to Revenue Fund		(11,243)	(16,203)
Net cash flow generated by operating activities		2,260	(2,170)

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

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account		18,727	10,742
Disbursements		(7,954)	(1,595)
Cash on hand		30	35
Total		<u>10,803</u>	<u>9,182</u>

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Liable to Nature			
Claims against the department	<i>Annex 2B</i>	15,666	3,120
Total		<u>15,666</u>	<u>3,120</u>

The following court cases are still pending and the outcomes were unknown by 31 March 2019:

1. Minister of Communications v Speaker of the National Assembly & Others
2. Madzhe v Minister of Communications
3. DoC vs Senior Official
4. USAASA vs CZ Electronics/Minister. Not received confirmation as yet. Case remain same.
5. Amabhungane vs Minister of Justice / Communications
6. GEPF vs SABC/Minister *
7. KH Mohale vs Department of Communications **
8. Mohlaloga vs Speaker of National Assembly/Minister

* - GEPF represented by PIC instituted action against SABC for an amount of R144 883 845.80 and R232 120 136.38, totalling to R377 003 982.18.

SABC alleged that North West Government, Minister of Finance, Minister of Communication and Minister of Arts, Culture, Science and Technology should indemnify SABC for the amount claimed. The mentioned figure is not included in the table above as the final liability for the Department of Communication is still to be determined. As at 31 March 2019 the liability could not be determined.

** - The case was dismissed. However, the Commissioner ordered the Department of Communications to pay for the cost of postponement.

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18. Commitments

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		435	992
		435	992
Capital expenditure			
Approved and contracted		-	18
		-	18
Total Commitments		435	1,010

All this commitments are less than a year.

19. Accruals and payables not recognised

19.1 Accruals

Listed by economic classification	2018/19 R'000			2017/18 R'000
	30 Days	30 + Days	Total	Total
Goods and services	481	1,143	1,624	3,797
Total	481	1,143	1,624	3,797

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Listed by programme level			
Programme 1: Administration		1,399	2,679
Programme 2: Communications Policy, Research and Development		28	104
Programme 3: Industry and Capacity Development		188	915
Programme 4: Entity Oversight		9	99
Total		1,624	3,797

19.2 Payables not recognised

Listed by economic classification	2018/19 R'000			2017/18 R'000
	30 Days	30 + Days	Total	Total
Goods and services	-	-	-	81
Total	-	-	-	81

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	<i>Note</i>	2018/19 R'000	2017/18 R'000
Listed by programme level			
Programme 1: Administration		-	54
Programme 2: Communications Policy, Research and Development		-	27
Programme 3: Industry and Capacity Development		-	-
Programme 3: Entity Oversight		-	-
Total		<u>-</u>	<u>81</u>

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Listed by programme level			
Confirmed balances with departments	<i>Annex 4</i>	<u>111</u>	<u>-</u>
Total		<u>111</u>	<u>-</u>

20. Employee benefits

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Leave entitlement		2,979	2,478
Service bonus (Thirteenth cheque)		1,436	1,241
Performance awards		1,105	925
Capped leave commitments		1,024	958
Other: Long term service provision		31	10
Total		<u>6,575</u>	<u>5,612</u>

Included in the leave entitlement is negative leave credits amounting to R17 141.97 as at 31 March 2019.

21. Lease commitments

21.1 Operating leases expenditure

2018/19	Machinery and equipment	Total
Not later than 1 year	1,094	1,094
Later than 1 year and not later than 5 years	177	177
Total lease commitments	<u>1,271</u>	<u>1,271</u>

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2017/18	Machinery and equipment	Total
Not later than 1 year	1,839	1,839
Later than 1 year and not later than 5 years	1,220	1,220
Total lease commitments	3,059	3,059

All operating lease contracts within the Department are for a period of 36 months. Lease contracts in respect of photocopy machines have an option to be extended with an additional 24 months of which 25% of operating leases will be payable. Extensions not to exceed 24 months.

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance			
Prior period error		-	-
As restated		-	-
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		9	-
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		(9)	-
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		-	-
Closing balance		-	-

22.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
No order was approved for the additional work done	None	9
Total		9

22.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2018/19 R'000
No order was approved for the additional work done	BAC	9
Total		9

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22.4 Details of irregular expenditures under determination or investigation (not included in the main note)

Incident	2018/19 R'000
Deviation from SCM process	15
Possible irregular appointments of employees	701
Total	<u>716</u>

A law firm was given an instruction to renew Go-Digital Logo without following SCM process.

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		2	17
Less: Amounts resolved		(2)	(14)
Less: Amounts transferred to receivables for recovery	15.6	-	(3)
Closing balance		<u>-</u>	<u>-</u>

23.2 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken / criminal proceedings	2018/19 R'000
SARS penalty	SARS refunded the DoC due to the technical error	2
Total		<u>2</u>

23.3 Details of fruitless and wasteful expenditures under investigation (not included in the main note)

Incident	2018/19 R'000
No shows	1
Total	<u>1</u>

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24. Related party transactions

The following entities are listed as related parties:

1. South African Broadcasting Corporation (SABC);
2. Media Development and Diversity Agency (MDDA);
3. Brand South Africa;
4. Government Communications and Information system (GCIS);
5. Independent Communications Authority of South Africa (ICASA); and
6. Film and Publication Board (FPB).
7. Department of Telecommunications and Postal Services (DTPS)
8. Telkom Shareholding
9. Broadband Infraco
10. State Information Technology Agency (SITA)
11. SENTECH
12. Universal Service and Access Agency of South Africa (USAASA)
13. South African Post Office (SAPO)
14. National Electronic Media Institute of South Africa (NEMISA)
15. za Domain Name Authority (.ZADNA)
16. Universal Service and Access Fund (USAF)

With regard to ICASA, the DoC has received revenue in respect of license fees and other revenue from ICASA that was surrendered to NRF and SARS respectively. This is not regarded as departmental revenue.

A Memorandum of Understanding (MoU) was signed by both the Acting Directors-General of DoC and GCIS for the rendering of corporate related functions in the 2018/19 financial year which related to Petty Cash support, Facility Management Services, Information Technology and Internal Audit. In certain aspects, the arrangements will continue in the 2019/20 financial year until such time the DoC can function independently from GCIS. The GCIS has loaned assets to the DoC to the value of R1.636 million.

Apart from the corporate service related support, the GCIS also support the DoC in respect of accommodation, municipal services, cleaning services, security and information technology infrastructure.

Payments amounting to R10, 011,822.00 were paid to the GCIS during the 2018/19 financial year.

Media buying transactions made through GCIS are considered to be market related. In addition to the above, the GCIS rendered 369 non-monetary services such as radio production, photography and video services during the 2018/19 financial year.

The Department of Telecommunication and Postal Services (DTPS) it is partly responsible for the Digital Terrestrial Television (DTT) Project.

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25. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers	2	3,520	4,391
Officials:			
Level 15 to 16	4	6,078	5,525
Level 14	9	10,817	10,236
Level 13	3	3,169	-
Total		23,584	20,152

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

26. Non-adjusting events after reporting date

Nature of event	2018/19 R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	
Total	-

Following the general May 2019 elections, President Ramaphosa announced the appointment of reconfigured national executive. The Department of Communications and Department of Telecommunications and Postal Services will merge and be called Department of Communications and Digital Technologies.

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	10,552	-	548	190	10,910
Transport assets	5,833	-	-	-	5,833
Computer equipment	3,548	-	231	190	3,589
Furniture and office equipment	718	-	18	-	736
Other machinery and equipment	453	-	299	-	752
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10,552	-	548	190	10,910

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The Department did not account for assets to the value of R1, 636 million. These are assets loaned from GCIS to DoC. Refer to the Note on Related Parties – Note 33.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	13	46

There are currently assets under investigation with a total cost price of R237 055.21 and current book value of R45 750.93.

27.1 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	548	-	-	548
Computer equipment	231	-	-	231
Furniture and office equipment	18	-	-	18
Other machinery and equipment	299	-	-	299
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	548	-	-	548

Included in the opening balance of the Transport assets of R5,833 million is a vehicle to the value of R948 000.00 that was transferred from DPSA to DoC in March 2018 for Ministerial use. It has been recorded on the Assets Register during April 2018 upon receipt of the completed documentation.

27.2 Disposals

	Non-cash R'000	Total disposals R'000
MACHINERY AND EQUIPMENT	190	190
Computer equipment	190	190
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	190	190

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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27.3 Movement for 2017/18

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	9,470	-	3,056	1,974	10,552
Transport assets	5,307	-	2,453	1,927	5,833
Computer equipment	3,129	-	466	47	3,548
Furniture and Office equipment	713	-	5	-	718
Other machinery and equipment	321	-	132	-	453
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	9,470	-	3,056	1,974	10,552

27.4 Minor assets

	Machinery and equipment R'000	Total R'000
Opening balance	789	789
Additions	69	69
Disposals	2	2
TOTAL MINOR ASSETS	856	856

	Machinery and equipment	Total
Number of R1 minor assets	9	9
Number of minor assets at cost	359	359
TOTAL NUMBER OF MINOR ASSETS	368	368

MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	-	753	753
Additions	-	44	44
Disposals	-	8	8
TOTAL MINOR ASSETS	-	789	789

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	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	11	11
Number of minor assets at cost	-	330	330
TOTAL MINOR ASSETS	-	341	341

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	91	36	55
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	91	36	55

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	91	-	-	-	91
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	91	-	-	-	91

28.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Non-cash	Total disposals
	R'000	R'000
SOFTWARE	36	36
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	36	36

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29. Transfer of functions

During the establishment phase of the DoC, a Memorandum of Understanding (MoU) was entered into between the GCIS and the DoC for the rendering of corporate service related functions such as Petty Cash support, Facility Management Services and Information Technology. In certain aspects, the arrangements will continue in the 2018/19 financial year until such time the DoC can function independently from GCIS.

Included in the opening balance of the Transport assets of R5,833 million is a vehicle to the value of R948 000.00 that was transferred from DPSA to DoC in March 2018 for Ministerial use. It has been recorded on the Assets Register during April 2018 upon receipt of the completed documentation.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the period ending 31 March 2019

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18 Appropriation Act R'000
	Adjusted Appropriation	Roll Overs	Ajustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Brand South Africa	200,430	-	-	200,430	200,430	100%	194,300
Film & Publication Board (FPB)	94,577	-	-	94,577	94,577	100%	91,684
Government Communications and Information System (GCIS)	423,585	-	-	423,585	423,585	100%	401,450
Independent Communications Authority of South Africa (ICASA)	443,961	-	-	443,961	443,961	100%	430,383
Media Development and Diversity Agency (MDDA)	30,669	-	-	30,669	30,669	100%	30,005
TOTAL	1,193,222	-	-	1,193,222	1,193,222		1,147,822

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ANNEXURE 1B

STATEMENT OF TRANSFERS / SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2017/18	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital		Current
	R'000	R'000	R'000	R'000	R'000	%	R'000		R'000
Transfers	187,421	-	-	187,421	187,421	100%	-	-	173,766
South African Broadcasting Corporation	187,421	-	-	187,421	187,421	100%	-	-	173,766
TOTAL	187,421	-	-	187,421	187,421	100%	-	-	173,766

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act R'000	Roll Overs R'000	Ajustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
HOUSEHOLDS							
Transfers							
Households: Employee Social Benefit	828	-	297	1,125	1,105	98%	1,264
TOTAL	828	-	297	1,125	1,105	-	1,264

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
		R'000	R'000
Received in kind			
SAMPRA	SAMA Ticket	1	-
MTN	Samsung Cellphone	11	-
MTN	Rugby tickets	1	-
DSTV	DSTV delicious festival VIP tickets	6	-
MTN	Glenfaldich 18 years old single malt & whisky jar	2	-
MULTICHOICE	1 000 Samsung 32 LED TV-DVB-T2 hybrid Tuner	2,954	-
MULTICHOICE	Develop creative work for consumer awareness	4,963	-
CELLC	17 Black boxes	25	-
VHEMBE TVET COLLEGE	Game shopping voucher	3	-
VODACOM	1 Jazz Ticket	2	-
MTN	Jeana Clifford necklace and crystal stones	-	1
CZ Electronics	32 Inch TV	-	3
CZ Electronics	5 LED TV's sets	-	13
SENTECH	1 LCD TV sets (DTT open space)	-	2
AFRICA SMARTWORX	1 SANSUI 32 LCD TV sets	-	2
TOTAL		7,968	21

The amounts of the donations are reflected at fair value cost.

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ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 December 2018

Nature of Liability	Opening Balance 1 April 2018 R'000	Liabilities incurred during the year R'000	Liabilities paid / cancelled / reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2019 R'000
Claims against the department					
Ongoing court cases	3,120	14,166	1,620	-	15,666
TOTAL	3,120	14,166	1,620	-	15,666

The following court cases are still pending and the outcomes were unknown by 31 March 2019:

1. Minister of Communications v Speaker of the National Assembly & Others
2. Madzhle v Minister of Communications
3. DoC vs Senior Official
4. USAASA vs CZ Electronics/Minister. Not received confirmation as yet. Case remain same.
5. Amabhungane vs Minister of Justice / Communications
6. GEPF vs SABC/Minister *
7. KH Mohale vs Department of Communications **
8. Mohlologa vs Speaker of National Assembly/Minister

* - GEPF represented by PIC instituted action against SABC for an amount of R144 883 845.80 and R232 120 136.38, totalling to R377 003 982.18.

SABC alleged that North West Government, Minister of Finance, Minister of Communication and Minister of Arts, Culture, Science and Technology should indemnify SABC for the amount claimed. The mentioned figure is not included in the table above as the final liability for the Department of Communication is still to be determined. As at 31 March 2019 the liability could not be determined.

** - The case was dismissed. However, the Commissioner ordered the Department of Communications to pay for the cost of postponement.

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ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	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
Department								
DIPS	-	-	-	23	-	23	-	-
Department of Home Affairs	-	-	-	37	-	37	-	-
Department of Environmental Affairs	-	-	56	-	56	-	03/04/2019	9
Department of Water Affairs	-	-	7	-	7	-	-	-
Government Communication and Information Systems	-	-	27	-	27	-	08/04/2019	27
TOTAL	-	-	90	60	90	60		36

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ANNEXURE 4

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000
DEPARTMENT						
South African Police Services (SAPS)	-	581	317	-	317	581
Telecommunications & Postal Services (DTPS)	111	-	-	-	111	-
Public Service and Administration	-	-	8	-	8	-
TOTAL	111	581	325	-	436	581

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the period ending 31 March 2019

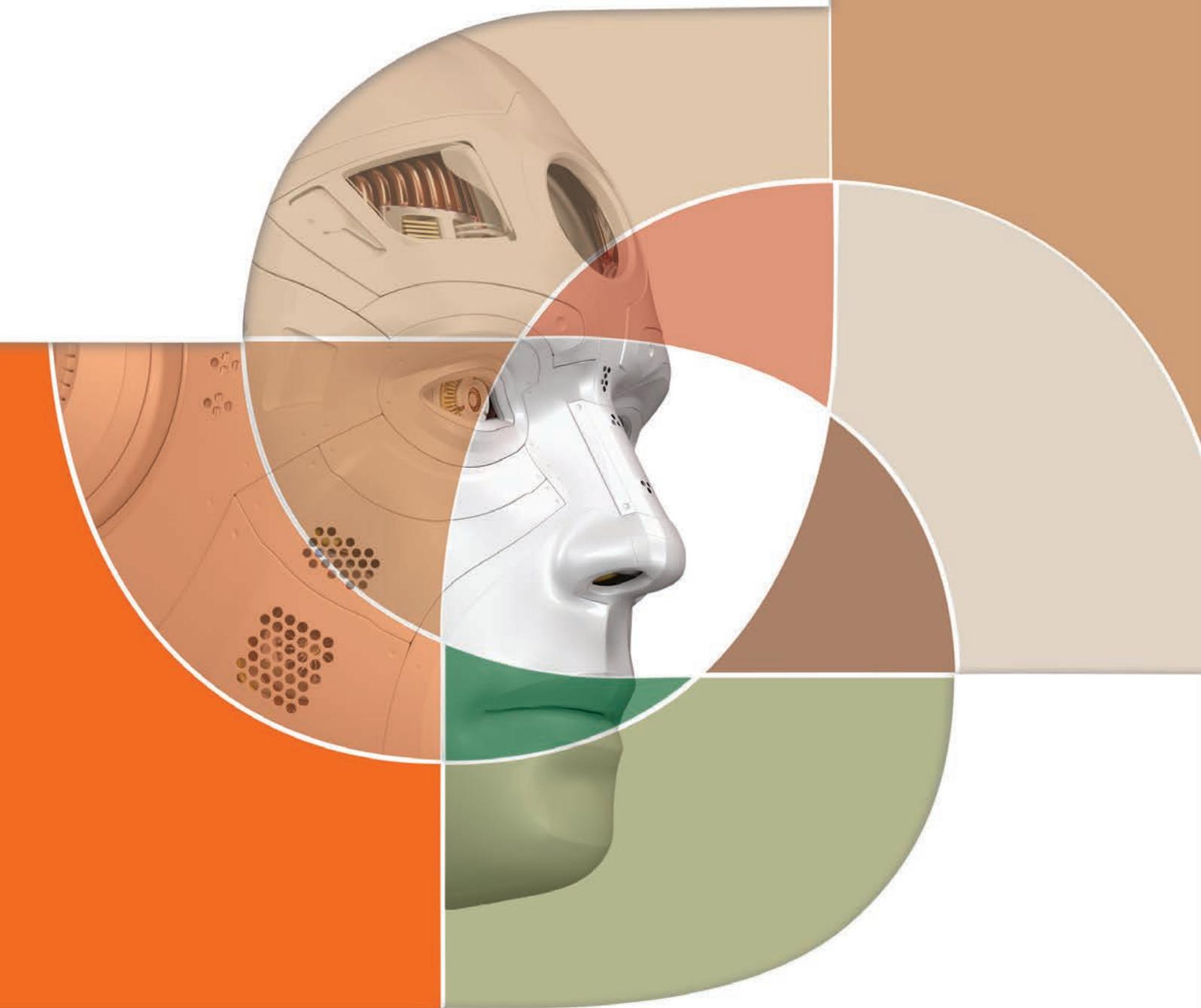
ANNEXURE 5

INTER-ENTITY ADVANCES PAID

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Government Communications and Information System (GCIS)	-	-	6,171	-	6,171	-	-	-
Department of International Relations and Cooperation (DIRCO)	-	-	466	79	466	79	-	-
Government Technical Advisory Centre (GTAC)	-	-	5,131	-	5,131	-	-	-
South African Post Office (SAPO)	-	-	5,500	-	5,500	-	-	-
TOTAL	-	-	17,268	79	17,268	79	-	-

PART F:

APPENDIX



WHERE TO FIND NATIONAL OFFICES:

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