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Department:
Communications
REPUBLIC OF SOUTH AFRICA

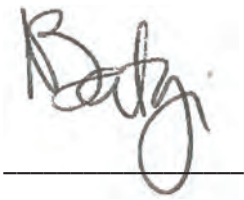
2019/20
ANNUAL REPORT

Vote no 3: Department of Communications

Submission of the Department of Communications 2019/20 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 2019 to 31 March 2020.



Ms Nomvuyiso Batyi

Acting Director-General

Date of Submission: 20 October 2020

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PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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0001

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2. LIST OF ABBREVIATIONS/ACRONYMS

ADG	Acting Director-General
AENE	Adjusted Estimates of National Expenditure
AFS	Annual Financial Statements
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
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
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 enterprises
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
DCDT	Department of Communications and Digital Technology

3. FOREWORD BY THE MINISTER

Stella Ndabeni-Abrahams
Minister of
Communications

The end of the financial year 2019/20 affords the Department of Communications (DoC) an opportunity to account to the public on its performance for the year 2019/20. The Annual Report does not only highlight our performance and successes, but also indicates challenges. It is a complete representation of the year's work and is also inviting suggestions and views aimed at improving our performance as we move forward. This Annual Report provides details on the progress made in terms of key programmes of the Department, in effort to create and support 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 and other novel technologies.

Towards the end of the year under review we experienced the shock of the COVID-19 pandemic coupled with the impact of the global economic slowdown. While the pandemic was received with fears it has since revealed the importance of digital and emerging technologies in responding to crisis situations like the virus pandemic. We have become more aware that the digital economy may provide the best chance for economic growth, job creation and transformation in South Africa, particularly as the world adapts to the impact of the COVID-19 pandemic.

In November 2018, his Excellency President Cyril Ramaphosa announced the decision to combine the two Departments of Communications (DOC) and the Department of Telecommunications and Postal Services (DTPS). The move was aimed at ensuring that there is better alignment and coordination on matters that are critical to the future of the economy in the context of the Fourth Industrial Revolution (4IR). May 2019 national general elections results ushered in new ideas among which a reconfigured government featured prominently. The formation of Department of

Communications and Digital Technologies (DCDT) which officially came into existence from the 1st of April 2020 is a product of this. This new department arises from the merger of the sister departments namely, Department of Communications (DOC) and the Department of Telecommunications and Postal Services (DTPS). The department completed the start-up structure, while a complete structure is envisaged to be in place before the end of 2020/21 financial year.

During the year under review the universal access to information and bridging the digital divide got a boost when agreement was reached between the Competition Commission and the large mobile operators. This will go a long way in ensuring that the cost of data is reduced, as this will improve lives, bring people into the digital economy and stimulate online businesses. The announcement was an important milestone in the quest to ensure that data prices were affordable for the majority of South Africans as this was a key driver for the 4th Industrial Revolution.

The World Bank statistics showed that in developing markets, an expansion of a broadband access (population penetration) of ten (10) percentage points can result in expansion of the Gross Domestic Product by 1.4 percentage points, furthermore, the statistics show that every 1000 new subscribers connected to broadband internet services can result in the creation of 80 new job opportunities. South Africa needs to breach the digital divide, improve the economic growth and create new jobs. Towards this we published the Policy on High Demand spectrum and Policy Direction of the Licensing of Wireless Open Access Network. Subsequent to this, ICASA initiated the licensing process for the radio frequency spectrum in different bands for the purposes of providing national broadband wireless open access services.

The country will shift from analogue terrestrial television to digital television broadcasting within 2021.The acceleration of the rollout and embarking on an effort to complete the Broadcasting Digital Migration Programme have seen the digital television being operational in the country, with full national

household coverage comprising 88 per cent terrestrial and 12 per cent satellite broadcasting. However, it must be stated that progress towards finalising the Broadcasting Digital Migration programme has been very slow. This is primarily due to the poor pace of household migration to digital platforms; the delay in the encryption debate; high decoder production costs; fundamental deficiencies in project management structure; poor visibility of public broadcaster to lead migration awareness and private sector broadcasters influence based on commercial interests and etcetera. In essence, we are on track to see that we meet the target by or before the analogue switch-off date of 2021 as approved by the Cabinet.

Together with the Deputy Chair of the Presidential Commission on the Fourth Industrial Revolution, Professor Tshilidzi Marwala presented the report to the President, the report is a landmark product of extensive research and multi-sectoral engagements held by the commissioners since their appointment by the President in 2019. The report is centred on eight key recommendations, which include building human capacity in the area of the 4IR; establishing the National Artificial Intelligence Institute; creating the Advanced Manufacturing Institute (AMI); the establishment of a National Data Centre; and incentivising SMMEs for the adoption of 4IR technologies and the emergence of future industries and platforms. Other key recommendations include the reviewing, amending or creating relevant policy and legislation; to build 4IR infrastructure which integrates with existing economic and social infrastructure and to establish a 4IR strategy implementation coordination council in the Presidency.

In conclusion, I would like to express my gratitude to the Portfolio Committee on Communications and the Deputy Minister, Ms Pinky Kekana, MP for her continued support. Finally, I would like to heartily thank the management team and staff members in the Department of Communications for their dedication and hard work in pursuit of our objectives in striving towards meeting our commitments.

Ms Stella Ndabeni-Abrahams, MP

Minister of Communications

4. DEPUTY MINISTER'S STATEMENT

Pinky Kekana
Deputy Minister of Communications and Digital Technologies

The Department's activities are guided by key government policies and plans including but not limited to the National Development Plan: Vision 2030. The Department strives to build a cohesive South African nation and make a contribution towards employment, particularly for the youth and women. The Department developed appropriate policies that will help to improve government communication and drive the communications sector to ensure universal access to all citizens.

In November 2018, President Cyril Ramaphosa announced the merger of the Department of Telecommunications and Postal Services (DTPS) and the Department of Communications (DOC) to be headed by Minister Stella Ndabeni-Abrahams, the Department collaborated with the DTPS in terms of jointly undertaking specific projects during the 2019/20 financial year. Due to this collaboration, the DTPS and the DOC also shared critical resources which included both financial and human resources. The sharing of such resources was formalised through the development of a Cooperation Agreement which was signed by the relevant principals of both Departments. The Departments also worked together on developing the DCDT Strategy as well as a start-up structure that accommodated staff from both Departments as an interim measure while the revised organisational structure, aligned to the new DCDT mandate, is developed in the 2020/21 financial year. This transformational journey required extensive internal communications and change management due to the disruption that was caused to both Departments.

Government has committed to an urgent need to develop capabilities in the areas of technology and innovation. In the broadcasting sector; technology, innovation and enterprise development will be driven by the rise of online broadcasting and emerging technologies, for SMME opportunities towards economic growth and empowerment. The ownership of content, Intellectual Property and online broadcasting platforms is fundamental to realise empowerment-oriented Enterprise Development. The demand and supply side of online broadcasting content would be determined by cost of data and broadband.

On Broadcasting Digital Migration, a revised delivery model was completed and approved by Cabinet on 13 December 2019 paving a way for the finalization of the migration process, pending the available required financial resources. The recommendations include reprioritization and sequencing of the BDM Programme in lieu of High Demand Spectrum release. Other elements include making use of a voucher system for qualifying indigent households, value of voucher and the potential process to implement the voucher system.

The Department's policy response as a developing country cannot just simply be about adaptation - instead, it must create an environment for the communication sector to grow and become attractive for both local and foreign investment, and for the country's young people to find employment. More focus is to be placed on systems, policy and to empower the country's societies to master technologies and act to counter a fatalistic and deterministic view of progress, foster collaboration with industry' stakeholders, take advantage of these technologies to create a better world for citizens through elimination of inequality, insecurity, displacement/ dislocation.

The DoC has started with preparations for the Draft White Paper on Audio and Audiovisual Content Services Policy Framework: A New Vision for South Africa 2020. The Department's research indicates that within the digital economy and the Fourth Industrial Revolution (4IR) environment, if the audiovisual media sectors can take advantage of the latest technological developments, it can transform itself quickly and have a domino effect on the entire society and economy. Achievements and challenges for the 2019/20 financial year in relation to policy directives and strategic outcome-related goals are also reflected in the Annual Report.

In conclusion, I wish to thank the Minister, the Chairpersons of the Portfolio and Select Committees on Communications for their guidance and support. I would like to express my sincere gratitude for all the effort and work done by the DoC team to create an enabling environment for the provision of inclusive communication services to all South Africans.

Ms Pinky Kekana, MP

Deputy Minister of Communications

5. REPORT OF THE ACCOUNTING OFFICER

5.1 Overview of the operations of the Department of Communications

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 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 continued to work with state-owned entities (SOEs) reporting to the Ministry of Communications to deliver on its 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 Department was tasked with the establishment of the Project Management Office to support the work of the Presidential Commission on the Fourth Industrial Revolution (PC4IR), which was appointed by the President to coordinate the development of South Africa's national response action plan to deal with 4IR through the identification of policies, strategies and plans which will position South Africa as a leading country in the evolution and development of the 4IR. The recruitment process was finalised in February 2020 and six of the officials assumed duties in April 2020.

The Department committed to the establishment of a new generation of producers, owners and managers that can build enterprises within Creative Industries. In the broadcasting sector, innovation and entrepreneurship will be driven by the rise of digital broadcasting and advertising. Digital advertising offers opportunities for the empowerment of SMMEs that are content producers and creatives. In 2019/20 the Department implemented the Enterprise Development Programme with the intention to empowerment of SMMEs in creative industries and audio-visual content industries (training & capacity building) and to coordinate and facilitate digital entrepreneurship environment in creative industries & audio-visual content industries.

Regarding Broadcasting Digital Migration, a revised delivery model was completed and approved by Cabinet on 13 December 2019 paving a way for the finalisation of the migration process pending the available required financial resources. The recommendations include reprioritisation and sequencing of the BDM Programme in lieu of High Demand Spectrum release.

During the reporting period, the Department worked closely with the DTPS to develop and advance the Country Position Paper for the International Telecommunications Union – World Radio Conference - 2019 (ITU-WRC-19) after which the draft Outcomes Report of WRC-19 were developed which specifically focused on the outcomes impacting South Africa's National Radio Frequency Plan. The Department also worked with the DTPS to develop and advance the Country Position Paper at the 5th Brazil, Russia, India, China and South Africa (BRICS) Ministers of Communications Meetings in Brazil.

For the 2019/20 financial year, the Department had set itself 19 targets. The Department achieved 10 (53%) annual targets, while spending 99.3% of its budget allocation. The 09 (47%) unachieved targets 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.

The DoC participated in the National Macro Organisation of Government (NMOG) process which focused on merging with the Department of Telecommunications and Postal Services to form the new Department of Communications and Digital Technologies (DCDT). In this regard, we developed the start-up structure for the DCDT which was approved by the Department of Public Service and Administration (DPSA). Employees from the Department were also transferred to the newly established DCDT through formal appointment letters. Furthermore, the Department, together with the Department of Telecommunications and Postal Services, developed the 2020-2025 Strategic Plan and 2020/21 APP in line with the new mandate of the DCDT.

5.2 Overview of the financial results of the Department

The Department was allocated R1. 576 billion for the 2019/20 financial year. The Departmental budget was increased by R3.197 billion during the Adjusted Estimates of National Expenditure (AENE) after a declared savings of R 5 million. R3.200 billion was allocated to South African Broadcasting Corporation (SABC) as the financial bailout to cater for the public broadcaster's long outstanding debts, investment in new and compelling content; and upgrading of dilapidated infrastructure. R2 million was 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 R4.773 billion, an amount of R3.2 billion (67%) was allocated to payment for financial assets and transferred to SABC for financial bailout. R1.4 billion was allocated and transferred to the departmental agencies and the GCIS, leaving the organisation with a total operational budget of R143 million (3%). From the operational budget, an amount of R86, 791 million (60.7%) was allocated towards the compensation of employees, R55, 409 million (39.7%) was allocated to goods and services, while R574 thousand (0, 40%) was for the payment of capital assets. An amount of R891 thousand (0, 62%) 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 2019/20 financial year.

The DoC recorded a total under-expenditure of R41.455 million during the 2019/20 financial year, which represent a saving of 0.87% of the total budget allocation of R4.773 billion. The underspending on compensation of employees was R25, 091 million; it is as a result of the current vacancies and the

moratorium that was placed on the filling of posts mainly because of the reconfiguration process of the departments. A further saving of R14, 690 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 2020. R1, 7 million on payment for capital assets was resulted from non-receipt of the equipment that was ordered due to the COVID-19 outbreak in China.

The Department has applied for a roll-over due to commitments that were made, and it is expected that the roll-over will fund the Capital Assets that were ordered and could not be delivered.

5.3 Departmental receipts

Departmental receipts	2019/2020			2018/2019		
	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	92	28	64	88	54	34
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	2 458	1 471	987	1 900	1 801	99
Sale of capital assets						
Financial transactions in assets and liabilities	195	357	(162)	73	284	(211)
Total	2 745	1 888	889	2 061	2 139	(78)

The Departmental revenue mainly consists of interest received on the commercial bank account as well as interest on Loan 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 Department collected a total of R1, 9 million against the projected target of R5, 4 million.

The DoC has received approximately R1.5 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	2019/20			2018/19		
	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	63 710	57 784	5 927	72 265	71 984	281
2. Communications, Policy Research and Development	14 412	7 185	7 227	10 646	9 161	1 485
3. Industry Research and Capacity Development	37504	26 341	11 164	45 307	20 568	24 739
4. Entity Oversight	4 657 465	4 640 328	17 138	1 388 028	1 386 407	1 621
TOTAL	**4 773 091**	**4 731 637**	**41 455**	**1 516 246**	**1 488 121**	**28 126**

The DoC spent 99.1 % of its allocated budget and realised a net underspending of R41.455 million (0.87%). The Department spending was mainly on Payment for Financial Assets amounting to R3.200 billion which was then transferred to SABC, R1, 430 million was transferred to Departmental public entities. Expenditure also 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 applied for a roll over from 2019/20 financial year to 2020/21 financial to fund the capital assets that could not be delivered before 31 March 2020 and still awaiting outcomes.

The departmental budget was increased by R3.197 billion during the Adjusted Estimates of National Expenditure (AENE) after a declared savings of R 5 million. R3.200 billion was allocated to South African Broadcasting Corporation (SABC) as the financial bailout to cater for the public broadcaster's long outstanding debts, investment in new and compelling content; and upgrading of dilapidated infrastructure. R2 million was for the Government Communication and Information System (GCIS) as a cost recovery for selling and distribution of the Vuk'uzenzele newspaper.

5.6 Virements

The Department did not require to effect major virements between programmes after the AENE. A total of R1,945 million was shifted to Programme 1: Administration and only R55 thousand was shifted to Programme 3: Industry, Research and Capacity Development. The amount of R2 million was shifted from Programme 4.

The virements effected for the year are reflected in the below table:

Main Division	AENE ('000)	Virement ('000)	Final Appropriation ('000)
ADMINISTRATION	61 765	1 945	63 710
COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT	14 412	-	14 412
INDUSTRY AND CAPACITY DEVELOPMENT	37 449	55	37 504
ENTITY OVERSIGHT	4 659 465	-2 000	4 657 465
TOTAL	**4 773 091**	**-**	**4 773 091**

5.7 Future plans of the Department

The Department of Communications has been merged into the newly formed Department of Communications and Digital Technologies from the beginning of the 2020/21 financial year. The DoC's future plans have been captured in the DCDT Strategic Plan 2020-2025 and the APP 2020/21 and aligned to the priorities of the Government's MTSF 2019 – 2024.

5.8 Public-Private Partnerships

The DoC did not enter any public-private partnerships.

5.9 Discontinued activities/activities to be discontinued

None

5.10 New or proposed activities

None

5.11 Supply Chain Management

The Department did 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 2019/20 financial year, the DoC received in-kind gifts, donations and sponsorships to the value of approximately R50 000.

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

The DoC has been merged into the newly formed Department of Communications and Digital Technologies from the beginning of the 2020/21 financial year.

5.15 Investigations

The National Treasury has condoned the amount of R393 000 stemmed from irregular appointments and the Department has an irregular expenditure to the tune of 5,274 million.

5.16 Acknowledgement/s or appreciation

The DoC expresses appreciation to Minister as well as Deputy Minister for their distinguished leadership and support during the 2019/20 financial year, further appreciation to the Department's employees, the governance structures and the Management Committee for their devotion and assurance towards achieving the Department's planned targets for the 2019/20 financial year.

5.17 Approval and sign-off

The 2019/20 draft AFS are approved by the Acting Accounting Officer.

Yours faithfully

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Ms Nomvuyiso Batyi

Acting Director-General

Date: 20 October 2020

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.

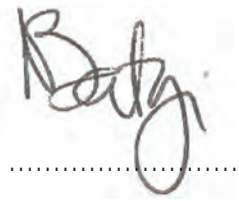
The Accounting Officer is responsible for the preparation of the AFS and for the judgements made in this information.

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 2020.

Yours faithfully



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Ms Nomvuyiso Batyi

Acting Director-General

Date: 20 October 2020

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.

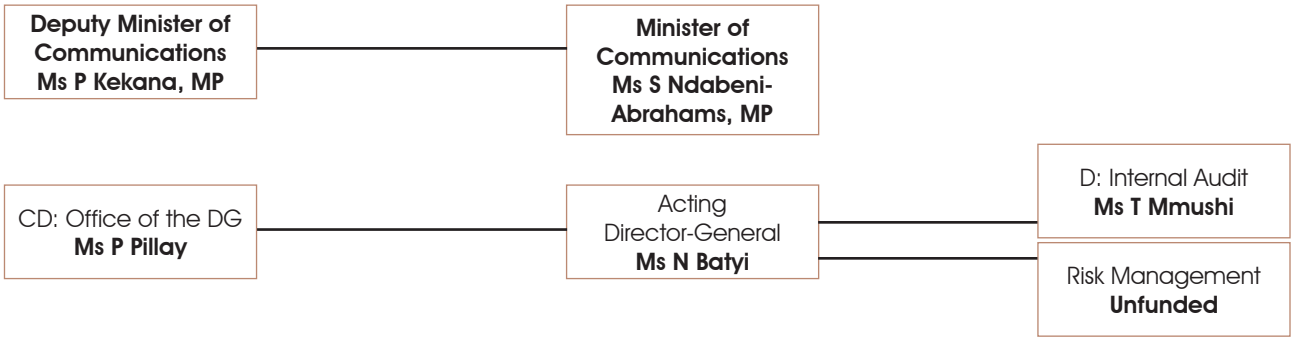
8.3 Furthermore, the legislative framework for the work of the DoC is contained primarily in the following legislation:

- 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 further guided by the following:

- The Constitution of the Republic of South Africa of 1996, (Act 108 of 1996)
- The Public Service Act, 1994 (Act 103 of 1994), as amended
- The Public Finance Management Act, 1999 (Act 1 of 1999), as amended
- ITU
- WIPO.

9. ORGANISATIONAL STRUCTURE



Policy | **Strategy** | **Implementation** | **Support Services**

BRANCH
Communications Policy, Research and Development
Unfunded

CD: Broadcasting Policy
Mr C Mashile

CD: Media Policy
Mr S Nene

CD: Technology and Engineering Services
Mr W Dlangamandla - Contract

CD: Branding Policy
Unfunded

BRANCH
Industry and Capacity Development
Unfunded

CD: Enterprise Development
Unfunded

CD: Broadcasting Digital Migration
Dr F Mutuvhi

CD:Industry Research and Analysis
Unfunded

CD: Intergovernmental Relations and Stakeholder Management
Ms R Lusiba

D: Stakeholder Management
Mr A Mbolekwa

D: Communications
Ms T Dladla

D: M & E
Ms N Fisher - Contract

D: Creative Industries
Ms N Makwetu

BRANCH
Entity Oversight
Unfunded

CD: Broadcasting and Community Media
Vacant

CD: SOE Communication and Branding
Unfunded

CD: Regulatory Institutions
Unfunded

CD: Strategy and Policy Alignment
Unfunded

D: Entity Oversight
Mr P Vumazonke

D: Entity Oversight
Mr S Gcabashe

CHIEF DIRECTORATE
Corporate Services
Ms M Thusi

D: Human Resource Management and Development
Ms J Stephens

D: Information Technology Management
Unfunded

D: Facilities and Security Management Services
Unfunded

D: Communications
Mr M Molakeng - Contract

D: Legal Services
Mr T Kgarabjang

D: Strategic Planning and Performance Management
Ms N Sifanele

CHIEF DIRECTORATE
Financical Management, Accounting and Administration
Mr F Nieman (Acting)

D: Financial Management, Accounting and Administration
Mr F Nieman

D: Supply Chain and Asset Management
Mr B Maisela

10. ENTITIES REPORTING TO THE MINISTER

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**	• 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**	• 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
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**	• 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.

PLEASE NOTE:

- ***During the reporting period, the DoC's oversight function over MDDA and Brand SA was transferred to the Presidency, but the budget of the two entities remained with the Department.***

PART B:

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Introduction and scope

The 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 no 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 115 of the Report of the AGSA, published as Part E: Financial Information.

2. OVERVIEW OF THE DEPARTMENTAL PERFORMANCE

2.1 Service-delivery environment

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. As the rapid and ubiquitous technological developments continue to explode and perpetually transform the communications' spaces, lives and the way people work and relate to one another in what has become to be known as the 4th Industrial Revolution (4IR). Regarding future technologies, the World Economic Forum (WEF) forecasted that the emergence of Forth Industrial Revolution is merging creative economy and platform economy through the impact of emerging technologies such as Artificial Intelligence, Augmented and virtual reality (AR/VR), and Block chain.

Furthermore, on broadcasting, the internet connection as the content delivery mechanism emerged as an alternative to traditional television broadcasting (on TV set). Market research estimated that the broadcasting market is dominated by SABC, eTV and MultiChoice; and is worth more than R40 billion as it was worth R37 billion two years ago. Accordingly, television broadcasting collect income through Pay TV subscriptions, TV advertising, TV licenses and online advertising. Subsequently, the emergence of mobile apps and digital platforms such as Netflix, Showmax, YouTube, Google, Facebook and etc. changed the traditional way of broadcasting.

The Department's policy response as a developing country cannot just be simply about adaptation instead, it must create an environment for the communication sector for it to grow and become attractive for both local and foreign investment, and for the country's young people to find employment. As cautioned by the experts of the 4IR, the Department's duty is not to chase technology as this is an impossible task given its pace, but more to focus on systems, policy and to empower the country's societies to master technologies and act to counter a fatalistic and deterministic view of progress, foster collaboration with industry' stakeholders, take advantage of these technologies to create a better world for citizens through elimination of inequality, insecurity, displacement/dislocation. Fortunately, as a country, the National Development Plan – Vision 2030 has already set a path to follow. The Department's action is to strive to build a cohesive South African nation and contribute towards employment, particularly the youth. The Department develops appropriate policies that will help to improve government communication and drive the communications sector to ensure universal access to all citizens.

Following the May 2019 elections, the President pronounced the transfer of the MDDA and Brand SA to the Presidency and the oversight function of these two SOEs were moved to GCIS during 2019/2020. The Department participated in the National Macro Organisation of Government (NMOG) together

with the DTPS, towards establishing the new Department of Communications and Digital Technologies (DCDT). Following the decision by the President to merge the Department of Telecommunications and Postal Services and the Department of Communications, both Departments worked very closely together on joint projects as well as undertook resource sharing from both a financial and human resource perspective. Both the DTPS and the DoC jointly developed the DCDT strategy which will further inform the development of a revised organisational structure for the DCDT that will be supported by the development of a new budget programme structure.

The 2019/20 Workplace Skills Plan (WSP) and 2018/19 Annual Training Report were submitted to Public Service Sector Education and Training Authority (PSETA). The 2019/20 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 spent 99.3% of the allocated budget.

During the 2019/20 reporting period, the Department developed a "**Draft White Paper on Audio and Audio-Visual Content Services Policy Framework: A New Vision for South Africa**" for Cabinet to consider and approve. The Draft White Paper on Audio and Audio-visual Content Services Policy Framework: A New Vision for South Africa 2020 is a forward-looking contribution to support regulatory policy and decision-making in the 6th Administration (2019-2024). The Department's research indicates that within the digital economy and the Fourth Industrial Revolution (4IR) environment, if the audio-visual media sectors can take advantage of the latest technological developments, it can transform itself quickly and have a domino effect on the entire society and economy. Evidence suggests that strong links exist between innovations in the audio-visual media and other sectors of the economy and that the audio-visual media sector is at the forefront of the ongoing data, AI and Blockchain revolution - a revolution which does not know geographical borders. This, therefore, requires a development of an urgent policy and industrial strategy for the audio-visual media sector, which would leverage on all the potential of these data and digital technologies for the sector. There is, therefore, an urgent need to seek the views of all the stakeholders on how the regulatory policy should be shaped for the digital economy and the 4IR era of global tech giants and artificial intelligence.

The Draft White Paper proposed policy and regulatory changes and recommendations intends to align the new South Africa's policy, legislative and regulatory framework with the digital economy and 4IR, repositioning the audio-visual media sectors for future growth and encourage and promote investment, capital, infrastructure and digital skills development in the audio and audio-visual media sectors.

The Department has furthermore, during the year developed "**South African Broadcasting Corporation SOC Ltd Bill, 2020**" for Cabinet to consider and approve for public comments. The Bill amends the Broadcasting Act, 1999 (Act 4 of 1999) to develop and implement a stable corporate governance model that ensures long term stability and sustainability of the South African Broadcasting Corporation (SABC). This was in line with government commitment to a strong, independent and relevant public broadcaster, which is accountable to the shareholder, the public and Parliament.

With regard to Broadcasting Digital Migration, a revised delivery model was completed and approved by Cabinet on 13 December 2019 paving a way for the finalisation of the migration process pending the available required financial resources. The recommendations include reprioritisation and sequencing of the BDM Programme in lieu of High Demand Spectrum release. Other elements include making use of voucher system for qualifying indigent households, value of voucher and the potential process to implement the voucher system.

Awareness and Registration campaigns: For the reporting period, awareness and registration campaigns were carried out as follows:

Parliament (Western Cape): Awareness activities were carried out in Cape Town during the Department's budget vote.

Northern Cape: As the target province, awareness and registration campaigns were carried out in all districts and local municipalities of the province. As a result, registrations were closed in the province.

Free State. At least ten (10) awareness and registration campaigns were carried out towards closing of the registration process in the province at Springfontein, Trompsburg, Philippolis, Reddersburg, Bethulie, Edenburg, Faurismith and Jaggersfontein, Letsemeng, Dihlabeng and Kopanong.

North West Province Only one campaign was done in the in the town of Vryburg.

Limpopo. At least three focused campaigns were carried out during the President's visit to Lephalale Municipality in the Waterberg District of Limpopo province. Two others were carried out in Bela Bela and Vhembe District during the hand-over of Computer Labs by the Deputy Minister

Eastern Cape. At least 31 focused campaigns were carried in the Eastern Cape Province: Mbizana Local Municipality; Bizana Town; KwaNdengana; Mthatha; King Williams Town and others.

Distributions and Installations / Activations of migration devices

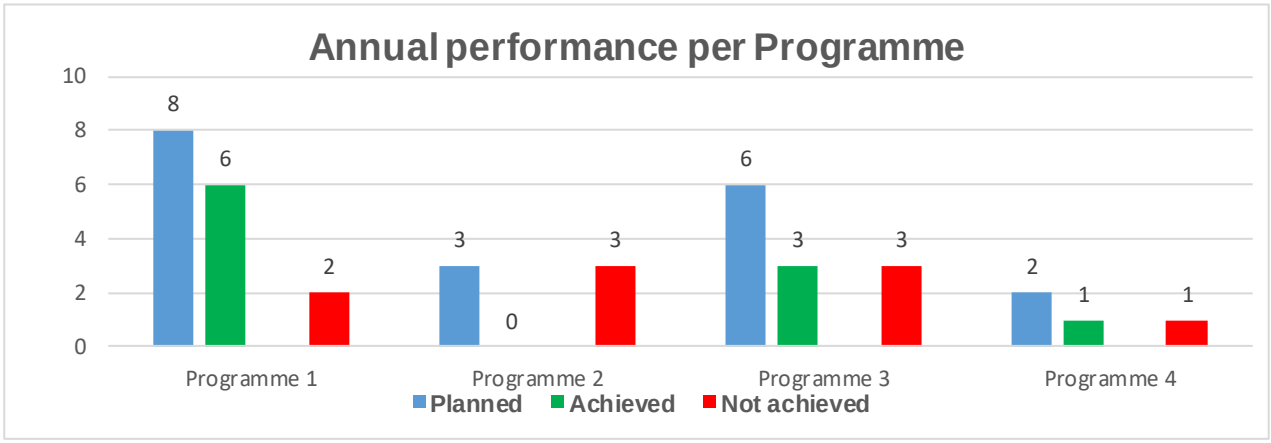
By the end of the financial year, a total of 1 151 194 registrations were recorded nationally of which 138 676 were registered between 01 April 2019 to 31 March 2020. A total of 511 368 installations have been completed across the country of which only 2 295 were carried out in the period between 01 April 2019 to 31 March 2020.

2.2 2019/20 Overall annual performance

The Department had 19 targets planned; 10 were achieved and 09 were not achieved. Programme 1 achieved six targets, Programme 2 achieved zero, Programme 3 achieved three of its targets and Programme 4 achieved one of its planned targets.

DoC 2019-20 Annual performance per programme

Programmes	Planned	Achieved	Not achieved	% Achieved
Programme 1	8	6	2	75%
Programme 2	3	0	3	0%
Programme 3	6	3	3	50%
Programme 4	2	1	1	50%
DOC	**19**	**10**	**9**	**53%**


Annual performance per Programme
10
8
6
4
2
0
8
6
2
3
0
3
6
3
3
2
1
1
Programme 1
Programme 2
Programme 3
Programme 4
Planned
Achieved
Not achieved

Overall Annual Performance
47%
Achieved
Not achieved

2.3 Service Delivery Improvement Plan

The DoC has completed a Service Delivery Improvement Plan (SDIP) for 2018/19-2020/21. 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 2019/20**	**Actual achievement April 2019 to March 2020**
Manage awareness campaigns and consumer support for BDM Programme. ***Performance area:*** An integrated digital migration communication and marketing strategy for subsidised and unsubsidised markets developed and implemented.	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.	10 digital migration broad-casting awareness campaigns coordinated (izimbizo) held.	Develop and implement an integrated digital migration communication.	A communication and awareness strategy was developed for implementation. Due to the nature of the programme activities, awareness and registration campaigns are coupled together. For the reporting period, awareness and registration campaigns were carried out in Parliament (Western Cape), Northern Cape, Free State. North West, Limpopo and Eastern Cape. By the end of the financial year, a total of 1 151 194 registrations were recorded nationally of which 138 676 were registered between 01 April 2019 to 31 March 2020.

Batho Pele arrangements with beneficiaries		
(Consultation access, etc.)		
Current/actual consultation arrangements	**Desired arrangements**	**Actual achievements**
Eighty-three awareness campaigns were carried out in the Free State and Mpumalanga. The stakeholders consulted are traditional leaders, local municipalities, provincial government, church leaders, NGOs, etc.	100 digital migration broadcasting awareness campaigns held and stakeholders to be consulted are Traditional Leaders, Local Municipalities, Provincial Government, Church Leaders, NGOs and etc.	In June 2019, focus was placed in engaging the district and local municipalities to support registration process of the programme. The PMO through the office of the ADG issued letters to provincial governments requesting support to the registration process of the programme. Based on the responses received and due to lack of human resources, engagements were finalised with the Northern Cape and Eastern Cape to carry out focused registration campaigns in the provinces. In addition, a process to forge partnership with the Department of Cooperative Governance and Traditional Affairs (COGTA) was completed leading to a signing of a Memorandum of Understanding between the DoC and COGTA in September 2019. The registration campaign placed more focus in the two provinces, namely, Northern Cape and Eastern Cape.

Courtesy:		
Current/actual courtesy mechanism	**Desired courtesy mechanism**	**Actual achievements**
Acknowledgement of public request for information. Provide feedback and explain decisions taken. Publish promotional material in all languages.	Acknowledgement of public request for information. Provide feedback and explain decisions taken. Publish promotional material in all languages	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.

Access:		
Current/actual access mechanism	**Desired access mechanism**	**Actual achievements**
Registration at SAPO offices. Media engagements. Advertisement print/radio/ television. Face-to-face interactions.	Registration at SAPO offices. Media engagements. Advertisement print/radio/ television.	Registrations at SAPO continued across the country. Currently, there are no DTT STBs in the retail market. The fact present a great potential to impact on the objective of migrating people as well as the awareness campaign because the programme do not have anywhere to refer those who do not qualify to receive government subsidised devices to purchase.

Openness and transparency:		
Current/actual openness and transparency mechanism	**Desired openness and transparency mechanism**	**Actual achievements**
Publish one annual and four quarterly reports. Participate in Parliamentary briefings. Coordinate ministerial information session.	Publish one annual and four quarterly reports. Participate in Parliamentary briefings. Coordinate ministerial information session.	Four quarterly reports were compiled and discussed at MANCO meetings. A 2019/20 BDM annual report was compiled. The Department revised the BDM delivery model and it was approved by Cabinet.

Information:		
Current/actual Information mechanism	**Desired information mechanism**	**Actual achievements**
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.	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.	All the identified interventions are being done before, during and post-education and awareness events.

Redress:		
Current/actual redress mechanism	**Desired redress mechanism**	**Actual achievements**
Acknowledge receipt of information requests/complaints on DTT within two days. Full response within 10 working days.	Acknowledge receipt of information requests/complaints on DTT within two days. Full response within 10 working days.	Although there is an arrangement with Sentech to make use of the existing contact/call centre, the planned national registration campaign to be followed by focused rollout, there is a need for a fully functional BDM dedicated Call Centre. To mitigate the challenge during the rollout process, the PMO together with Sentech have finalised a plan to have at least 4 seats to take up calls for digital migration related issues to be upgraded gradually with in line with the extent of rollout process.

Value for money:		
Current/actual value-for-money mechanism	**Desired value-for-money mechanism**	**Actual achievements**
Informative and accurate education about 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	2019/20 awareness budget	The funds were committed and spent on the indigent registration drive and media engagement.

Time:		
Current/actual timeframes mechanism	**Desired timeframes**	**Actual achievements**
March 2018	March 2020	March 2020

Main services and standards				
Main services	**Beneficiaries**	**Current standard of service**	**Desired standard of service 2019/20**	**Actual achievement April 2019 to March 2020**
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 reviewed and implemented	SOC Oversight Strategy was implemented, regular sessions were held with SOEs (ICASA, SABC & FPB).

Batho Pele arrangements with beneficiaries		
(Consultation access, etc.)		
Current/actual consultation arrangements	**Desired arrangements**	**Actual achievements** **April to March 2020**
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).	Minister/Chairperson, Deputy Chairperson and the CEO Bilateral engagements. The bilateral engagements will take place at a rate of five (5) engagements per quarter totalling twenty (20) meetings per annum Director General/Chief Executive Officer forum will be taking place quarterly and will total four (4) meetings per annum The Chief Financial Officers Forum will take place bi-monthly and will therefore conclude six (6) meetings per annum The Policy and Regulation Forum will take place on a quarterly basis and will conclude four (4) meetings per annum The Communication and Marketing Forum will meet on quarterly basis, four (4) meetings per annum The Secretaries Forum will be bi-monthly and will conclude six (6) meetings per annum	The forums were substituted with coordinating twelve State Owned Entities Quarterly Performance Review (QPR) sessions for the year under review as entailed in the 2019-20 APP. The aim was to assess entities' performance against the targets in the APP and corporate plans, to identify areas of non-compliance in measuring the priorities of government, budget allocations and the monitoring of service delivery and value for money.

Courtesy:		
Current/actual courtesy mechanism	**Desired courtesy mechanism**	**Actual achievements**
Provide feedback through quarterly reports, annual reports, ad-hoc reports and explain decisions taken.	Provide feedback through quarterly reports, annual reports, ad-hoc reports and explain decisions taken.	Twelve feedback letters were submitted to the SOE on the alignment and 2019/20 performance reports.

Access:		
Current/actual access mechanism	**Desired access mechanism**	**Actual achievements**
Email, printed copies, stakeholders consultation, bilaterals with entities.	Email, printed copies, stakeholders' consultation, bilaterals with entities.	SOE accessed the service through, emails, consultations and forums.

Information:		
Current/actual Information mechanism	**Desired information mechanism**	**Actual achievements**
Ten reports on the governance and financial viability of entities (ICASA, FPB and SABC) compiled.	Twelve reports on the governance and financial viability of entities (ICASA, FPB and SABC) compiled.	Twelve performance assessment reports were drafted and submitted to the Minister on the governance and financial viability of entities (ICASA, FPB and SABC).

Information:		
Current/actual Information mechanism	**Desired information mechanism**	**Actual achievements**
Ten reports on the governance and financial viability of entities (ICASA, FPB and SABC) compiled.	Twelve reports on the governance and financial viability of entities (ICASA, FPB and SABC) compiled.	Twelve performance assessment reports were drafted and submitted to the Minister on the governance and financial viability of entities (ICASA, FPB and SABC).

Openness and transparency:		
Current/actual openness and transparency mechanism	**Desired openness and transparency mechanism**	**Actual achievements**
One shareholder compact and three accountability instruments for 2018/19 were signed.	One shareholder compact and Performance agreements signed.	FPB governance framework was reviewed and signed. The SABC 2019/20 shareholder compact was developed and 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	6

Cost:		
Current/actual cost mechanism	**Desired cost mechanism**	**Actual achievements**
0 = to the client. Transfers to SOEs	Transfer amount to each entity.	R 198, 926 was transferred to SABC. R452 645 000 and R34 000 000 (Conditional Grant) was transferred to ICASA R99 373 000 was transferred to FPB. R31 715 000 was transferred to MDDA. R207 914, 000 was transferred to Brand SA.
Time:		

2.4 Organisational environment

In November 2018, President Ramaphosa announced the merger of the Department of Telecommunications and Postal Services (DTPS) and the Department of Communications (DOC) to be headed by Minister Stella Ndabeni-Abrahams. Following the May 2019 General Elections, the President pronounced the establishment of the National Department of Communications and Digital Technologies. The President further pronounced the transfer of the MDDA and Brand SA to the Presidency and the oversight function of these two SOEs were moved to GCIS during 2019/2020. As a result, during the reporting period, the Department of Telecommunications and Postal Services and the Department of Communications have been participating in the National Macro Organisation of Government (NMOG) process, facilitated by the Department of Public Service and Administration, as it moves towards establishing itself as the Department of Communications and Digital Technologies.

Consequently, the Department collaborated with the DTPS in terms of jointly undertaking specific projects during the 2019/20 financial year. Due to this collaboration, the DTPS and the DOC also

shared critical resources which included both financial and human resources on key projects. The sharing of such resources was formalised through the development of a Cooperation Agreement which was signed by the relevant principals of both Departments. Furthermore, during the reporting period, all staff members of the DoC physically relocated to the premises of the DTPS where they were accommodated at the DTPS offices. During the reporting period, the Departments also worked together on developing the DCDT Strategy as well as a start-up structure that accommodated staff from both Departments as an interim measure while the revised organisational structure, aligned to the new DCDT mandate, is developed in the 2020/21 financial year. This transformational journey required extensive internal communications and change management due to the disruption that was caused to both Departments.

The Department planned to spend 100% of its budget during the 2019/20 financial year; however, a total of 99.3% of the total budget was spent and the contributing factors were the moratorium on filling of vacant posts, which meant savings on compensation of employees and also one recurring factor was the slow spending on the DTT project. As at 31 March 2020, the total number of funded posts was 81 of which 72 (88.9%), were filled and 9 vacant (11.1%). The number of females at SMS level as at 31 March 2020 was 11 (45.8%); and males 12 (54.2%). The number of employees with disabilities was one, which represents (1%).

As at 31 March 2020, the Department trained 50 officials for the 2019/20 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. The Risk Management Directorate has planned for and conducted the risk identification in conjunction with the strategic planning process, as a result, four progress reports on risk mitigation were compiled. A number of internal audit projects were conducted, and the quarterly progress reports provided to management committee and to the Audit and Risk Committee. The four quarterly reports on financial, compliance and performance audits were compiled against the Annual Operational Plan. 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 and continued to provide services to the GCIS as well.

3. Key policy developments and legislative changes

Subsequent to the May 2019 National Elections, the President pronounced the establishment of the National Department of Communications and Digital Technologies, as result, the Presidential Proclamations in Government Gazette dated 14 August 2019 (President Minute: 372) confirmed the transfer of administration, powers and functions entrusted by legislation to the Minister of Communication in terms of Section 97 of the Constitution.

Based on the Presidential Proclamation, the Department of Communications no longer exists in the 2020/21 financial year. The revised legislative mandate is applicable to the newly established Department of Communications and Digital Technologies (DCDT), which will become operational from 01 April 2020, and will inform the operations of the DCDT going forward.

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	Actual achievement 2018/19	2019 targets	Actual achievement 2019 targets
Promotion of social cohesion across society through increased interaction across race and class.	Percentage of local content on SABC1 and SABC2.	82%	70% of content reflects South Africans	68%
Promotion of social cohesion across society through increased interaction across race and class.	Percentage of local content on SABC3.	61%	70%	57%
Study report	Conduct a study to measure the percentage of South Africans with pride of the national sporting teams.	66% agree that sport enhances the reputation of South Africa.	66%	71%
Active citizenry and leadership	Active Citizenship Index.	60, 6 (Social Cohesion Index Score – total 100, down from 66, 8 in 2017).	85%	62.5
Forging a new overarching identity	Pride in being South African.	70, 6 (Pride Index score, out of 100, down from 74 in 2017).	75% of South African reflecting pride to be South African	68%
	Identity based on self-description.		60% of population describing themselves South African first	62.6%

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 Subprogramme:

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.

Subprogramme: Financial Management, Accounting and Administration

- 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

Strategic objectives

Subprogramme: Human Resource Management and Development					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Ensure compliance with statutory requirements and good governance practices by 2019.	HRP implementation report was submitted to the DPSA.	2019/20 WSP and 2018/19 Annual Training Report submitted to the PSETA	2019/20 WSP and 2018/19 Annual Training Report were submitted to the PSETA	None	None

Performance indicators

Subprogramme: Human Resource Management and Development							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Approved WSP and quarterly implementation reports developed	WSP approved and implemented	2017/18 WSP was submitted to the PSETA 2017/18 monitoring reports (quarterly training) reports were submitted to the PSETA and implemented	2018/19 WSP and 2017/18 Annual Training Report submitted to the PSETA	Implementation of approved WSP, in line with DoC mandate, facilitated	Implementation of approved WSP in line with DoC mandate was facilitated (2019/20 Four Quarter Training Reports were submitted to the PSETA)	None	None

Reconfigured Department to deliver on its mandate	N/A	N/A	N/A	Reconfigured Department established to deliver on the new mandate	Reconfigured Department was established to deliver on the new mandate	None	None

Strategic objectives

Subprogramme: Financial Management, Accounting and Administration: Financial Management, Accounting and Administration					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Ensure compliance with statutory requirements and good governance practices by 2019	Unqualified audit outcome on 2017/18 AFS.	Unqualified audit outcome on 2018/19 AFS	Unqualified audit outcome on 2018/19 AFS was obtained.	None	None

Performance indicators

Subprogramme: Financial Management, Accounting and Administration							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
Percentage of all compliant invoices paid within 30 days	N/A	N/A	100% of compliant invoices were paid within 30 days (2 028 payments were processed during the reporting period).	100%	98.8% of compliant invoices were paid within 30 days.	Since the DoC officials moved to DTPS premises, the transversal systems and the internet have been overloaded which resulted in poor functionality transversal systems.	All invoices were paid although the others were paid after 30 days.

Procurement plan implemented	N/A	N/A	N/A	Implementation of the approved 2019/20 Procurement Plan monitored 2020/2021 Procurement Plan submitted to National Treasury	Implementation of the approved 2019/20 Procurement Plan was monitored. 2020/2021 Procurement Plan was submitted to National Treasury	None	None

Subprogramme: Risk Management

Strategic objectives:

Programme name: Risk Management					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Ensure compliance with statutory requirements and good governance practices by 2019	The Risk Management Plan was reviewed and implemented.	2019/20 Strategic Risk reports approved, 2020/21 Strategic Risk Assessment conducted, and strategic risk register updated	2020/21 Strategic Risk Assessment was not conducted and the strategic risk register was not updated	Consultations with Programme Managers could not be finalised due to the lockdown.	The consultations will be finalised in Q1 of 2020/21 financial year.

Performance indicators

Programme/Subprogramme: Risk Management							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
Number of Strategic risk mitigation reports compiled	N/A	Four progress reports on risk mitigation were compiled.	Four progress reports on risk mitigation were compiled.	4	4	None	None

Changes to planned targets

The Internal Audit's verification and validation process of the 2019/20 APP's first quarter report (April 2019 - June 2019), identified and recommended targets and programme indicator descriptors which needed to be revised to ensure that they meet the SMART Principle and they bear adequate Technical Indicator Descriptions, this resulted into the inevitable need for amendment of the tabled 2019/20 APP. The amended 2019/20 APP was re-submitted and re-tabled in Parliament. This Annual Report was populated based on the two Annual Performance Plans, Quarter 1 and Quarter 2 targets make reference to the initial 2019/20 APP and Quarter 3 and Quarter 4 culminated into the annual target referred to the revised 2019/20 APP.

Programme performance indicator	**Annual target in the Initial 2019/20 APP**	**Planned Target as per the Initial 2019/20 APP**	**Actual Achievement as per the Initial 2019/20 APP**	**2019/20 Annual target in the re-tabled APP**	**Reason for change**
Procurement Plan implemented	Procurement plan developed and monitored, according to departmental priorities	**Q1:** Implementation of the approved 2019/20 procurement plan, focusing on enhancing industry transformation and youth economic inclusion, monitored	Implementation of the approved 2019/20 procurement plan, focusing on enhancing industry transformation and youth economic inclusion, was not monitored	The annual target was amended to read: "Implementation of the Approved 2019/20 Procurement Plan monitored. 2020/2021 Procurement Plan submitted to National Treasury"	The annual target was revised, and the Technical Indicator Description enhanced to ensure that they are comprehensive and specific on the Source/ collection of data as well as the method of calculation.

Programme performance indicator	Annual target in the Initial 2019/20 APP	Planned Target as per the Initial 2019/20 APP	Actual Achievement as per the Initial 2019/20 APP	2019/20 Annual target in the re-tabled APP	Reason for change
		Q2: Implementation of the approved 2019/20 procurement plan, focusing on enhancing industry transformation and youth economic inclusion, monitored	Implementation of the approved 2019/20 procurement plan, focusing on enhancing industry transformation and youth economic inclusion, was monitored		
Approved Strategic Risk Assessment reports and Risk Register	Strategic Risk Register updated	**Q1:** 2019/20 Strategic Risk reports compiled, presented to relevant governance structures and approved	2019/20 Strategic Risk reports were compiled, presented to risk management committee structure and approved.	The annual target was amended to read: "2019/20 Strategic Risk reports approved, 2020/21 Strategic Risk Assessment conducted, and strategic risk register updated"	The annual target was revised, and the Technical Indicator Description enhanced to ensure that they are comprehensive and specific on the Source/ collection of data as well as the method of calculation.
		Q2: There was no planned target for Q2.	There was no planned target for Q2.		

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, ARC and Portfolio Committee meetings for interventions, targets that were not achieved are highlighted to MANCO for decision-making on corrective measures.

Linking performance with budgets: Subprogramme expenditure

Subprogramme	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Ministry	3 571	3 501	70	6 620	6 614	6
2. Departmental Management	25 487	23 637	1 851	37 296	37 144	152
3. Internal Audit	1 649	1 638	11	1 141	1 134	7
4. Corporate Services	16 390	15 200	1 190	16 102	16 017	85
5. Financial Management	16 613	13 808	2 805	11 106	11 075	31
TOTAL	**63 710**	**57 784**	**5 927**	**72 265**	**71 984**	**281**

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

Subprogramme: Broadcasting Policy

Strategic objectives:

Programme: Broadcasting Policy					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Improve universal access to broadcasting services and information by all citizens in 2019	White Paper on Audio-Visual and Digital Content Policy for South Africa was not submitted to Cabinet for approval.	Audio-Visual and Digital Content Strategy developed for the 4IR	The Audio-Visual and Digital Content Strategy was not developed.	A Draft White Paper on Audio and Audio-visual Content Services Policy Framework for the 4IR was instead compiled to speed up, the strategy process. A Draft White Paper on Audio and Audio-visual Content Services Policy Framework was approved by EXCO, in February 2020, for processing and submission to Cabinet for approval for public consultation.	The Audio-Visual and Digital Content Strategy and final White Paper will be finalised in the DCDT from 2020/21.

Performance Indicators:

Programme/Subprogramme: Broadcasting Policy							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
Broadcasting Amendment Act implemented	N/A	N/A	N/A	Broadcasting Amendment Bill submitted to Cabinet for approval	The Broadcasting Amendment Bill was not submitted to Cabinet.	The Broadcasting Amendment Bill was approved by EXCO, in February 2020, for processing and submission to Cabinet for approval.	The Amendment Bill will be submitted to Cabinet during 2020 /21 as part of DCDT priority legislation.
PMO established and operationalised to support the Presidential Commission on Fourth Industrial Revolution	N/A	N/A	N/A	PMO established and operationalised to support the Presidential Commission on Fourth Industrial Revolution	PMO was not established and operationalised to support the Presidential Commission on Fourth Industrial Revolution	The recruitment process to capacitate the PMO took longer than expected. Appointments of Snr Research Expert and five (5) Research Experts were concluded in the fourth quarter. Only one (1) Research Expert started in March 2019 and the other four (4) officials started on 1 April 2020.	The PMO has been established and its operations started in April 2020.

Changes to planned targets

There were no changes effected to the planned targets during the period under review.

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, targets that were not achieved are highlighted to Manco for decision-making on corrective measures.

Linking performance with budgets: Subprogramme expenditure

Subprogramme name	2019/20			2018/19		
	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	10 600	5 549	5 052	8 813	7 607	1 206
Media Policy	3 548	1 571	1 978	397	236	161
Technical and Engineering Services	264	66	198	1 436	1 319	117
TOTAL	**14 412**	**7 185**	**7 227**	**10 646**	**9 162**	**1 484**

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

Subprogramme: Enterprise Development

Strategic objectives:

Programme: Enterprise Development					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Support the growth and development of the creative industries sector by 2019	N/A	Training of Audio-Visual SMME in three Provinces focussing on 4IR Skills and Enterprise Development	Training of Audio-Visual SMME in three Provinces focussing on Enterprise Development was conducted, however, training on 4IR Skills was conducted only in one province.	The Service Providers to offer training on 4IR were hard to find and only procured at a later period of the financial year.	Training of Audio-Visual SMME on 4IR Skills will continue DCDT.

Performance Indicators:

Programme/Subprogramme: Enterprise Development							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
Access to digital platforms for the audio-visual SMMEs coordinated	N/A	N/A	N/A	Six engagements conducted on access to digital platforms for SMMEs	Six engagements were conducted on access to digital platforms for SMMEs	None	None

Subprogramme: Broadcasting Digital Migration

Strategic objectives

Programme: Broadcasting Digital Migration					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Ensure the country migrates from analogue to digital broadcasting by 2021	BDM Programme was implemented, and an annual report was compiled.	Country-wide Implementation Plan on Analogue Transmission Services Switch-Off approved by Minister	A country-wide Implementation Plan on Analogue Transmission Services Switch-Off was not approved by Minister	Although a high-level plan was submitted together with the revised BDM delivery model, a detailed plan could not be finalised pending the restructuring of roles and responsibilities of entities playing role in the delivery of the BDM Programme	A country-wide Implementation Plan on Analogue Transmission will be developed and implemented by the DCDT.

Performance indicators

Programme/Subprogramme: Broadcasting Digital Migration							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
BDM awareness campaign plan implemented	69 digital migration broadcasting awareness campaigns were conducted	58 (five izimbizo and 53 awareness campaigns) digital migration broadcasting awareness campaigns were held.	Four quarterly monitoring reports on implementation of the BDM Programme were compiled.	Report on BDM awareness and educational campaigns conducted in nine provinces	Awareness and educational campaign Plan was not adequately implemented in some of the provinces during a quarter 1 reporting period.	Awareness and educational campaign Plan was not adequately implemented in some of the provinces during a quarter 1 reporting period. Awareness Campaigns were not conducted in Western Cape (WC), KwaZulu-Natal and Gauteng (GP) due to the CSIR recommendations that places the WC, GP and KZN as the last provinces for Analogue Switch Off.	Awareness and communica-tion plan to be developed in line with the approved de-livery model and analogue switch off se-quence.

Subprogramme: Intergovernmental Relations and Stakeholder Management

Programme: Intergovernmental Relations and Stakeholder Management					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Market the country locally and internationally to provide enabling environment for investment by 2019	Six multilateral Structures were engaged as follows: 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 f trade and cooperation for ICT sector transversing into ITEC were discussed at length 3. Southern frica Internet Governance Forum SAIGF-18). 4. Second SADCSABA Broadcasting Forum AU	2 multilateral structures engaged jointly with the DTPS • ITU • WIPO	2 multilateral structures were engaged jointly with the DTPS • ITU: Cooperation Agreement between the Government of Republic of South Africa led by the Ministry of Communications and the International Telecommunication Union on the establishment of African Digital Transformation Centre in South Africa was signed. • WIPO: the structure was engaged at the 59th WIPO General Assembly.	None	None

Programme: Intergovernmental Relations and Stakeholder Management					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
	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 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
Number of RSA Positions developed jointly with the DTPS	Two position papers were tabled at multilateral and bilateral engagements on BDM and WRC-19.	Two position papers tabled at multilateral engagements – WIPO and 2019 World Radio communication Conference (WRC-19)	Two position papers were tabled at multilateral engagements: WIPO position paper on copyrights and related rights on WRC-19 Position Paper.	Draft WRC-19 Outcomes report developed to inform the revision of the 2020 National Radio Frequency Plan jointly with the DTPS	The Draft WRC-19 Outcomes report was developed to inform the revision of the 2020 National Radio Frequency Plan jointly with the DTPS	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, targets that were not achieved are highlighted to Manco for decision-making on corrective measures

Changes to planned targets

The Internal Audit's verification and validation process of the 2019/20 APP's first quarter report (April 2019 - June 2019), identified and recommended targets and programme indicator descriptors which needed to be revised to ensure that they meet the SMART Principle and they bear adequate Technical Indicator Descriptions, this resulted into the inevitable need for amendment of the tabled 2019/20 APP. The amended 2019/20 APP was re-submitted and re-tabled in Parliament. This Annual Report was populated based on the two Annual Performance Plans, Quarter 1 and Quarter 2 targets make reference to the initial 2019/20 APP and Quarter 3 and Quarter 4 culminated into the annual target referred to the revised 2019/20 APP.

Programme performance indicator	Annual target in the Initial 2019/20 APP	Planned Target as per the Initial 2019/20 APP	Actual Achievement as per the Initial 2019/20 APP	2019/20 Annual target in the re-tabled APP	Reason for change
Audio-Visual SMME Programme focusing on 4IR skills and Enterprise Development implemented	Implementation of the Audio-Visual SMME Programme focusing on 4IR skills and Enterprise Development	**Q1**: Audio-Visual SMME Programme developed	The Audio-Visual SMME Programme was not developed.	The annual target was amended to read: "Training of Audio-Visual SMME in three Provinces focussing on 4IR Skills and Enterprise Development"	The annual target was revised, and the Technical Indicator Description enhanced to ensure that they are well defined, comprehensive and specific on the Source/collection of data as well as the method of calculation.
		Q2: Facilitation of the implementation of the Audio-Visual SMME Programme commenced and progress report developed	Facilitation of the implementation of the Audio- Visual SMME Programme commenced and progress report was developed.		
Access to digital platforms for the audio-visual SMMEs coordinated	Facilitation and coordination of access to digital platforms for the audio-visual SMMEs	**Q1:** There was no planned target for Q1.	There was no planned target for Q1.	The annual target was amended to read: "Six engagements conducted on access to digital platforms for SMMEs"	The annual target was revised, and the Technical Indicator Description enhanced to ensure that they are well defined, comprehensive and specific on the Source/collection of data as well as the method of calculation.
		Q2: Facilitate and coordinate access to digital platforms.	Access to digital platforms was facilitated and coordinated and the report was produced.		

Programme performance indicator	Annual target in the Initial 2019/20 APP	Planned Target as per the Initial 2019/20 APP	Actual Achievement as per the Initial 2019/20 APP	2019/20 Annual target in the re-tabled APP	Reason for change
Analogue Transmission Services Switched-Off in all provinces by 2021	Review and implementation of the BDM revised delivery model	**Q1:** Revised Analogue Signal Switch off (ASO) Plan developed for early release of digital dividend spectrum	An approved Revised Analogue Signal Switch off (ASO) Plan was not produced.	The annual target was amended to read: "Country-wide Implementation Plan on Analogue Transmission Services Switch-Off approved by Minister"	The annual target was revised, and the Technical Indicator Description enhanced to ensure that they are well defined, comprehensive and specific on the Source/collection of data as well as the method of calculation.
		Q2: Reviewed BDM Delivery Model submitted to Cabinet	Reviewed BDM Delivery Model was not submitted to Cabinet during quarter two period, it was submitted to Cabinet during quarter three.		
BDM consumer awareness and education plan implemented	BDM consumer awareness and education plan implemented	**Q1:** Implement BDM consumer awareness and education plan	A report was compiled however the Consumer awareness and education plan was not approved.	The annual target was amended to read: "Report on BDM awareness campaigns conducted in nine provinces"	The annual target was revised and the Technical Indicator Description enhanced to ensure that they are well defined, comprehensive and specific on the Source/collection of data as well as the method of calculation.
		Q2: Implement BDM consumer awareness and education plan	A report was compiled however the Consumer awareness and education plan was not approved.		

Linking performance with budgets: Subprogramme expenditure

Subprogramme	2019/20			2018/19		
	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	2 112	1 042	1 071	1 715	39	1 676
2. Broadcasting Digital Migration	29 379	21 068	8 311	36 367	14 525	21 842
3. Industry Research and Analysis	1 557	575	982	2 353	1 583	770
4. Intergovernmental Relations and Stakeholder Management	4 456	3 656	800	4 872	4 421	451
TOTAL	**37 504**	**26 341**	**11 164**	**45 307**	**20 568**	**24 739**

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

Subprogramme: Strategy and Policy Alignment

Strategic objectives

Programme: Strategy and Policy Alignment					
Strategic objectives	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement for 2019/20**	**Comment on deviations**
Ensure SOEs adherence to good Governance and financial stability by 2019	20 performance reviews and compliance monitoring reports of SOEs were developed.	12	05	Performance reviews and compliance monitoring reports were developed for all the SOEs, however, the analysis reports were submitted to only two SOEs (FPB and SABC) as only five (5) officials were left in the unit during the reporting period.	The submission or feedback on performance reviews and compliance monitoring reports to the SOEs will be improved in the DCDT.

Performance indicators

Programme/Subprogramme: Strategy and Policy Alignment							
Performance indicator	**Actual achievement 2016/17**	**Actual achievement 2017/18**	**Actual achievement 2018/19**	**Planned target 2019/20**	**Actual achievement 2019/20**	**Deviation from planned target to actual achievement 2019/20**	**Comment on deviations**
Number of SOE Quarterly Performance Review (QPR) sessions coordinated	N/A	N/A	Fifteen SOE QPR sessions were coordinated.	12	12	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, targets that were not achieved are highlighted to Manco for decision-making on corrective measures.

Changes to planned targets

The Internal Audit's verification and validation process of the 2019/20 APP's first quarter report (April 2019 - June 2019), identified and recommended targets and programme indicator descriptors which needed to be revised to ensure that they meet the SMART Principle and they bear adequate technical indicator descriptions, this resulted into the inevitable need for amendment of the tabled 2019/20 APP. In the case of Entity Oversight Programme, only TIDs were enhanced. The amended 2019/20 APP was re-submitted and re-tabled in Parliament.

Linking performance with budgets: Subprogramme expenditure

Subprogramme	2019/20			2018/19		
	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	10 665	2 022	8 643	2 885	2 660	225
Broadcasting and Community Media	3 436 753	3 434 391	2 363	221 573	221 194	379
Communication and Branding	655 864	651 897	3 967	624 527	624 015	512
Regulatory Institutions	554 183	552 018	2 165	539 043	538 538	505
TOTAL	**4 657 465**	**4 640 328**	**17 138**	**1 388 028**	**1 386 407**	**1 621**

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
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 license and registration terms.	R99,373	R99,373	• The FPB continued to classify all content legible submitted (games, films and publications). • Revised and gazetted classification guidelines. • Continued with online and physical inspections as well as raids law enforcement agencies in various provinces. • Responded to all child sexual abuse material cases referred to the entity
ICASA	ICASA was established by the ICASA Act of 2000, as amended, to regulate the South African communications, broadcasting and postal service sectors. The regulator's mandate is defined in the ECA of 2005 as licensing and regulating electronic communications and broadcasting services, and in the Postal Services Act of 1998 as regulating the postal services sector.	*R452 645 000* *R34 000 000 (Conditional Grant)*	R511 824 516	• Vacancy reduction • Combined Assurance Reports completed • Improved organisational maturity level • Maintained Compliance Maturity level of the organisation • Cases assessed for adjudication by CCC • Advice provided to Council Committees

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
	Enabling legislation also empowers the regulator to monitor licensee compliance with the license terms and conditions, develop regulations for the three sectors, plan and manage radio-frequency spectrum and protect consumers in relation to these services.			• Access to broadband spectrum (2nd Phase of IMT Licensing completed) • Individual Electronic Communications Network Services *(Publication of Notice for Licensing completed)* • Licensing of digital community television broadcasting services on MUX 1 *(Publication of the ITA completed)* • Development of Regulations on Limitation of Ownership and Control and Equity Ownership by Historically Disadvantaged Groups *(Draft of the regulations completed)* • A review the Standard Terms and Conditions Regulations for Class Licences *(Publication of Draft amendment of regulations completed)* • A review Processes and Procedures Regulations for Class Licences *(Publication of Draft amendment of regulations completed)* • Development of a conformity assessment framework for equipment authorisations *(Conformity assessment framework for equipment authorisations completed)* • Production of SAPO annual tariff increase *(Gazette of approved tariff increase produced)* • A review of unreserved postal services Regulations *(Final regulations have been published)*

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
				• Produce a position paper on the role of Authority on cybersecurity • Submit inputs on policy changes • Conduct impact assessment studies • Revision of Frequency Migration Plan • Revision of the IMT Roadmap • Production of Frequency Spectrum Assignment Plans • South Africa's readiness for 5G report production • Production of frameworks on TV Whitespace Spectrum • Production of draft regulations on the use of digital sound broadcasting • Reported interference cases resolved or mitigated • Execution of NATJOINTS instructions • Consideration of the ICASA Consumer Advisory Panel Reports • Resolution of Consumer Complaints • Production of Compliance Reports for Broadcasters' Coverage of 2019 National Elections

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.	R 198, 926	**R 113, 986** (Nation Building TV and Radio) **R 47,770** (Channel Africa) Total **R 161,756**	Herewith a few of the achievements and the inroads our educational programming has made within communities and amongst the South Africa public at large: **Formal Education:** 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. • **48 Hours:** A reality TV 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. A highlight of 48 Hours is that all contestants featured on the show take something home which directly impacts their immediate reality. Some of the offers participants received include internships, apprenticeships, and career specific resource materials. So, with each episode, the production is changing lives.

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
				• **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. Geleza Nathi has managed to turn Facebook into a medium of instruction. Every weekday learners get to interact with educators from the TV show on Facebook in real time. This helps them dissect those complex areas of the syllabus in a more personalised format. In this way, • **Words and Numbers:** An entertaining fun show for bright young minds. The programme 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. Words and Numbers won the coveted SAFTA 2020 Award for the category: Best Children's Programme. Words and Numbers is perhaps the only show that teaches numeracy and literacy in an on-screen game format that appeals to all people regardless of age

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
				• **Each One Teach One:** Apart from producing compelling intervention content inculcating on the triangular relationship within the education system, Each One Teach One embarked on roadshows in the Free State, with Eastern Cape deferred as a result of declaration of the state of emergency (Covid19). The road shows incorporated assembly motivational talks, intimate workshops with learners, teachers and parents • **Game Plan:** The series produced, and broadcast 26 x 23 min content geared towards positioning entrepreneurship as an alternative to employment. The contributors sourced represented the country's demographics, drawing varied and diverse experiences from an esteemed panel of judges. Deliberate decisions were made to skew towards Inclusion of 4IR aligned content.

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
				• **Mother of all Professions (MOP):** The series, by design, is to assist in telling pointed stories, with the deliberate intent of not only unearthing unsung heroes and heroines within the sector, but to also lay a prototype and solution model that has both reference and authority. Key to this deliberate and pointed approach was to live up to the general series objectives, to celebrate these heroes and heroines, restore the nobility of the profession, as well presenting teaching as an alternative in the career option within the South African landscape. MOP was able to source and develop at least four episodes outside of Gauteng. This assisted a great deal in rural presentation of the overall content, creating a much needed balance in urban, peri-urban and rural mirroring, and a sample of the national landscape in its various complexities. Further to the above, the choice of protagonists assisted in our population representation, creating a balance, with bias inclusion of the previously marginalised and disabled people.

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
				• **TOMZ (Teenagers on a Mission):** The series take young people on a journey of scientific discovery in order to encourage creativity and innovation and also to simplify and demystify science and technology stereotypes by a way of promoting science as a way of life. 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. TOMZ was one of the finalists of the 2020 SAFTA nominees on the Youth Category and also screened on the 2020 Prix Jeunisse Awards in Germany. • **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 Maths, Science, Technology and English using practical examples and visual literacy. The series is aligned to the CAPS Curriculum. **Nation Building Properties:** • **YOTV:** This is a teen show that seeks to sharpen critical thinking, emotional intelligence of young people. It holistically serves to grow young people so they positively contribute to the future of South Africa. The YOTV offering includes Talk, Careers, Gameshow and Variety

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
				• **Signal High:** The programme intent is to 1) Empower teenagers at this critical stage of their lives to make responsible decisions. Assist teens to navigate their emotions from rejection, fear of failure, lack of self-knowledge, emotional intelligence. 2) Bridging the gap between elders (authority) and teenagers. Often time when the elders attend to teenager issues they come with preconceived solution to problems they think they understand. 3) Helping teens build communication skills and to give them a space to share their views and participate in broad issues that are poignant for us all as a country; 4) Addresses societal issues and reflects the teen's point of view; 5) Celebrates self-expression and encourages conflict resolution • **The Chatroom:** This is SABC 1's youth talk show that provides valuable lessons, where young South Africans are faced with moral dilemmas and where a range of experts assist him/ her to overcome their issues. Values based, The Chatroom is edgy, providing inspiration and hope to youthful Mzansi and character building for the nation

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
				• **Slice of Light:** A regional magazine series from the Eastern Cape that showcases spiritual stories and universal values from a Christian perspective. This series celebrates one's walk with God through Testimony, insightful inserts, news and views as well as current trends and music. The show reflects on our unique heritage as citizens concerned with nature, life and of doing good for our society • **i-Dentity:** This is a multi- faith magazine series that shares the spirit of the nation in its diversity. As youthful SA searches for its identity and is techno savvy, this show celebrates our universal values and builds the nation through a celebration of our common heritage. Stories range from interviews with achievers and entrepreneurs, inspirational inserts on a range of religious and cultural events within our vast and diverse cultural heritage, book and app reviews, and identity is the home of all things spiritual.

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
				Development, Science & Technology, Civic Education and Health Features. **Radio** The DOC grant has enabled Radio Education to service PBS radio stations' educational 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 ten critical learning areas on air across the PBS radio platform namely **ECD (Early Childhood Development), State Your Mind, Teen Zone, Youth Ke Yona, Learner Support, Educator** **Channel Africa** Channel Africa FY 2029/20 experienced a number of content activations that included but not limited to AU summit coverage, Civil Population Registration Workshops, Election coverages in the continent, UN's Food and Agriculture Organisation summit, and many other conferences aimed at Africa's development. The financial year also saw some savings in the form of unfilled personnel positions after retirements and resignations. A few new programmes that aimed at expanding the genres of our programmes and therefore widely talk to our mandate were also established.

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 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 *Play Your Part* television series.	R207 914, 000	The oversight function of the entity was transferred to the Presidency in 2019/20	• The oversight function of the entity was transferred to the Presidency in 2019/20
MDDA	• 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.	R31 715 000	The oversight function of the entity was transferred to the Presidency in 2019/20	• The oversight function of the entity was transferred to the Presidency in 2019/20

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
	• 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.			

6. CONDITIONAL GRANTS

None

7. DONOR FUNDS

None

8. CAPITAL INVESTMENT

None

PART C:

GOVERNANCE

1. INTRODUCTION

1.1 The Department is committed to maintaining the highest standards of good governance to ensure the following:

- Promoting appropriate ethics and values throughout the Department.
- Convergence of the work of different programmes to implement the mandate of the Department.
- Alignment of different functions aimed at achieving similar outcomes, to alleviate duplication and resource wastage.
- Initiating appropriate mechanisms to manage fraud, corruption and the abuse of State resources.
- Accountable management, monitoring and reporting on the implementation of commitments detailed in the Strategic Plan and Annual Performance Plan of the Department.

1.2 The Department is therefore committed to continuously strengthening compliance, managing risks and upholding good governance throughout the Department. 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.

1.3 To ensure the above is realised, MANCO is established and meets regularly to monitor the implementation of governance initiatives. Internal controls are implemented to further enhance level of governance and performance throughout the Department.

2. RISK MANAGEMENT

2.1 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, risk management and internal control. The Department has 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 commitment to continuous improvement.

2.2 The Department uses the top-down risk management approach and assesses, manages and reports all significant risks and related mitigation plans consistently throughout the Department, in line with defined risk management practices and reporting protocols. The approach fosters the management of risks from the Top Management (Executive and Senior Management (SMS) Levels managing strategic risks) to the Bottom (Middle Management (MMS) Levels managing operational risks) within respective Branches.

2.3 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 Department's strategic objectives has been developed, approved and monitored throughout the year. Management of both strategic and operational risks and the implementation of the respective risk mitigation plans were monitored on a quarterly basis and reported to the MANCO and the Audit and Risk Committee (ARC).

3. FRAUD AND CORRUPTION

3.1 The Department is committed to a zero-tolerance approach to fraud and corruption. The Department used the National Anti-Corruption Hotline (NACH) for whistle blowing purposes that is operated and managed by the Public Services Commission (PSC). Employees were encouraged to report any suspected corrupt, fraudulent, criminal or unethical practices using this Hotline number (0800 702 702).

3.2 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. The Risk and Ethics (REC) and Audit (AC) Committees providing oversight over the effectiveness of fraud prevention systems and processes.

4. MINIMISING CONFLICT OF INTEREST

4.1 The Department enforces the mandatory financial disclosure requirement for all SMS members and designated employees as regulated by the Public Service Regulations (PSR), 2016. 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.

4.2 The Department has duly appointed Ethics Officers who successfully coordinated the timely completion, verification and submission of financial disclosures by all SMS members and designated employees. The Department has achieved a 100% timely submission of financial disclosures.

4.3 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.

4.4 Declaration of interest is considered in all governance structures meetings to ensure that the necessary steps are taken to mitigate the conflict of interest in the matters being considered.

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 it 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 was sharing office accommodation with the Government Communications and Information System (GCIS) until October 2019 and with the Department of Telecommunications and Postal Services (DTPS) from November 2019 to 31 March 2020. The DoC has appointed its own Occupational Health and Safety (OHS) officers to serve in the OHS Committees of the two departments.

7. PORTFOLIO COMMITTEES

7.1 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
3 July 2019	Presentation on the Annual Performance Plan	• The Department and entities presented their respective Annual Performance Plan to the Committee. • The Committee welcomed the presentation and extensive discussion was held. • Owing to time constraints, the committee decided to have detailed engagement with entities on specific issues.	The Minister responded to all questions raised by the Committee. The Committee subsequently met with the entities [as per the PCC programme] to further deliberate on specific areas.
27 August 2019	Reconfiguration of the DOC and DTPS	• Members enquired about the pace of the reconfiguration since the departments already knew about the merger in November 2018. • Members requested more details on the reconfiguration. • The Department should also provide a detailed plan on the financial status of the Departments towards the merger	The Department provided the Committee with details on the reconfiguration and on the financial status of departments towards the merger.
3 September 2019	Q1 performance report	• The Committee noted the department's quarter 1 report. • Extensive discussion was held on the SABC: R3.2b transfer; the SABC Acting COO resignation; SABC's sports rights losses of R2.3b; media reports of SABC Board members' interference in the SABC operations, the problem areas in corporate services uncovered at the SABC and in-fighting amongst the board; and if action would be taken against previous board members for lapses in their fiduciary duties.	• The Minister responded that the stability of the SABC was crucial. • SABC needed to present a skills audit and a skills plan to the department. • The preconditions for the SABC was made available to the Committee.

10 September 2019	ICASA Quarter 1 performance and Performance Management System (PMS)	• The Independent Communications Authority of South Africa (ICASA) presented its quarter 1 performance report and the PMS. • The performance agreement of ICASA councillors came into question. • The Committee emphasized the need for the revised PMS of ICASA to be finalized by the beginning of the 2020/21 financial year so that the Councillors can enter into Performance Agreements with the Minister. • The Committee welcomed the presentation and the engagement on it and decided that issues highlighted would be addressed in another meeting to be scheduled by the Committee.	• The Department briefed the committee on the Performance Management System of ICASA 26 November 2019 and 4 February 2020. • The Department commenced with the revision of the PMS for implementation from the 2020/21 financial year. • On the Sports Broadcast Regulations: ICASA briefed the Committee on 10 March 2020.
17 September 2019	SABC Turnaround Strategy and implementation of the recommendations emanating from various investigation reports.	The South African Broadcasting Corporation (SABC) briefed the Committee on its turnaround strategy, and provided an update on progress with the implementation of recommendations made by the Public Protector in 2014, the Auditor-General (AG), its own internal forensic report and by Parliament's ad hoc committee, which had investigated the broadcaster in 2016. It reported that while there had been implementation of these recommendations, and officials were being called to account for their roles in the wrongdoing, there had been fierce resistance and a fightback from implicated individuals.	• The SABC has commenced with the implementation of the Turnaround Strategy that was developed with the assistance of Government Technical Advisory Centre (GTAC) • The Department is monitoring theimplementation of the Turnaround Strategy, National Treasury's preconditions as well as the utilisation of the R3.2 billion bailout transferred to the SABC.

15 October 2019	Annual Report 2018/19 Department and entities [FPB, SABC, ICASA]	The Committee was briefed on the Annual Reports of the Department and entities. Most of the matters discussed related to the entities' strategic priorities, their level of achievement against measurable objectives, and the relevant findings made by the Auditor General of South Africa (AGSA). This reflected the finalisation of the annual Budgetary Review and Recommendations Reports (BRRRs) which needed to be completed before the end of October 2019, ahead of the Medium-Term Budget Policy Statement. The Committee received presentation of all entities under the Minister of Communications and Digital Technologies. However, the Committee did not interrogate the presentations and decided that a round robin suggestion will be made for relevant entities.	The Department subsequently received the draft BRRR report from the Committee and responded to the recommendations.
26 November 2019	ICASA Councillors Performance Management System	ICASA indicated that although its initial Performance Management System (PMS) was approved in 2012, performance agreements had not been concluded with the then Minister of Communications. The PMS expired at the beginning of the 5th Administration and was not reviewed. The development of the new performance agreement framework would also be fast-tracked and be finalised by April 2020.	The Department briefed the Committee on the draft Performance Management System of ICASA. The Committee was satisfied with progress made by the Department on the matter and referred the document to legal services division for advice.

4 February 2020	Implementation of Broadcast Digital Migration policy;	The Department presented the Committee with progress on the implementation of the Broadcasting Digital Migration programme. The Committee was apprised of the reviewed delivery model approved by Cabinet in December 2019, to expedite the release of High Demand Spectrum and Analogue Switch Off in 2021. The Committee welcomed the presentation but was concerned with the budget required and whether it has been secured as this will cause further delays in implementation. Concern was also raised on the 3.6 million indigent households not yet registered in relation to the deadline. The Committee acknowledged that the implementation is dependent on the implementing entities. The Committee enquired about the conclusion of the formal agreement between USAASA and Sentech Clear timelines must be put in place.	The Department (DCDT) provided the Portfolio Committee with the progress update on the efforts by USAASA and Sentech towards depletion of decoder stock kept in SAPO warehouses and the implementation of the voucher system aimed at completing the remaining estimated 3.2. million indigent households across the country. In this regard, issue of lack of funding was raised as a challenge that makes difficult for the programme to implement with realistic timelines.
18 February 2020	Q2 and Q3 Performance Reports	The Committee expressed overall satisfaction with all the entities within the Department of Communications portfolio, as they had shown considerable improvement in performance. The Department was committed to achieving 18 annual performance plan (APP) targets in the 2019/ 20 financial year. As at the end of the third quarter, 13 targets were achieved, while five were not achieved. This reflected a 72% achievement. The SOE reconfiguration was on the agenda for the meeting, but in the interests of time, the Committee would be provided with a report on the matter regarding the new status quo of the entities and how far the Department was with the plan presented in August 2019 on the process of merging.	The delegation from the Department responded to all questions raised at the Committee.

3 March 2020	Convergence of entities reporting to Department	The Committee was updated on the reconfiguration of the Departments. Key milestones were presented and that the two departments are working seamlessly to synchronise initiatives such as governance structures and sharing of resources. The Committee requested that in the next meeting, the Department must report on what was actually implemented on the merger of the entities.	The Department is considering the merger of three Regulatory Institutions within its portfolio namely, ICASA, Films and Publication Board (FPB) and .ZA Domain Name Authority. A decision to merge will only be made after an impact study of these entities have been completed and to be also informed by the 4IR Commission recommendations.
10 March 2020	Sports Broadcast Regulations: ICASA briefing	ICASA briefed the Committee on the progress of reviewing the Sports Broadcasting Services Regulations - describing the legislative background motivating the review, the purpose and objects of the regulations, the regulations, the process followed, the proposed list, dispute resolution and penalties. ICASA informed the Committee that the reviewed regulations would be presented to the Minister on 12 March and would subsequently be gazetted. The Committee expressed concern as to whether the review regulations had received enough public participation, and suggested that ICASA halt the presentation to the Minister. However, the Committee was advised that this was a legislative process and could not be halted.	ICASA wrote to Minister on 01 July 2020, attaching the Draft Sport Broadcasting Services Amendment Regulations, 2020 and an explanatory memorandum in terms of section 4(5) of the ECA; notifying the Minister that it intends to further consult on the draft regulations before finalising the process. The Ministry indicated that it required to be furnished with ICASA's position paper and conclusions and report from its international benchmarking before it can make its final and informed decision. The Ministry also required ICASA to simplify or tabulate the regulations in relation to the original, amended and final regulations currently being published as the process has been complicated and well contested. This will allow ICASA to finalise this process speedily and allow the Ministry to advise and state its positions clearly.

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.

9.1 The Department has developed and maintained an audit action plan under the leadership of the Acting Chief Financial Officer. This process entails consolidating findings from all assurance providers (including Auditor-General South Africa and Internal Audit) and developing and maintaining an action plan. MANCO and ARC provide strategic support and monitors the implementation of the action plan on a regular basis.

10. INTERNAL CONTROL UNIT

The Department does not have Internal Control Unit. The Department has implemented internal controls systems and processes aimed at improving the effectiveness of the Department's internal controls. Implementation of these internal controls is monitored on regular basis by MANCO and ARC.

11. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The Department has an established Internal Audit Unit, which is an independent assurance function within the Department that follows a risk-based approach in providing Management and the Audit and Risk Committee with assurance on the adequacy and effectiveness of governance, performance, risk management and internal control processes.

The Internal Audit Unit is guided by an Internal Audit Charter approved by the Audit and Risk Committee and performs its functions as provided for in the PFMA framework and the Internal Audit Charter. The Head of Internal Audit reports functionally to the Audit and Risk Committee and administratively to the Accounting Officer/Director General.

On an annual basis, Internal Audit prepares a risk-based three year rolling plan and annual internal audit plan after taking into consideration the key risks facing the Department, legislations, mandates, strategic objectives, audit issues, and inputs from Management and Audit and Risk Committee.

11.1 KEY ACTIVITIES OF THE INTERNAL AUDIT

KEY ACTIVITIES PERFORMED DURING THE YEAR UNDER REVIEW - 2019/20

- Development of a risk-based Three-Year Rolling Plan and Annual Internal Audit Plan approved by the Audit and Risk Committee and the Accounting Officer//Director General.
- Implementation of the approved internal audit plans.
- Quarterly reporting to the Audit and Risk Committee.
- Perform secretarial functions to the Audit and Risk Committee.
- Review the Internal Audit and Audit and Risk Committee Charters.
- Participation and provide advice in the Department's Committee meetings.

- Training and development of officials to keep abreast with the professional and public service developments.

11.2 SUMMARY OF WORK DONE

Internal Audit performed the following reviews during the financial year.

Department of Communications	
Type of a review	**No of reviews**
Compliance/Regularity/Operations	3
Financial Audits	2
Strategic Plan and Annual Performance Plan	1
Performance Information (Pre-determined objectives)	4
IT Audit	1
Follow-up review	1
TOTAL	**12**

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020. The responsibility of the Audit and Risk Committee (ARC) was to provide oversight on the Department of Communications' compliance with applicable laws and regulations, risks, governance processes, financial reporting, performance and directing the functions of the Internal Audit Unit.

The Department of Communications has a duly constituted Audit and Risk Committee, comprising of three independent members and remained instrumental in providing an independent and objective advice to the Department.

The table below shows relevant information on the Audit and Risk Committee members and their attendance of meetings:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Re-signed	No. of Meetings attended
Ms. Ayanda Pearl Zinhle Mafuleka	• Chartered Accountant • B. Comp (Honours) CTA • B. Comp Degree • Advanced Financial Management Certificate	External member	N/A	March 2018	N/A	5/5

Ms. Ntokozo Makhosazane Gugulethu Langa	• Chartered Accountant • Bachelor of Accountancy (CTA) • Bachelor of Accountancy • Advanced Diploma in Auditing • National Certificate Financial Markets and Instruments	External member	N/A	March 2018	N/A	4/5
Mr. Joshua Motjuwadi	• Bachelor of Science • Executive Development Programme (EDP) • Delivering Information Services (DIS)	External member	N/A	March 2018	N/A	5/5

Audit and Risk Committee Responsibility

We report that the Audit and Risk Committee has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as outlined in the Audit and Risk Committee Charter.

The Charter regulates its affairs and the Audit and Risk Committee has discharged all its responsibilities as contained therein. The Committee is satisfied that it has met its responsibilities as stipulated in the charter.

The committee has received and reviewed the internal audit reports and external audit reports. It also met management to review their progress on key issues relating to controls and risks.

We have also met the Executive Authority to report the Internal Control deficiencies and governance challenges.

The Effectiveness of Internal Control

The Accounting Officer and Management are responsible for designing and implementing an effective system of internal controls to mitigate risks and control deficiencies. The system of internal control is designed to provide cost effective assurance for achievement of organization's objectives and these controls are required to be effective throughout the year. The Audit and Risk Committee has noted some progress as reflected through the number of items which the AGSA had raised in the previous financial year. However, the committee is still concerned about the breakdown for key controls as well as the failure of management to adequately strengthen controls.

The following areas were raised as concerns by Internal Audit:

Area covered	Audit Concern
Review of AFS 2019/20 and Interim Financial Statements	• Over/understatement of commitments, accruals, and payables. • Supporting schedules to substantiate disclosure items relating to assets not provided. • Assets that could not be accounted for that are under investigation.
Quarterly Performance Report (Q1 to Q4) Annual Report 2019/2020	• Reported planned target as per the Annual Report were not consistent when compared with the target as per the original APP • Duplication of quarterly targets in the APP's (Original vs Revised) • Inadequate evidence supporting achieved targets • Inadequate evidence supporting the reason for deviation/variance.
Review of Supply Chain Management Process	• Recurring weaknesses around the controls over manual suppliers' orders, system for receipt. • Payment of invoices within 30 days. • Inadequate and weaknesses in controls within SCM • Lack of segregation of duties due to capacity.
Review of Broadcasting Digital Migration Programme	• No documented and approved terms of reference (TOR) governing the PMO and Extended PMO. • Critical planning documents not approved by the responsible authorities. • Inadequate Monitoring and Evaluation process or system in place. • Lack controls/systems in place relating to the receival of gifts/ donations within the DTT project.

Internal Audit

We are satisfied that the Internal Audit function operated effectively and that it has addressed the risks pertinent to the Department in their reviews. We have met with Internal Audit during the year to ensure that the function is executed effectively and objectively.

External Audit

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

The Audit and Risk Committee accepts the audit outcome of the AGSA on the Annual Financial Statements and Performance Information of Department of Communication for the year ended 31 March 2020.

The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA

We are satisfied with the content and quality of monthly and quarterly reports prepared by the Accounting Officer of the Department during the year under review. However, we have noted that improvements needed to be made on certain areas as discussed with management.

Evaluation of financial statements

We have reviewed and discussed the audited annual financial statements with Management. We have also reviewed the AGSA's final management letter and the audit report and also management's responses. The Audit and Risk Committee will continue to monitor the implementation of corrective measures proposed by Management.

APPRECIATION

We commend Management on their commitment to governance within the organisation. The Audit and Risk 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 Committee Department of Communications

09 October 2020

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 2020, the total number of funded posts was 81 of which 72 (88.9%), were filled and 9 vacant (11.1%). The number of females at SMS level as at 31 March 2020 was 11 (45.8%); and males 12 (54.2%). The number of employees with disabilities was one, which represents (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.
- All SMS members undergo technical and competency assessment tests as part of the recruitment process.
- 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 2019.
- 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

- 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 50 employees through the implementation of 50 training interventions.
- The Department finalised the moderation of performance assessments for both SMS members and non-SMS officials before the legislated timeframes.
- The Departmental Employment Equity Report was submitted to the Department of Labour in terms of Section 21 of the Employment Equity Act, Act 55 of 1998.
- 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.

Challenges

- The 2019/20 WSP was still not sufficiently funded.
- The Department could only appoint two interns due to financial constraints.
- 50% representation of females at SMS and 2% of employees with disabilities could not be achieved due to the moratorium on filling of posts and the reconfiguration of the department.

2.7 Future human resource plans/goals

Following the President's announced on 22 November 2018 to merge the DoC and the DTPS and the NMOG process, the two departments merged and started operating as the DCDT with effect from 1 April 2020.

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.

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

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	57 786	39 931	326	0	67.40	608
DoC: Communication Policy, Research Development	7 184	6 810	0	0	94.80	973
DoC: Entity Oversight	4 640 328	5 119	0	0	0.10	731
DoC: Industry & Capacity Development	26 338	10 839	168	0	41.20	638
Total	**4 731 636**	**61 699**	**494**	**0**	**1.30**	**649**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (level 3-5)	1 422	2.20	9	158
Highly skilled production (levels 6-8)	10 038	15.80	22	456 273
Highly skilled supervision (levels 9-12)	13 320	21.50	17	783 529
Senior and Top management (levels 13-16)	23 188	37.30	19	1 220 421
10 Contract (Levels 1-2)	80	0.10	1	80
11 Contract (Levels 3-5)	64	0.10	2	32
12 Contract (Levels 6-8)	2 017	3.20	6	336 167
13 Contract (Levels 9-12)	3 372	5.30	3	1 124
14 Contract (Levels >= 13)	7 396	11.60	6	1 232 667
18 Contract Other	70	0.10	2	35
19 Periodical Remuneration	732	1.20	5	146 400
Total	**61 699**	**98.50**	**92**	**670 641.00**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

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	29 908	77.00	972	2.50	467	1.20	526	1.40
DoC: Communication Policy Research & Development	4 646	68.20	0	0.00	36	0.50	94	1.40
DoC: Entity Oversight	3 351	65.50	6	0.10	50	1.00	77	1.50
DoC: Industry and Capacity Development	7 227	66.70	98	0.90	37	0.30	119	1.10
Total	**40 132**	**65.00**	**1 076**	**1.70**	**590**	**1.00**	**816**	**1.30**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020

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
Skilled (level 3-5)	1 177	82.50	22	1.50	50	3.50	32	2.20
Highly skilled production (levels 6-8)	7 831	78.00	351	3.40	368	3.60	384	3.80
Highly skilled supervision (levels 9-12	12 063	88.10	131	1.00	93	0.70	204	1.50
Senior management (level 13-16)	21 073	89.00	0	0.00	105	0.40	235	1.00
10 Contract (Levels 1-2)	79	98.80	0	0.00	0	0.00	0	0.00
11 Contract (Levels 3-5)	48	75.00	0	0.00	0	0.00	0	0.00
12 Contract (Levels 6-8)	1 917	95.00	37	1.80	0	0.00	0	0.00
13 Contract (Levels 9-12)	2 910	86.30	0	0.00	0	0.00	0	0.00
14 Contract (Levels >= 13)	6 612	39.40	0	0.00	0	0.00	0	0.00

18 Contract Other	70	100.00	0	0.00	0	0.00	0	0.00
19 Periodical Remuneration	698	95.40	0	0.00	0	0.00	0	0.00
Total	54 478	87.10	542	0.90	616	1.00	855	1.30

3.2 Employment and Vacancies

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
DoC: Administration, Permanent	52	44	15,4%	6
DoC: Communication Policy Research & Development, Permanent	8	8	0,0%	2
DoC: Entity Oversight, Permanent	8	7	12,5%	0
DoC: Industry and Capacity Development, Permanent	13	13	0,0%	4
TOTAL	**81**	**72**	**11,1%**	**12**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (3-5)	9	9	0%	0
Highly skilled production (6-8)	27	23	14,81%	6
Highly skilled supervision (9-12)	21	20	4,76%	1
Senior management (13-16)	24	20	16,67%	5
09 Other, Permanent	0	0	0%	0
10 Contract (Levels 1-2), Permanent	0	0	0%	0
12 Contract (Levels 6-8), Permanent	0	0	0%	0
13 Contract (Levels 9-12), Permanent	0	0	0%	0
14 Contract (Levels >= 13), Permanent	0	0	0%	0
Total	**81**	**72**	**11,11%**	**12**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	14	14	0%	1
Communication and Information Related, Permanent	1	1	0%	0
Finance and Economics Related, Permanent	2	2	0%	0
Financial and Related Professionals, Permanent	3	3	0%	0
Financial Clerks and Credit Controllers, Permanent	3	3	0%	0
Food Services Aids and Waiters, Permanent	2	2	0%	1
Human Resources Clerks, Permanent	4	3	25%	0
Human Resources Related, Permanent	2	1	50%	0
Library Mail and Related Clerks, Permanent	3	3	0%	1
Light Vehicle Drivers, Permanent	2	2	0%	0
Logistical Support Personnel, Permanent	1	1	0%	0
Material-Recording and Transport Clerks, Permanent	5	3	40%	3
Messengers Porters and Deliverers, Permanent	1	1	0%	0
Other Administration & Related Clerks And Organisers, Permanent	8	8	0%	2
Other Occupations, Permanent	0	0	0%	0
Secretaries & Other Keyboard Operating Clerks, Permanent	6	6	0%	0
Senior Managers, Permanent	24	19	20,8%	4
Total	**81**	**72**	**11,1%**	**12**

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service 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 2020

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 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	8	6	75%	2	25%
Salary Level 13	15	13	86.7%	2	13.3%
Total	**24**	**19**	**79.2%**	**5**	**21%**

Table 3.3.2 SMS post information as on 30 September 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 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	8	6	75%	2	25%
Salary Level 13	15	12	80%	3	20%
Total	**24**	**18**	**75%**	**6**	**25%**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020

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 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	2	0	0	2	22.2%
Salary Level 13	1	0	0	1	13.3%
Total	**4**	**0**	**0**	**4**	**16%**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Director General: - Post was not advertised due to changes at leadership level the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Chief Financial Officer: - Post was not advertised due to the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Chief Director: Entity Oversight - Post was not advertised due to the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Director: Cabinet Support - Post was not advertised due to the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Head of Deputy Minister's Office – An official was seconded to the post

Reasons for vacancies not filled within six months
Director General: - Post was not advertised due to changes at leadership level and the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Chief Financial Officer: - Post was not advertised due to the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Chief Director: Entity Oversight - Post was not advertised due to the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Director: Cabinet Support - Post was not advertised due to the moratorium on filling of posts as a result of the merging of the DoC and the DTPS
Head of Deputy Minister's Office – An official was seconded to the post

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 2019 and 31 March 2020

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 2019 and 31 March 2020

Salary band	Number of posts on approved establish-ment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	9	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	27	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	21	0	0	0	0	0	0
Senior Management Service Band A	15	0	0	0	0	0	0
Senior Management Service Band B	8	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**81**	**0**	**0**	**0**	**0**	**0**	**0**

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	**0**

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	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 2019 and 31 March 2020

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	0	0	0	0

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None

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 2019 and 31 March 2020

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels3-5)	5	4	0	0
Highly skilled production (Levels 6-8)	25	1	3	12%
Highly skilled supervision (Levels 9-12)	20	1	1	5%
Senior Management Service Bands A	13	2	1	7,7%
Senior Management Service Bands B	7	0	1	14%

Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	0	0	0	0%
Contract	12	6	6	50%
Total	**82**	**14**	**12**	**14,6%**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	18	2	9	50%
Communication and Information Related Permanent	1	0	0	0%
Finance and Economics Related Permanent	2	0	0	0%
Financial and Related Professionals Permanent	3	0	0	0%
Financial Clerks and Credit Controllers Permanent	5	2	0	0%
Food Services Aids and Waiters Permanent	2	2	1	50%
Human Resources Clerks Permanent	4	0	0	0%
Human Resources Related Permanent	4	0	0	0%
Library Mail and Related Clerks Permanent	3	0	0	0%
Light Vehicle Drivers Permanent	1	0	0	0%
Logistical Support Personnel Permanent	2	0	0	0%
Material-Recording and Transport Clerks Permanent	1	1	1	100%
Messengers Porters and Deliverers Permanent	1	0	0	0%
Other Administration & Related Clerks and Organisers Permanent	4	0	0	0%
Other Occupations Permanent	1	0	0	0%
Secretaries & Other Keyboard Operating Clerks Permanent	7	0	0	0%
Senior Managers Permanent	23	2	1	4,3%
Total	**82**	**9**	**12**	**14,6%**

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 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	2	17%
Expiry of contract	6	50%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfer to other Public Service Departments	4	33%
Other	0	0%
Total	**12**	100%
Total number of employees who left as a % of total employment	**81**	**15%**

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
N/A	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	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 (Levels3-5)	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0	0
Total	0	0	0	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 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	0	0	1	8	0	3	0	24
Professionals	11	0	0	0	9	0		0	20
Technicians and associate professionals	16	0	0	0	11	0	1	0	28
Clerks	2	0	0	0	6	1	0	0	9
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	41	0	0	1	34	1	4	0	**81**
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 2020

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	12	0	0	1	8	0	3	0	24
Professionally qualified and experienced specialists and mid-management	11	0	0	0	9	0	0	0	20
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	0	0	11	0	1	0	28
Semi-skilled and discretionary decision making	2	0	0	0	6	1	0	0	9

Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**41**	**0**	**0**	**1**	**34**	**1**	**4**	**0**	**81**

Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020

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	3	0	0	0	3	0	1	0	7
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	1	0	0	0	6
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	9	0	0	0	4	0	1	1	15
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020

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

Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

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	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	2	0	0	0	2	0	0	0	4
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	0	0	0	0	1
Unskilled and defined decision making									
Total	**6**	**0**	**0**	**0**	**7**	**0**	**0**	**0**	**12**
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020

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 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	0	0	5	0	3	0	18
Professionals	9	0	0	0	10	0	0	0	19
Technicians and associate professionals	5	0	0	0	7	0	0	0	12
Clerks	0	0	0	0	1	0	0	0	1
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0

Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**24**	**0**	**0**	**0**	**23**	**0**	**3**	**0**	**50**
Employees with disabilities	0	0	0	0	0	0	1	0	1

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 August 2019

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
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	8	7	7	100%
Salary Level 13	15	12	12	100%
Total	**24**	**19**	**19**	**100%**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020

Reasons
N/A

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 2019 to 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	**26**	**75**	34.7%	1094	42
Male	10	40	25.0%	412	41
Female	16	35	45.7%	682	42
Asian	**0**	**4**	**0**	**0**	**0**
Male	0	0	**0**	0	**0**
Female	0	4	**0**	0	**0**
Coloured	**0**	**1**	**0**	**0**	**0**
Male	0	0	**0**	0	**0**
Female	0	1	**0**	0	**0**
White	**0**	**1**	**0**	**0**	**0**
Male	0	1	**0**	0	**0**
Female	0	0	**0**	0	**0**
Total	**26**	**84**	32.1%	1094	42

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	2	9	22.2%	28	14	2.0%
Highly skilled production (level 6-8)	13	22	59.1%	404	31	4.0%
Highly skilled supervision (level 9-12)	9	19	47.4%	477	64	4.2%
Total	**24**	**50**	48.0%	**909**	42	4.3%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020

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	2	4	50.0%	59	29
Human Resources Clerks	3	3	100.0%	95	37
Messengers Porters and Deliverers	0	1	0.0%	0	0
Finance and Economics Related	1	2	50.0%	59	59

Logistical Support Personnel	2	3	66.7%	60	30
Other Administration & Related Clerks and Organisers	2	9	22.2%	96	48
Other Occupations	0	1	0.0%	0	0
Financial and Related Professionals	2	3	66.7%	103	51
Administrative Related	4	16	25.0%	243	61
Communication and Information Related	1	1	100.0%	116	116
Secretaries & Other Keyboard Operating Clerks	2	6	33.3%	53	26
Library Mail and Related Clerks	1	3	33.3%	33	33
Human Resources Related	1	2	50.0%	97	97
Material-Recording and Transport Clerks	1	1	100.0%	38	38
Senior Managers	2	18	11.1%	0	0
Light Vehicle Drivers	1	1	100.0%	14	14
Food Services Aids and Waiters	1	7	14.3%	14	14
Total	26	81	32.1%	1 094	42

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	2	13	15.4%	85	42	15.4%
Band B	0	6	0%	0	0	0%
Band C	0	0	0%	0	0	0%
Band D	0	0	0%	0	0	0%
Total	2	19	10.5%	85	42	9.1%

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0
N/A	0	0	0	0	0	0

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	18	38.90	4	6.50	5	14
Highly skilled production (levels 6-8)	177	75.70	19	30.60	9	234
Highly skilled supervision (levels 9 -12)	84	70.20	15	24.20	6	235
Top and Senior management (levels 13-16)	77	84.40	13	21.00	6	330
Total	356	269.20	51	82.3	26	813

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

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

Table 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019

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)	107	12	9
Highly skilled production (Levels 6-8)	512	20	25
Highly skilled supervision (Levels 9-12)	417	22	19
Senior management (Levels 13-16)	451	23	20
Total	1487	77	73

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2020
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)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	48
Total	0	0	0	45

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

Table 3.10.5 Leave pay-outs for the period 1 April 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2019/20	0	0	0
Current leave pay-outs on termination of service for 2019/20	766	19	40
Total	766	19	40

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A
N/A	N/A

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	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 (3) Officials No budget. The MoU between GCIS and the DoC allowed the DoC staff members to utilise 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.		No	
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Human Resource Committee 1. Ms M Thusi CD: CS Chairperson 2. Mr F Mutuvhi CD: DTT 3. Ms N Makwetu D: Policy 4. Mr P Vumazonke D: SEO 5. Ms E Mohapi SDF DD: HRD 6. Mr M Baqwa DD: SOE 7. Mr I Skhosana: (Organised Labour PSA) 8. Ms Makgoale DD: ED 9. Mr T Malapane ASD: HRD
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.	Yes		HIV/AIDS and TB Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		HIV/AIDS and TB Policy Reporting on Stigma on a Quarterly basis to DPSA Created awareness on: • Voluntary Male Medical Circumcision • HIV&AIDS Stigma and Discrimination at workplace. Provision of Condoms and Femidoms in the workplace.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.		No	

8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Quarterly/Annual Reports are submitted to the DPSA on Employee Health and Wellness. • HIV and TB Management Policy • Health and Productivity Policy • SHERQ Policy • Wellness Management Policy • ICAS wellness services • GEMS health screenings

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020

Subject matter	Date
Total number of Collective agreements	None
Total number of Collective agreements	None

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	**None**

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

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

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	**None**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

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

Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	1	33%
Number of grievances not resolved	2	67%
Total number of grievances lodged	3	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020

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

Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020

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

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12	0	13	0	13
	Male	14	0	19	0	19
Professionals	Female	9	0	7	0	7
	Male	14	0	14	0	14
Technicians and associate professionals	Female	16	0	31	0	31
	Male	11	0	15	0	15

Clerks	Female	1	0	0	0	0
	Male	1	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	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
Sub Total	Female	40	0	51	0	51
	Male	41	0	50	0	50
Total		**81**	**0**	**101**	**0**	**101**

Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12	0	8	0	8
	Male	12	0	10	0	10
Professionals	Female	9	0	10	0	10
	Male	11	0	9	0	9
Technicians and associate professionals	Female	12	0	7	0	7
	Male	16	0	5	0	5
Clerks	Female	7	0	1	0	1
	Male	2	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	41	0	26	0	26
	Male	40	0	24	0	24
Total		**81**	**0**	**50**	**0**	**50**

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020

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 Utilisation of Consultants

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

(a) The rendering of expert advice;

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020

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 Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

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 Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

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

PART E:

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Report of the Auditor-General to Parliament on Vote No. 3: 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 121 to 175 which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year 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 2020, and financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA).

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 *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as 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.

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

Emphasis of matter

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

Transfer of functions

7. As disclosed in note 29 to the financial statements, following the general elections in May 2019, President Ramaphosa announced the reconfiguration of national departments. The Department of Communications and Department of Telecommunications and Postal Services would be merged and become the Department of Communications and Digital Technologies.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 176 to 183 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 on them.

Responsibilities of the accounting officer for the financial statements

10. 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.

11. In preparing the financial statements, the accounting officer is responsible for assessing the department'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

12. 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.

13. 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

14. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of 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 / measures

included in the planning document. My procedures do not examine whether the actions taken by the Department enabled service delivery. My procedures also do 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.

16. 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 programme presented in the annual performance report of the Department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3: industry and capacity development	48 - 57

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning document. 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.

Programme 3: industry and capacity development

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 38 to 60 for information on the achievement of planned targets for the year and explanations provided for the under and over-achievement of a number of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3: industry and capacity development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

23. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

24. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.

25. Some of the goods of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer even though it was practical to invite competitive bids, as required by treasury regulations 16A6.1 and 16A6.4.

Other Information

26. 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 the auditor's report.

27. 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.

28. 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.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. 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 compliance with legislation included in this report.

31. Management did not adequately implement review and monitoring controls to prevent non-compliance with applicable laws and regulations relating to supply chain management, which resulted in irregular expenditure.

Auditor – General

Pretoria

10 October 2020

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 use of the accounting officer 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 relating to events or conditions that may cast significant doubt on the ability of the Department of Communications 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 my 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 operating as a going concern

   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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, actions taken to eliminate threats or safeguards applied.

Appropriation per programme

	2019/20							2018/19	
Voted funds and Direct charges	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appro-priation**	**Final Appropriation**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**		
1. ADMINISTRATION	61 765	-	1 945	63 710	57 784	5 926	90.7%	72 265	71 984
2. COMMUNICATIONS POLICY,RESEARCH AND DEVELOPMENT	14 412	-	-	14 412	7 185	7 227	49.9%	10 646	9 162
3. INDUSTRY AND CAPACITY DEVELOPMENT	37 449	-	55	37 504	26 341	11 163	70.2%	45 307	20 568
4. ENTITY OVERSIGHT	4 659 465	-	(2 000)	4 657 465	4 640 328	17 138	99.6%	1 388 028	1 386 407
TOTAL	**4 773 091**	**-**	**-**	**4 773 091**	**4 731 637**	**41 454**	**99.1%**	**1 516 246**	**1 488 121**
				Final Appropriation	**Actual Expenditure**			**Final Appropriation**	**Actual Expenditure**
Add									
Departmental receipts				**1 613**				**2 138**	
Actual amounts per Statement of Financial Performance (total revenue)				**4 774 704**				**1 518 384**	
Actual amounts per Statement of Financial Performance (total expenditure)					**4 731 637**				**1 488 121**

Appropriation per economic classification

	2019/20							2018/19	
	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	**142 668**	**(3 647)**	**(3 395)**	**135 626**	**95 848**	**39 778**	**70.7%**	**133 818**	**105 694**
Compensation of employees	86 791	-	-	86 791	61 700	25 091	71.1%	80 916	73 643
Salaries and wages	75 173	2 535	-	77 708	55 888	21 820	71.9%	73 314	66 670
Social contributions	11 618	(2 535)	-	9 083	5 812	3 271	64.0%	7 602	6 973
Goods and services	55 877	(3 647)	(3 395)	48 835	34 148	14 688	69.9%	52 902	32 051
Administrative fees	951	(84)	-	867	338	529	39.0%	1 070	478
Advertising	4 415	2 721	-	7 136	4 466	2 670	62.6%	4 427	3 141
Minor assets	208	102	-	310	153	157	49.4%	182	69
Audit costs: External	1 100	313	-	1 413	1 412	1	99.9%	949	948
Bursaries: Employees	50	(42)	-	8	8	-	100.0%	14	14
Catering: Departmental activities	458	2 017	-	2 475	2 176	299	87.9%	1 065	566
Communication (G&S)	1 984	(253)	-	1 731	1 401	330	80.9%	2 522	2 003
Computer services	352	448	-	800	797	3	99.6%	535	533
Consultants: Business and advisory services	12 218	(1 214)	(2 000)	9 004	5 583	3 421	62.0%	2 273	766
Legal services	1 044	505	(495)	1 054	925	129	87.8%	1 579	1 078
Contractors	235	(96)	-	139	71	68	51.1%	163	143
Agency and support / outsourced services	1 217	869	-	2 086	1 325	761	63.5%	453	397
Entertainment	250	(250)	-	-	-	-	-	-	-
Fleet services (Including government motor transport)	1 592	(578)	-	1 014	743	271	73.3%	1 305	1 033
Consumable supplies	290	(51)	-	239	112	127	46.9%	329	187

Consumable: Stationery, printing and office supplies	2 106	(990)	-	1 116	255	861	22.8%	2 373	1 165
Operating leases	274	3 752	(900)	3 126	2 945	181	94.2%	5 152	5 004
Property payments	4 036	(4 035)	-	1	1	-	100.0%	3	-
Travel and subsistence	15 895	(1 130)	-	14 765	10 323	4 443	69.9%	23 562	13 152
Training and development	557	(62)	-	495	493	2	99.6%	425	422
Operating payments	484	(108)	-	376	185	191	49.2%	536	239
Venues and facilities	420	(146)	-	274	240	34	87.6%	1 031	659
Rental and hiring	5 741	(5 335)	-	406	196	210	48.3%	2 954	55
Transfers and subsidies	**1 430 317**	**1**	**-**	**1 430 318**	**1 430 238**	**80**	**100.0%**	**1 381 768**	**1 381 748**
Departmental agencies and accounts	1 230 410	-	-	1 230 410	1 230 410	-	100.0%	1 193 222	1 193 222
Departmental agencies and accounts (non-business entities)	1 230 410	-	-	1 230 410	1 230 410	-	100.0%	1 193 222	1 193 222
Public corporations and private enterprises	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Public corporations	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Other transfers to public corporations	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Households	891	1	-	892	812	80	91.0%	1 125	1 105
Social benefits	891	1	-	892	812	80	91.0%	1 125	1 105
Payments for capital assets	**106**	**3 646**	**3 395**	**7 147**	**5 480**	**1 667**	**76.7%**	**660**	**638**
Machinery and equipment	46	3 706	3 395	7 147	5 480	1 667	76.7%	**660**	**638**
Transport equipment	-	905	3 395	4 300	4 293	7	99.8%	**-**	**-**
Other machinery and equipment	46	2 801	-	2 847	1 187	1 660	41.7%	568	547
Software and intangible assets	60	(60)	-	-	-	-	-	92	91
Payment for financial assets	**3 200 000**	**-**	**-**	**3 200 000**	**3 200 071**	**(71)**	**100.0%**	**-**	**40**
TOTAL	**4 773 091**	**-**	**-**	**4 773 091**	**4 731 637**	**41 454**	**99.1%**	**1 516 246**	**1 488 121**

Programme 1: ADMINISTRATION									
	2019/20							2018/19	
Sub programme	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	4 509	(938)	-	3 571	3 501	70	98.0%	6 620	6 614
1.2 DEPARTMENTAL MANAGEMENT	25 711	(169)	(55)	25 487	23 637	1 851	92.7%	37 296	37 143
1.3 INTERNAL AUDIT	1 571	78	-	1 649	1 638	11	99.3%	1 141	1 134
1.4 CORPORATE SERVICES	18 194	(409)	(1 395)	16 390	15 200	1 190	92.7%	16 102	16 017
1.5 FINANCIAL MANAGEMENT	11 780	1 438	3 395	16 613	13 808	2 805	83.1%	11 106	11 076
Total for sub programmes	**61 765**	**-**	**1 945**	**63 710**	**57 784**	**5 926**	**90.7%**	**72 265**	**71 984**
Economic classification									
Current payments	**61 065**	**(1 442)**	**(1 395)**	**58 228**	**53 160**	**5 069**	**91.3%**	**71 158**	**70 871**
Compensation of employees	43 868	-	-	43 868	38 929	4 939	88.7%	49 937	49 900
Salaries and wages	35 097	2 778	-	37 875	35 285	2 590	93.2%	45 208	45 185
Social contributions	8 771	(2 778)	-	5 993	3 644	2 349	60.8%	4 729	4 715
Goods and services	17 197	(1 442)	(1 395)	14 360	14 231	130	99.1%	21 221	20 971
Administrative fees	255	(39)	-	216	189	27	87.5%	388	375
Advertising	75	203	-	278	277	1	99.6%	74	74
Minor assets	18	129	-	147	139	8	94.6%	35	33
Audit costs: External	1 100	313	-	1 413	1 412	1	99.9%	949	948
Bursaries: Employees	50	(42)	-	8	8	-	100.0%	14	14
Catering: Departmental activities	308	(161)	-	147	125	22	85.0%	137	132
Communication (G&S)	1 308	(232)	-	1 076	1 067	9	99.2%	1 697	1 687
Computer services	352	448	-	800	797	3	99.6%	535	533
Consultants: Business and advisory services	-	94	-	94	91	3	96.8%	410	408
Legal services	544	876	(495)	925	925	-	100.0%	1 079	1 078

Contractors	125	(101)	-	24	23	1	95.8%	18	15
Agency and support / outsourced services	67	(67)	-	-	-	-	-	-	-
Entertainment	250	(250)	-	-	-	-	-	-	-
Fleet services(Including government motor transport)	1 190	(596)	-	594	587	7	98.8%	787	780
Consumable supplies	176	(61)	-	115	86	29	74.8%	158	144
Consumable: Stationery, printing and office supplies	505	(337)	-	168	163	5	97.0%	243	240
Operating leases	60	3 724	(900)	2 884	2 882	2	99.9%	4 908	4 903
Property payments	4 036	(4 036)	-	-	-	-	-	-	-
Travel and subsistence	5 846	(751)	-	5 095	5 087	9	99.8%	8 991	8 931
Training and development	557	(231)	-	326	326	-	100.0%	425	422
Operating payments	295	(245)	-	50	47	3	94.0%	253	135
Venues and facilities	80	(80)	-	-	-	-	-	120	119
Transfers and subsidies	**640**	**-**	**(55)**	**585**	**506**	**79**	**86.5%**	**948**	**930**
Households	640	-	(55)	585	506	79	86.5%	948	930
Social benefits	640	-	(55)	585	506	79	86.5%	948	930
Payments for capital assets	**60**	**1 442**	**3 395**	**4 897**	**4 060**	**837**	**82.9%**	**159**	**153**
Machinery and equipment	-	1 502	3 395	4 897	4 060	837	82.9%	67	62
Transport equipment	-	(325)	3 395	3 070	3 069	1	100.0%	-	-
Other machinery and equipment	-	1 827	-	1 827	991	836	54.2%	67	62
Software and intangible assets	60	(60)	-	-	-	-	-	92	91
Payment for financial assets	**-**	**-**	**-**	**-**	**58**	**(58)**	**-**	**-**	**30**
TOTAL	**61 765**	**-**	**1 945**	**63 710**	**57 784**	**5 926**	**90.7%**	**72 265**	**71 984**

1.1 MINISTRY									
	2019/20							2018/19	
	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	**4 327**	**(756)**	**-**	**3 571**	**3 481**	**90**	**97.5%**	**6 620**	**6 584**
Compensation of employees	1 865	182	-	2 047	1 978	69	96.6%	3 726	3 720
Goods and services	2 462	(938)	-	1 524	1 503	21	98.6%	2 894	2 864
Transfers and subsidies	**182**	**(182)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Households	182	(182)	-	-	-	-	-	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Payments of financial assets	**-**	**-**	**-**	**-**	**20**	**(20)**	**-**	**-**	**30**
TOTAL	**4 509**	**(938)**	**-**	**3 571**	**3 501**	**70**	**98.0%**	**6 620**	**6 614**

1.2 DEPARTMENTAL MANAGEMENT									
	2019/20							2018/19	
	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	**25 362**	**(457)**	**-**	**24 905**	**23 115**	**1 790**	**92.8%**	**36 320**	**36 190**
Compensation of employees	19 393	(195)	-	19 198	17 462	1 736	91.0%	25 506	25 494
Goods and services	5 969	(262)	-	5 707	5 653	54	99.1%	10 814	10 696
Transfers and subsidies	**349**	**121**	**(55)**	**415**	**337**	**79**	**81.1%**	**909**	**891**
Households	349	121	(55)	415	337	79	81.1%	909	891
Payments for capital assets	**-**	**167**	**-**	**167**	**166**	**1**	**99.4%**	**67**	**62**
Machinery and equipment	-	167	-	167	166	1	99.4%	67	62
Payment for financial assets	**-**	**-**	**-**	**-**	**19**	**(19)**	**-**	**-**	**-**
TOTAL	**25 711**	**(169)**	**(55)**	**25 487**	**23 637**	**1 850**	**92.7%**	**37 296**	**37 143**

1.3 INTERNAL AUDIT									
	2019/20							2018/19	
	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	**1 511**	**68**	**-**	**1 579**	**1 568**	**11**	**99.3%**	**1 049**	**1 043**
Goods and services	1 511	68	-	1 579	1 568	11	99.3%	1 049	1 043
Payments for capital assets	**60**	**10**	**-**	**70**	**69**	**1**	**98.6%**	**92**	**91**
Machinery and equipment	-	70	-	70	69	1	98.6%	-	-
Software and intangible assets	60	(60)		-		-	-	92	91
Payment for financial assets				**-**	**1**	**(1)**	**-**	**-**	
TOTAL	**1 571**	**78**	**-**	**1 649**	**1 638**	**11**	**99.3%**	**1 141**	**1 134**

1.4 CORPORATE SERVICES									
	2019/20							2018/19	
	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	**18 194**	**(464)**	**(1 395)**	**16 335**	**15 127**	**1 208**	**92.6%**	**16 102**	**16 017**
Compensation of employees	11 525	13	-	11 538	10 351	1 187	89.7%	10 354	10 347
Goods and services	6 669	(477)	(1 395)	4 797	4 776	21	99.6%	5 748	5 670
Transfers and subsidies	**-**	**55**	**-**	**55**	**55**	**-**	**100.0%**	**-**	**-**
Households	-	55	-	55	55	-	100.0%	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Machinery and equipment	-	-	-	-	-	-	-	-	-
Payment for financial assets				**-**	**18**	**(18)**	**-**	**-**	**-**
TOTAL	**18 194**	**(409)**	**(1 395)**	**16 390**	**15 200**	**1 190**	**92.7%**	**16 102**	**16 017**

1.5 FINANCIAL MANAGEMENT									
	2019/20							2018/19	
	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	**11 671**	**167**	**-**	**11 838**	**9 869**	**1 970**	**83.4%**	**11 067**	**11 037**
Compensation of employees	11 085	-	-	11 085	9 138	1 947	82.4%	10 351	10 339
Goods and services	586	167	-	753	731	23	97.0%	716	698
Transfers and subsidies	**109**	**6**	**-**	**115**	**115**	**-**	**100.0%**	**39**	**39**
Households	109	6	-	115	115	-	100.0%	**39**	**39**
Payments for capital assets	**-**	**1 265**	**3 395**	**4 660**	**3 825**	**835**	**82.1%**	**-**	**-**
Machinery and equipment	-	1 265	3 395	4 660	3 825	835	82.1%	-	-
TOTAL	**11 780**	**1 438**	**3 395**	**16 613**	**13 808**	**2 805**	**83.1%**	**11 106**	**11 076**

Programme 2: COMMUNICATIONS POLICY, RESEARCH AND DEVELOPMENT									
	2019/20							2018/19	
	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
Sub programme									
2.1 BROADCASTING POLICY	10 600	-	-	10 600	5 549	5 052	52.3%	8 813	7 607
2.2 MEDIA POLICY	3 548	-	-	3 548	1 571	1 978	44.3%	397	236
2.3 TECHNOLOGY AND ENGINEERING SERVICES	264	-	-	264	66	198	25.0%	1 436	1 319
Total for sub programmes	14 412	-	-	14 412	7 185	7 227	49.9%	10 646	9 162
Economic classification									
Current payments	14 412	(50)	-	14 362	7 141	7 221	49.7%	10 524	9 040
Compensation of employees	12 614	-	-	12 614	6 811	5 803	54.0%	7 371	6 806
Salaries and wages	11 671	(77)	-	11 594	6 130	5 464	52.9%	6 257	6 085
Social contributions	943	77	-	1 020	681	339	66.8%	1 114	721
Goods and services	1 798	(50)	-	1 748	330	1 418	18.9%	3 153	2 234
Administrative fees	55	(3)	-	52	4	48	7.7%	40	18
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	109	(15)	-	94	3	91	3.2%	51	7
Catering: Departmental activities	70	(17)	-	53	3	50	5.7%	82	26
Communication (G&S)	105	20	-	125	100	25	80.0%	164	96
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	250	246
Legal services	-	-	-	-	-	-	-		
Contractors	-	-	-	-	-	-	-	7	-
Agency and support / outsourced services	80	(23)	-	57	-	57	-	56	-

Fleet services (Including government motor transport)	-	-	-	-	-	-	-	2	-
Consumable supplies	28	5	-	33	2	31	6.1%	33	3
Consumable: Stationery, printing and office supplies	197	90	-	287	11	276	3.8%	223	48
Operating leases	70	(5)	-	65	8	57	12.3%	60	26
Property payments									
Travel and Subsistence	1 035	(147)	-	888	187	701	21.1%	1 624	1 211
Training and development	-	-	-	-	-	-	-		
Operating payments	49	45	-	94	12	82	12.8%	35	28
Venues and facilities	-	-	-	-	-	-	-	526	525
Rental and hiring	-	-	-	-	-	-	-	-	-
Transfer and subsidies	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	**50**	-	**50**	**44**	**6**	**88.0%**	**122**	**122**
Machinery and equipment	-	50	-	50	44	6	88.0%	122	122
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	50	-	50	44	6	88.0%	122	122
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	**14 412**	**-**	**-**	**14 412**	**7 185**	**7 227**	**49.9%**	**10 646**	**9 162**

2.1 BROADCASTING POLICY									
	2019/20							2018/19	
	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	**10 600**	**-**	**-**	**10 600**	**5 549**	**5 052**	**52.3%**	**8 691**	**7 485**
Compensation of employees	9 449	-	-	9 449	5 304	4 145	56.1%	5 785	5 329
Goods and services	1 151	-	-	1 151	245	907	21.2%	2 906	2 156
Transfer and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**122**	**122**
Machinery and equipment	-	-	-	-	-	-	-	122	122
TOTAL	**10 600**	**-**	**-**	**10 600**	**5 549**	**5 052**	**52.3%**	**8 813**	**7 607**

2.2 MEDIA POLICY									
	2019/20							2018/19	
	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	**3 548**	**-**	**-**	**3 548**	**1 571**	**1 978**	**44.3%**	**397**	**236**
Compensation of employees	3 165	-	-	3 165	1 507	1 658	47.6%	213	211
Goods and services	383	-	-	383	64	320	16.6%	184	25
TOTAL	**3 548**	**-**	**-**	**3 548**	**1 571**	**1 978**	**44.3%**	**397**	**236**

2.3 TECHNOLOGY AND ENGINEERING SERVICES									
	2019/20							2018/19	
	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	**264**	**(50)**	**-**	**214**	**22**	**192**	**10.3%**	**1 436**	**1 319**
Compensation of employees	-	-	-	-	-	-	-	1 373	1 266
Goods and services	264	(50)	-	214	22	192	10.3%	63	53
Payments for capital assets	**-**	**50**	**-**	**50**	**44**	**6**	**88.0%**	**-**	**-**
Machinery and equipment	-	50	-	50	44	6	88.0%	-	-
TOTAL	**264**	**-**	**-**	**264**	**66**	**198**	**25.0%**	**1 436**	**1 319**

Programme 3: INDUSTRY AND CAPACITY DEVELOPMENT									
	2019/20							2018/19	
Sub programme	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	2 112	-	-	2 112	1 041	1 071	49.3%	1 715	39
3.2 BROADCASTING DIGITAL MIGRATION	29 326	(2)	55	29 379	21 069	8 310	71.7%	36 367	14 525
3.3 INDUSTRY RESEARCH AND ANALYSIS	1 684	(127)	-	1 557	575	982	36.9%	2 535	1 583
3.4 INTER-GOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT	4 327	129	-	4 456	3 656	800	82.0%	4 690	4 421
Total for sub programmes	**37 449**	**-**	**55**	**37 504**	**26 341**	**11 164**	**70.2%**	**45 307**	**20 568**
Economic classification									
Current payments	**37 152**	**(2 155)**	**-**	**34 997**	**24 646**	**10 352**	**70.4%**	**44 831**	**20 086**
Compensation of employees	13 196	-	-	13 196	10 841	2 355	82.2%	18 365	11 791
Salaries and wages	12 147	(118)	-	12 029	9 867	2 162	82.0%	17 238	10 795
Social contributions	1 049	118	-	1 167	974	193	83.5%	1 127	996
Goods and services	23 956	(2 155)	-	21 801	13 805	7 997	63.3%	26 466	8 295
Administrative fees	617	(47)	-	570	138	432	24.2%	624	71
Advertising	4 340	2 518	-	6 858	4 189	2 669	61.1%	4 353	3 067
Minor assets	75	(12)	-	63	11	52	17.5%	76	25
Catering: Departmental activities	50	2 195	-	2 245	2 040	205	90.9%	826	400
Communication (G&S)	276	-	-	276	171	106	61.8%	344	167
Computer services	-	-	-	-	-	-	-	-	-

Consultants: Business and advisory services	1 500	(1 308)	-	192	192	-	100%	1 613	112
Legal services	500	(371)	-	129	-	129	-	500	-
Contractors	110	5	-	115	48	67	41.7%	138	128
Agency and support / outsourced services	1 070	959	-	2 029	1 325	704	65.3%	397	397
Fleet services (Including government motor transport)	402	18	-	420	156	264	37.1%	516	253
Consumable supplies	51	15	-	66	19	47	28.8%	110	33
Consumable: Stationery, printing and office supplies	1 029	(713)	-	316	39	277	12.3%	1 625	841
Operating leases	-	27	-	27	13	14	48.1%	34	33
Property payments	-	1	-	1	1	-	100.0%	3	-
Travel and Subsistence	7 817	(324)	-	7 493	4 740	2 753	63.3%	11 848	2 640
Training and development	-	169	-	169	167	2	98.8%	-	-
Operating payments	70	114	-	184	120	64	65.2%	120	58
Venues and facilities	308	(66)	-	242	240	2	99.2%	385	15
Rental and hiring	5 741	(5 335)	-	406	196	210	48.3%	2 954	55
Transfer and subsidies	**251**	**1**	**55**	**307**	**306**	**1**	**99.7%**	**117**	**116**
Households	251	1	55	307	306	1	99.7%	117	116
Social benefits	251	1	55	307	306	1	99.7%	117	116
Payments for capital assets	**46**	**2 154**	**-**	**2 200**	**1 376**	**824**	**62.5%**	**359**	**356**
Machinery and equipment	46	2 154	-	2 200	1 376	824	62.5%	359	356
Transport equipment	-	1 180	-	1 180	1 180	-	100.0%		
Other machinery and equipment	46	974	-	1 020	196	824	19.2%	359	356
Payment for financial assets	**-**	**-**	**-**	**-**	**14**	**(14)**	**-**	**-**	**10**
TOTAL	**37 449**	**-**	**55**	**37 504**	**26 341**	**11 163**	**70.2%**	**45 307**	**20 568**

3.1 ENTERPRISE DEVELOPMENT

	2019/20							2018/19	
	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	**2 112**	**(70)**	**-**	**2 042**	**1 003**	**1 040**	**49.1%**	**1 715**	**39**
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	2 112	(70)	-	2 042	1 003	1 040	49.1%	1 715	39
Payments for capital assets	**-**	**70**	**-**	**70**	**36**	**34**	**51.4%**	**-**	**-**
Machinery and equipment	-	70	-	70	36	34	51.4%	-	-
Payment for financial assets				**-**	**3**	**(3)**	**-**	**-**	
TOTAL	**2 112**	**-**	**-**	**2 112**	**1 041**	**1 071**	**49.3%**	**1 715**	**39**

3.2 BROADCASTING DIGITAL MIGRATION

	2019/20							2018/19	
	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	**29 123**	**(2 007)**	**-**	**27 116**	**19 579**	**7 537**	**72.2%**	**35 891**	**14 043**
Compensation of employees	8 079	-	-	8 079	7 109	970	88.0%	12 429	6 473
Goods and services	21 044	(2 007)	-	19 037	12 472	6 565	65.5%	23 462	7 570
Transfer and subsidies	**157**	**(2)**	**55**	**210**	**210**	**-**	**100.0%**	**117**	**116**
Households	157	(2)	55	210	210	-	100.0%	117	116
Payments for capital assets	**46**	**2 007**	**-**	**2 053**	**1 267**	**786**	**61.7%**	**359**	**356**
Machinery and equipment	46	2 007	-	2 053	1 267	786	61.7%	359	356
Payment for financial assets				**-**	**11**	**(11)**	**-**	**-**	**10**
TOTAL	**29 326**	**(2)**	**55**	**29 379**	**21 069**	**8 310**	**71.7%**	**36 367**	**14 525**

3.3 INDUSTRY RESEARCH AND ANALYSIS

	2019/20							2018/19	
	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	**1 622**	**(128)**	**-**	**1 494**	**512**	**982**	**34.3%**	**2 535**	**1 583**
Compensation of employees	1 185	-	-	1 185	407	778	34.3%	2 131	1 514
Goods and services	437	(128)	-	309	105	204	34.0%	404	69
Transfer and subsidies	**62**	**1**	**-**	**63**	**63**	**-**	**100.0%**	**-**	**-**
Households	62	1	-	63	63	-	100.0%	-	-
TOTAL	**1 684**	**(127)**	**-**	**1 557**	**575**	**982**	**36.9%**	**2 535**	**1 583**

3.4 INTER-GOVERNMENTAL RELATIONS AND STAKEHOLDER MANAGEMENT

	2019/20							2018/19	
	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	**4 295**	**50**	**-**	**4 345**	**3 550**	**795**	**81.7%**	**4 690**	**4 421**
Compensation of employees	3 932	-	-	3 932	3 325	607	84.6%	3 805	3 804
Goods and services	363	50	-	413	225	188	54.5%	885	617
Transfer and subsidies	**32**	**2**	**-**	**34**	**33**	**1**	**97.1%**	**-**	**-**
Households	32	2	-	34	33	1	97.1%	-	-
Payments for capital assets	**-**	**77**	**-**	**77**	**73**	**4**	**94.8%**	**-**	**-**
Machinery and equipment	-	77	-	77	73	4	94.8%	-	-
TOTAL	**4 327**	**129**	**-**	**4 456**	**3 656**	**800**	**82.0%**	**4 690**	**4 421**

Programme 4: ENTITY OVERSIGHT									
	2019/20							2018/19	
Sub programme	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	10 698	(33)	-	10 665	2 022	8 643	19.0%	2 885	2 660
4.2 BROADCASTING AND COMMUNITY MEDIA	3 436 720	33	-	3 436 753	3 434 391	2 363	99.9%	221 573	221 194
4.3 COMMUNICATION AND BRANDING	657 864	-	(2 000)	655 864	651 897	3 967	99.4%	624 527	624 015
4.4 REGULATORY INSTITUTIONS	554 183	-	-	554 183	552 018	2 165	99.6%	539 043	538 538
Total for sub programmes	**4 659 465**	**-**	**(2 000)**	**4 657 465**	**4 640 328**	**17 138**	**99.6%**	**1 388 028**	**1 386 407**
Economic classification									
Current payments	**30 039**	**-**	**(2 000)**	**28 039**	**10 902**	**17 138**	**38.9%**	**7 305**	**5 698**
Compensation of employees	17 113	-	-	17 113	5 119	11 994	29.9%	5 243	5 146
Salaries and wages	16 258	(48)	-	16 210	4 606	11 604	28.4%	4 611	4 605
Social contributions	855	48	-	903	513	390	56.8%	632	541
Goods and services	12 926	-	(2 000)	10 926	5 783	5 144	52.9%	2 062	552
Administrative fees	24	5	-	29	7	22	24.1%	18	14
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	6	-	-	6	-	6	-	20	4
Catering: Departmental activities	30	-	-	30	8	22	26.7%	20	8
Communication (G&S)	295	(41)	-	254	64	191	25.0%	317	53
Consultants: Business and advisory services	10 718	-	(2 000)	8 718	5 300	3 418	60.8%	-	-

Consumable supplies	35	(10)	-	25	5	20	20.0%	28	7
Consumable: Stationery printing and office supplies	375	(30)	-	345	42	303	12.2%	282	36
Operating leases	144	6	-	150	42	108	28.0%	150	42
Travel and subsistence	1 197	92	-	1 289	309	980	24.0%	1 099	370
Operating payments	70	(22)	-	48	6	42	12.5%	128	18
Venues and facilities	32	-	-	32	-	32	-	-	-
Transfers and subsidies	**1 429 426**	**-**	**-**	**1 429 426**	**1 429 426**	**-**	**100.0%**	**1 380 703**	**1 380 702**
Departmental agencies and accounts	1 230 410	-	-	1 230 410	1 230 410	-	100.0%	1 193 222	1 193 222
Departmental agencies and accounts (non-business entities)	1 230 410	-	-	1 230 410	1 230 410	-	100.0%	1 193 222	1 193 222
Public corporations and private enterprises	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Public corporations	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Other transfers to public corporations	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Households	-	-	-	-	-	-	-	60	59
Social benefits	-	-	-	-	-	-	-	60	59
Payments for capital assets	-	-	-	-	-	-	-	**20**	**7**
Machinery and equipment	-	-	-	-	-	-	-	20	7
Transport equipment	-	-	-	-	-	-	-		
Other machinery and equipment	-	-	-	-	-	-	-	20	7
Payment for financial assets	**3 200 000**	**-**	**-**	**3 200 000**	**3 200 000**	**-**	**100.0%**	**-**	**-**
TOTAL	**4 659 465**	**-**	**(2 000)**	**4 657 465**	**4 640 328**	**17 138**	**99.6%**	**1 388 028**	**1 386 407**

4.1 PROGRAMME MANAGEMENT FOR ENTITY OVERSIGHT

	2019/20							2018/19	
	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	**10 698**	**(33)**	**-**	**10 665**	**2 022**	**8 643**	**19.0%**	**2 817**	**2 594**
Compensation of employees	10 137	-	-	10 137	1 643	8 494	16.2%	2 146	2 141
Goods and services	561	(33)	-	528	379	149	71.8%	671	453
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**60**	**59**
Households	-	-	-	-	-	-	-	60	59
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8**	**7**
Machinery and equipment	-	-	-	-	-	-	-	8	7
TOTAL	**10 698**	**(33)**	**-**	**10 665**	**2 022**	**8 643**	**19.0%**	**2 885**	**2 660**

4.2 BROADCASTING AND COMMUNITY MEDIA

	2019/20							2018/19	
	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	**5 909**	**33**	**-**	**5 942**	**3 580**	**2 363**	**60.2%**	**3 483**	**3 104**
Compensation of employees	5 360	-	-	5 360	3 476	1 884	64.9%	3 012	3 005
Goods and services	549	33	-	582	104	479	17.8%	471	99
Transfers and subsidies	**230 811**	**-**	**-**	**230 811**	**230 811**	**-**	**100.0%**	**218 090**	**218 090**
Departmental agencies and accounts	31 795	-	-	31 795	31 795	-	100.0%	30 669	30 669
Public corporations and private enterprises	199 016	-	-	199 016	199 016	-	100.0%	187 421	187 421
Payment for financial assets	**3 200 000**			**3 200 000**	**3 200 000**	**-**	**100.0%**	**-**	
TOTAL	**3 436 720**	**33**	**-**	**3 436 753**	**3 434 391**	**2 363**	**99.9%**	**221 573**	**221 194**

4.3 COMMUNICATION AND BRANDING

	2019/20							2018/19	
	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	**11 267**	**-**	**(2 000)**	**9 267**	**5 300**	**3 967**	**57.2%**	**500**	**-**
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	11 267	-	(2 000)	9 267	5 300	3 967	57.2%	500	-
Transfers and subsidies	**646 597**	**-**	**-**	**646 597**	**646 597**	**-**	**100.0%**	**624 015**	**624 015**
Departmental agencies and accounts	646 597	-	-	646 597	646 597	-	100.0%	624 015	624 015
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**-**
Machinery and equipment	-	-	-	-	-	-	-	12	-
TOTAL	**657 864**	**-**	**(2 000)**	**655 864**	**651 897**	**3 967**	**99.4%**	**624 527**	**624 015**

4.4 REGULATORY INSTITUTIONS

	2019/20							2018/19	
	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	**2 165**	**-**	**-**	**2 165**	**-**	**2 165**	**-**	**505**	**-**
Compensation of employees	1 616	-	-	1 616	-	1 616	-	85	-
Goods and services	549	-	-	549	-	549	-	420	-
Transfers and subsidies	**552 018**	**-**	**-**	**552 018**	**552 018**	**-**	**100.0%**	**538 538**	**538 538**
Departmental agencies and accounts	552 018	-	-	552 018	552 018	-	100.0%	538 538	538 538
TOTAL	**554 183**	**-**	**-**	**554 183**	**552 018**	**2 165**	**99.6%**	**539 043**	**538 538**

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, disclosure 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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Programme 2: Communications Policy, Research and Development	14 412	7 185	7 227	49.9%

The underspending is due to slow activities is in relation to the Audio-Visual and Digital Content Strategy developed for the 4IR and the Broadcasting Amendment Act. This has since resulted in slow spending in Travelling, Consultations, Venues and Facilities and Agency and Support Services.

Programme 3: Industry and Capacity and Development	37 504	26 341	11 163	70.2%

Under spending is due to slow activities in Travelling, Rental and Hiring, Advertising and Promotional items in respect of the outreach programmes for the DTT project due to changes in delivery model.

Programme 4: Entity Oversight	4 657 465	4 640 328	17 138	99.6%

The underspending is mainly on Compensation of Employees due to the non- appointment of the Chief Restructuring Officer.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	86 791	61 700	25 091	71.1%
Goods and services	48 835	34 148	14 688	69.9%
Transfers and subsidies				
Provinces and municipalities				
Departmental agencies and accounts	1 230 410	1 230 410	-	100%
Higher education institutions				
Public corporations and private enterprises	199 016	199 016	-	100%
Households	892	812	80	91.0%
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	7 147	5 480	1 667	76.7%
Payments for financial assets				

Under spending on Compensation of Employees is due to current vacancies as a result of the moratorium that was placed on the filling of posts because of the reconfiguration process of the Departments and due to vacant post of the Chief Restructuring Officer that was not filled by 31 March 2020. On Goods and Services the variance is due to (1) slow activities is in relation to the Audio-Visual and Digital Content Strategy developed for the 4IR and the Broadcasting Amendment Act (2) slow activities in Travelling, Rental and Hiring, Advertising and Promotional items in respect of the outreach programmes for the DTT project due to changes in delivery model. On Payment for Capital Expenditure, Due to the COVID-19 outbreak in China, the Department didn't receive the capital equipment that was ordered.

DEPARTMENT OF COMMUNICATIONS

VOTE 3

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	4,773,091	1,516,246
Departmental revenue	2	1,613	2,138
TOTAL REVENUE		**4,774,704**	**1,518,384**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	61,700	73,643
Goods and services	4	34,148	32,051
Total current expenditure		**95,848**	**105,694**
Transfers and subsidies			
Transfers and subsidies	6	1,430,238	1,381,748
Total transfers and subsidies		**1,430,238**	**1,381,748**
Expenditure for capital assets			
Tangible assets	7	5,480	548
Intangible assets	7	-	91
Total expenditure for capital assets		**5,480**	**639**
Payment for financial assets	5	***3,200,071***	***40***
TOTAL EXPENDITURE		**4,731,637**	**1,488,121**
SURPLUS/(DEFICIT) FOR THE YEAR		**43,067**	**30,263**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		41,454	*28,125*
Annual appropriation		41,454	28,125
Departmental revenue and NRF Receipts	13	1,613	2,138
SURPLUS/(DEFICIT) FOR THE YEAR		**43,067**	**30,263**

DEPARTMENT OF COMMUNICATIONS

VOTE 3

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		**41,346**	**28,224**
Cash and cash equivalents	*8*	39,173	10,803
Prepayments and advances	*9*	2,087	17,268
Receivables	*10*	86	153
Non-current assets		**15,027**	**17,554**
Receivables	*10*	113	152
Loans	*11*	14,914	17,402
TOTAL ASSETS		**56,373**	**45,778**
LIABILITIES			
Current liabilities		**41,459**	**28,376**
Voted funds to be surrendered to the Revenue Fund	*12*	41,454	28,125
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*13*	1	243
Payables	*14*	4	8
TOTAL LIABILITIES		**41,459**	**28,376**
NET ASSETS		**14,914**	**17,402**
Represented by:			
Capitalisation reserve		14,914	17,402
Recoverable revenue		-	-
TOTAL		**14,914**	**17,402**

DEPARTMENT OF COMMUNICATIONS

VOTE 3

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
Capitalisation Reserves			
Opening balance		17,402	20,799
Movement in Equity	*11*	(2,488)	(3,397)
Closing balance		**14,914**	**17,402**
TOTAL		**14,914**	**17,402**

DEPARTMENT OF COMMUNICATIONS

VOTE 3

CASH FLOW STATEMENT
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**4,774,704**	**1,518,384**
Annual appropriated funds received	*1.1*	4,773,091	1,516,246
Departmental revenue received	*2.1 & 2.3*	384	337
Interest received	*2.2*	1,229	1,801
Net (increase)/decrease in working capital		15,244	(17,399)
Surrendered to Revenue Fund		(29,980)	(11,243)
Current payments		(95,848)	(105,694)
Payments for financial assets		(3,200,071)	(40)
Transfers and subsidies paid		(1,430,238)	(1,381,748)
Net cash flow available from operating activities	*15*	**33,811**	**2,260**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*7*	(5,480)	(639)
(Increase)/decrease in loans		2,488	3,397
(Increase)/decrease in non-current receivables		39	-
Net cash flows from investing activities		**(2,953)**	**2,758**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(2,488)	(3,397)
Net cash flows from financing activities		**(2,488)**	**(3,397)**
Net increase/(decrease) in cash and cash equivalents		28,370	1,621
Cash and cash equivalents at beginning of period		10,803	9,182
Cash and cash equivalents at end of period	*8*	**39,173**	**10,803**

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.

6.2 Current year comparison with budget

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

7 Revenue

7.1 Appropriated funds

Appropriated funds comprise 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.

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 payable expenditure

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

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

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

9 Cash and cash equivalents

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

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

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

10 Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

11 Loans and receivables

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

12 Payables

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

13 Capital Assets

13.1 Movable capital assets

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

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

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

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

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

13.2 Intangible assets

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

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

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

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

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

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

14 Provisions and Contingents

14.1 Provisions

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

14.2 Contingent liabilities

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

14.3 Contingent assets

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

14.4 Capital 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.

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.

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.

25 Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

26 Mergers

Mergers are accounted for by the combined Department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

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):

	2019/20			2018/19	
	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	61,765	61,765	-	70,424	70,424
Communications Policy, Research and Development	14,412	14,412	-	11,246	11,246
Industry and Capacity Development	37,449	37,449	-	45,307	45,307
Entity Oversight	4,659,465	4,659,465		1,389,269	1,389,269
Total	**4,773,091**	**4,773,091**	**-**	**1,516,246**	**1,516,246**

All funds were requested from National Treasury by 31 March 2020.

Departmental revenue

	Note	2019/20	2018/19
		R'000	**R'000**
Sales of goods and services other than capital assets	*2.1*	26	53
Interest, dividends and rent on land	*2.2*	1,229	1,801
Transactions in financial assets and liabilities	*2.3*	358	284
Total revenue collected		**1,613**	**2,138**
Departmental revenue collected		**1,613**	**2,138**

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 arears on 31 January and 31 July every year.

2.1 Sales of goods and services other than capital assets

	Note	2019/20	2018/19
	2	**R'000**	**R'000**
Sales of goods and services produced by the department		**26**	**53**
Sales by market establishment		16	43
Other sales		10	10
Total		**26**	**53**

2.2 Interest, dividends and rent on land

	Note	2019/20	2018/19
	2	R'000	R'000
Interest		1,229	1,801
Total		**1,229**	**1,801**

2.3 Transactions in financial assets and liabilities

	Note	2019/20	2018/19
	2	R'000	R'000
Other Receipts including Recoverable Revenue		358	284
Total		**358**	**284**

1.4 Cash received not recognised (*not included in the main note*)

Name of entity	Amount received	2019/20 Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Independent Communications Authority of South Africa (Spectrum)	1,490,587	1,490,587	-
Total	**1,490,587**	**1,490,587**	**-**

Name of entity	Amount received	2018/19 Amount paid to the revenue fund	Balance
	R'000	R'000	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**	**-**

A total of R1, 671 billion was received from ICASA during the 2019/20 financial year of which R180 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.

3. Compensation of employees

3.1 Salaries and Wages

	Note	**2019/20**	**2018/19**
	3	**R'000**	**R'000**
Basic salary		40,135	48,541
Performance award		1,347	968
Service Based		33	10
Compensative/circumstantial		1,708	1,827
Periodic payments		702	670
Other non-pensionable allowances		11,963	14,654
Total		**55,888**	**66,670**

3.2 Social contributions

	Note	**2019/20**	**2018/19**
	3	**R'000**	**R'000**
Employer contributions			
Pension		4,988	5,999
Medical		816	966
Bargaining council		8	8
Total		**5,812**	**6,973**
Total compensation of employees		**61,700**	**73,643**
Average number of employees		82	85

The average number of employee figure represent the total number of officials in service as at 31 March 2020.

4. Goods and services

	Note	**2019/20**	**2018/19**
		R'000	**R'000**
Administrative fees		338	478
Advertising		4,466	3,141
Minor assets	*4.1*	153	69
Bursaries (employees)		8	14
Catering		2,176	566
Communication		1,401	2,003
Computer services	*4.2*	797	533
Consultants: Business and advisory services		5,583	766
Legal services		925	1,078
Contractors		71	142
Agency and support / outsourced services		1,325	397
Audit cost-external	*4.3*	1,412	948
Fleet services		743	1,033

Consumables	*4.4*	367	1,352
Operating leases		2 945	5,004
Property payments		1	-
Rental and hiring		196	55
Travel and subsistence	*4.5*	10,323	13,152
Venues and facilities		240	659
Training and development		493	422
Other operating expenditure	*4.6*	185	239
Total		**34,148**	**32,051**

4.1 Minor assets

	Note	**2019/20**	**2018/19**
	4	**R'000**	**R'000**
Tangible assets			
Machinery and equipment		153	69
Total		**153**	**69**

4.2 Computer Services

	Note	**2019/20**	**2018/19**
	4	**R'000**	**R'000**
SITA Computer Services		251	474
External computer service providers		546	59
Total		**797**	**533**

4.3 Audit cost-external

	Note	**2019/20**	**2018/19**
	4	**R'000**	**R'000**
Regularity audits		1,412	948
Total		**1,412**	**948**

4.4 Consumables

	Note 4	2019/20 R'000	2018/19 R'000
Consumable supplies		111	187
Uniform and clothing		7	39
Household supplies		77	94
Building material and supplies		10	33
IT consumables		17	4
Other consumables		-	17
Stationery, printing and office supplies		256	1,165
Total		**367**	**1,352**

4.5 Property payments

	Note 4	2019/20 R'000	2018/19 R'000
Other		1	-
Total		**1**	**-**

4.6 Travel and subsistence

	Note 4	2019/20 R'000	2018/19 R'000
Local		9,064	11,651
Foreign		1,259	1,501
Total		**10,323**	**13,152**

4.7 Other operating expenditure

	Note 4	2019/20 R'000	2018/19 R'000
Professional bodies, membership and subscription fees		3	-
Other		182	239
Total		**185**	**239**

5. Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Extension of loans for policy purposes		3,200,000	-
Other material losses written off	5.1	62	40
Debts written off	5.2	9	-
Total		**3,200,071**	**40**

5.1 Other material losses written off

Nature of losses	Note	2019/20	2018/19
(Group major categories, but list material items)	5	R'000	R'000
Damages to vehicles		60	40
No show		2	
Total		**62**	**40**

5.2 Debts written off

Other debt written off	Note	2019/20	2018/19
	5	R'000	R'000
Leave over granted		7	-
Cellular telephone		2	-
Total		9	-
Total debt written off		**9**	**-**

6. Transfers and subsidies

		2019/20	2018/19
		R'000	R'000
	Note		
Departmental agencies and accounts	Annex 1A	1,230,410	1,193,222
Public corporations and private enterprises	Annex 1B	199,016	187,421
Households	Annex 1C	812	1,105
Total		**1,430,238**	**1,381,748**

7. Expenditure for capital assets

	Note	2019/20	2018/19
		R'000	R'000
Tangible assets		**5,480**	**548**
Machinery and equipment	26	5,480	548
Total		**5,480**	**548**
		-	**91**
Intangible assets			
Software	26	-	91
Total		**5,480**	**639**

7.1 Analysis of funds utilised to acquire capital assets-2019/20

	Voted Funds R'000	Total R'000
Tangible assets	**5,480**	**5,480**
Machinery and equipment	5,480	5,480
Total	**5,480**	**5,480**

7.2 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		
Software	91	91
Total	**639**	**639**

8. Cash and cash equivalents

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		39,157	18,727
Disbursements		(14)	(7,954)
Cash on hand		30	30
Total		**39,173**	**10,803**

9. Prepayments and advances

	Note	2019/20 R'000	2018/19 R'000
Advances paid (Not expensed)	*9.1*	2,087	17,268
Total		**2,087**	**17,268**

Advances paid (Not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current year advances	Balance as at 31 March 2020
	Annexure 5	R'000	R'000	R'000	R'000	R'000
National departments		17,268	(16,866)	-	1,685	2,087
Total		**17,268**	**(16,866)**	**-**	**1,685**	**2,087**

	Note	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
	9	R'000	R'000	R'000	R'000	R'000
National departments						
Provincial departments		79	(867)	-	18,056	**17,268**
Total		**79**	**(867)**	**-**	**18,056**	**17,268**

10. Receivables

		2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	Note						
Claims recoverable	*10.1*	41	-	41	90	-	90
Recoverable expenditure	*10.2*	3	-	3	1	-	1
Staff debt	*10.3*	42	113	155	62	152	214
Total		**86**	**113**	**199**	**153**	**152**	**305**

10.1 Claims recoverable

	Note	2019/20	2018/19
	10 and Annex 3	R'000	R'000
National departments		41	90
Total		**41**	**90**

10.2 Recoverable expenditure (disallowance accounts)

	Note	2019/20	2018/19
	10	R'000	R'000
Disall Damages & Losses: CA		3	1
Total		**3**	**1**

10.3 Staff debt

	Note 10	2019/20 R'000	2018/19 R'000
Debt Account: CA		155	214
Total		**155**	**214**

11. Loans

	Note	2019/20 R'000	2018/19 R'000
Public corporations		14,914	17,402
Total		**14,914**	**17,402**
Analysis of Balance			
Opening balance		17,402	20,799
Repayments		(2,488)	(3,397)
Closing balance		**14,914**	**17,402**

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. Loan was reduced to R14, 914 million over a period of four financial years.

12. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20 R'000	2018/19 R'000
Opening balance		28,125	9,346
As restated		28,125	9,346
Transfer from statement of financial performance (as restated)		41,454	28,125
Voted funds not requested/not received		-	-
Paid during the year		(28,125)	(9,346)
Closing balance		**41,454**	**28,125**

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

	Note	**2019/20**	**2018/19**
		R'000	**R'000**
Opening balance		243	2
As restated		243	2
Transfer from Statement of Financial Performance (as restated)		1,613	2,138
Paid during the year		(1,855)	(1,897)
Closing balance		**1**	**243**

14. Payables – current

	Note	**2019/20**	**2018/19**
		R'000	**R'000**
Other payables	*14.1*	4	8
Total		**4**	**8**

14.1 Other payables

	Note 14	**2019/20**	**2018/19**
		R'000	**R'000**
Sal: Income Tax:CL		3	8
Payable ADV: Pub Ent Adv Acc:CL (ICASA)		1	-
Total		**4**	**8**

15. Net cash flow available from operating activities

	Note	**2019/20**	**2018/19**
		R'000	**R'000**
Net surplus/(deficit) as per Statement of Financial Performance		43,067	30,263
Add back non-cash/cash movements not deemed operating activities		(9,256)	(28,003)
(Increase)/decrease in receivables – current		67	(188)
(Increase)/decrease in prepayments and advances		15,181	(17,189)
Increase/(decrease) in payables – current		(4)	(22)
Expenditure on capital assets		5,480	639
Surrenders to Revenue Fund		(29,980)	(11,243)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		**33,811**	**2,260**

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

	Note	**2019/20**	**2018/19**
		R'000	**R'000**
Consolidated Paymaster General account		39,157	18,727
Disbursements		(14)	(7,954)
Cash on hand		30	30
Total		**39,173**	**10,803**

17. Contingent liadilibites and contingent assets

17.1 Contingent liabilities

		Note	**2019/20**	**2018/19**
			R'000	**R'000**
Liable to	**Nature**			
Claims against the department		Annex 2B	11,297	15,666
Total			**11,297**	**15,666**

The following court cases are still pending, and the outcomes were unknown by 31 March 2020:
1. Minister of Communications v Speaker of the National Assembly & Others

2. Madzhie v Minister of Communications

3. DoC vs Senior Official

4. USAASA vs CZ Electronics/Minister. Not received confirmation as yet. Case remains 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

9. Faith Muthambi vs Commission of inquiry into state capture

** - 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 2020 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.*

17.2 Contingent assets

Nature of contingent assets

		Note	2019/20 R'000	2018/19 R'000
Liable to	**Nature**			
SABC: Recapitalisation			3,200,000	-
Total			**3,200,000**	**-**

An amount of R3,2 billion allocated in the 2019/20 financial year for the recapitalization of South African Broadcasting Corporation. The allocation is made as payment for financial assets, and thus will require that SABC issue shares to Government. Awaiting the approval of the issue of shares by Ministers.

18. Capital commitments

	Note	2019/20 R'000	2018/19 R'000
Specify class of asset			
Computer Equipment		2,113	-
Total Commitments		**2,113**	**-**

In the prior year, the balance on commitment related to current expenditure amount of R435 000 which has been removed from the note for the current financial year. Due to MCS change in accounting policy, Commitments disclosure notes changed from commitments disclosure to capital commitments.

19. Accruals and payables not recognised

19.1 Accruals

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	**30 + Days**	**Total**	**Total**
Goods and services	1,307	1,531	**2,838**	**1,624**
Total	**1,307**	**1,531**	**2,838**	**1,624**

	Note	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 1: Administration		1,142	1,399
Programme 2: Communications Policy, Research and Development		55	28
Programme 3: Industry and Capacity Development		1,570	188
Programme 4: Entity Oversight		71	9
Total		**2,838**	**1,624**

19.2 Payable not recognised — **Accruals**

	30 Days	30 + Days	2019/20 Total R'000	2018/19 Total R'000
Listed by economic classification				
Goods and services	140,840	-	**140,840**	**-**
Total	**140,480**	**-**	**140,840**	**-**

	Note	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 3: Industry and Capacity Development		140,840	-
Total		**140,840**	**-**

	Note	2019/20 R'000	2018/19 R'000
Listed by programme level			
Confirmed balances with departments	*Annex 4*	**-**	**111**
Total		**-**	**111**

20. Employee benefits

	Note	2019/20 R'000	2018/19 R'000
Leave entitlement		2,299	2,979
Service bonus (Thirteenth cheque)		1,284	1,436
Performance awards		707	1,105
Capped leave commitments		1,365	1,024
Other: Long term service provision		-	31
Total		**5,655**	**6,575**

Included in the leave entitlement is negative leave credits amounting to R8,953.3 as at 31 March 2020.

21. Lease commitments

21.1 Operating leases expenditure

2019/20	Machinery and equipment	Total
Not later than 1 year	187	187
Later than 1 year and not later than 5 years	70	70
Total lease commitments	**257**	**257**

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	**1,271**	**1,271**

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	2019/20 R'000	2018/19 R'000
Opening balance			
Prior period error		-	-
As restated		-	-
Add: Irregular expenditure – relating to prior year		261	-
Add: Irregular expenditure – relating to current year		5,406	9
Less: Prior year amounts condoned		(261)	-
Less: Current year amounts condoned		(132)	(9)
Closing balance		**5,274**	**-**
Analysis of awaiting condonation per age classification			
Current year		5,274	-
Total		**5,274**	**-**

22.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Irregular HRM appointments	None	393
Deviation from SCM process	None	5,274
Total		5,667

22.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2019/20
		R'000
Irregular HRM appointments	National Treasury	393
Total		**393**

22.4 Details of irregular expenditure under assessment (not included in the main note)

Incident	2019/20
	R'000
Deviation from SCM process	15
Total	**15**

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	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
As restated			
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		4	2
Less: Amounts resolved		(4)	(2)
Less: Amounts written off		-	-
Closing balance		-	-

23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
No show	None	3
Admin fee Traffic Fine	None	1
Total		**4**

23.3 Details of fruitless and wasteful expenditure recoverable

Incident	2019/20
	R'000
No show	3
Admin fee Traffic Fine	1
Total	4

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.

GCIS, MDDA & BRAND SA has been transferred to Presidency effective from 1 April 2020.

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 2019/20 financial year which related to Petty Cash support, Facility Management Services and Information Technology. 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.

GCIS, MDDA & BRAND SA will be transferred to Presidency effective from 1 April 2020.

25. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers	1	1,978	3,520
Officials:			
Level 15 to 16	1	2,286	6,078
Level 14	8	10,607	10,817
Level 13	2	2,536	3,169
Total		**17,407**	**23,584**

26. Non-adjusting events after reporting date

	2019/20 R'000
Nature of event	
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made	
Capital Committments	2,047
Total	**2,047**

The order for 70 laptops has been cancelled by supplier after the 31 March 2020 due to non-delivery affected by Covid 19 pandemic.

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**10,910**	**-**	**5,480**	**826**	**15,564**
Transport assets	5,833	-	4,249	-	10,082
Computer equipment	3,589	-	447	764	3,272
Furniture and office equipment	736	-	378	62	1,052
Other machinery and equipment	752	-	406	-	1,158
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**10,910**	**-**	**5,480**	**826**	**15,564**

Eight assets amounting to R99,388.81 will be transferred to GCIS in terms of Section 42 upon transfer of officials from DoC to GCIS.

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	**5,480**	**-**	**-**	**5,480**
Transport assets	4,249	-	-	4,249
Computer equipment	447	-	-	447
Furniture and office equipment	378	-	-	378
Other machinery and equipment	406		-	406
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**5,480**	**-**	**-**	**5,480**

27.2 Disposals

	Non-cash	Total disposals
	R'000	R'000
MACHINERY AND EQUIPMENT	**826**	**826**
Computer equipment	764	764
Furniture and office equipment	62	62
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**826**	**826**

27.3 Movement for 2018/19

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

	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	**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**

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Machinery and equipment R'000	Total R'000
Opening balance	856	856
Additions	153	153
Disposals	94	94
TOTAL MINOR ASSETS	**915**	**915**

	Machinery and equipment	Total
Number of R1 minor assets	9	9
Number of minor assets at cost	352	352
TOTAL NUMBER OF MINOR ASSETS	**361**	**361**

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

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

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	-	9	9
Number of minor assets at cost	-	359	359
TOTAL MINOR ASSETS	**-**	**368**	**368**

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

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

28.1 Movement for 2018/19

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	-	-	91	36	55
TOTAL INTANGIBLE CAPITAL ASSETS	**-**	**-**	**91**	**36**	**55**

29. Transfer of functions

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

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2018/19
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Brand South Africa	207,914	-	-	207,914	207,914	100%	200,430
Film & Publication Board (FPB)	99,373	-	-	99,373	99,373	100%	94,577
Government Communications and Information System (GCIS)	438,683	-	-	438,683	438,683	100%	423,585
Independent Communications Authority of South Africa (ICASA)	452,645	-	-	452,645	452,645	100%	443,961
Media Development and Diversity Agency (MDDA)	31,795	-	-	31,795	31,795	100%	30,669
TOTAL	**1,230,410**	**-**	**-**	**1,230,410**	**1,230,410**		**1,193,222**

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

	TRANSFER ALLOCATION				EXPENDITURE				2018/19
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers	**199,016**	**-**	**-**	**199,016**	**199,016**	**100%**	**-**	**-**	**187,421**
South African Broadcasting Corporation	199,016	-	-	199,016	199,016	100%	-	-	187,421
TOTAL	**199,016**	**-**	**-**	**199,016**	**199,016**	**100%**	**-**	**-**	**187,421**

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
HOUSEHOLDS	Appro-priation Adjusted	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Households: Employee Social Benefit	891	-	-	891	812	91%	1,105
TOTAL	**891**	**-**	**-**	**891**	**812**	**91%**	**1,105**

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
2019/20			
DSTV	DSTV Delicious Concert Ticket	1	-
MTN	CT Jazz Festival	1	-
Three local municipalities under Sarah Baartman District Municipality in Eastern Cape: Makana Local Municipality, Kouga Local Municipality and Dr Beyers Naude Local Municipality	Advertising space in the Municipal Bills (call to action message to ratepayers to register for government subsidized decoders	48	-
2018/19			
SAMPRA	SAMA Ticket	-	1
MTN	Samsung Cellphone	-	11
MTN	Rugby tickets	-	1
MTN	DSTV delicious festival VIP tickets	-	6
DSTV	Glenfiddich 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
TOTAL		**50**	**7,968**

The amounts of the donations are reflected at fair value.

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019 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 2020 R'000
Claims against the department					
Ongoing court cases	15,666	400	4,769	-	11, 297
TOTAL	**15,666**	**400**	**4,769**	**-**	**11, 297**

The following court cases are still pending, and the outcomes were unknown by 31 March 2020:

1. Minister of Communications v Speaker of the National Assembly & Others

2. Madzhie v Minister of Communications

3. DoC vs Senior Official

4. USAASA vs CZ Electronics/Minister. Not received confirmation as yet. Case remains 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

9. Faith Muthambi vs Commission of inquiry into state capture

* - 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 2020 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.

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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								
Department of Telecommunications and Digital Technologies	41	-	-	-	41	-	2/4/2020	41
Department of Environmental Affairs	-	-	-	56	-	56		
Department of Water Affairs	-	-	-	7	-	7		
Government Communication and Information Systems	-	-	-	27	-	27		
Public Service and Administration	-	-	-	-	-	-		
Higher Education & Training	-	-	-	-	-	-		
TOTAL	**41**	**-**	**-**	**90**	**41**	**90**		**41**

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENT						
South African Police Services (SAPS)	-	-	-	317	-	317
Telecommunications & Postal Services (DTPS)	-	111	-	-	-	111
Public Service and Administration	-	-	-	8	-	8
TOTAL	**-**	**111**	**-**	**325**	**-**	**436**

ANNEXURE 5

INTER-ENTITY ADVANCES PAID

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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)	699	-	-	6,171	699	6,171	-	-
Department of International Relations and Cooperation (DIRCO)	-	-	530	466	530	466	-	-
Government Technical Advisory Centre (GTAC)	-	-	-	5,131	-	5,131	-	-
South African Post Office (SAPO)		-	858	5,500	858	5,500	-	-
TOTAL	**699**	**-**	**1,388**	**17,268**	**2,087**	**17,268**	**-**	**-**

PART F:

APPENDIX

WHERE TO FIND NATIONAL OFFICES:

Department of Communications

iParioli Office Park

1166 Park Street

Hatfield, Pretoria

Tel: +27 (12) 473 0086

WHERE TO FIND OUR ENTITIES:

SABC

Physical Address:

Cnr Henley and Artillery Road

Auckland Park, 2006

Contact details

Tel: 011 714 9111

Fax: 011 714 4869

ICASA

Physical Address:

Pinmill Farm, Block A, B, C and D

164 Katherine Street

Sandton, Johannesburg

Contact details

Tel: 011 566 3000/1/021 561 6800

Fax: 011 566 4000/4001

FPB

Physical address

ECO Glade 2

420 Witch-Hazel Street

ECO Park

Centurion

0169

Contact details

Tel: 012 003 1400

Client support: 0800 000 555
Email: *clientsupport@fpb.org.za*

NOTES

NOTES

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