

QUARTERLY REPORT

1 APRIL - 30 JUNE 2017

Quarter 1

2017/18 Financial Year



*PROUDLY
SOUTH AFRICAN*



PROUDLY
SOUTH AFRICAN

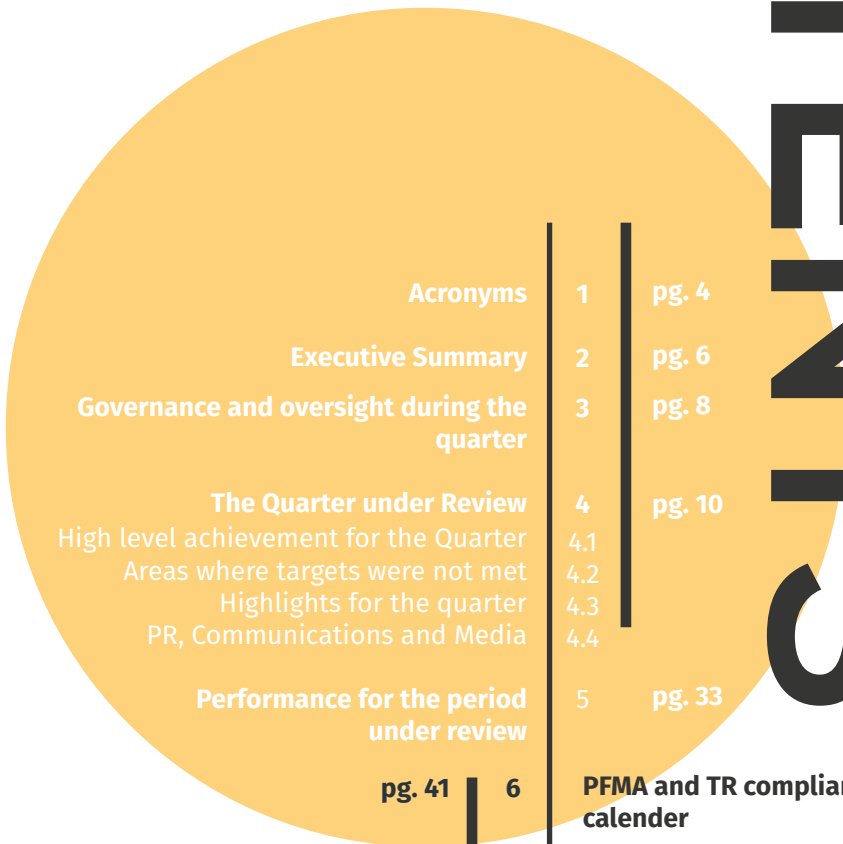


Quarterly Report for Q1 (April to June 2017)

APPROVAL OF THE REPORT

Recommended by the CEO for Approval		Endorsed by the Accounting Authority	
Name: Mr. E. Mashimbye	Signature: _____	Name: Mr. H. Gabriels	Signature: _____
Rank: CEO	Date: ___/___/2017	Rank: Chairperson	Date: ___/___/2017

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ACRONYMS

The following are definitions of the acronyms used in the report

ACCORD	The Local Procurement Accord (an agreement signed on 31 October 2011 by labour, government, business and community representatives to promote local procurement in South Africa, in support of the New Growth Path and government's aim to create 5 million jobs by 2020
APP	Annual Performance Plan.
BRAND SA	Brand South Africa, an agency of the government of the Republic of South Africa whose objective it is to market South Africa as a foreign investment destination.
CGCSA	Consumer Goods Council of South Africa
CPO	Chief Procurement Officer.
CIPC	Companies Intellectual Property Commission.
COTII	Council of Trade and Industry Institutions.
CSI	Corporate Social Investment
EDD	Economic Development Department, a national government department in the Republic of South Africa.
FMCG	Fast Moving Consumer Goods.
IPAP	Industrial Policy Action Plan

NCPC	The National Cleaner Production Centre, a programme of the dti, housed under the CSIR which focuses on assisting companies implement cleaner production and resource efficiency measures.
NEDLAC	National Economic Development and Labour Council, an entity of the Department of Labour.
NT	National Treasury.
PFMA	Public Finance Management Act No. 1 of 1999.
PROUDLY SA	Proudly South African, a not for profit company incorporated in terms of the Companies Act
SALGA	South African Local Government Association.
SAPBA	South African Premier Business Awards.
SAPS	South African Police Service.
SARS	South African Revenue Service.
SOEPF	State Owned Enterprises Procurement Forum
the dti	Department of Trade and Industry, a national government department in the Republic of South Africa.
The Summit	The Local Procurement Summit & Expo.
UN	United Nations.

2 EXECUTIVE SUMMARY

ECONOMIC OUTLOOK

April 2017 signified the beginning of the 2017/18 financial new year. Little time was wasted on this proverbial blank canvass as the President of the Republic kicked the year off with a cabinet reshuffle, a shakeup with an aftershock that rippled throughout the country's economic landscape.

American-based rating agency Standard & Poors (S&P) were first in line to react to the reshuffle, downgrading South Africa's credit rating from 'BBB-' to 'BB+' widely known as junk status, on April 3rd, and keeping their outlook on the country's economy at negative.

Fitch Ratings followed soon thereafter downgrading the country to non-investment grade. Their outlook on the country, however, remained at 'stable'. The third ratings agency, Moody's, announced the downgrading of South Africa's local and foreign debt ratings from Baa2 to Baa3, its lowest investment grade rating, on June 9th, also with a negative outlook.

A Mail & Guardian article defines a technical recession as a state whereby "an economy suffers two consecutive quarters of negative economic performance." In short, they say, it implies that the

economic activity of a country in technical recession is declining.

In early June, South Africa was shaken by news that it had slipped into a technical recession following the 0.3% contraction of the gross domestic product (GDP) in the fourth quarter of 2016 followed by a decline of 0.7% during the first quarter of 2017.

Statistics South Africa (Stats SA) released the March 2017 Quarterly Employment Survey (QES), which revealed that an estimated 9 644 000 persons were employed in the formal non-agricultural sector of the South African economy. This, however, meant that 48 000 jobs were lost between December 2016 and March 2017.

The organisation says that leading the losses was the trade industry with 32 000 employees, the business service industry losing 23 000 employees while the manufacturing industry lost 4000 employees.

On manufacturing, Stats SA revealed that the sector went down 0.8% year-on-year between May 2016 and May 2017, and down 0.3% month-on-month from April 2017 to May 2017. "This is a continuation

of a decline in manufacturing from the previous month's year-on-year figures of 4.9% between April 2016 and April 2017," Stats SA said.

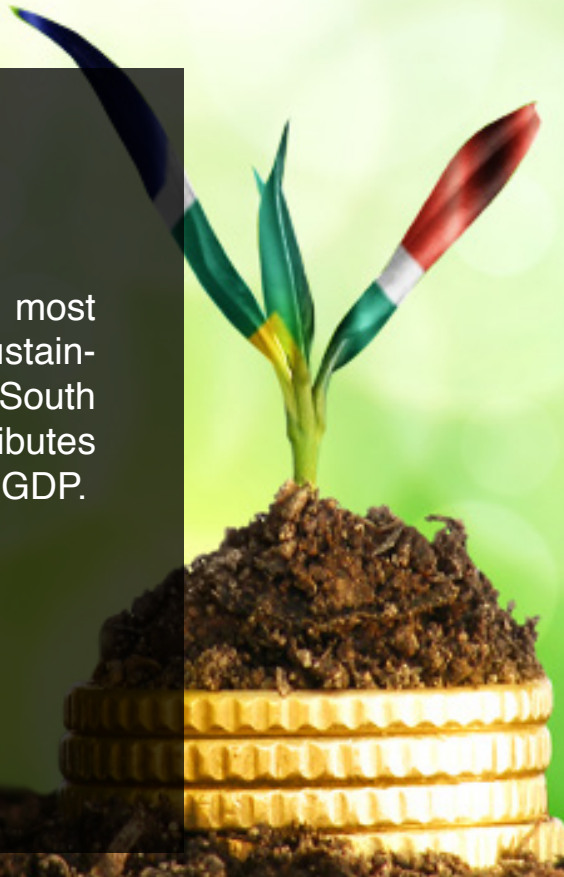
Hope and optimism, however, are values which are entrenched deeply within the South African psyche and this hope has infected at least one international rating agency. While their rating of the country at large remains at junk status, S&P has expressed their optimism with South Africa's banks "despite low domestic economic growth and ongoing political instability." S&P has kept the country's bank's economic risk at 5 (with a score of 10 indicating a very high risk). This is in comparison with countries like Nigeria, Greece and Egypt each scoring 10.

The need to inject investment into South Africa's economy hasn't been more pressing and companies such as Nissan South Africa – a member of the Proudly SA campaign – should be recognised for their contribution. During the Manufacturing Indaba hosted in Ekurhuleni, the automobile manufacturer too, expressed their optimism in South Africa, particularly in the automotive manufacturing industry.



SMMEs are one of the most powerful contributors to sustainable economic growth. In South Africa, the sector contributes about 40% to the country's GDP.

- FNB Business CEO, Mike Vacy-Lyle



Nissan announced that it will be investing in new plant infrastructure and technology for their Rosslyn plant. The company is also currently in negotiations with its parent company Nissan Motor Company of Japan to manufacture a new one-ton truck at the plant.

More good news on the manufacturing front stem from Finnish industrial machinery company, Metso, which is investing €3,5 million (about R52 million) to expand its manufacturing capacity of crusher wear parts castings in South Africa. This investment in their foundry in iSithebe, KwaZulu-Natal aims to meet the growing demand of the machinery

in the mining sector.

Small, medium-sized and microenterprises (SMMEs) may also have something to look forward to following FNB's announcement of a R2,6 billion loan agreement between its parent company First Rand and the International Finance Corporation. This money is aimed at supporting SMMEs in various projects and offerings.

This is positive news for the sector, which has tripled in size from 1,6 million SMMEs in the year 2000 to 5,6 million in 2010.

With 90% of jobs expected to be created by small businesses, Col-

in Leshou of Small Enterprise Development Agency (Seda) reiterated how important SMMEs are to the country's economy.

Indeed, every dark cloud has a silver lining. It is, however, very crucial that government, the private sector, civil society, the media and the public set aside any differences and come together to debate and derive a turnaround plan detailed right down to the T which will reenergise our country's economy.

Pulling together all resources in times of desperate need is something we are known to be very capable of. This is what makes us Proudly South African.

Let's all be Proudly South African and let's buy local to create jobs.

3

GOVERNANCE AND OVERSIGHT DURING THE QUARTER

During the period under review, the board and/or its sub-committees held the following meetings:

3.1. Board Meeting

During the period under review, the Board held its meeting on 23 June 2017 and the meeting considered the following

- The Chairman's organisational report addressed the recent strategic interaction that was held with the Minister of Trade and Industry, CCDI and Wesgro.
- The Board considered the report from the Internal Auditors on the Board Evaluation and recommended remedial action for the areas of concern.
- The Board considered remuneration for Board Members who were able to secure sponsorships.
- The Board were updated on the newly implemented Tender Monitoring System.
- The revised budget for 2017-2018 was adopted.
- The Board were informed of tax regulations that were applicable to them from 1 June 2017.
- The Quarterly Report was approved.
- The Buy Local Summit and Expo report was presented.
- Plans for the upcoming Proudly South African Week were tabled for approval.
- Amendments to allow for borrowing were recommended to the MOI.
- The CEO tabled a progress report on the status of strategic relationships.
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule.

3.2. Finance and Procurement Committee

The members of the Finance and Procurement committee held their meeting on 9 June 2017 and the meeting considered the following:

- The Committee having reviewed the quotes, agreed to look at the software (submission of Board/Committee documents) that other Government Agencies were using.
- The Committee recommended amendments to the MOI to allow for borrowing
- Approved the updated budget.
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule.

3.4. Membership, Marketing and Communications Committee

The members of the Membership, Marketing and Communications Committee held their meeting on 8 June 2017 and the meeting considered the following:

- The Economic Impact Study which would be summarised to a 2 page document.
- The membership report which was segmented by province and industry was analysed.
- Marketing activities for the period were reviewed.
- The Buy Local Summit and Expo Report was tabled.
- The calendar of internal and external marketing activities
- The Tender Monitoring System was presented

3.5. HR and Remunerations Committee

The members of the HR and Remunerations Committee held their meeting on 9 June 2017 and the meeting considered the following:

- Latest tax implications for Directors was discussed
- Team and Strategy Session report was received
- Remuneration of the Chairman – recommendation to introduce a retainer;
- HR Reports on Staff movement, Performance Management, Staff training and Development and Staff Retention activities;

3.6. Social and Ethics Committee

The members of the Social and Ethics Committee held their first meeting on 9 June 2017 the meeting considered the following:

- The Committee elected a Chairperson for future meetings
- The Terms of the Reference of the Committee were considered
- The NBI guide for Social and Ethics Committees was considered and would be used as a checklist for the next meeting.

THE QUARTER UNDER REVIEW

4.1. HIGH LEVEL ACHIEVEMENTS FOR THE QUARTER

During the quarter under review, the Proudly SA campaign was able to achieve most of its targets as contained in the Annual Performance Plan (APP) for the first quarter of the 2017/18 financial year.

The following were some of the achievements and most of these are reported in detail in Section 4 of the report:

- The newly introduced Public Sector Procurement Forums were launched in KZN during the quarter, and are rolled out in partnership with Tsogo Sun. These are aimed at educating procurement practitioners (in the public sector) - in the municipalities and provincial government departments (as well as their entities), about the local content provisions as contained in the public sector Preferential Procurement regulations (PPPFA), as well as the sectors designated for this purpose;
- This quarter we participated in five major trade shows that gave us access to many companies and allowed us the platform to promote the buy local ethos amongst the delegates and fellow exhibitors. These trade expos gave the campaign access to top SMMEs, as well as big businesses and member products were showcased at these platforms. The shows included the Rand Show, Tourism Indaba, Smart Procurement Conference (KZN), Manufacturing Indaba and FASA's Franchise Expo;
- The traditional provincial business forums (part of the annual Buy Back SA national roadshow) took place in two provinces, namely North West (Rustenburg) and in KZN (Durban). The events were a success and these were the first of the forums to be held in all 9 provinces for the current financial year;
- The strategy to educate the youth about the importance of buying local and positioning the Proudly SA campaign in the hearts and minds of the youth, saw the campaign again participate in the annual Sunday Times Generation Next Youth conference. In addition to this, presentation were also made at the NYDA youth entrepreneurs conference and the Back To Kasi Entrepreneurs conference;
- The relationship with the Edcon group continues to grow and Proudly SA was profiled as a strategic partner at the Edcon Designers/Innovation Challenge, which is an initiative, regarded as a huge milestone in the cause of increasing localization in the country's clothing and textiles sector;
- In strengthening relations with the labour sector, in order to drive up support for the campaign from this constituency, a presentation on the campaign, with concrete recommendations, was made at the NUMSA strategic planning session
- During this quarter, we continued with the Buy Back SA campaign, with the support of the dti's Marketing division, which carried the costs of the campaign for this period. The advertising campaign lived on various media platforms such as Radio, Online and Billboards, amongst others. The messaging around the campaign is centered on educating consumers on the impact of buying local on the economy, as well as appealing to their emotions and pride towards the country.
- A total of 12 press releases were issued during the quarter, on an array of issues including the call to South Africans to support local, the various strategic platforms in which Proudly SA was to participate, the campaign's provincial roadshows, as well as Edcon's significant contribution to local fashion design and manufacturing, amongst other topics covered by the releases;
- The Social media platforms of the campaign have grown by 2 000 followers on both the Twitter and Facebook platforms. These platforms allow Proudly SA to communicate with the masses on a continuous and instantaneous manner.

4.2. AREAS WHERE TARGETS WERE NOT MET:

During the quarter under review, the Proudly SA campaign was not able to achieve all its targets as contained in the Annual Performance Plan (APP) for the first quarter of the 2017/18 financial year, and below are some of the areas where the campaign fell short:

- The actual membership retention rate for members due for renewal during the quarter was 61%, indicating a below average retention rate for the period under review, which had a target set at 90% in the APP. A dedicated membership consultant has now been assigned to focus on renewals only in order to increase the renewals rate for the rest of the financial year;
- In total, 38 new members were recruited for the quarter, with only 17 of these companies having paid the required membership fee, to activate their membership. This number falls short of the quarterly target of 50 members as set out in the APP. A plan is now in place to ensure that the organization makes up for this shortfall, whilst also achieving its annual target during the other quarters in the current financial year.

MEMBERSHIP REPORT Q1 2017/2018

Overview

The first quarter of 2017/2018 saw an average uptake of new members at 38 (17 fully paid-up) which is on par when compared with previous years. Of the 38 newly-recruited members, 16 memberships were finalised in May, and 11 in the months of April and 11 in June. The interest in Gauteng for membership remains the highest where 26 member companies were recruited in the first quarter, and the Western Cape came second at 7. The best performing sector was Manufacturing at a total number of newly-recruited members at 15, followed by Construction Engineering and Architecture at 3 and Crafts and Home Industries at 2.

The database of products and services of the total number of member companies was revised and refined. The number of products and services now totals 6,800; where exactly 100 products and services were added to the database in the first quarter of 2017/2018.

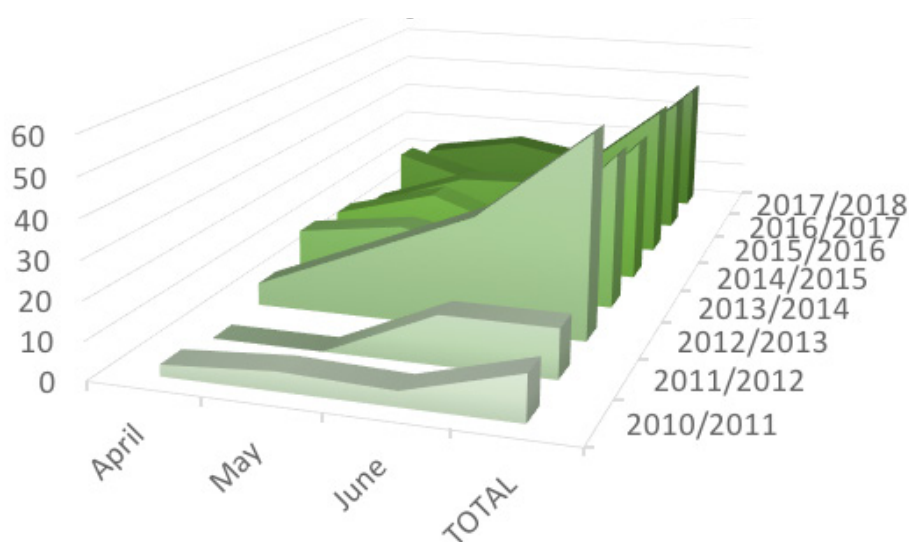
Members were retained at an average of 61% for the first quarter. As of June, a dedicated senior member of the team has been given the responsibility of chasing renewals including compliance documentation and payment. All renewals due for the new financial year will be followed up by this dedicated team member until retention is finalised in its totality for each renewal outstanding.

The membership team looks forward to recruiting member companies in all sectors and across all regions of the country from the second quarter.

Year-on-year comparisons of the number of newly-recruited members per month for Q1 from the period 2010/2011 to 2017/2018

Month	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
April	3	0	6	13	11	7	16	11
May	5	0	18	17	19	17	8	16
June	4	13	30	12	9	18	15	11
Total	12	13	54	42	39	42	39	38

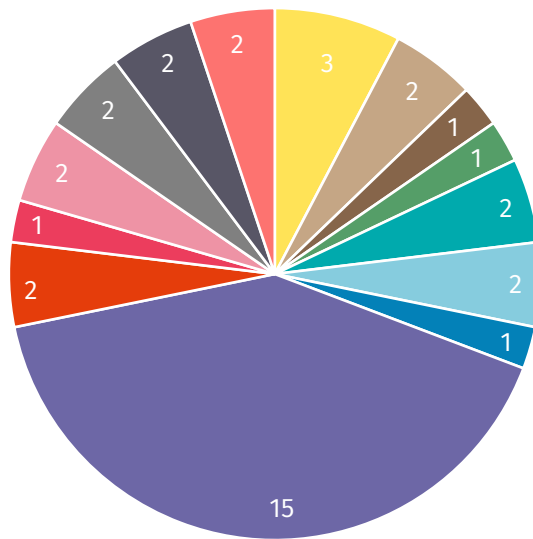
**GRAPHICAL REPRESENTATION:
YEAR-ON-YEAR COMPARISONS 2010/2011 TO 2017/2018**



Overall

	Sector
3	Construction Engineering and Architecture
2	Crafts and Home Industries
1	Education, Development and Training
1	Financial Services
2	Healthcare
2	Industrial Manufacturing
1	Information Technology and Telecommunication
15	Manufacturers
2	Media Marketing and Publishing
1	Media Production Services
2	Professional Services
2	Tourism, Travel and Hospitality
2	Transport and Logistics
2	Wholesale and Retail Trade

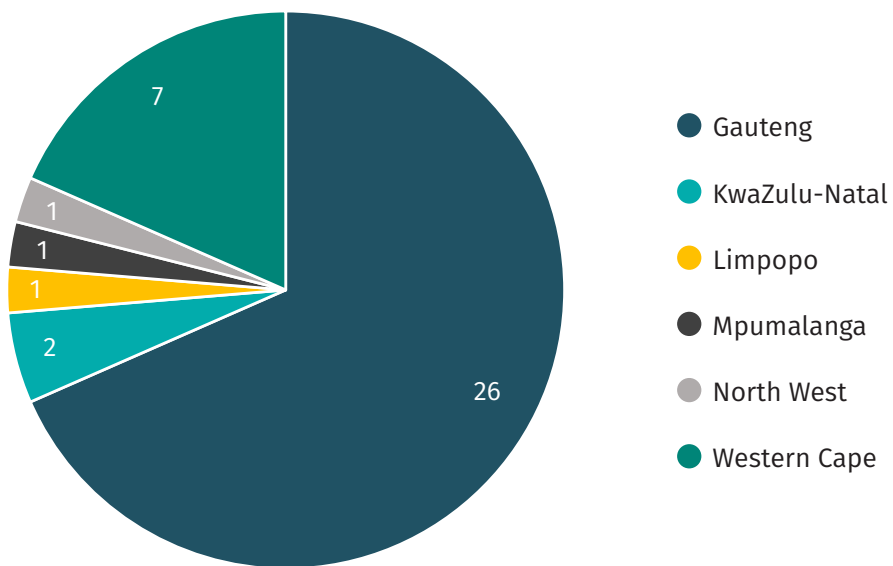
GRAND TOTAL PER SECTOR: 38



- Construction Engineering and Architecture
- Crafts and Home Industries
- Education Development and Training
- Financial Services
- Healthcare
- Industrial Manufacturing
- Information Technology and Telecommunication
- Manufacturers
- Media Marketing and Publishing
- Media Production Services
- Professional Services
- Tourism Travel and Hospitality
- Transport and Logistics
- Wholesale and Retail Trade

	Region
26	Gauteng
2	KwaZulu-Natal
1	Limpopo
1	Mpumalanga
1	North West
7	Western Cape

GRAND TOTAL PER REGION: 38



Q1: April

	Sector
1	Construction Engineering and Architecture
1	Crafts and Home Industries
1	Education, Development and Training
1	Financial Services
2	Industrial Manufacturing
1	Information Technology and Telecommunication
1	Manufacturers
1	Tourism, Travel and Hospitality
1	Transport and Logistics
1	Wholesale and Retail Trade

	Region
8	Gauteng
1	Limpopo
1	North West
1	Western Cape

Q1: May

	Sector
2	Construction Engineering and Architecture
1	Crafts and Home Industries
1	Healthcare
7	Manufacturers
1	Media Production Services
1	Professional Services
1	Tourism, Travel and Hospitality
1	Transport and Logistics
1	Wholesale and Retail Trade

	Region
10	Gauteng
1	Mpumalanga
1	KwaZulu-Natal
4	Western Cape

Q1: June

	Sector
1	Professional Services
2	Media Marketing and Publishing
1	Healthcare
7	Manufacturers

	Region
8	Gauteng
1	KwaZulu-Natal
2	Western Cape

4.3. HIGHLIGHTS FOR THE QUARTER - EVENTS AND ACTIVATIONS

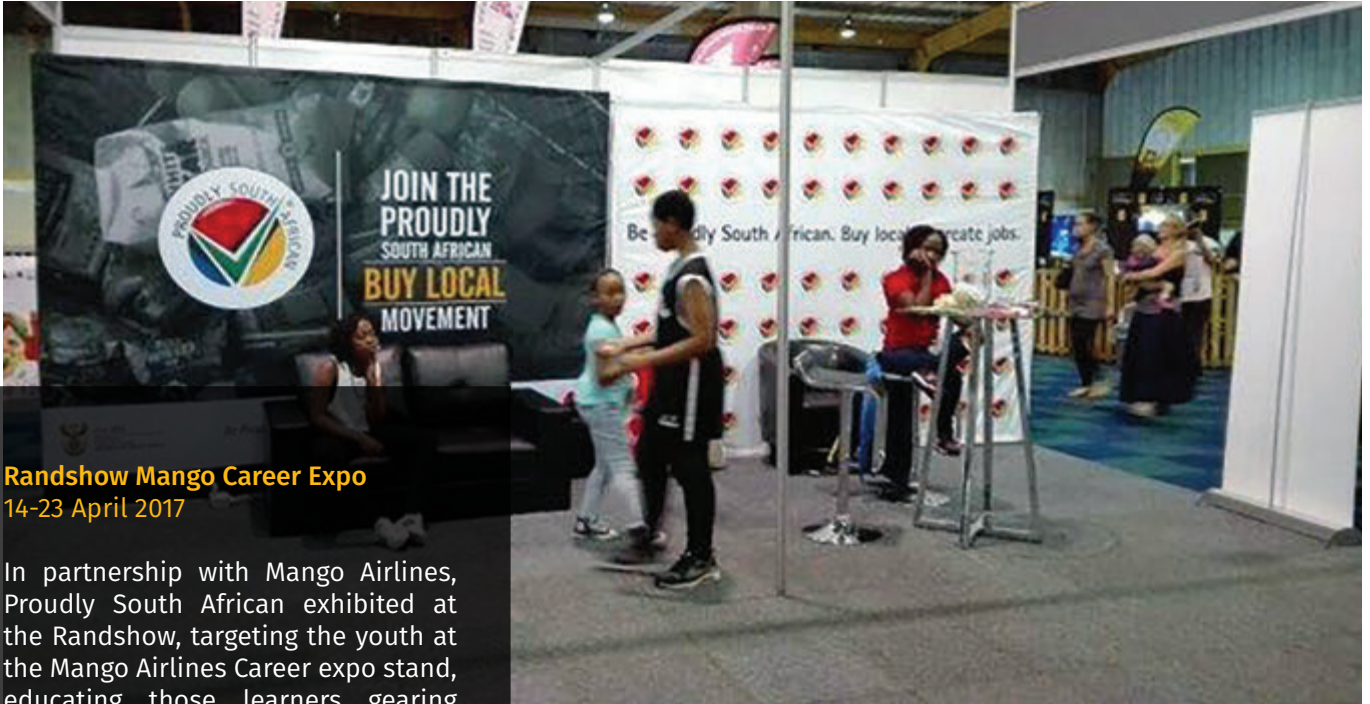
Buy Local Summit and Expo: 3-4 April 2017

This year's Buy Local summit held at the Sandton Convention Centre in Johannesburg had been extended to a two-day event. It concentrated on educating audiences on the in-depth involvement of the campaign on issues pertaining to localisation. It also outlined who the role-players within government and business, who work in unison with the campaign to achieve localisation goals were. The SMME-focused workshop hosted on the first day was aimed at empowering local SMME's. The conference and exhibition took place on the second day. The conference was themed "Driving Industrialisation and Growing the Economy (with reference to the Industrialisation Policy Action Plan)". The property is growing exponentially and stakeholders were excited to participate at the event. Sponsors saw the value of the project and had already committed for future opportunities.

Reach for this event: 6000

Target Audience: Business, Government, Consumers, Procurement officers





Randshow Mango Career Expo
14-23 April 2017

In partnership with Mango Airlines, Proudly South African exhibited at the Randshow, targeting the youth at the Mango Airlines Career expo stand, educating those learners gearing up to make career choices on the importance of buying local and in so doing, shed light on the subject matter of national pride.

Reach for this event: 23 000
Target Audience: Youth, Business, Government, Consumers

Sunday Times Generation Next Youth Conference
11 May 2017

Hosted at the Sandton Convention Centre, Johannesburg, Gauteng, marketing gurus in the youth space gathered to provide attendees with insight into marketing trends and how to crack the youth audience. Proudly South African used this platform to educate both the children and delegates in attendance on the importance of local procurement.

Reach for this event: 5 000
Target Audience: Youth, Youth Marketeers, Business, Government, Consumers





Tourism Indaba 2017

16 – 18 May 2017

INDABA was one of the largest tourism marketing events on the African calendar and one of the top three ‘must visit’ events of its kind on the global calendar. Proudly SA exhibited under the DTI, along with two of its member companies – Yamama Gemmer and Ledikana. The Tourism Indaba event was hosted at the Durban ICC, KZN.

This year’s INDABA attracted about 7 000 delegates, including 1 449 local and international buyers, as well as more than 1 000 exhibiting businesses from 18 African countries, showcasing a diverse array of travel and tourism offerings. A total of 692 registered media representatives attended the show - an 8% increase over 2016. The event served as a positive recruitment drive and the Proudly SA Marketing Team submitted collected leads to the Membership Team.

Reach for this event: 7000

Target Audience: Dignitaries, Media, Diplomats, Local Ministers, Decision Makers and SMMEs



Back to Kasi

20 May 2017

“Back to Kasi” was hosted by trailblazer, Emmanuel Bonoko and aimed to motivate and encourage youth in their various career fields, to strive to be the best and pass the baton. The event hosted formidable speakers such as Happy MaKhumalo Ngidi, Rosie Motene, Thami Ngubeni and others. Proudly SA believes in Youth and took a decision to sponsor Mr Emmanuel Bonoko’s event with Proudly SA promotional items. The following media houses: Cosmo FM and Real Africa TV, covered the event which was hosted at Cosmo City Township, in Johannesburg.

Reach for this event: 150

Target Audience: Youth and Student, Cosmo city Community.



Africa Day

25 May 2017

Africa day presented ordinary members of the African community with the networking opportunity amongst various African embassies, influential government departments as well as African artists and cultural groups. It included an African art exhibition, African food tasting and live cultural performances. The 2017 Africa Day Expo was held at Kara Heritage Institute. It included a Learner's educational session, presentation on African heritage and an entertainment session.

Reach for this event: 80

Target Audience: SMME, Students, Government



Proudly SA Business Forum – North west

30 May 2017

The North West Proudly SA Business Forum aimed to equip Business Owners and Decision makers with insights into local procurement, make business funding information available and develop their enterprises through various offerings available to SMEs. The event was hosted at Protea Hotel Hunters Rest in Rustenburg on 30 May 2017.

Proudly SA CEO, Mr Eustace Mashimbye, gave key note address and North West MEC representative - Mr Nathan Oliphant, Chief Director - delivered a key note speech at the event.

The event hosted representatives from Productivity SA, The DTI, NCPC-SA, SEDA, SEFA who presented their offerings on a panel, which served as an interactive and productive tailored approach to various companies.

Reach for this event: 100

Target Audience: SMME, MEC for Finance, Economic Development and Enterprise development



The Smart Procurement World Conference

5 – 6 June 2017

The Smart Procurement World conference and exhibition assisted in delivering big ideas regarding the function of procurement and how it cannot be underestimated. The summit unpacked radical economic transformation and pulled out practical mechanisms on how a collaborative approach between public entities and private entities can facilitate this agenda. The conference also examined finer procurement and supply chain innovations with organisational goals and policies. The Smart Procurement World conference took place in Durban at the Inkosi Albert Luthuli International Convention Centre.

Proudly SA exhibited and delivered a presentation in the various plenaries and workshops at the two-day event

Reach for this event: 600

Target Audience: Decision makers, procurement officers, buyers and government



Manufacturing Indaba 2017

26-28 June 2017

The leading manufacturing event in Sub-Saharan Africa, having shown impressive growth year on year and proved its value in crystalizing business connections and helping manufacturers to innovate and grow their potential. The Proudly SA Membership Team viewed this event as a key environment for sourcing new members in the manufacturing sector and used a rigorous strategy to recruit. The Indaba was hosted in partnership with a number of strategic partners, which included: The dti, the Department of science and Technology, City of Ekurhuleni, NCPC-SA and the Manufacturing Circle. Proudly SA CEO, Mr Eustace Mashimbye participated as a panellist on 26 June 2017 and furthermore delivered a presentation on 28 June 2017 Proudly SA exhibited at the event on 27-28 June 2017.

Reach for this event: 3000

Target Audience: Policy Makers, Private Equity Investors, Industry sector specialists, SME manufacturing companies, IT solutions providers, Industrial suppliers, Academic and Research bodies.



Proudly SA Business Forum, KZN
27 June 2017

The KwaZulu Natal Business Forum, hosted at the Tsogo Sun Marine Parade hotel was designed to reach out to business in the province with the prospect of not only recruiting new members but also to spread the buy local message, communicate participant offerings, garner support from business and some authorities operating within the area and explore possible opportunities. Businesses in bigger cities are spoilt for choice when it comes to attending networking events of this nature and we were glad to reach target in terms of attendance and quality of audience.

Director of Small Enterprise Development at the Ministry for Economic Development, Tourism and Environmental Affairs, KZN - Mr. Bheko Madlala, gave the keynote address, preceded by Proudly SA CEO, Mr. Eustace Mashimbye. Other representatives from Tsogo Sun, Productivity SA, the dti, NCPC-SA, SEDA and SEFA participated in a panel discussion that focused on issues pertaining to localisation and highlighted their service offerings. Delegates seem to be looking for a follow-through from this event.

Reach for this event: 85
Target Audience: SMME's, Business and Government



Proudly SA Public Sector Preferential Procurement Forum, KZN
28 June 2017

The newly introduced Public Sector Preferential Procurement Forum, and aimed at educating procurement officials and those tasked with procurement/buying in the public sector on local content provisions, as contained in the revised PPPFA (procurement regulations), as well as any other newly developed localisation regulation(s) that are specific to the provincial government, which procurement officials need to comply with, in order to assist and ensure that procurement officials and decision makers comply with applicable procurement regulations, in so far as localisation is concerned. The launch of these Public Sector Preferential Procurement Forums took place at Garden Court Marine Parade, in Durban KZN.

Reach for this event: 80
Target Audience: Procurement officers, Government officials, Buyers, SMMEs





Franchise Business Festival

30 June – 2 July 2017

The Franchise Business Festival held in South Africa was the perfect opportunity to showcase franchise business to thousands of visitors. A great opportunity to speak directly to interested entrepreneurs and generate sales and leads. Franchise Consultants assisted with the buying of franchises and the franchising of businesses. Lawyers assisted with the legal aspects of buying a franchise and specialised banks and funders assisted franchisees. The Franchise Business Festival took place at the Kyalami Race Track, Midrand.

Proudly SA exhibited at the Franchise Business Expo for the duration of the festival. A presentation was made by the CEO at the official opening ceremony of the Expo.

Reach for this event: 500

Target Audience: Franchisors, franchisees, service providers and suppliers

4.4. PR Communications & Media

Quarter 1 of the 2017/18 financial year started off with the hosting of the 6th annual Proudly SA Buy Local Summit & Expo which, for the first time, spanned over two days on 3rd and 4th April 2017. The first day was introduced to accommodate a much sought-after skills- and knowledge-transfer session for developing entrepreneurs.

The Proudly SA team successfully put together agreements with a number of broadcasters to provide additional live exposure for the Summit, sponsors and exhibitors who were variously afforded interview time on both television and radio. (2 national tv stations, 1 national and 2 regional radio stations).

In addition, as well as print ads that ran in various publications ahead of the event, we ran an ad on 4 April in the Star's Business Report, copies of which were available, free of charge to our delegates.

Proudly SA partnered with a variety of stakeholders at events that offered value to existing Proudly SA members who were invited to join us, as well as opportunities to recruit new members and were platforms for the Campaign and its key messaging. These events include the Rand Show, Tourism Indaba, Manufacturing Indaba and Smart Procurement World. The 2017/18 season of the provincial Buy Back SA business forums kicked-off in Rustenburg in the North West province in May followed by another forum in Durban, KwaZulu-Natal towards the end of June.

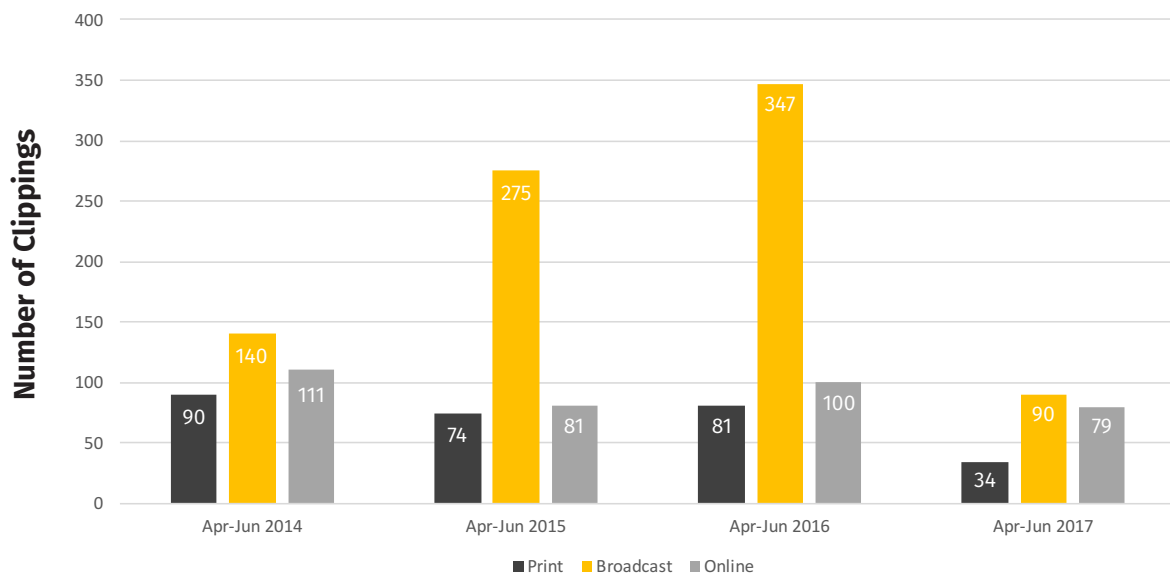
This financial year also saw the introduction of Proudly SA's Public Sector business forums, aimed at educating procurers and decision makers in the public sector about the importance of buying local as well as about sectors legislated for increased local procurement, designed to increase compliance in the public sector. These Public Sector forums will be hosted in five of the country's nine provinces and will run back to back with the Buy Back SA business forums in those provinces in order to minimise travel/venue costs.

The recent refining of the settings of Proudly SA monitoring service settings on 1 December has borne fruit, and that is revealed in this PR report. The decision to refine the service to capture and report only on media mentions where Proudly SA has a capital 'P' has successfully eliminated random and irrelevant mentions of the phrase "Proudly SA" or "Proudly South African" which should rather be attributed to the patriotism of South African citizens than to the Campaign.

Clip count comparison

The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (April – June 2017). Comparison is made with the same period in 2014, 2015 and 2016.

CLIP COUNT COMPARISON

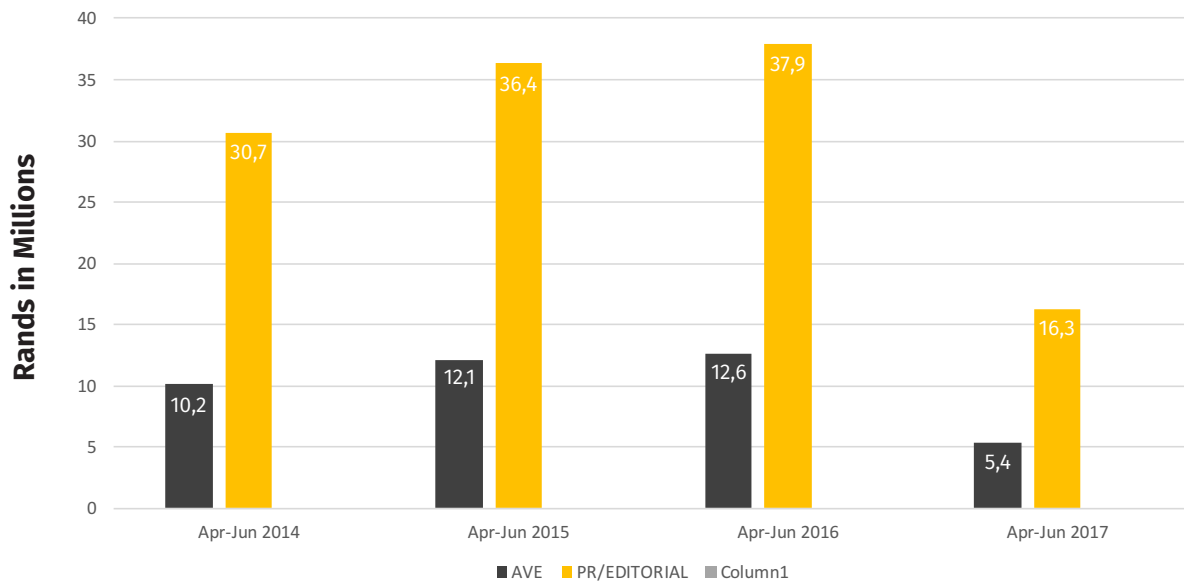


The analysis shows a decrease in the total clip count as compared to previous years. The main reason for this decline is attributed to the recent refining of the settings of Proudly SA's media monitoring service, assisting the organisation in capturing only relevant media mentions which can be attributed to the efforts of the Campaign.

AVE analysis

The Advertising Value Equivalency (AVE) is what editorial coverage would cost if it were advertising space (or time). PR/Editorial value is derived by multiplying the AVE by three, as per industry norms. The total AVE value between April and June 2017 is R5,4 million. The PR value for the same period amounts to R16,3 million.

AVE ANALYSIS





Buy South African!

LOCAL BUSINESS: SIXTH SUMMIT AND EXPO WILL BE THE BIGGEST AND BEST YET

SMMEs will eagerly look for opportunities to forge partnerships that will help to create jobs.

With a full programme of presentations and panel discussions, Proudly South African's 6th Annual Buy Local Summit & Expo gets underway today at the Sandton Convention Centre.

Bringing together leading procurement decision makers in business and government with an exhibition hall full of SMMEs eager to engage them, the possibilities for creating new partnerships based on the Buy Local to Create Jobs message are endless.

Delegates to the summit will explore the benefits of procuring as many South African goods and services as possible, needed to run their business.

Every one of them has a vested interest in the sustainability of their own companies, as well as that of their local suppliers and customers, and so increasing trade with each other will be a big take away from the Summit.

The theme of this year's summit is 'Driving Reindustrialisation & Growing the Economy, with reference to the Industrial Policy Action Plan'. The keynote address will be given by Dr Rob Davies, Minister of the DTI.

Pan African Investment & Research Services' Dr Iraj Abedian will give a presentation specifically on the revitalisation of the manufacturing sector, after which

he will chair a panel discussion between representatives of business, government and labour. Dr Abedian has recently completed a report commissioned by Proudly South African on the country's manufacturing sector which concludes that it be given preference during government procurement processes enabling it to better contribute to the country's growth.

In a move away from traditional business oriented topics, a panel covering media, fashion, design and food experts will discuss the impact of improving the quality and quantity of local content from their own sectors on our national identity and heritage. Panelists include Basetsana Kamalo and designer David Tshale.

The day will end with a fashion show presented by Edcon to promote their new locally designed and manufactured clothing lines that will feature in Edgears and Jet stores nationwide.

Chairperson of Proudly South African's board, Mr Howard Gabriels, said, "I am deeply impressed with the calibre of speakers and panelists that we have been able to bring in to share their expertise and experiences with us, which tells me that they feel as passionately about the importance of buying and procuring local as we do at Proudly South African."

In addition, the level of interest from business to attend as delegates and visitors to the Summit & Expo is heartening. I believe that we are on the right track to sensitising the entire country about the need to check labels of origin, to do some research before buying a car, or a fridge or a TV or even a pair of shoes or a jar of coffee to ensure that they choose goods and services made in South Africa."

We once again have to thank all our sponsors for making this our biggest and best Buy Local Summit & Expo to date.



NEW APPOINTMENTS AT PROUDLY SOUTH AFRICAN



Jeannine van Straaten has been appointed Chief Officer, Membership, Legal & Compliance at Proudly South African.

Jeannine has a degree in law and politics and has been involved with a number of companies and campaigns whose focus is in media and communications. In 2016 she managed the #SACONSTITUTION campaign for the Inkonkwezi Family Foundation, prior to which she was Head of Broadcast Programming & Key Client Relations at Classic FM.

"Jeannine brings a fresh approach to the enrolment and retention of our member companies adding creativity and strong communication skills to a background in legal and contractual issues. We believe she is just the right person to grow our membership base, and work with her team to populate the comprehensive database of Proudly South African products which we launched at our recent Buy Local Summit & Expo," said Proudly SA CEO Eustace Mashimbye.

At the same time, Nareshkumar Patel takes over the role of Chief Financial Officer from Eustace Mashimbye who was made permanent CEO of the organisation late last year. Patel has a B.Com from Rhodes University, with Honours and an MBA from UNISA. Patel was most recently CFO at the Municipal Demarcation Board and has served in both public and private sector entities.



For more information on Proudly South African visit www.proudlysa.co.za

For media enquiries please contact:
PR Manager: Deryn Graham
Office: 011 327 7778 • Cell: 083 289 0997
deryn@proudlysa.co.za
PR Officer: Tshiamo Ndlovu
Office: 011 327 7778 • Cell: 082 844 6316
tshiamo@proudlysa.co.za

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Date: Friday, June 09, 2017
Page: 14

From page 12
team and the Southern African Clothing and Textile Workers Union, which implemented a similar programme in its sector.

"The advantages of the system are twofold.
"It allows us to contact the procurement officer for each tender in the designated sectors and ensure that they prioritise local companies supplying locally manufactured goods or services in their evaluation of submissions.

"Secondly, it allows us to notify our own member companies who qualify to tender to pitch for the business, thus adding to our members' value proposition," said Mashimbye.

Regulation 8 (1-2) of the 2017 Preferential Procurement Policy Framework Act requires that all relevant organs of State buy only locally produced products in certain sectors and subsectors at a prescribed level of local content.

However, compliance remains an issue. The Industrial Policy Action Plan 2014/15 to 2016/17 document notes: "Too much

emphasis in procurement processes is still being placed on the traditional practice of acquiring goods and services at the lowest cost, regardless of origin and quality, thereby failing to stimulate other domestic development of improved products and services or the creation of new markets for industrial innovations."

The system flags award dates and allows an officer at Proudly SA to follow up to ensure compliance with legislation.

Where a sector is not legislated, Proudly SA will ascertain whether a South African company, product or service was selected in accordance with government's own mandate, and, if not, why not.

"If any government department or entity is found to be in breach of any legislation or the terms and conditions of the original tender, it will be reported to the appropriate authority, the National Treasury, assisted by the Department of Trade and Industry's Industrial Procurement Unit, and the tender may be declared null and void," said Mashimbye.

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Chairman of the Board of manufacturing of the labour and capital sectors at Sandton, Johannesburg, Province, including members of the Procurement Division of Adcock Ingram, (left to right) chairperson of Adcock Ingram, Dr Rob Davies, Minister of Trade and Industry, Iraj Abedian, Chief Executive Officer of Adcock Ingram, Tshiamo Ndlovu, Chief Executive Officer of Proudly South African, Dr Eustace Mashimbye, Member of the Board of Adcock Ingram, Tshiamo Ndlovu, Chief Executive Officer of Adcock Ingram.



Dr Rob Davies, Minister of Trade and Industry



Chairman of the Board of Manufacturing of the Adcock Ingram, Tshiamo Ndlovu, Member of the Board, Tshiamo Ndlovu

Buying local helps grow jobs

TRADE and Industry Minister Rob Davies said yesterday that the government needed strong persuasive initiatives to secure greater private sector support for local manufacturing, given their significant procurement spend.

Davies said that these initiatives included providing further support for Broad-Based Black Economic Empowerment (BB-BEE), and better alignment between BB-BEE and industrial development objectives.

"A sustained strategy to secure compliance with existing public procurement policies and supplier development and sourcing measures, with the overall aim of supporting the manufacturing sector to raise domestic production and grow employment should be the end result of all government efforts," Davies said.

"The manufacturing sector has the highest economic and employment multipliers of any sector. Therefore, it plays a critical and indispensable role as a driver of innovation and productivity growth.

"It should increasingly provide the capital goods and equipment inputs required for the infrastructure which is central to the country's growth strategy while, more generally, 'feeding' locally manufactured inputs."

Davies said this in preparation to deliver a keynote address today at the 6th Proudly South African Buy Local Summit in Joburg.

The government has already designated more than 15 products since the promulgation of the amended regulations of the Preferential Procurement Policy Framework Act in 2011. The regulations give the Department of Trade and Industry power to designate products, sectors and sub-sectors for local production in the public sector procurement system.

But in implementing local content regulations, the government cannot legally force the private sector to procure locally produced goods.

Davies said that the buy local message was an ongoing call to action, to the entire country, from government to private companies, small and medium enterprises, big business, as well as ordinary consumers.

"Underlining all our efforts is the realisation that the growth of our economy has a direct impact on job stimulation as a result of making buy local choices at all levels," Davies said. "By buying locally grown, produced or manufactured goods or services, businesses grow, thereby stimulating economic growth and sustainable job creation." - ANA

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Proudly SA tender tracking system

PROUDLY South African yesterday announced that it has developed an innovative, in-house tender tracking system to monitor the government's compliance with its own mandate to make local procurement a priority. Proudly SA's chief executive Eustace Mashimbye said the system would trawl the websites of all three spheres of government, their agencies and entities, giving the IT team full access to the terms of reference of all Request For Quotes and Request For Proposals. He said the software would then deliver an e-mail alert for each and every tender of those designated items using keywords to identify goods and services that could be produced, manufactured and/or supplied by a South African company. "(The system) allows us to contact the procurement officer for each tender in the designated sectors and ensure that they prioritise local companies supplying locally manufactured goods or services in their evaluation of submissions," Mashimbye said. "Secondly, it allows us to notify our own member companies who qualify to tender, to pitch for the business, thus adding to our members' value proposition."

– ANA

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BUY LOCAL AND KEEP JOBS AT home

Proudly SA's annual expo promoting local goods and services starts tomorrow

BY THE NUMBERS
The expo for the 2017 Proudly SA Buy Local Summit and Expo, which takes place at Garden of Eatin' in Cape Town, will feature more than 100 local manufacturers and service providers. The expo is the first of its kind in the country and is a key initiative of the Buy Local Summit and Expo. It is a platform for local businesses to showcase their products and services to a wide audience of potential buyers and investors. The expo is expected to generate significant revenue for the local economy and create jobs for many South Africans.

KEY TAKEAWAYS
The Buy Local Summit and Expo is a major event for the local economy. It provides a platform for local businesses to showcase their products and services. The expo is expected to generate significant revenue and create jobs for many South Africans. It is a key initiative of the Buy Local Summit and Expo, which aims to promote local procurement and support local businesses.

FOR MORE INFORMATION
Visit the Proudly SA website for more information on the Buy Local Summit and Expo. Contact the Proudly SA team for more details.

Publication: Pretoria News
Date: 04 Apr 2017
Page: 4

Buy local to boost SA job creation, urges trade minister

TRADE Trade and Industry Minister Rob Davies said the government needed strong persuasive initiatives to secure greater private sector support for local manufacturing given their significant procurement spend. Davies said these initiatives included providing further support for Broad-Based Black Economic Empowerment (BB-BEE), and better alignment between BB-BEE and industrial development objectives. "A sustained strategy to secure compliance with existing public procurement policies and supplier development and sourcing measures, with the overall aim of supporting the

manufacturing sector to raise domestic production and grow employment should be the end result of all government efforts," Davies said. "The manufacturing sector has the highest economic and employment multipliers than any sector," Davies said. "Therefore, it plays a critical and indispensable role as a driver of innovation and productivity growth. "It should increasingly provide the capital goods and equipment inputs required for the infrastructure which is central to the country's growth strategy while, more generally, 'feeding' locally manufactured inputs."

Davies said this in preparation to deliver a keynote address today at the 8th Proudly South African Buy Local Summit in Johannesburg. Government has already designated more than 15 products since the promulgation of the amended regulations of the Preferential Procurement Policy Framework Act in 2011. The regulations give the Department of Trade and Industry power to designate products, sectors and sub-sectors for local production in the public sector procurement system. But in implementing local content regulations, the government cannot legally force the private sector

to procure locally produced goods. Davies said the buy local message was an ongoing call to action, to the entire country, from government to private companies, small and medium enterprises, big business, as well as ordinary consumers. "Underlining all our efforts is the realisation that the growth of our economy has a direct impact on job stimulation as a result of making buy local choices at all levels," Davies said. "By buying locally grown, produced or manufactured goods or services, businesses grow, thereby stimulating economic growth and sustainable job creation." – ANA

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PROCUREMENT RULES

Tender monitoring system to track compliance

MEGAN VAN WYNGAARDT
CREAMER MEDIA SENIOR
CONTRIBUTING EDITOR ONLINE

BUY local advocacy campaign
Proudly South African (SA)

has developed an in-house tender tracking system to monitor government's compliance with its own mandate to make local procurement a priority.

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The system trawls the websites of all three spheres of government and their agencies and entities, giving the team full access to the terms of reference of all requests for quotations and requests for proposals issued by government for designated products.

The software then delivers an email alert for each tender of those designated items, using

key words to identify goods and services that could be produced, manufactured and/or supplied by a South African company. Items which cannot be procured here fall outside the search criteria.

The initiative was developed by Proudly SA CEO Eustace Mashimbye, the organisation's in-house information technology

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4.4.1. Press Releases

The following were issued / published between April and June 2017:

NO	DATE	HEADLINE
1	3 April	Proudly SA sets up One Stop Shop for SMMEs on Day 1 of Buy Local Summit & Expo
2	4 April	Proudly South African, partners and sponsors give clarion call for Buying Local (Summit Day 2)
3	13 April	South Africa-India : Partners in Progress (Feature piece for Diplomatist Magazine)
4	18 April	New Appointments at Proudly South African (Announcing Jeannine van Straaten and Naresh Patel)
5	11 May	Proudly South African joins Smart Procurement World in Durban
6	16 May	Proudly South African supports township economies (Back to Kasi)
7	25 May	Proudly SA kicks off National SMME Roadshow in North West Province
8	29 May	Proudly South African develops tender monitoring system to track Government compliance
9	1 June	PROUDLY SOUTH AFRICAN PARTNERS WITH SMART PROCUREMENT WORLD FOR BIGGEST GATHERING OF SERVICE PROVIDERS IN KZN
10	June	1:1 interview with CEO for FDI Spotlight
11	20 June	Proudly South African SMME Roadshow heads for KwaZulu Natal
12	29 June	Proudly South African member Edcon makes a significant contribution to local fashion design and manufacturing

4.4.2. Media Visits/Engagements

To build and strengthen good working relationships with the media – and to promote good media coverage of Proudly SA and its activities – the PR Manager and the PR officer had both formal and informal meetings, networking sessions and or interactions with members of the media and/or advertising officials from the following media platforms (among others).

Ligwalgwala FM	CNBC Africa
Kaya FM	Radio 2000
KZN Top Business	Citizen
Business Live	Ikwewezi FM
SA FM	eTV
Cliff Central	SABC 2
Power FM	ENCA
Classic FM	Polity
Smile FM	702
Metro FM	City Press



4.5. Presentations

The Proudly SA CEO, Eustace Mashimbye made CEO-led presentations at various events and at various media interviews. The aim of these presentations is to create awareness and to educate audiences about the Proudly South African Campaign and what it stands for.

The CEO-led presentations included, among others, the following:

DATE	EVENT	VENUE
3-4 April 2017	Proudly South African Buy Local Summit and Expo	Sandton Convention Centre
12 April 2017	Presentation to NUMSA Congress	Johannesburg Central
20 April 2017	Edgars Design Innovation Challenge	Design Quarters Rosebank
30 May 2017	Proudly SA Business Forum	North West
5-6 June 2017	Smart Procurement Summit	Durban
10 June 2017	NYDA Youth Event	Pretoria
26 June 2017	Manufacturing Indaba	Kempton Park
27 June 2017	Proudly SA Business Form	Durban
28 June 2017	Manufacturing Indaba Buy Back SA Ad	Kempton Park
28 June 2017	Edcon Innovation Challenge	Gold Reef City
30 June 2017	Presentation to FASA Members	Kyalami

4.6. Above The Line Campaigns

4.6.1. Buy Back SA

The objective of the Buy Back SA campaign is to educate consumers to buy or use locally grown, produced or manufactured goods and services, and to encourage businesses to make local procurement decisions, in the knowledge that in so doing, money will flow back into the country's economy.

The campaign utilises various above the line platforms to reach a mass audience and is designed in such a way that whilst the wording of the message varies, the call to action as well as the look and feel of the ads is always the same - Buy Local. Through this education process, Buy Back SA aims to increase the uptake in locally manufactured goods and services and promote the positive impact this action has on the country.



Radio Advertising

Regional stations are recommended to effectively maximise reach and extending +3 frequency. Total recommended listenership 19,083,000 amongst LSM 5+. Source Telmar (AMPS 2015 BA (July – Dec 2015)).

Power FM is the recommended station as it targets business sector, the station reached the identified target markets 240,000 daily listeners. Source Telmar Jul'-Dec'15.

Metro FM national radio to offers business dialogue for the Buy Back SA campaign. The station delivers 6,475,000 listeners for the station business feature.

Kaya FM is a GP based station bias to LSM 5+ with a 2,014,000 daily listeners. Station is a local business oriented station that aligns with Buy Back SA business objectives. Source: telmar 2015ba (Jul'15-Dec'15).



Online Media

Online media is recommended to target LSM 6+ market. It is an effective medium that reached internet users and mobile consumers. The media reaches 10,889,000 daily internet users. The sports platform delivers 4.379,393

IOL is the independent newspaper (INC) online platform that carries all their newspaper titles online. The platform is recommended as it delivers 6, impressions daily. The exposure also reaches the INC daily newspaper readers from (The star, Isolezwe, Pretoria news, Cape Times and Argus as well as Sunday independent readers.

Media 24 is the online platform for (The City Press, Daily Sun, Die Burger, Rapport and Volksblad) the online delivers 2,678,864 daily. News 24 online platform weekly reach driven from City Press site delivers instant Business and current affairs total 1,450,202.

News 24 is the online news portal platform with links weathers 209,900 users, finance and business 3.9 mil and entrepreneurs 72, 000 daily users. All other current matters including sports, health and woman and men daily matters.



Online Impressions

Campaign name: Buy Back April 2017

Dates: 25-30 April 2017

Live Dates: 25-30 April 2017

Placement	Booked Impressions	Delivered Impressions	Delivered Clicks	CTR
Netwerk24 Desktop ROS 300x600	35,005	35,603	65	0.18%
Netwerk24 Mobile ROS 300x250	85,110	85,148	148	0.17%
City Press Desktop ROS 300x600	28,000	28,076	91	0.32%
City Press Mobile ROS 300x250	44,360	44,369	93	0.21%
Daily Sun Desktop ROS 300x600	35,000	35,110	106	0.30%
Daily Sun Mobile ROS 300x250	104,231	104,267	780	0.75%
Total	331,706	332,573	1,283	0.39%

Notes and Insights

Campaign has ended with a CTR of 0.39%.

- Best performing dates have highlighted on the daily stats per publication

Outdoor Digital Screens

Alive Advertising offers screens for 8 weeks in order to implement this campaign so as to increase the reach of the campaign. Alive advertising was impactful for this campaign as the screens are placed strategically targeting main arterial routes, intersections and highways within cities. The screens captures our desired audience's creating awareness and interest to take action towards Alive advertising has strategic positioned screen in the metro areas. The total screens are selected to deliver high frequency and a daily viewership is 2, 15 million motorists nationally. A 15 second commercial is to be screened not less than a minimum of 240 times, 11 screens each day on metropolitan areas arterial routes and main commuter intersections. Alive advertising is the owners of all 11 the screens included.

Primedia outdoor offers 7 digital screens targeting only Gauteng affluent suburbs mainly fourways, Sandton, Pretoria East. The sreens delivers high frequency of 5+ targeting motorist, commuters and any travellers on the metro roads and all arteria routes.

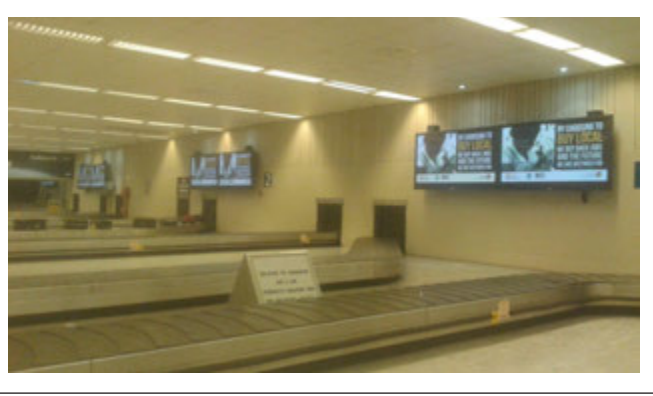
Airport Television Threshold R1 million

Provantage Airport TV advertising is recommended to reach the captive travellers market. The media is positioned to target the local and international market. This medium will reach the targeted audience and will deliver high frequency viewing at all 4 international airports and other 5 airports across the country. The screens are placed at domestic departures (security check in), arrival (baggage carousels, meet and greet areas) with a total of 79 screens, 1080 flighting with an estimated of 2 100 000 passengers passing through the airports monthly and over 26 million per annum (13 million departures and 13 million arrivals).

Johannesburg International Airport



Cape Town International Airport



Durban International Airport



East London International Airport



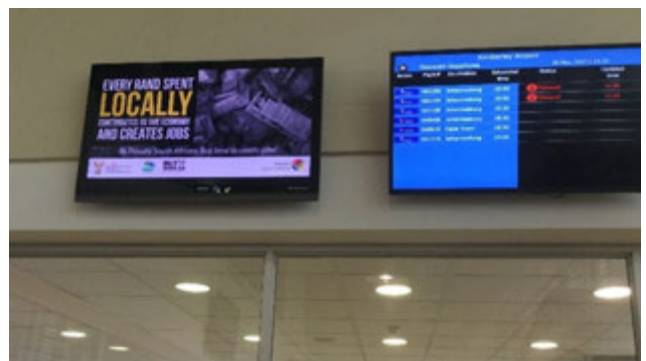
Port Elizabeth International Airport



GRG International Airport



KMB International Airport



PERFORMANCE FOR THE PERIOD UNDER REVIEW

(April - June)
Performance against the Annual Performance Plan targets for the quarter

Strategic objective/outcome	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing 'Buy Local' purchase behaviour	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: * Above-the-line campaign , i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers	1 activity planned for Q1 Reach 5 million consumers each quarter	More than 5 million consumers reached through the Buy Back SA campaign in Q1	
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing 'Buy Local' purchase behaviour	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: * PR and Below the line activities through Social Media, press releases, radio interviews and other PR related activities;	*PR & Below the Line Activities reaching at least 20 million consumers per annum; *Roadshows in at least 6 provinces annually *Roll out of schools campaign in at least 6 schools and/or FET colleges per annum *Participation in youth targeted activities reaching at least 500k youth *6 x Campus Radio interviews/competitions or advertising	*Reach 5 million consumers during each quarter *No Activations planned for Quarter 1 *No Schools campaign planned during quarter 1 no activity planned for Q1 2 campaigns per quarter	In excess of 5 million reached through PR activities (above in PR section) *N/A *N/A In excess of 500 000 reached the youth through this event No campus radio activities done	We targeted main stream radio for the Buy Back SA campaign

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	<p>*Proudly SA Events/Exhibitions/Expo's/Villages at trade expos.</p> <p>*Increased awareness of the buy-local message in support of Heritage Day/Week/Month</p> <p>*Proudly SA CSI projects</p>	<p>campaigns per annum</p> <p>*Participation in at least 8 mini trade expos or events per annum.</p> <p>*Roll out of at least one Proudly SA Week per annum</p> <p>*At least 2 CSI projects per annum</p>	<p>*At least 2 expos or events per quarter</p> <p>*No Proudly SA week activity planned for Q1</p> <p>*No CSI activity planned for Q1</p>	<p>5 major trade shows</p> <ul style="list-style-type: none"> • Rand Show • Tourism Indaba • Smart Procurement • Manufacturing Indaba • Franchise Business Festival <p>N/A</p> <p>N/A</p>	
Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade	<p>Above-the Line Campaigns promoting the Proudly SA logo as the Country of Origin label. These include Radio Adverts, TV Blurbs, Print Banners, Street Posters, Social Media Campaigns, Proudly SA Website.</p> <p>*Introduction of Eco-labelling in specific sectors (partnership with UNOOPS)</p>	<p>Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers.</p> <p>*Promotion of Eco-labelled local products in the agricultural sector in 4 provinces</p>	<p>Reach 5 million consumers each quarter</p> <p>At least one province per quarter</p>	<p>More than 5 million consumers reached through the Buy Back SA campaign in Q1</p> <p>1 Agricultural sector forum in KZN</p>	
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<p>Educational roadshows</p> <p>Increase buy-in and support for local procurement by the public sector (all state organs) through:</p> <p>*Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum</p> <p>*Partnership with the at, EDO, National Treasury and provincial government departments on education of procurement officials on the implementation of the public procurement regulations in support of local procurement for designated sectors in national, provincial & local government departments and to monitor</p>	<p>*At least 1 presentation to SOEPF per annum</p> <p>* Presentation at 1 government's SCM forum with Heads of procurement from various national government departments</p>	<p>*No activity planned for Q1</p> <p>*No activity planned for Q1</p>	<p>*N/A</p> <p>*N/A</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	procurement within the public sector				
	*National, provincial and local departments visits – engagement with procurement officers	* Provincial Public Sector forums in at least 5 provinces	* Provincial Public Sector forum in at least 1 province	1 Provincial Public Sector Forum was hosted in KZN	
	*Presentation at SALGA	*Presentation at least 1x SALGA member's forum and/or event.	*No activity planned for Q1	*N/A	
	*1-2 x day Buy Local Summit – focusing on all state organs and business procurement	*At least 1 summit to be held per annum	No activity planned for Q1		
	*1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – "Made in SA" Expo	*At least 1 Buy Local Expo held per annum			
	National Educational road shows: Increased buy-in and support for local procurement by the private sector. Signing of Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products and services through:				
	* Presentations to BUSA, BBC and BLSA members plus Business Chambers;	*1 presentation to BUSA, BBC and BLSA per annum;	*No presentation planned to any of the targeted organizations	*N/A	
	* Local Procurement Partnerships with large	*Partnerships with at least 3	*No activity planned for Q1	*N/A	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	retailers and /or manufacturers; *1-2 x Day Buy Local Summit – focusing on all state organs and business procurement	major retailers/manufacturers per annum; *At least 1 summit to be held per annum;	*Buy Local Summit scheduled for Q4 (March '18)	* N/A	
	1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SOC – "Made in SA" Expo *Sector Specific Workshops	*At least 1 Buy Local Expo held per annum; *3 x sector specific workshops/forums per annum	*Buy Local Expo scheduled for Q4 (March 2018)	N/A	
	*Business Forums with dti and other strategic partners	*9 business forums per annum	*No sector specific forum/workshop scheduled for Q1	N/A	
	*Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos	*Participation in at least 8 major trade expos, events, etc. per annum	*2 business forums scheduled for Q1	2 Business Forums were hosted in Q1 in KZN and 1 in North West	
	*SA Premier Business Awards (in partnership with the dti and Brand SA)	* Hosting 1X annual SA Premier Business Awards event (as a partner to the dti)	* Awards scheduled for Q3	5 major trade shows Rand Show Tourism Indaba Smart Procurement Manufacturing Indaba Franchise Business Festival	
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing "Buy Local" purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the	* Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers	Reach 5 million consumers each quarter	N/A	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
profile of local products					
Brand Management Brand research - Development of a scientific basis for local procurement	Existence of an Economic Impact Study to contribute to the increase in the uptake of local products and services and procurement by the public sector, private sector and consumers;	*Economic Impact Study conducted and results published – at least once per annum	*Economic Impact Study completed during Q1	Study completed and tables to Board were presented at the Buy Local Summit in April	
	Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	*At least 8 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	*At least 2 dipstick surveys per quarter	3 dipstick surveys were conducted. 1 for the buy Local Summit and 2 for the Business Forums	
Brand Compliance and IP. Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	*Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods *Action/letters of demand to all (100%) irregular users of the Proudly SA logo identified *Regular compliance reviews of all members *Weekly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally	*Weekly monitoring of the use of the logo in the market *100% of all identified illegal users sent letters *100% (All) members checked for compliance *Monitoring of the use of logo and phrase done illegally – 100% contact with all identified companies	*Weekly monitoring done *All identified irregular users were sent letters – 100% *All members contacted as part of the new and renew- als membership compliance process – 100% *Monitoring done by Adams and Adams weekly – 100%	
Partnership with enforcement agencies	*To prevent illegal imports, counterfeit products, dumping of unsafe products and under invoiced products through Below and Above the line Anti - piracy and illicit trading campaigns reaching 2				

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
Growing the database of South African supplier products and services for local procurement *Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products	million people per annum; *Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SAPS, CIPC, Customs, SARS, Hawks, Brand SA and – multi disciplinary process with key stakeholders *Promotion of Database - NATIONAL CAMPAIGN to grow the number of companies registering on the database. *Call to Action campaigns (Above and Below the line campaigns) reaching businesses. *Promotion of database to both the public and private sector through workshops / regular commune (this will include the promotion of other SA Made Products as per the designated sections). Measured in terms of how many public institutions reached that are using the database.	*Participation in the Nedlac Task team on Anti-piracy at least once per annum *500 new products and/or services registered *Promotion of database to at least 5 provincial public sector forums *Promotion of database to at least 9 provincial business forums *Promotion of database to at least 1 business association	No activity planned for Q1 100 new products and/or services registered 2 provincial public sector forums planned 2 Provincial Business Forums planned No workshop planned for Q1	N/A 100 new products and/or services registered 1 Provincial Public Sector Forum was hosted in this quarter. 2 Provincial Business Forums were hosted in this quarter N/A	Second Forum cancelled due to unavailability of MEC
	Strengthening Media relations, PR and social media	*Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof * Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)	*Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders *Press releases At least 24 press releases per annum	*100% of Daily monitoring through Newscorp of all coverage on Proudly SA *6 press releases issued per quarter	*Monitoring done during the quarter, 100% of all coverage identified *12 press releases issued during Q1 (see PR section above)

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	<p>"Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media topical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through media breakfasts/lunches & media meetings hosted by the CEO, Chairperson, board or the PR Manager</p> <p>"Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns</p>	<p>"Media engagement *At least 16x individual media engagements per annum</p> <p>* At least 2 x Media meet & greet networking sessions per annum</p> <p>* Social Media activities daily</p>	<p>*4 media/ editor's meetings per quarter</p> <p>No activity planned for Q1</p> <p>*Daily updates on Twitter, Facebook and Instagram done</p>	<p>*20 media meetings/visits held with various media houses (See list in PR section above)</p> <p>N/A</p> <p>*Daily updates done on Twitter and Facebook resulting in an increase in the number of followers on both platforms. The Proudly SA Twitter account now has 137 200 followers and Facebook has more than 12 000 followers</p>	
	<p>"Increase following on social media platforms and increase in publicity</p> <p>"Major PR activation to increase awareness about the campaign and the "Buy Local" campaign</p>	<p>"Increase following on all social media platforms by 10% per annum</p> <p>*Valentine's Day activation 1x per year on Valentine's Day</p>	<p>Increase following on all social media platforms by 10% per quarter</p> <p>*This activation is scheduled to take place during Q4 (Feb '18)</p>	<p>An increase of 2000 followers on both Facebook and Twitter platforms</p> <p>*N/A</p>	
Retention and Recruitment Members	Number of members recruited and retained	"Recruit at least 200 new members for the year	*50 new members recruited during the quarter	38 new members recruited (17 fully paid up)	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
		*Retain at least 90% of all members due for renewal for the year	*90% of all members due for renewal renewed membership	*61% of all members due for renewal, renewed their membership	
Financial Management: Proper processing of all financial transactions on SAP and maintenance of records and supporting documents for audit purposes in compliance with relevant standards	Percentage of processing of all financial transactions done accurately and correctly at all times	100% accurate and correct processing of all financial transactions - unqualified opinion and clean audit reports for 2016/17 financial year end audit – Annual Financial Statements	*100% accurate and correct processing of all financial transactions during each quarter	*All financial transactions correctly and accurately processed during Q1	
Human Resources Management: Organisational structure is always aligned to organisational strategy	Extent (Percentage) of alignment of the functional organogram with the approved strategy *Percentage of critical positions filled	*Organogram with positions informed by the organisational strategy and aligned completely *All (100%) critical positions filled at all times	*100% alignment of organogram to the strategy in every quarter *All (100%) critical positions filled during the quarter	*Organogram fully aligned (100%) to the strategy in Q1 *All critical positions filled during the quarter except for HR Officer position which will be advertised in August for filling in September 2017	

PFMA AND TR COMPLIANCE CHECKLIST / COMPLIANCE CALENDER

Corporate Management

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	49	Accounting Authority	In terms of section 49(3) the relevant treasury, in exceptional circumstances, may approve that a functionary other than the board or CEO be the AA of the public entity. In this regard, has the Auditor-General been informed in writing of any such approval or instruction?			X	The Board is the Accounting Authority of Proudly SA
2.	TR 27.3.1	Chief Financial Officer	In the case of a 3A or 3C public entity, has a chief financial officer been appointed to head the finance division?	X			There is a Chief Financial Officer even though Proudly SA is not a public entity
3.	56(1)	Delegations of Authority	Have the powers entrusted or delegated to the accounting authority been delegated to other officials within the public entity?	X			There is a Schedule of Delegated Authority in place and this has been approved by the Board
4.	51(1)(a)(i)	Internal Control	Does the public entity have: an effective, efficient and transparent system of financial and risk management and internal control?	X			The policies and processes are in line with best practice and are being modified where required to fully comply with the PFMA
	51(1)(a)(ii)		A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77?	X			There is an outsourced internal audit function due to the size of the organisation and it reports to the Audit committee and complies with the provisions of sections 76 and 77
	TR 27.1.1		Is the audit committee a sub-committee of the accounting authority?	X			The audit committee is a sub-committee of the Board
	77(a)		Does the audit committee consist of at least 3 persons?	X			The audit committee has at least 4 members
	77(b)		Does the audit committee meet at least twice a year?	X			The committee meets at least twice a year annually and met 3 times in the previous financial year
	TR 27.1.6		Does the audit committee operate in terms of written terms of reference?	X			There are approved terms of reference for the Audit and Risk committee
	TR 27.1.6		Are the terms of reference reviewed at least annually to ensure its relevance?	X			The terms of reference are reviewed by the Audit committee annually

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
27.1.8		Does the audit committee review the following:	<ul style="list-style-type: none"> • The effectiveness of internal control systems; • The effectiveness of internal audit; • The risk areas of the entity's operations to be covered in the scope of internal and external audits • The adequacy, reliability and accuracy of financial information provided to management and other users of such information • Any accounting and auditing concerns identified as a result of internal and external audits • The entity's compliance with legal and regulatory provisions • The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and • Where relevant, the independence and objectivity of the external auditors. 	X	X	X	The Audit Committee considers and approves the Audit plans of both the outsourced Internal and External Audit functions which detail all the information referred to herein, as well as all the findings and recommendations of the auditors in respect of this
TR 27.1.10(a)		Does the audit committee report and make recommendations to the accounting authority?		X			The Audit committee does report and make recommendations to the Board on a quarterly basis
TR 27.1.13		Does the audit committee meet annually with the Auditor-General or external auditor to ensure that there are no unresolved issues of concern?		X			The Audit committee meets with the external auditors prior to and after completion of external audits

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 27.2.1		<ul style="list-style-type: none"> Are risk assessments conducted regularly to identify the public entity's emerging risks? Does the public entity have a risk management strategy (including a fraud prevention plan) to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks? If there is a risk management strategy, is it communicated to all employees? 	X			<ul style="list-style-type: none"> Risk Assessment is done annually and the Risk Register is updated annually and reviewed quarterly The company has a Risk Management Strategy and this informs the Risk Management Register. There is an approved Fraud prevention plan and Whistleblowing policy All staff participate in the organisational Risk Management workshops
	TR 27.2.5		Are the purpose, authority and responsibility of the internal audit function defined in an audit charter?	X			The purpose, authority and responsibility of Internal Audit is contained in the Internal Audit charter
	TR 27.2.6		Is internal audit conducted in accordance with standards set by the Institute of Internal Auditors?	X			Internal Audit is conducted in accordance with required standards, and this is checked when the internal auditors are appointed
	TR 27.2.7		<p>Has the internal audit function prepared a three-year strategic internal audit plan based on the risks facing the public entity?</p> <p>Does the internal audit function report to the audit committee detailing its performance against the plan?</p>	X			<p>The Internal Audit plan approved by the Audit committee is a rolling 3-year plan</p> <p>All internal audit reports are tabled at the Audit Committee and the Auditors report to the committee on all their work, including tabling their quarterly progress against the approved audit plan</p>
	TR 27.2.10		<p>Does the internal audit function evaluate the following:</p> <ul style="list-style-type: none"> The information systems environment; The reliability and integrity of financial and operational information; The effectiveness of operations; Safeguarding of assets; and Compliance with laws, regulations and controls 	X			As part of the annual Internal audit plans, the areas referred to herein, are included for audits. They are therefore evaluated (audited) annually and reported once these specific audits are concluded

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
5.	51(e)	Financial Misconduct	<p>Have effective and appropriate disciplinary steps been taken against any employee of the public entity who has:</p> <ul style="list-style-type: none"> • Contravened or failed to comply with a provision of the PFMA • Committed an act which undermined the financial management and internal control system of the public entity • Made or permitted irregular or fruitless and wasteful expenditure 		X		No employee has committed any of the offences listed herein
	86(2)		Has the accounting authority been found guilty of an offence or is there any investigation pending relating to the willful or negligent failure to comply with the provisions of sections 50, 51 or 55?		X		
	TR 33.1.1		Have any employees of the public entity committed financial misconduct?		X		
	TR 33.1.2		If so, was the investigation instituted within 30 days?			X	
	TR 33.2.1		Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct?			X	If any criminal charges are instituted for financial misconduct, the Executive Authority will be advised accordingly
	TR 33.3.1		<p>Is the Executive Authority, Auditor-General and relevant treasury provided with a schedule detailing:</p> <ul style="list-style-type: none"> • The outcome of any disciplinary hearings and/or criminal charges; • The names and ranks of employees involved; and • The sanctions and any further actions taken against these employees. 			X	The reports on any disciplinary hearings held are reported to the Accounting Authority through the relevant subcommittee (HR and Remunerations Committee).

PFMA Checklist for Public Entities Planning and Budgeting

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	52	Annual budget, corporate plan and shareholder's compact by Schedule 2 public entities and government business enterprises	<p>Did the accounting authority submit the following to the relevant treasury and to the accounting officer of the department at least one month before the start of the public entity's financial year:</p> <ul style="list-style-type: none"> • a projection of revenue, expenditure and borrowings for the financial year in the prescribed format; and • a corporate plan in the prescribed format covering the affairs of that public entity or business enterprise for the following three financial years, and if has subsidiaries, also the affairs of the subsidiaries. 	X			<ul style="list-style-type: none"> • The budget and cash flow for the financial year were submitted to the dti on time • The Board has approved the Strategic Plan and it was submitted to the dti and a Business plan was developed based on the approved Strategic plan.
	TR 29.1.1		<p>Does the corporate plan include the following:</p> <ul style="list-style-type: none"> • strategic objectives and outcomes identified and agreed upon by the executive authority in the shareholder's compact; • strategic and business initiatives as embodied in business function strategies; • key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives; • a risk management plan; • a fraud prevention plan; • a materiality/significant framework, referred to in Treasury Regulation 28.1.5; • a financial plan addressing – <ul style="list-style-type: none"> <input type="checkbox"/> revenue, expenditure and borrowings; <input type="checkbox"/> asset and liability management cash flow projections; <input type="checkbox"/> capital expenditure programmes; and 	X			<ul style="list-style-type: none"> • The approved strategic plan and business plan has been submitted to the dti as the Executive Authority • This is built into the approved strategic plan • Risk Management plan exists • Fraud prevention plan approved • Materiality is determined prior to and during external audits <p>This is part of the corporate plan submitted to the Executive Authority after approval by the Board as the Accounting Authority</p>

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.2.		<input type="checkbox"/> dividend policies Does the public entity conclude a shareholder's compact with the executive authority on an annual basis? If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X			A memorandum of Association (MoA) has been concluded and signed with the dti The draft MoA does detail the key performance measures and the indicators to be attained
2.	53(1)	Annual budgets by non-business Schedule 3 public entities	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities, however Proudly SA does submit its budget to the dti as required as per the MoA
	53(2)		Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dti as per the MoA
	53(3)		Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?		X		Specific to Schedule 3 non business entities and not applicable to Proudly SA however, Proudly SA does not budget for a deficit
	TR 30.1.1		Did the accounting authority submit a proposed strategic plan to the executive authority for his or her approval at least six months before the start of the financial year of the department designated by the executive authority?			X	Specific to Schedule 3 non business entities and not applicable to Proudly SA, however a strategic plan was submitted as per the MoA
	TR 30.1.2		Was the final strategic plan submitted to the executive authority before 1 April?			X	Final strategic plan submitted as per requirements contained in the MoA

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 30.1.3		Does the strategic plan: <ul style="list-style-type: none"> • cover a period of three years; • include objectives and outcomes as identified by the executive authority; • include multi-year projections of revenue and expenditure; • include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and • include the materiality/significant framework, referred to in Treasury Regulation 28.1.5. Is the strategic plan updated on an annual basis?	X X X X X X			The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations

PFMA Checklist for Public Entities Management of Working Capital

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	38(1)(j)		Has the public entity submitted a written assurance to the transferring department to the effect that the entity has and maintains effective, efficient and transparent financial management and internal control systems?	X			A written assurance is submitted to the dti in the form of a letter confirming compliance with Section 38(1)(j) of the PFMA on a quarterly basis
	51(1)		Does the public entity: <ul style="list-style-type: none"> • have an appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective? • have a system for properly evaluating all major capital projects prior to a final decision on the project? • collect all revenue due? • Have mechanisms in place to prevent irregular and fruitless and wasteful expenditure? • Manage available working capital efficiently and economically? 	X		X	The procurement system is in line with section 217 of the constitution, and is fair, equitable, transparent, competitive and cost-effective. The SCM policy has been revised to ensure full compliance with the PFMA and has been approved by the Board There are currently no major capital projects
	TR 29.1.3 TR 29.1.6		Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only) If a borrowing programme was submitted, did it include? <ul style="list-style-type: none"> • The terms and conditions on which the money was borrowed? • Information on proposed domestic borrowing: • Information on proposed foreign borrowing (national entities) • Short and long term borrowing; • Borrowing in relation to a pre-approved corporate plan • The maturity profile of the debt; • The confirmation of compliance with existing and proposed loan covenants; • Debts guaranteed by the government; • Motivations for government guarantees, if required; and • The executive authority's approval of the borrowing programme, if required by the legislation in terms of which the entity was established. 			X	Proudly SA is not a Schedule 2, 3B or 3D entity and does not borrow any funds
	TR 32.1.1		Did the public entity borrow money for bridging purposes? If yes: <ul style="list-style-type: none"> • Was approval obtained from the Minister of Finance? • Was the debt repaid within 30 days from the end of the financial year? 		X		No money borrowed by the campaign for any purposes, including for bridging purposes

PFMA Checklist for Public Entities Reporting

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	TR 26.1.1	Quarterly Reporting	Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dti as per the MoA (30 days from the end of each quarter)
	TR 26.1.2		Does the public entity report quarterly to the executive authority (via the designated accounting officer) on the extent of compliance with the PFMA and Treasury Regulations? (Schedule 3A and 3C public entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dti
	TR 29.3.1 TR 30.2.1		Has the public entity established procedures to report quarterly to the executive authority in relation to progress made against achieving the targets set out in the strategic and corporate plan?	X			Proudly SA is required in the MoA to submit quarterly reports to the dti, as per the template provided. The quarterly report sets out the progress made against achieving the set targets as contained in the APP
2.	55	Annual report and financial statements	Did the public entity submit the following to the relevant treasury, executive authority and Auditor-General within 5 months from the end of the financial year: <ul style="list-style-type: none"> • An annual report on the activities of the public entity during that financial year; • The financial statements for that financial year after the statements have been audited; • The report of the auditors on those statements. 	X X X			The Annual Report, Annual Financial Statements and the Auditors report on the financial statements, are all submitted to the dti on time, as required in the MoA

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
			<p>Does the public entity's annual report and financial statements fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?</p> <p>Does the annual report and financial statements include:</p> <ul style="list-style-type: none"> Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; Any losses recovered or written off; Any financial assistance received from the state and commitments made by the state on its behalf; The financial statements of subsidiaries. 	X			The Annual Report and Annual Financial Statements fairly presents the information referred to herein
	65	<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>		X			No material losses incurred through criminal conduct and fruitless expenditure (penalties) incurred during the previous financial year reported as such No criminal charges instituted as no such loss was incurred
	TR 27.1.7	<p>Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference</p>		X			This disclosure was included in the Governance section in the Annual Report as the audit committee has an approved set of Terms of references
	TR 27.1.10	<p>Did the audit committee comment on its evaluation of the public entity's financial statements?</p>		X			The Audit committee does comment on the public entity's financial statements in the AFS contained in the Annual Report

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 28.1.1		Does the financial statement include a report by the accounting authority that discloses the emoluments of all directors and executive members of the public entity and its subsidiaries?	X			
	TR 28.1.2		<p>If yes, to above, does the disclosure include?</p> <ul style="list-style-type: none"> • Fees for services as a director or executive member; • Basic salary; • Bonuses and performance related payments; • Sums paid by way of expense allowances; • Contributions made to any pension fund, medical aid, insurance scheme, etc.; • Any commission, gain or profit sharing arrangements; • Any share options, including their strike price and period; and • Any other material benefits received. 	X X X X X		X X X	No commission, gain or profit sharing applicable No share options as there is no shareholding No other material benefits received by the directors and executive members
	TR 28.1.3		Has your public entity adjusted its financial year in accordance with the table in TR 28.1.3?			X	Not applicable, as Proudly SA's financial year is in line already – 31 March
	TR 28.2.1		Does the annual report provide details of the materiality/significant framework applied during the financial year?	X			

PFMA Checklist for Public Entities

Cash management, banking and Investment

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	51 (1)(b)(iii) TR 31.1	Cash Management	<p>Are systems, procedures and processes in place in the public entity to ensure efficient and effective banking and cash management, which includes?</p> <ul style="list-style-type: none"> • Collecting and banking revenue promptly Making payment no earlier than necessary with due regard for efficient, effective and economical programme delivery and the public entity's normal terms for account payments; • Avoiding prepayments for goods and services unless required by the contractual arrangements with the supplier; • Accepting discounts to effect early settlement; • Pursuing debtors with appropriate sensitivity and vigor to ensure that amounts receivable by the public entity are collected and banked promptly; • Accurately forecasting the public entity's cash flow requirements; • Timing the in and out flow of cash; • Recognizing the time value of money, i.e. economically, efficiently, and effectively managing cash; 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			<p>Proudly SA is not a public entity but conforms to best practice as prescribed by the PFMA and Treasury Regulations for its banking and cash management</p>

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
2.	TR 31.2.1	Banking	<ul style="list-style-type: none"> • Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level for efficient and effective programme delivery, and selling surplus or under-utilized assets; • Performing bank reconciliations at least weekly; • Making regular cash forecasts; and • Alignment of the approved budget with monthly cash flows; • Variance analyses of actual cash flow with the approved budget 	X			
3.	TR 31.3.1 TR 31.3.2	Investment	<p>Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?</p> <p>Does the public entity have an investment policy?</p> <p>If yes to the above, does the investment policy include the:</p> <ul style="list-style-type: none"> • selection of counter-parties through credit risk analyses; • establishment of investment limits per institution; • establishment of investment limits per investment instrument; • monitoring of investments against limits; • reassessment of investment policies on a regular basis; • reassessment of counter-party credit risk based on credit ratings; and • reassessment of investment instruments based on liquidity requirements. 			X	The campaign submits its list of bank accounts to the dti as per the MoA
						X	The Proudly SA campaign does not have enough long term cash reserves to enable it to invest. Any surplus funds are placed in Call accounts with the highest rate of returns, as negotiated with the banking institution where the funds are kept.

PROGRESS ON ACTIONS IN THE RISK REGISTER AS AT 30 JUNE 2017

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action owner	Time Frame
1	Increase uptake of Membership	Strategic Risk	Lack of legislative mandate.	High	Presentations and submissions made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Procurement regulations revised and the dti has designated products for public procurement	Satisfactory	Medium	Proudly SA to leverage off the current PPPFA regulations in its consumer education efforts. To develop a database of local products and to promote this database to the private and public sector.	MANCO	31-Mar-18
2	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Insufficient funding to ensure sustainability of the campaign.	High	Raising sponsorships Partnership with relevant institutions	Satisfactory	Medium	Improve sponsorship drive by developing current properties (offerings) to sponsors Secure fulltime broadcasting partners for the campaign Utilize other mediums such as social media platforms and other guerilla marketing tactics	MANCO	31 Mar 2018 (ongoing) 31 Mar 2018 31 Mar 2018

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
3	To work with enforcement agencies to prevent illegal imports, dumping of unsafe products and illicit trade	Strategic Risk	Lack of legislative mandate and recognition of Proudly SA as a key player by the enforcement agencies.	High 25	Presentations made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Presentations made to Nedlac's Trade and Industry Committee	Unsatisfactory	High 23	A request made to the Nedlac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products	MANCO	31-Mar-18
4	Increase uptake of Membership	Strategic Risk	Poor value proposition for existing and prospective members.	High 20	Value proposition based on the use of the Proudly SA logo and the Proudly SA activities and campaigns conceptualized for the Buy Local campaign. Membership fee restructured to make it more affordable	Weak	High 14	The Proudly SA membership value proposition needs to be improved to provide for items that impact on the bottom line of the member companies, including participation in foreign missions. Roll out more advertising campaigns. Communicate the Restructured membership fee	MANCO	31-Mar-18

5	To educate South Africans on the importance of 'Labels of origin' in order to promote fair and legal trade with other countries.	Strategic Risk	Lack of uptake of Proudly SA products and services by all spheres of governments including SOE's (Non-compliance with regulations on designation of sectors)	High	20	Procurement regulations revised and products designated for local procurement by all organs of the state	Weak	High	14	MANCO	31-Mar-18
Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame	
6	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Lack of funding to undertake meaningful research to inform consumer education campaigns	High	16	Deep stick surveys undertaken after every event.	Weak	Medium	11	MANCO	31-July-17
7	To compile a database of locally produced products and services.	Strategic Risk	Lack of comprehensive LPA supplier database	High	16	Developed a database of local products and services on the website	Weak	Medium	11	Executive Manager: Marketing & Comms CFO	31-Mar-18
8	To compile a database of local products and services	Strategic Risk	Existence of multiple databases in the market, including a proliferation of similar industry sector organisations with similar objectives to Proudly SA	High	16	Attempts to conclude partnerships with organisations that have databases in order to merge the databases have been made. i.e. SALGA, NT, SOEPF	Weak	Medium	11	MANCO	31-Mar-18

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent Risk	Current Controls	Perceived control effectiveness	Residual Risk	Actions to improve management of the risk	Action Owner	Time Frame
9	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Threat of counterfeit goods, dumping of illegal and toxic waste and unfair trade.	Medium	Proposed partnerships with law enforcement agencies to roll out anti-dumping and prevent illegal imports	Unsatisfactory	Medium	Roadshows at borders and customs to educate consumers and customs staff about illegal imports A request made to the Nediac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products Proudly SA to participate in the dti's random searches for pirate or dumped products at the ports. Request to be made to the Minister	MANCO BOARD	31-Mar-18

PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN - 2016/17

No.	Finding	Corrective Action (Plan)	Status
1.	Payment made on invoice which do not comply with the VAT Act	In future, all invoices that do not comply with all the requirements of the VAT Act will be returned to the respective supplier/service provider for correction prior to making the payment. No payments will be effected on non-compliant supplier invoices.	Completed
2.	Operating lease asset understated	Management did not agree with the prior year calculation and prepared a schedule for the auditors review but inadvertently omitted to follow up with the auditors and process the entry. The AFS has since been amended	Completed
3.	Difference noted between EMP 201 and EMP 501 forms	The variances between the EMP201 and EMP501 were due to additional payments made later in the year and these were in respect of penalties/interest arising from the previous years. In some instances, they were due to PAYE payments for Board members which were made in arrears. With immediate effect only amounts declared would be paid over to SARS in each respective period	Has been resolved since May 2017
4.	Payments to employees without increment letters	The practice in the previous years was that the basis for payment of annual salary increments to all personnel would be based on the resolution by the Board which would have been presented and recommended by REMCO, and such resolution would be presented to auditors together with Staff Meeting Minutes reflecting confirmation to staff of the percentage increment they will get for that financial year. This	Completed

No.	Finding	Corrective Action (Plan)	Status
5.	Accuracy of leave days	<p>practice was improved during 2017/18 financial year by issuing individual increment letters to every staff member who qualified for such increment. The auditor was presented with all this evidence.</p> <p>Deryn Graham joined the institution in November 2016 and did not have leave days at the time of the Annual Closure of Business as approved by the Board of Directors, and was therefore compelled to take leave, even though she did not have sufficient leave days during such recess.</p> <p>The initial Leave Provision given to Auditors was not accurate, and was later thoroughly reconciled and given to the auditors. Furthermore, the Closing Balances of 2015/16 for general staff will not necessarily be the same as Opening Balances of 2016/17 since the company Leave Policy do not allow general staff to carry over more than 5 working days. The Auditor were presented with this policy</p>	In progress
6.	Useful lives of assets not reassessed	<p>This was a management oversight and the useful lives of all assets would be re-assessed annually.</p>	In Progress
7.	Issues on the Fixed Asset Register	<ol style="list-style-type: none"> 1) There was a casting (formula) error in the calculation of the cost column but the accumulated depreciation and NBV columns were correct. 2) The fully depreciated cell phone will be removed from the asset register, however the net effect of this is zero as the cost and accumulated depreciated were overstated by R6800. 3) The tag numbers of the assets listed above were erroneously deleted from the asset register. 	Completed
8.	Statutory information not updated on the CIPC	<p>This update was registered with the CIPC together with all the other changes submitted following the AGM where the required resolution for Nexia SAB&T to remain as auditors of Proudly SA was approved</p>	In Progress
9.	Minutes of meetings were not signed by the chairman	<p>This was a management oversight and in future all minutes adopted will be presented to the chairperson, at the meeting subsequent to the one where the minutes were approved, for his signature.</p>	Completed
10.	Nomination and Social Ethics don't exist as per the requirements of the MOI	<p>The Social and Ethics committee has been formed and the first meeting of this committee was held on 9 June 2017.</p>	Completed
11.	No contracts exist between Proudly SA and Nestle	<p>The deliverables and the agreement was for a sponsorship and membership commitment made by Nestle and it is for continued sponsorship of the Buy Local Summit and Expo from prior years. There is written communication between the two entities confirming the agreement and the commitment from Nestle to pay the amount due, as agreed. A draft sponsorship agreement has been forwarded to Nestle and follow up will be made to ensure that the agreement will be signed, as per the terms agreed upon between Proudly SA and Nestle. It is envisaged that the contract will be signed during the first week of July 2017</p> <p>The draft contract between Proudly SA and Nestle will be signed in the first week of July 2017</p>	In Progress
12.	No provision for long outstanding debtors raised	<p>Kasi Brewery and The Perfect Hair Africa Collective did not pay VAT, as they are current members, a concerted effort is being made to recover the shortfall. Trader's Friend is a valid trade exchange which can still be used.</p>	Completed

No.	Finding	Corrective Action (Plan)	Status
13.	Difference between the staff loan schedule and the trial balance	hence it is a valid debtor. Matcom Technologies only paid 50% of the membership fees, the outstanding amount needs to be written as irrecoverable as the member does not wish to remain a member. A duplicate invoice was erroneously raised for Grid Control Technologies. Management oversight and erroneous submission of incorrect staff loans spreadsheet to auditors for audit purposes	Completed
14.	Cash and Cash equivalents – Difference between the trial balance and the bank statement	The approved Bank Reconciliation for 31 March was correct but, the bookkeeper erroneously processed an April 2017 entry in the March 2017 accounting period after the Trial Balance was given to the auditors for audit purposes. The entry has been corrected and the in future the prior accounting period on SAP will be locked after the finalization of month-end and year end to ensure that similar errors do not occur again.	Completed
15.	Trade and other payables with debit balances	Management oversight, in some instances, as a result of pre-payments required by suppliers prior to delivery of the required services, as per their policies. Annual Financial Statements will be updated accordingly to correct the respective creditors accounts.	Completed
16.	No justification of the 40% tax withheld from directors' salaries	The Board of Directors were previously not paid Meeting Fees, and when a resolution was passed to start remunerating them it was done manually with 40% tax withheld from their gross fees. With the migration of such manual payment method to VIP Payroll system, all monies withheld from the Board Directors were declared over to SARS and paid in August 2016 as part of Mid-Year Tax Reconciliation and submission to SARS. Since then, all withheld tax from Board Directors are based on individual tax tables and are paid over to SARS by the 7 th of each month as required.	Completed
17.	Membership renewal forms not completed	Withheld Tax amounts from Board Directors were declared and paid over to SARS since 01 September 2016. This is now a standard practice and are as per individual tax tables. Comprehensive evidence of such rectification was presented to the Auditors. This is mostly, as a result of the choice made by renewing members to make payments to Proudly SA of the required fees, without submitting the required renewal forms. Efforts have been made to ensure that the renewing members submit all the required renewal forms and documentation, despite the difficulty in this regard. In order to correct this, the Board through its relevant committee has also approved a new process to ensure that this is dealt with as easily as possible in future, by requesting renewing members to submit and sign declarations indicating that they are still compliant with the campaign's membership criteria. Although, the required membership renewal forms were not completed in the above instances, there is supporting documentation on file to confirm evidence of follow up – the latter is available for the auditor's perusal. Membership renewal forms will be completed and duly signed off timeously in future, as per newly approved processes. The newly appointed Executive Manager: Membership, Compliance & Legal is in the process of tightening the controls around both new membership and renewal processes.	Completed

FINANCIAL REPORT

Expenditure vs. budget Quarter 1: 1 April- 30 June 2017

Description of item	Budget for the quarter (Q1) Rands	Actual for the quarter (Q1) Rands	Variance for the quarters (Q1) Rands	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (30 June 2017) Rands	YTD Variance (30 June 2017) Rands
INCOME								
Membership Fees	750,000	668,054	(81,946)	11%	Under-collection	3,000,000	668,054	(2,331,946)
Grant – the dti	8,000,000	8,000,000	0	0%		29,611,000	8,000,000	(21,611,000)
Project based funding - UNOPS	0	844,008	844,008	100%	The funding ired of the Switch Africa Green project, which was due in 2016/17 but was received in April 2017 due to delays in the finalization of some of the activities linked to this project	950,000	844,008	(105,992)
Sponsorship	0	375,000	375,000	100%	Postponement of the Buy Local Summit & Expo from March to April 2017	13,000,000	375,000	(12,625,000)
Other Income	0	40,683	40,683	100%		0	40,683	40,683
Total Income	8,750,000	9,927,745	1,177,745	13%		46,561,000	9,927,745	(36,633,255)
EXPENDITURE								
HR and Staffing costs	4,460,977	4,672,302	(211,325)	(5%)	Timing nature of certain cost elements	18,238,779	4,672,302	(13,566,477)
Administrative costs	1,270,941	950,425	320,517	25%	Timing nature of certain cost elements	5,933,771	950,425	(4,983,347)
Membership costs	156,612	41,307	115,305	74%	Cost cutting exercise undertaken	626,450	41,307	(585,143)
Marketing costs	2,054,997	4,078,902	(2,023,905)	(98%)	Postponement of the Buy Local Summit & Expo from March to April 2017	20,570,000	4,078,902	(16,491,098)
Capital Expenditure & IT	159,500	354,833	(195,833)	(123%)	Timing nature of certain cost elements	1,192,000	354,833	(837,167)
Total Expenditure	8,102,527	10,097,768	(1,995,241)	(25%)		46,561,000	10,097,768	(36,463,232)