



QUARTERLY REPORT

1 April - 30 June 2018
Quarter 1
2018/19 Financial Year



Quarterly Report for Q1 (1 April to 30 June 2018)

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: ___/___/2018	Rank: Chairperson	Date: ___/___/2018

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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.
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 Buy Local Summit & Expo.
UN	United Nations.



Executive Summary

ECONOMIC OUTLOOK

This report covers the period
1 April – 30 June 2018 and
focuses on various highlights during the
period:

The February change of political guard in the Presidency led to a brief surge in 'Ramaphoria' and an upturn in business sentiment early in the year.

However, the increase in the rate of VAT to 15% in April, fuel and energy price hikes, amongst other factors, saw SACCI's Trade Activity Index drop in April to 39, from 43 in March and its Business Confidence Index drop from 97.6 to 96. In June their BCI dropped again to 93.7 from May's 94, where the average for the last 6 months has been higher at 97.6.

Debates on land expropriation and the continued poor performance of many municipalities leading to prolonged service delivery protests also continue to stymie the growth of businesses in affected areas, preventing their expansion and new job opportunities.

Business needs policy certainty and more economic stability before it can truly thrive and these conditions remain largely un-met. The long term certainty that will lead to meaningful economic growth and reduce short term economic variations such as we are seeing remains elusive.

External factors including the volatility of the Trump administration and the continued confusion over the terms and conditions of Brexit have also impacted on the value of the Rand which has fluctuated significantly during the quarter in review.

In June, the inflation rate steadied and an increase in new car sales, a real measure of economic improvement, both contributed to Standard Bank's reporting improvements during the quarter in review in the private sector.

President Ramaphosa's planned July or August investment conference which aims to attract R1.2 trillion into the economy may be the impetus the country needs. During the quarter in review Mercedes already announced a R10 billion injection into its SA operations, and the dti announcement that ten more black industrialists will be funded over the next two years will also assist with growth and job creation. These are just two of the 'green shoots' of recovery that we hope can be sustained, despite 2019s elections which are expected to impact on business sentiment in the coming months.

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

The Proudly SA Board of Directors met on 27 June 2018 and considered the following:

- The Chairman reported on a successful meeting with the Industrial Development Division at the dti.
- The Board agreed to a review of the organisation which would be conducted by TIPPS.
- The Board adopted the Quarterly Report for the period ending 31 March 2018.
- The Board agreed to the campaign launching an E-Commerce site for members to promote and sell their products. The site would be run by RSAMade.
- The CEO reported that he would present to the dti EXCO on the work of the organisation as well as the Sector Forums.
- The CEO reported on the top 100 import substitution project which was seeking to identify products that were being imported into the country that could be substituted by local products.
- Research conducted by Massmart on behalf of Proudly SA was presented
- The Board received reports from each of the sub committees.
- The Board noted that having 2 Buy Local Summit and Expos in the same financial year contributed to the financial loss for that year.
- The Board noted the Management Accounts and Cash Flow.

3.2) Audit and Risk Committee

The members of the Audit and Risk committee held their meeting on 23 April 2018 and the meeting considered the following:

- The Committee reviewed and amended the Terms of Reference of the Committee.
- The Committee approved the External Audit Plan including the cost of R27 82.00.
- The Committee received the Internal Audit Reports and suggested corrective actions where required.
- The Committee received the Risk Register for the quarter.
- The Committee noted that the organisation passed a SABS Certification Audit.

3.3) Finance and Procurement Committee

- The members of the Finance and Procurement committee held their meeting on 15 June 2018 and the meeting considered the following:
- The Committee agreed that the threshold for the CEO's delegation of authority would remain R2 000 000.00.
- The Committee agreed to peruse the lease agreement and recommend its approval to the Board.
- The Committee noted the financial loss due to hosting 2 Buy Local Summit and Expo's in the same year.
- The Committee noted the RFP for the service provider for the storage and transporation of Proudly SA's branding material.

3.4) Membership, Marketing and Communications Committee

The members of the Membership, Marketing and Communications Committee held their meeting on 18 June 2018 and the meeting considered the following:

- The Committee noted and approved the Reputational Management Policy.
- The Committee noted the Membership Report and requested a financial analysis of offering a 5 year membership at a discounted rate.
- The Committee received the Tender Monitoring System Report and requested an analysis of the information gathered in the past 12 months.
- The CEO reported on a discussion with the Franchise Association of South Africa, Proudly South African would assist them with transforming their supplier database.
- The Committee received the report on the Top 100 imports replacement project. It was agreed to conduct a study to see how the import replacements would positively affect the trade deficit.

3.5) HR and Remunerations Committee

The members of the HR and Remunerations Committee held their meeting on 15 June 2018 and the meeting considered the following:

- The Committee agreed to the implementation of the Succession Plan.
- The Committee received reports on Staff Matters, Training and Development and Staff Retention.
- The Committee noted the Workplace Skills Plan and the Tax Clearance Certificate.

3.6) Social and Ethics Committee

There was no meeting of the Social and Ethics Committee. The Committee is required to meet at least 2 times a year and the last meeting was on 27 March 2018.

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 2018/19 financial year.

The following were some of the achievements and most of these are reported in detail in Section 5 of the report:

- Proudly SA commenced with its provincial roadshow where it partnered with Provincial Treasury departments in Gauteng and KZN, to educate public sector procurement officials in the provincial government departments, municipalities and their respective public entities on the importance of complying with the localisation requirements (designations) as contained in the preferential procurement regulations.
- The MoU with SALGA was revived and extended to the respective Provincial Executive Officers heading up the SALGA offices in the 9 provinces in the country;
- The organisation continued with its tender monitoring system where tenders issued in the public sector for designated items are checked for compliance with the local content provisions;
- The process to integrate the Proudly SA database of locally made products and services with National Treasury's Central Supplier Database to ensure that qualifying local suppliers/producers are in a position to supply local products to government;
- A cocktail of activities were rolled out during the quarter including showcasing member products at various expos and trade shows (a total of 8) as well as hosting business forums in 2 provinces (NW and KZN);
- Proudly SA hosted a sector specific forum focused on increasing localisation in the Clothing, textiles, leather and footwear industry, in partnership with Edcon and the dti's relevant sector desk;
- Presentation made to BLSA members at its quarterly council meeting and engagements held with the Black Business Council;
- The database of locally made products and services grew by an additional 526 new products, with the database now having 8 899 products and services;

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 2018/19 financial year, and below are some of the areas where the campaign fell short for the quarter:

- Three provincial public sector forums were planned but only 2 were done. The North West forum was postponed due to political instability in the region.
- Three provincial business forums were planned but only 2 were done. Gauteng business forum was postponed due to a delay in finalizing sponsorship to fund the forum

4.3) Membership Report for Q1 2017/18

Overview

The Proudly South African membership base is growing at a steady pace with 1,319 companies currently registered as members of the Campaign.

Quarter one saw 21 members recruited in the Construction, Engineering and Architecture sector, and 19 Manufacturers from seven out of the nine provinces with Gauteng continuing to be the most dominant province in terms of membership recruitment. These former successes were achieved due to the recruitment of the national Engineering Manufacturer giant, ACTOM as well as the three-year memberships of 17 companies that form part of Massmart's Supplier Development Programme. Food Products company Wilmar South Africa and producer, Crown Chickens are also notable additions to the membership base.

The number of companies in the SMME membership classification category that joined the Campaign is the largest at 25. Leads that were converted to members originated from various platforms including companies part of larger corporations' enterprise and/or supplier development programmes nominated for sponsored Proudly South African membership ("Beneficiary of Diamond") at 26, internal and external referrals at 21, as well as leads generated from the membership consultants themselves or obtained from Proudly SA's presence at events or expression of interest gleaned from online queries.

The rate of retention of member companies for the current quarter is satisfactory at 85% - largely due to members' support of the 2018 Buy Local Summit and Expo. The target of the number of local products and services listed on Proudly SA's database for this quarter was exceeded by 426%.

Looking Forward to Quarter 2

Going forward, the membership department will be actively recruiting companies in the designated sector space to ensure that requests for exemptions are kept to a minimum thereby allowing as many South African companies to benefit from the localisation efforts of the Department of Trade and Industry's various sector desks. Companies in the Fast-moving Consumer Goods space remain a target for the membership department as it promotes logo visibility among consumers. Strategic relationships with representative organisations are being cultivated to ensure the membership base continues to grow in all sectors across all provinces of South Africa.

Efforts are currently underway to attract companies who were members historically back to the Campaign in light of Proudly SA's revised fee structure and new value proposition including the integration of the membership base with National Treasury's Central Supplier Database and the soon-to-be launched Proudly South African's e-commerce platform which is free-to-list.

Quarter 1 Highlights

New Members	
Target	50
Achievement	54
Renewal Rate (in percentage)	
Target	80%
Achievement	85%
Database of Local Products and Services	
Target	100
Growth	526
Number currently listed	8,899
Exceeded target (in percentage)	426%

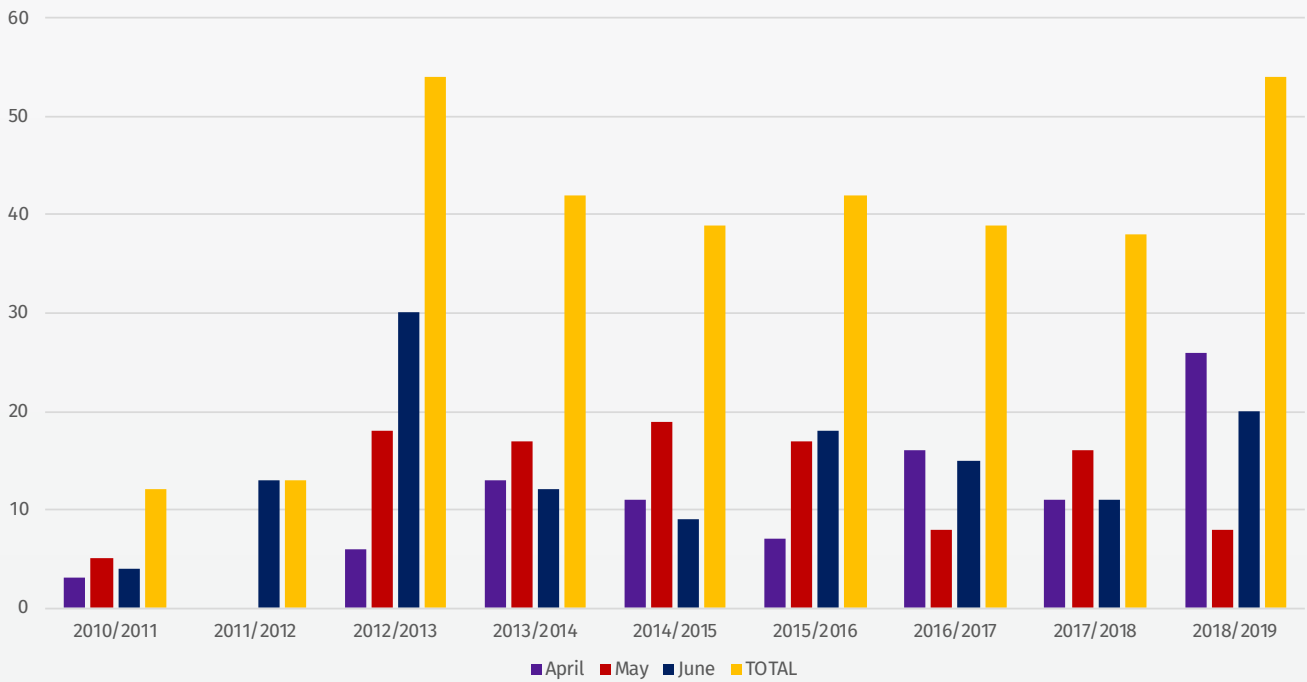
Terms utilised in the tables and charts in this membership report:

Classification of Members			
Category	SMMEs Small, micro and medium enterprises turning over less than R5 million per annum and organisations including foundations, councils, associations, and not-for-profit institutions	Annual membership fee payable (excluding VAT) R500.00	
	Bronze Organisations turning over between R5 million and R10 million per annum	R1,000.00	
	Silver Companies turning over between R10 million and R30 million per annum	R10,000.00	
	Gold Companies turning over between R30 million and R50 million per annum	R20,000.00	
	Platinum Companies turning over between R50 million and R100 million per annum	R50,000.00	
	Diamond Companies turning over R100 million or more per annum	R100,000.00	
	Other Terms		
	Affiliate of Diamond	A company or division that falls under a holding company that is classified a Diamond (Proudly SA member company category)	
Beneficiary of Diamond	A company that forms part of a larger organisation's enterprise and/or supplier development programme. The larger organisation is classified a Diamond (Proudly SA member company category)		
Lead	A company before it is converted into a member		
	Consultant-generated Lead	A member consultant who is chasing to convert a lead he/she has generated him/herself	
	Event	Leads generated from Proudly South African's presence at events	
	Origin of Lead Referral	The platform from whence a lead originates Referral of a company from an internal or extra stakeholder	

2018/2019 Q1 NEWLY-RECRUITED MEMBERS
Year-on-year Comparisons: 2010/2011 to 2018/2019

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
April	3	0	6	13	11	7	16	11	26
May	5	0	18	17	19	17	8	16	8
June	4	13	30	12	9	18	15	11	20
TOTAL	12	13	54	42	39	42	39	38	54

GRAPHICAL REPRESENTATION:
YEAR-ON-YEAR COMPARISONS 2010/2011 TO 2018/2019



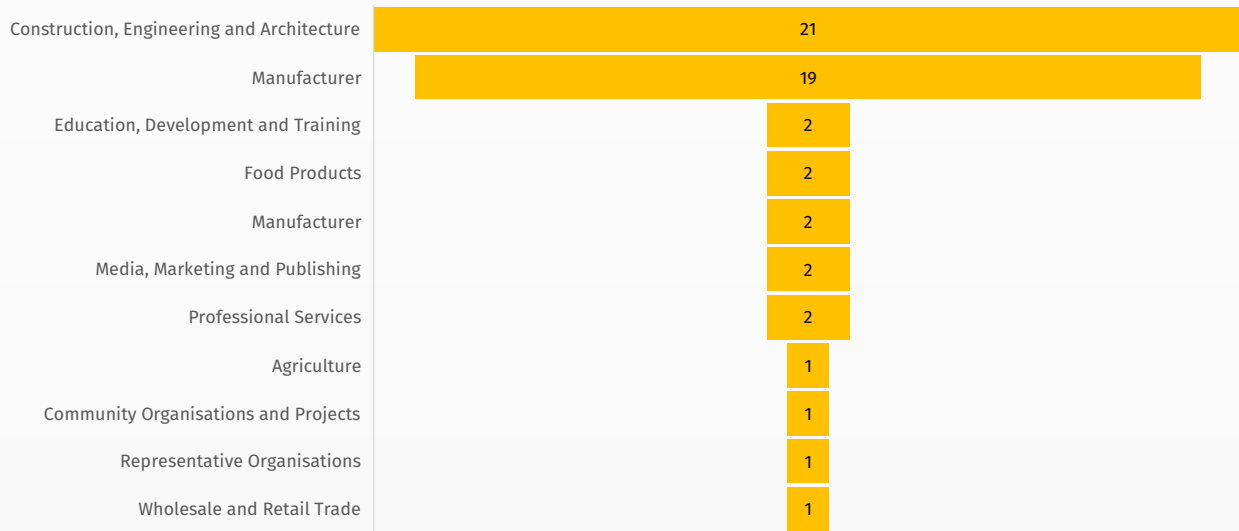
2018/2019 Q1 NEWLY-RECRUITED MEMBERS

COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
APRIL				
ACTOM (Pty) Ltd	Construction, Engineering and Architecture	Gauteng	Diamond	Referral
ACTOM Contracting	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM Distribution Transformers	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM Electrical Machines	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM Energy	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM High Voltage Equipment a Division of ACTOM (Pty) Ltd	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM MV Switchgear	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM Power Systems	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM Power Transformers	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
ACTOM Signalling	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Arnot Vibration Solutions	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Corner Dladla Pizzeria (Pty) Ltd	Food Products	Gauteng	SMME	Consultant-generated
Crown Chickens	Agriculture	Free State	Diamond	Consultant-generated
Eskilz College	Education, Development and Training	KwaZulu-Natal	SMME	Consultant-generated
Genlux Lighting a Division of ACTOM (Pty) Ltd	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
John Thompson	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral

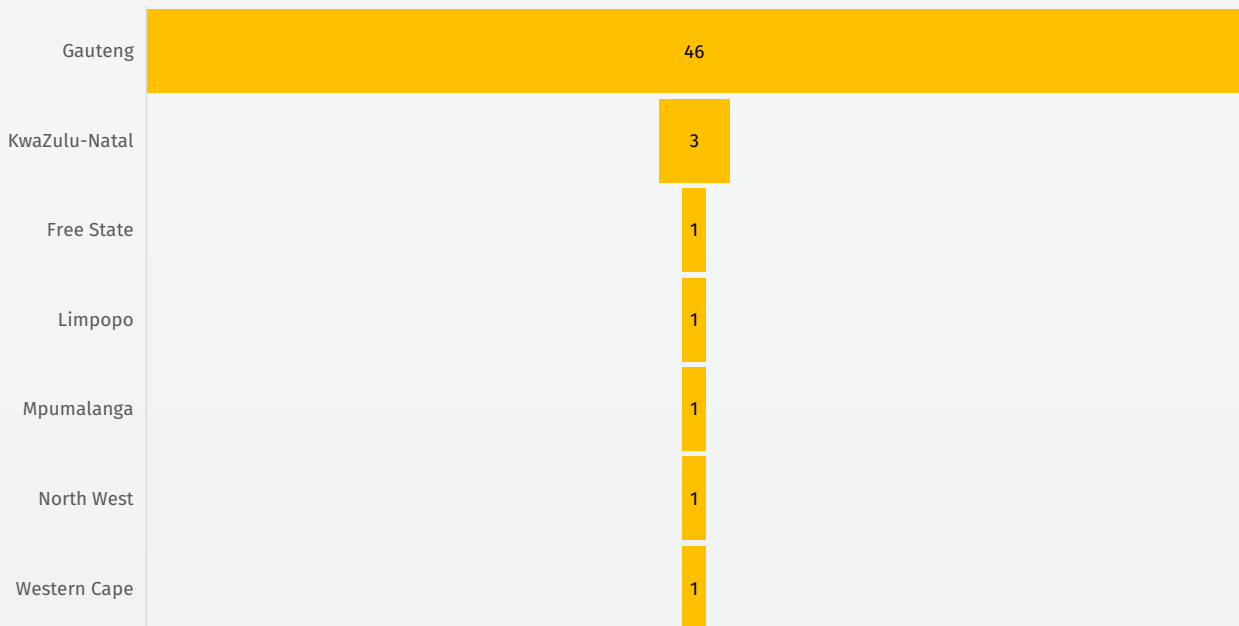
COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
LH Marthinusen	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Marthinusen & Coutts	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Material Handling Automation	Construction, Engineering and Architecture	Gauteng	SMME	Beneficiary of Diamond
Maximize Office Solutions (Pty) Ltd	Professional Services	Gauteng	SMME	Beneficiary of Diamond
Reid and Mitchell a Division of ACTOM (Pty) Ltd	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Satchwell Controls	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Static Power a Division of ACTOM (Pty) Ltd	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
We Create dot ZA	Professional Services	Gauteng	SMME	Beneficiary of Diamond
Wilec a Division of ACTOM (Pty) Ltd	Construction, Engineering and Architecture	Gauteng	Affiliate of Diamond	Referral
Wilmar South Africa	Food Products	Gauteng	Diamond	Consultant-generated
MAY				
Desire Glen	Manufacturer	Mpumalanga	SMME	Event
Gradesmatch	Education, Development and Training	Gauteng	SMME	Beneficiary of Diamond
Khanyisile Nathi (Pty) Ltd	Media, Marketing and Publishing	Gauteng	SMME	Consultant-generated
Medical Device Manufacturers Association of South Africa	Representative Organisations	Gauteng	SMME	Referral
Palabora Foundation	Community Organisations and Projects	Limpopo	SMME	Consultant-generated
Quantum Filters (Pty) Ltd	Manufacturer	Western Cape	SMME	Online Query
Summer Trading 87 (Pty) Ltd	Manufacturer	Gauteng	SMME	Consultant-generated
Virgin Creatives	Manufacturer	Gauteng	SMME	Event

COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
JUNE				
Active Factory	Manufacturer	Gauteng	Silver	Beneficiary of Diamond
Afro-Botanics	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Compopak	Manufacturer	KwaZulu-Natal	SMME	Beneficiary of Diamond
Corporate Massmart Services (Massmart SDP)	Wholesale and Retail Trade	Gauteng	Diamond	Referral
EJ Trading	Manufacturer	Gauteng	Silver	Beneficiary of Diamond
Emerald Furniture	Manufacturer	Gauteng	Platinum	Beneficiary of Diamond
FBG Packaging	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Greater Heights 2012 Enterprise	Media, Marketing and Publishing	Gauteng	SMME	Consultant-generated
ITC	Manufacturer	Gauteng	Gold	Beneficiary of Diamond
Khurula Paints	Manufacturer	Gauteng	Silver	Beneficiary of Diamond
KJ Filter	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Lamp Factory	Manufacturer	Gauteng	Bronze	Beneficiary of Diamond
Liquifire	Manufacturer	Gauteng	Bronze	Beneficiary of Diamond
Lokuhle Trading	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Marcorp Marketing/Glenart Trading	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Reapso	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
RSW Engineering	Construction, Engineering and Architecture	KwaZulu-Natal	SMME	Consultant-generated
The Noodle Factory	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Umlilo Charcoal	Manufacturer	North West	SMME	Beneficiary of Diamond
X-Chem	Manufacturer	Gauteng	SMME	Beneficiary of Diamond

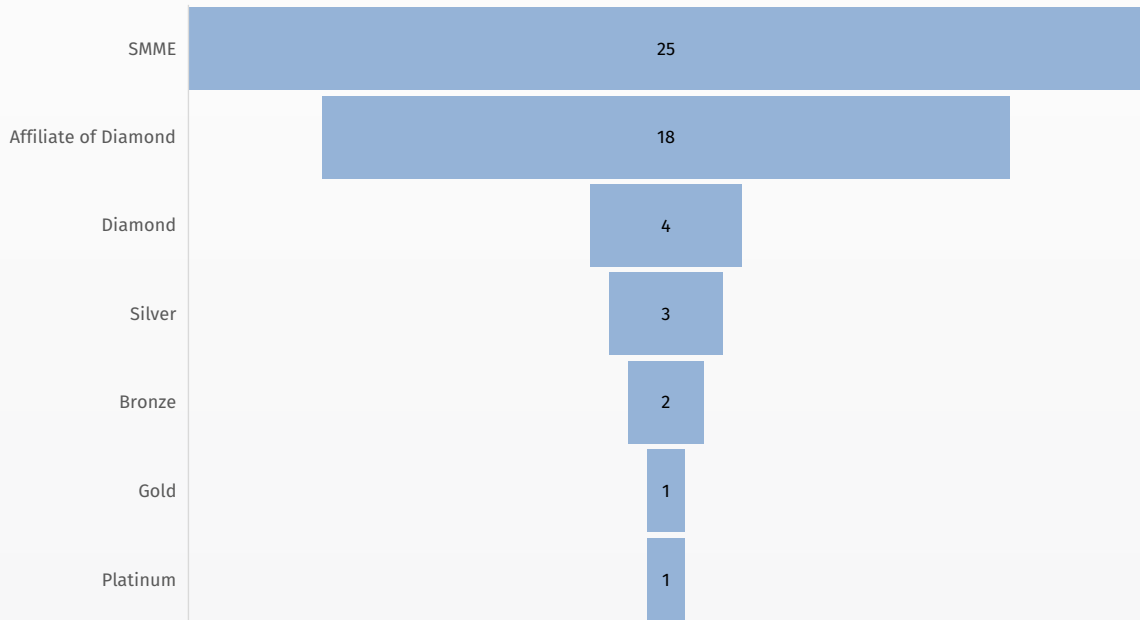
**2018/2019 Q1
NEWLY-RECRUITED MEMBERS BY SECTOR**



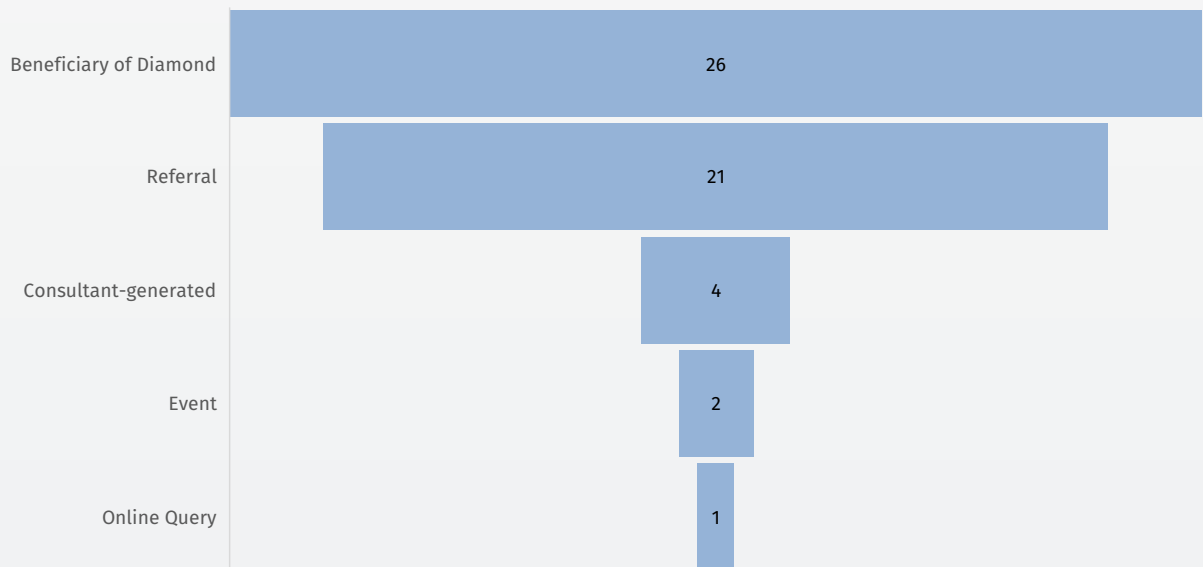
**2018/2019 Q1
NEWLY-RECRUITED MEMBERS BY PROVINCE**



**2018/2019 Q1
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION**

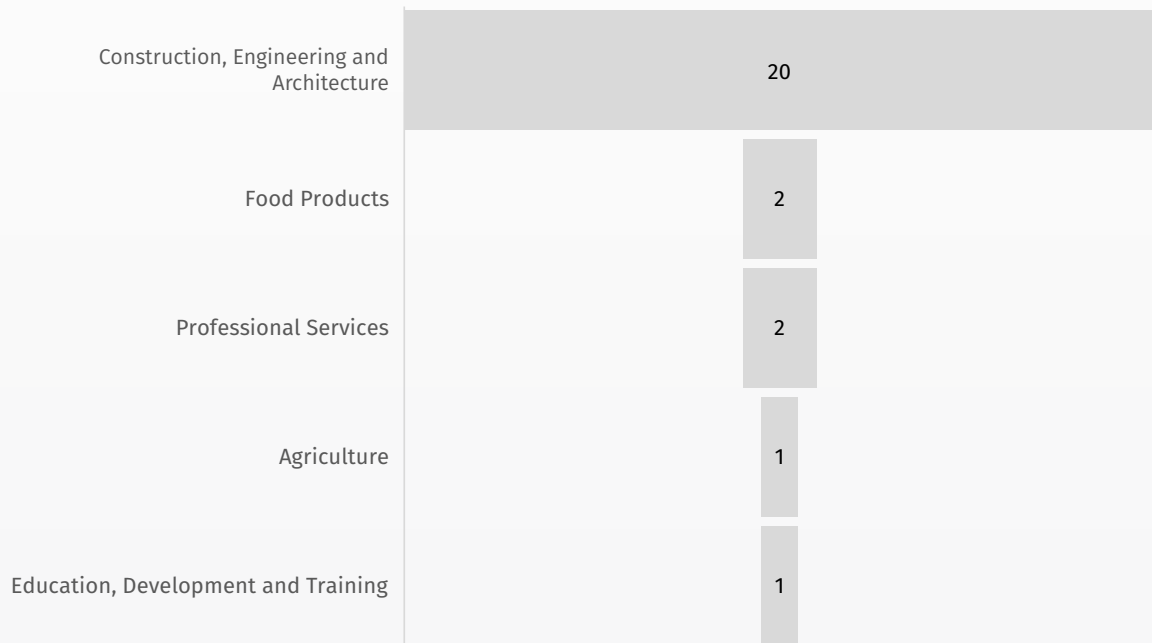


**2018/2019 Q1
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN**

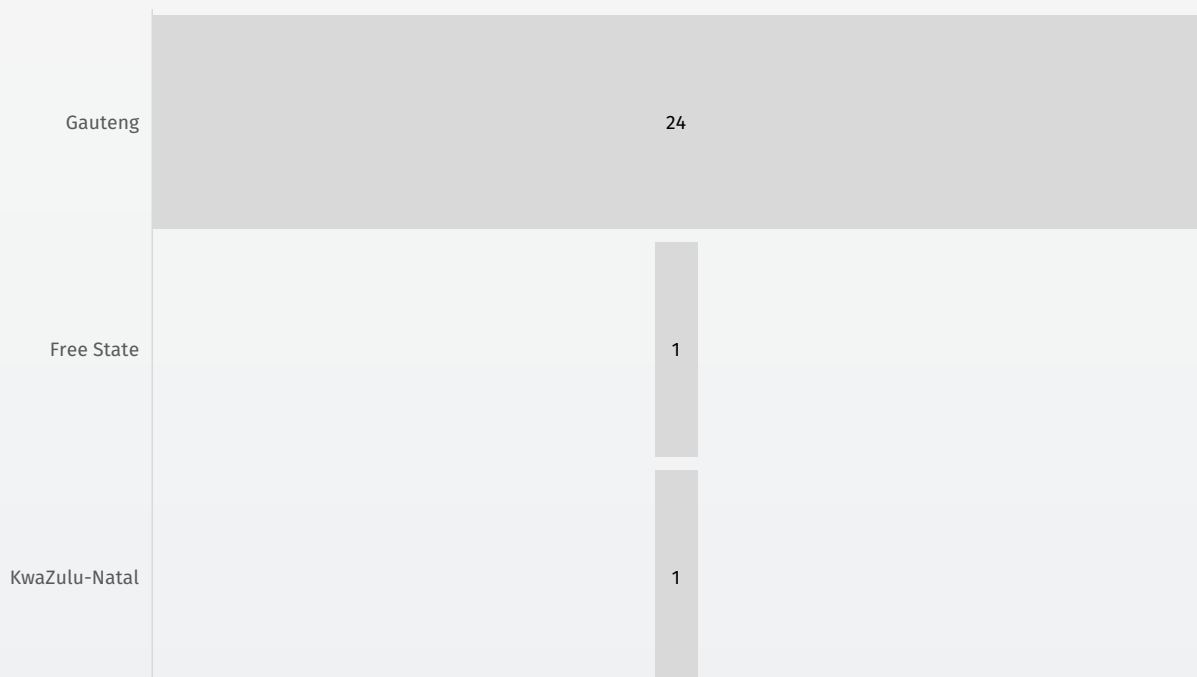


**MONTHLY DIFFERENTIATION
2018/2019 Q1 APRIL**

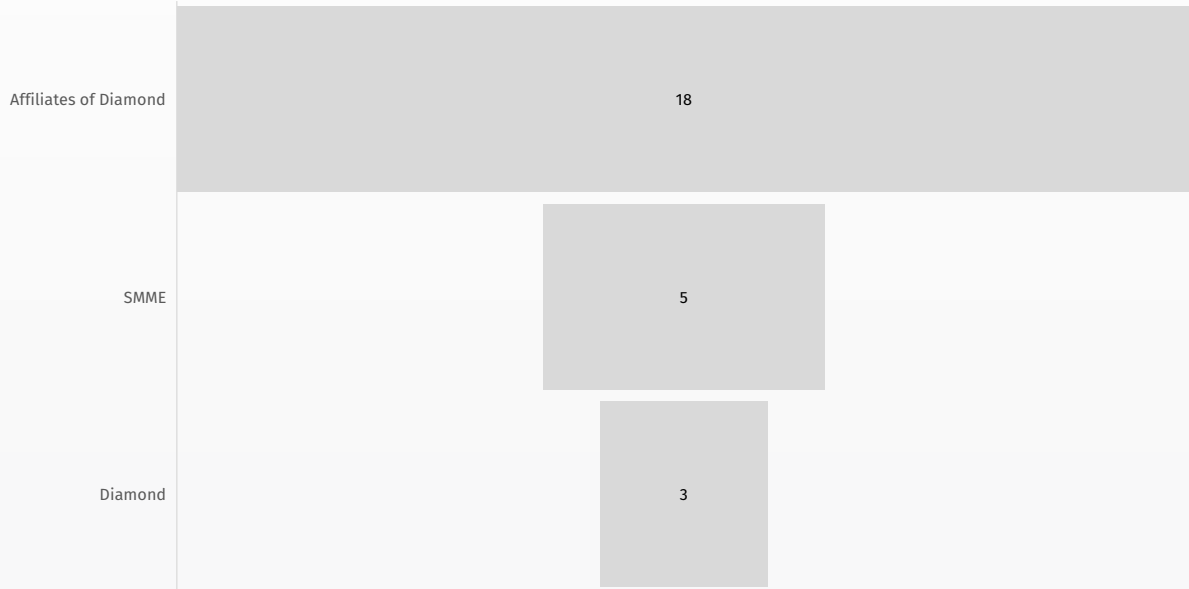
**2018/2019 Q1 APRIL
NEWLY-RECRUITED MEMBERS BY SECTOR**



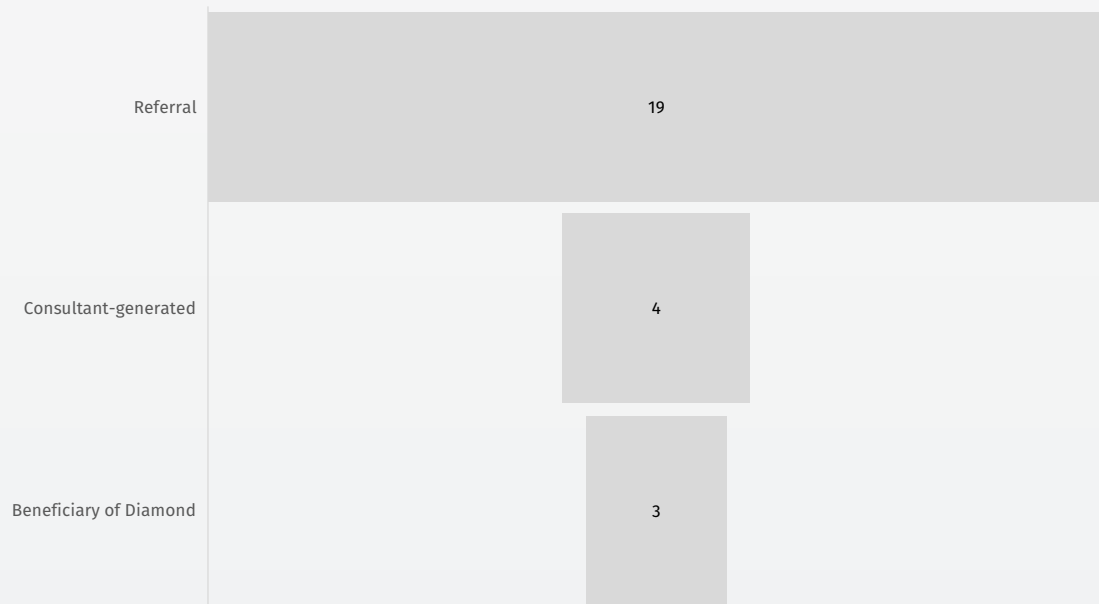
**2018/2019 Q1 APRIL
NEWLY-RECRUITED MEMBERS BY PROVINCE**



2018/2019 Q1 APRIL
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION

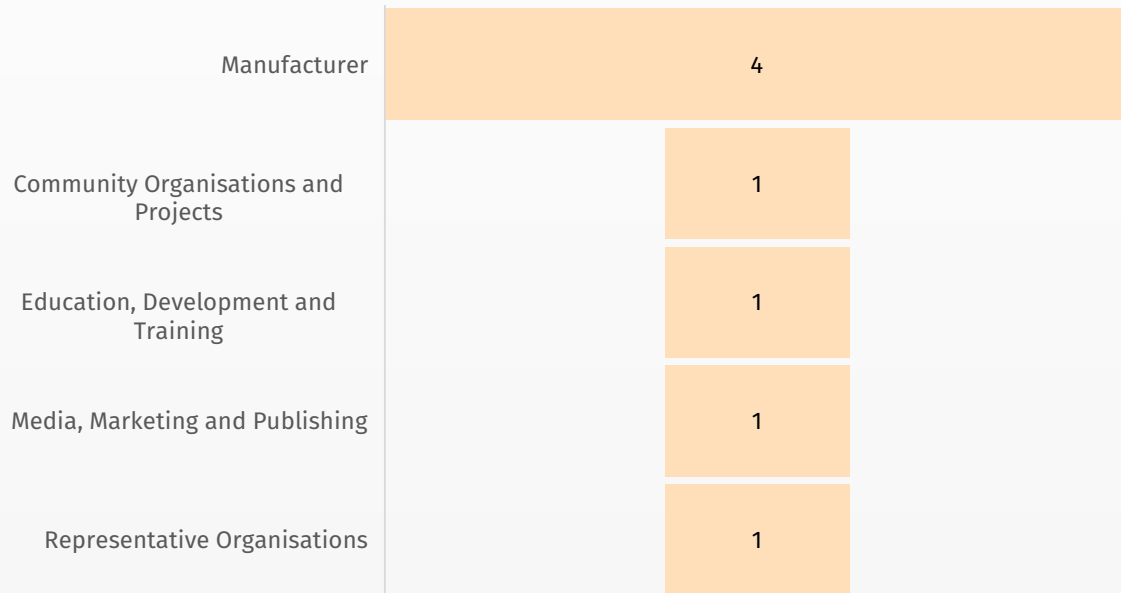


2018/2019 Q1 APRIL
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN

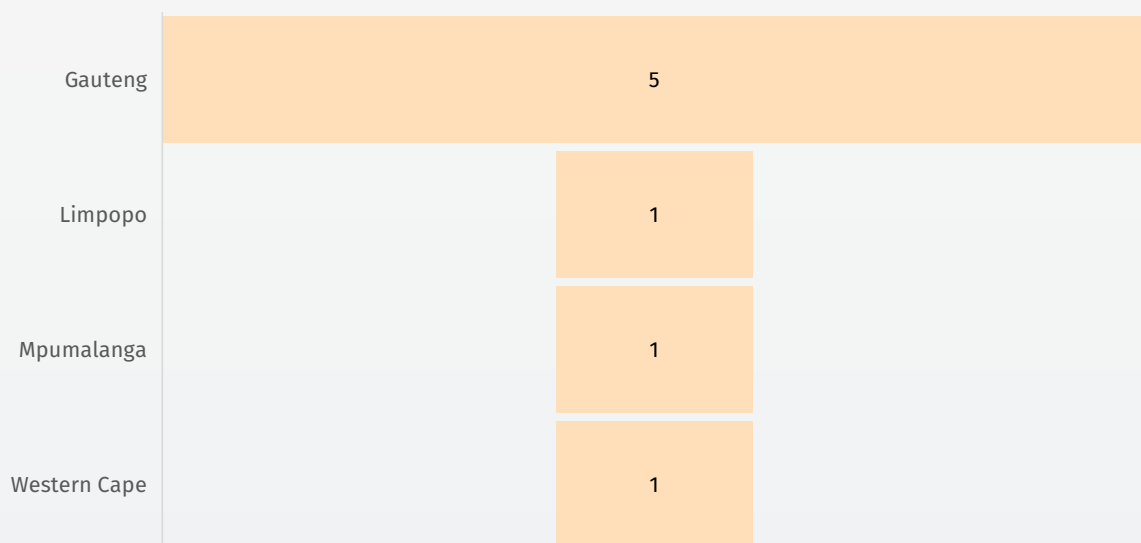


MONTHLY DIFFERENTIATION CONTINUED
2018/2019 Q1 MAY

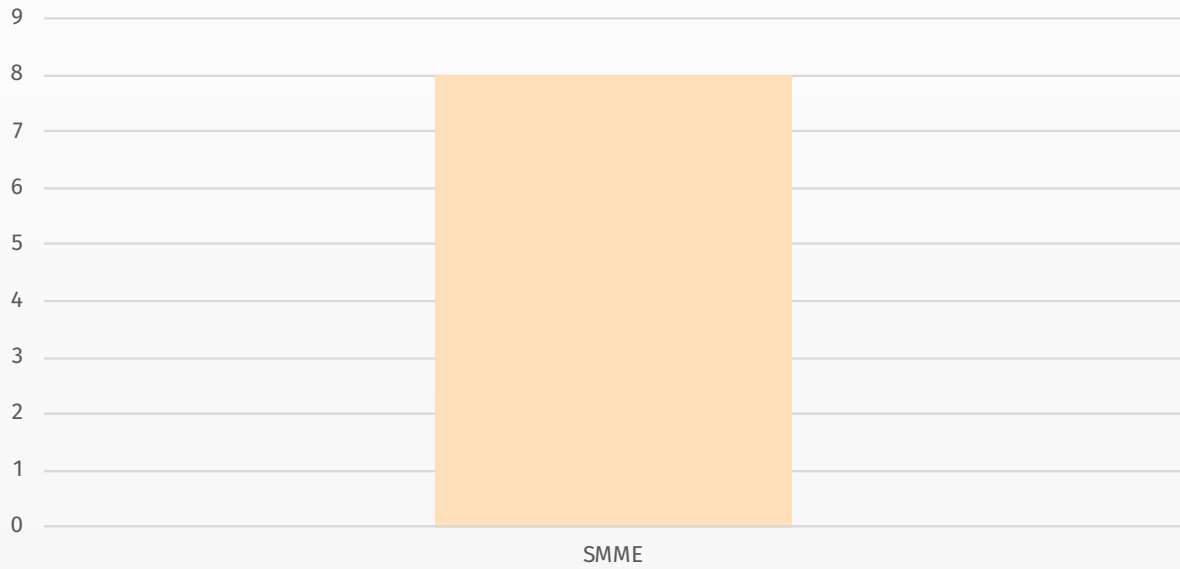
2018/2019 Q1 MAY
NEWLY-RECRUITED MEMBERS BY SECTOR



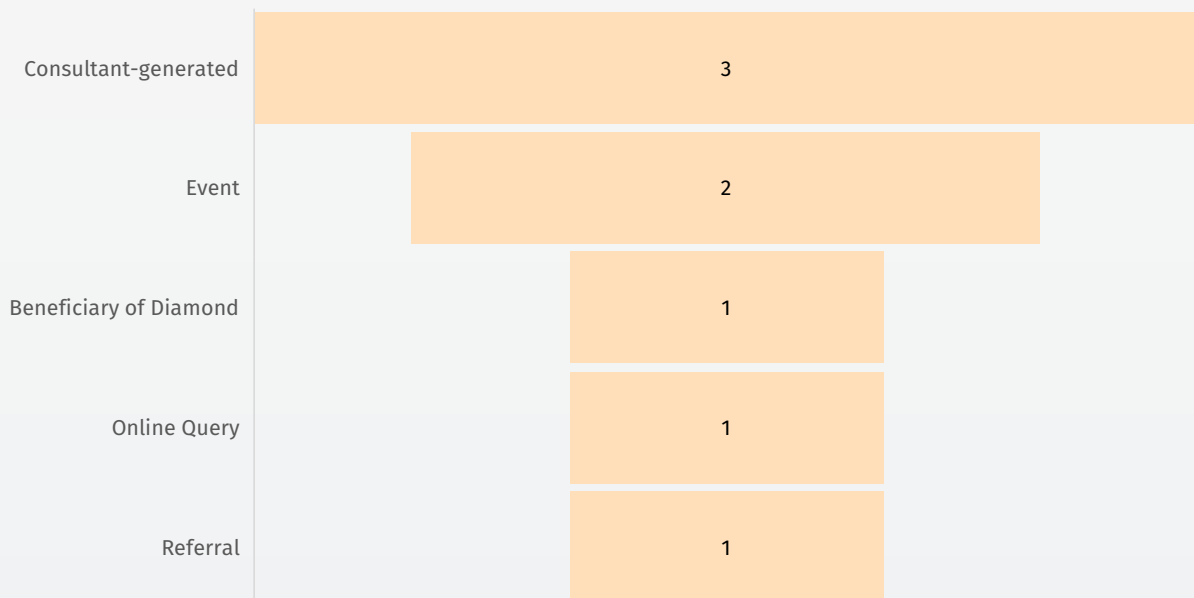
2018/2019 Q1 MAY
NEWLY-RECRUITED MEMBERS BY PROVINCE



**2018/2019 Q1 MAY
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION**

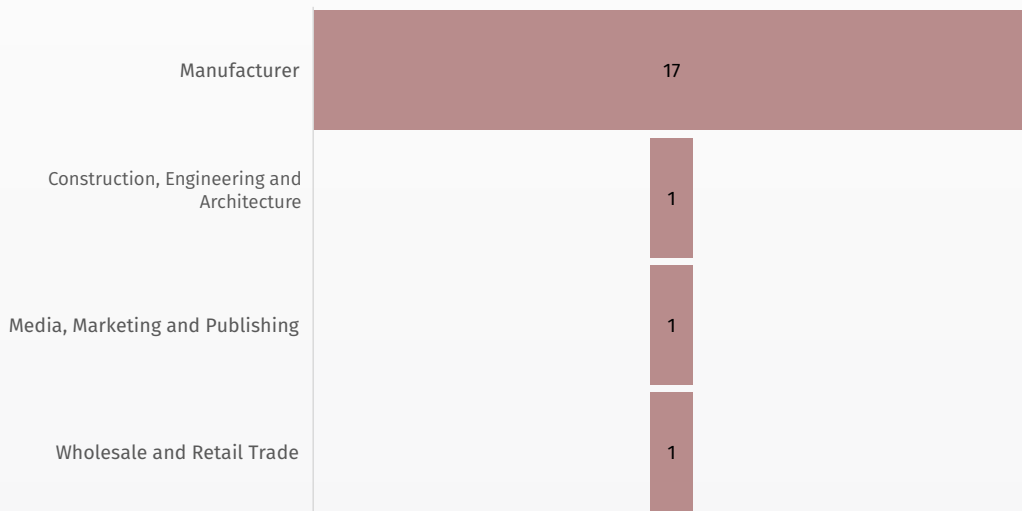


**2018/2019 Q1 MAY
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN**

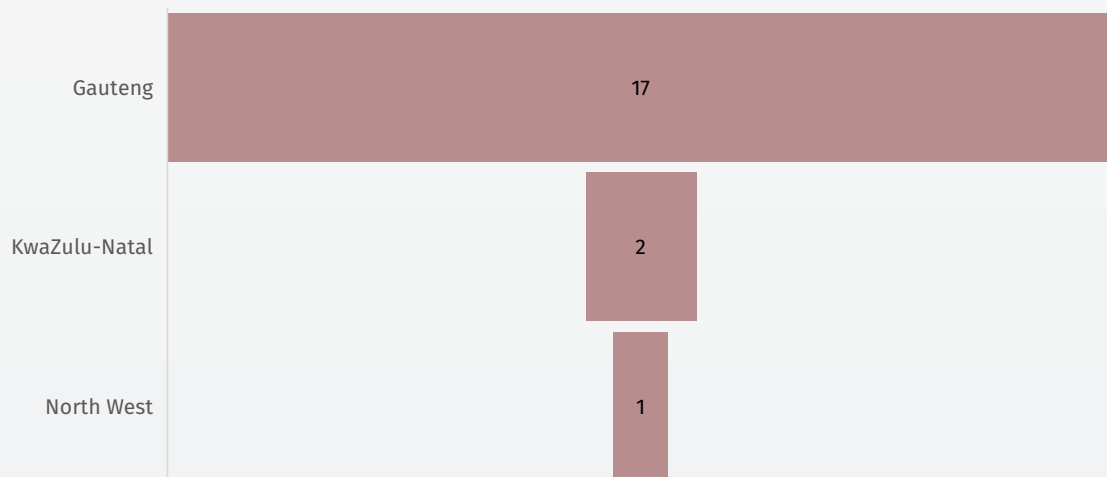


**MONTHLY DIFFERENTIATION CONTINUED
2018/2019 Q1 JUNE**

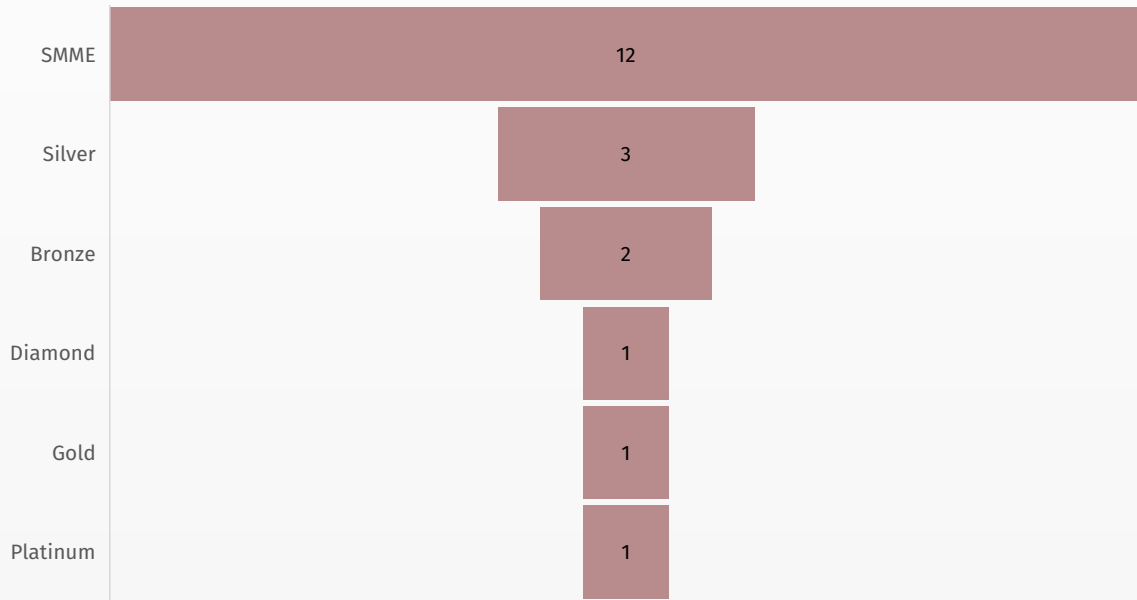
**2018/2019 Q1 JUNE
NEWLY-RECRUITED MEMBERS BY SECTOR**



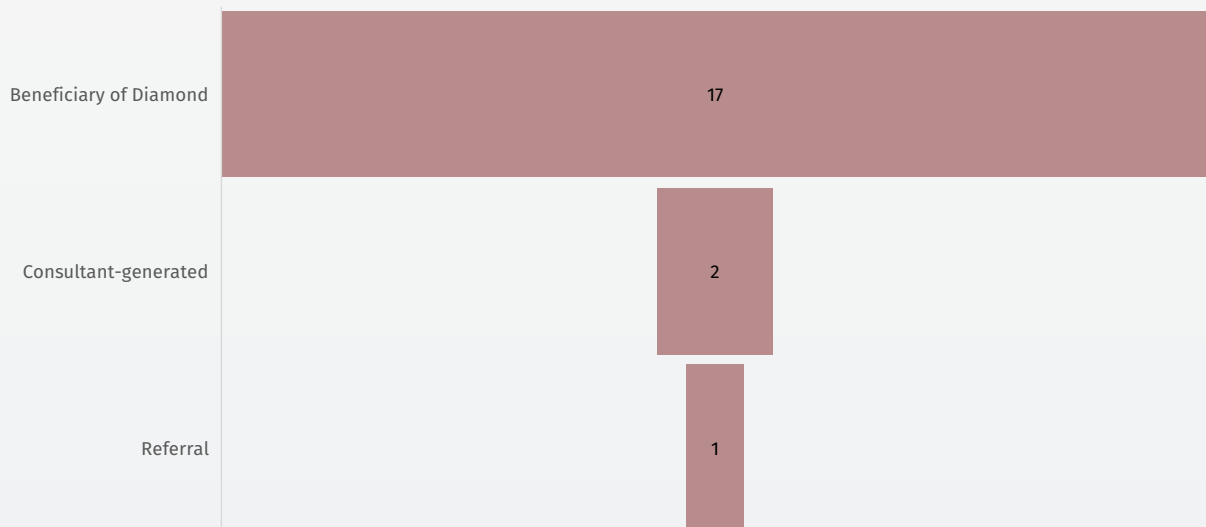
**2018/2019 Q1 JUNE
NEWLY-RECRUITED MEMBERS BY PROVINCE**



2018/2019 Q1 JUNE
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION

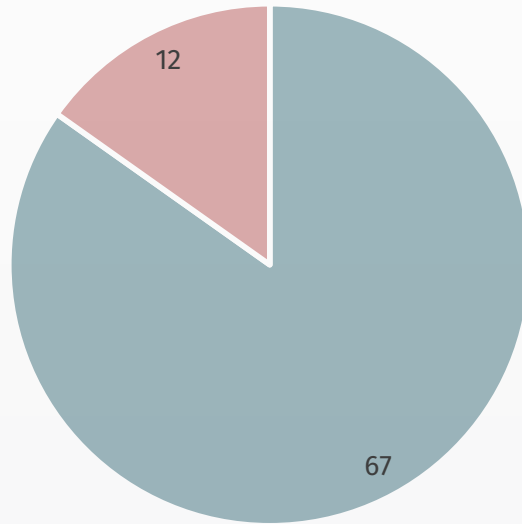


2018/2019 Q1 JUNE
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN



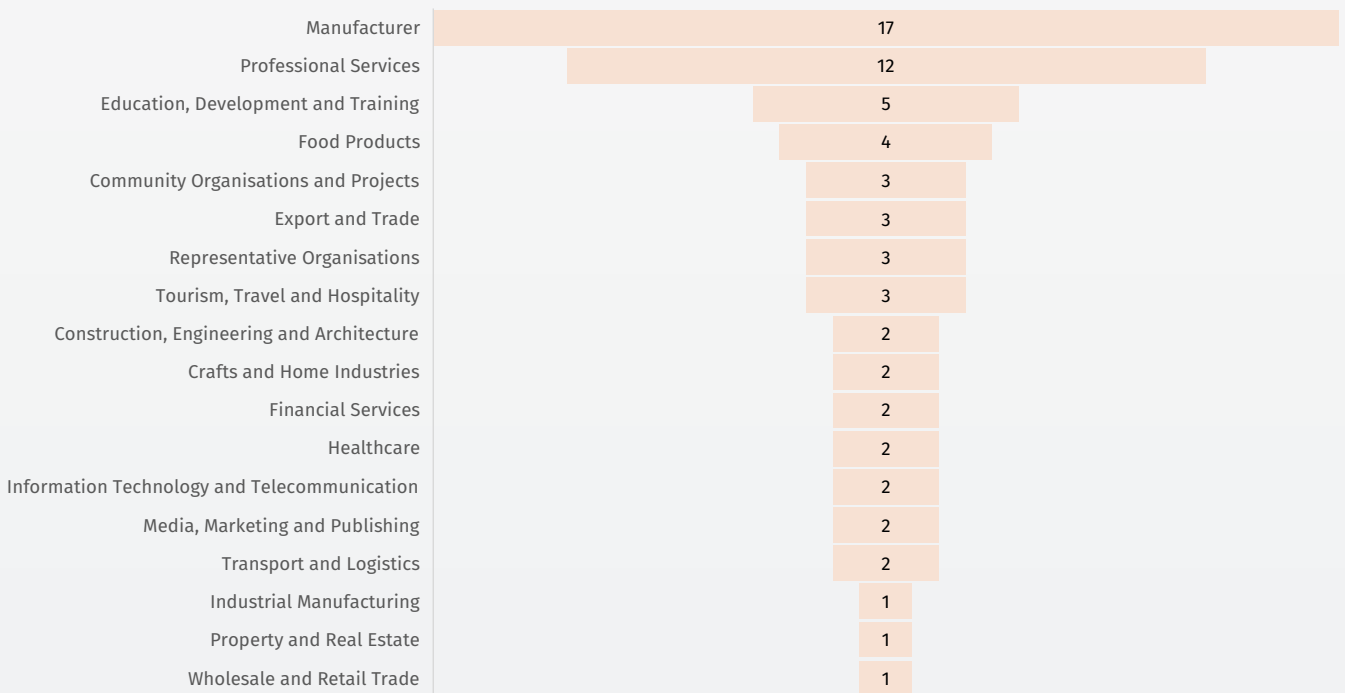
2018/2019 Q1 RENEWING MEMBERS

2018/2019 Q1 RENEWAL RATE

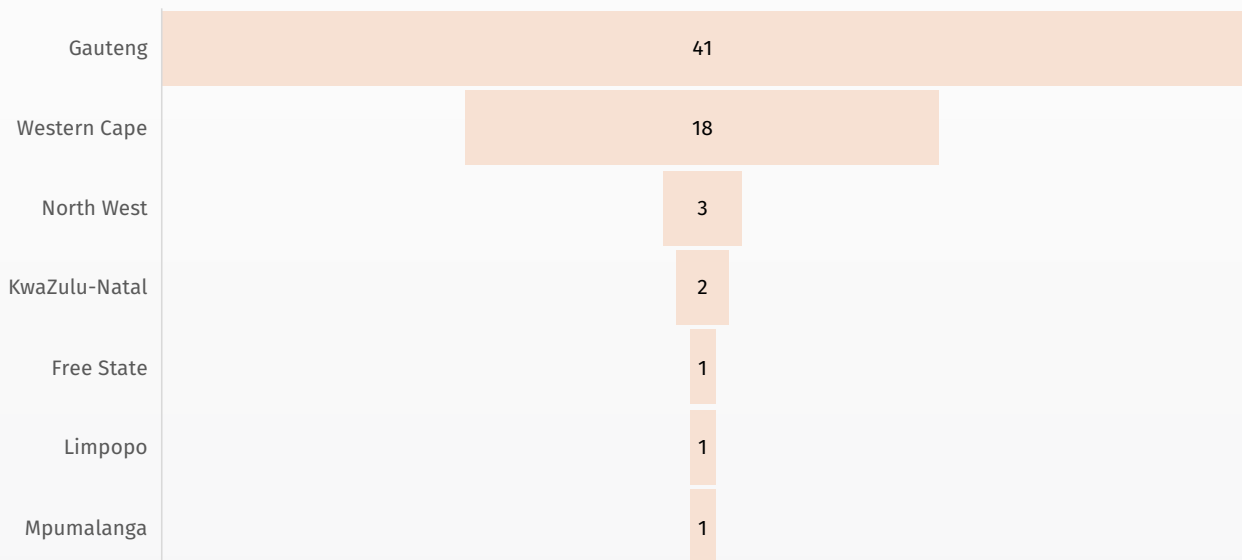


■ Renewing Members ■ Members due for renewal

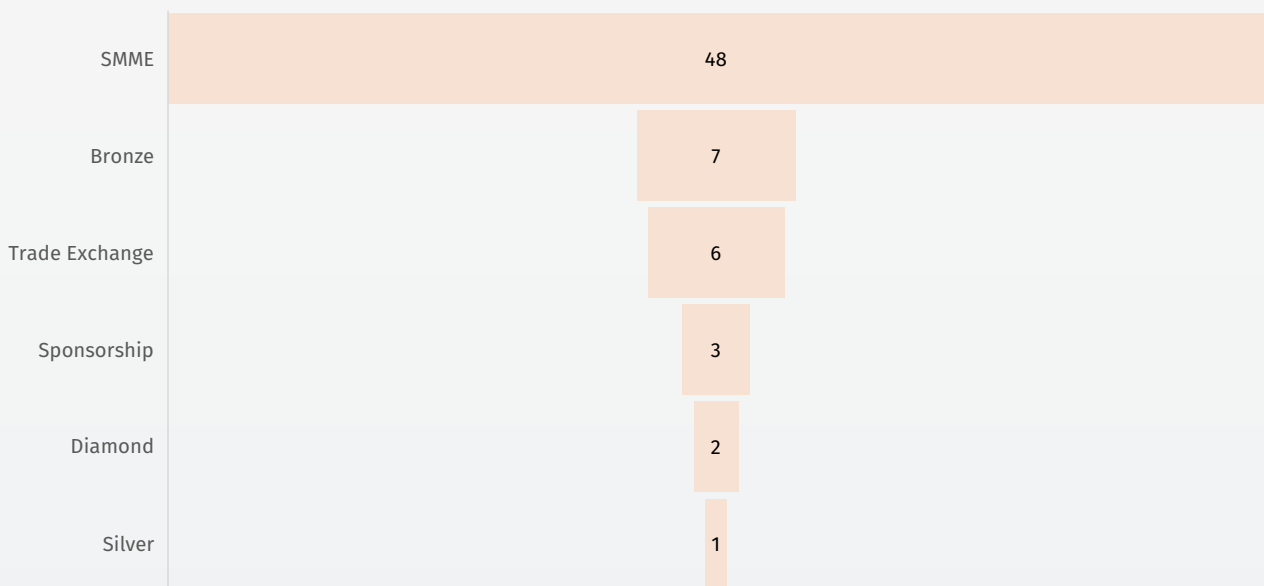
2018/2019 Q1 RENEWING MEMBERS BY SECTOR



2018/2019 Q1 RENEWING MEMBERS BY PROVINCE



2018/2019 Q1 RENEWING MEMBERS BY CLASSIFICATION



**2018/2019 Q1
PROUDLY SOUTH AFRICAN DATABASE OF LOCAL PRODUCTS AND SERVICES**

PROUDLY SOUTH AFRICAN DATABASE	
Period	Number of Products and Services
Previous Quarter: 2017/2018 Q4	8,373
Current Quarter: 2018/2019 Q1	8,899
Current Period: 2018/2019 Q1	
Target	100
Number of Products and Service Added	526
Target exceeded by 426%	

**2018/2019 Q1:
DATABASE GROWTH**



4.4) Tender Monitoring Report

April May and June 2018

APRIL 2018

April Summary			
	Sector not designated	44	
	Sector designated	45	
		Local content compliant	14
		Local content partially compliant	5
		Local content not compliant	10
		Local content unclear	16
Total 89			

MAY 2018

May Summary			
	Sector not designated	58	
	Sector designated	45	
		Local content compliant	22
		Local content partially compliant	4
		Local content not compliant	8
		Local content unclear	11
Total 103			

JUNE 2018

June Summary			
	Sector not designated	66	
	Sector designated	72	
		Local content compliant	26
		Local content partially compliant	10
		Local content not compliant	30
		Local content unclear	6
Total 138			

SUMMARY: APRIL TO JUNE 2018

April to June 2018			
	Sector not designated	168	
	Sector designated	162	
		Local content compliant	62
		Local content partially compliant	19
		Local content not compliant	48
		Local content unclear	33
Total 330			

4.5) Highlights for the quarter

EVENTS & ACTIVATIONS

Kidzania Media Launch, 12 April 2018, Hyde Park, Gauteng

Kidzania is a career simulation theme park, which will offer realistic role play, preparing children for life and work in the real world. It will establish a safe and fun environment where children can realise their dream vocations whether it is to be a pilot, scientist, radio presenter, fireman, surgeon, investment banker, or any other chosen career path at the same time as creating hundreds of direct and indirect jobs. A Mexican concept, Kidzania's first SA project will be launched in December 2018 at Fourways Mall in Johannesburg. It is set to be an approximately 8 000m² replica of an urban commercial eco-system complete with streets, buildings, a transport system and a fully-functioning economy. Proudly SA went in support of the very local application of an imported business model.

Reach for this event: 80

Target Audience: Retailers, Government departments, financial institutions, business representatives and franchisees.



I am an Entrepreneur, 05 May 2018, Sandton, Gauteng

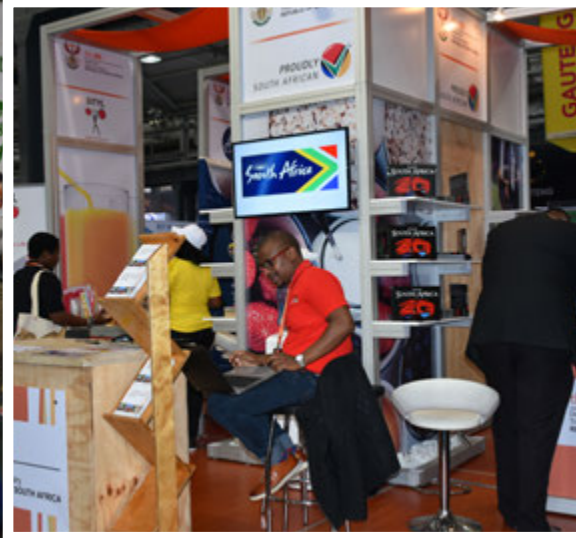
An initiative of Andile Khumalo who is a great supporter of Proudly SA, this first in a series of nationwide one-day summits offered entrepreneurs and start-up business owners a packed programme of had a mixture of skills development and entrepreneurial leadership content led by experts in numerous fields. Presenters included Google's Chief Marketing Officer, Mzamo Masito, entrepreneur, Justin Cohen's who gave a "Pitch to Win" masterclass, and The Gap Partnership's Campbell Graham. Entrepreneurs Dr. Thandi Ndlovu and Dawn Nathan-Jones joined a panel discussion that empowered entrepreneurs with real-life tools for success.

Proudly South African exhibited at the event and used it as a membership lead generator. Sponsors of the event include FNB, MTN Business, Proudly SA, Barloworld, Old Mutual Over the Rainbow, Colourworks and The Capital Empire.

Reach for this event: 200

Target Audience: Business owners





Tourism Indaba, 08 – 10 May 2018, Durban, KZN

Renamed “The Travel Indaba”, this annual showcase of tourism related products and services saw 1 000 exhibitors from across the continent pitch to 8 000 delegates from 80 countries. Tourism contributes 8% to our GDP and its job creation opportunities and multiplier effect are significant for our economy and so Proudly SA took the buy local message to the lodges, hotels and service providers, as well as using the exhibition to generate membership leads.

Reach for this event: 10 000

Target Audience: SMMEs; Inbound tour operators, local and foreign travel agents, local tourism service providers including accommodation, transport, activity related operators.



Preferential Procurement Forum, 17 May 2018, Johannesburg, Gauteng

The Gauteng edition of our nationwide series of public-sector forums was one of most impactful with a powerful keynote presentation by Barbara Creecy, Gauteng’s MEC for Finance. She named and shamed departments that were adhering or not to local procurement targets. Mr. Tebogo Makube shared perspectives and programmes from the dti and other presentations included members Comair Limited on the importance of local uptake. The forum educated delegates on the role of government in localisation and clearly defined what does and does not constitute ‘local’

Reach for this event: 160

Target Audience: Public servants, officials and procurement representatives

Business Forum, 23 May 2018, Rustenburg, NW Province

The Rustenburg instalment of this year's business forum roadshow assisted us in gauging where gaps for change could be filled in a continuous effort to provide value to business within the region. North West boasts a plethora of thriving small businesses who are enthusiastically opening themselves up to and looking for opportunities to grow. The event was oversubscribed by almost 100%. Rams Mabote added a humorous, relatable and motivational touch to the forum. Feedback from delegates gave CEO's presentation an excellent rating.

Reach for this event: 156

Target Audience: Business, SMME's, entrepreneurs, government representatives, potential members



Business Forum, 6 June 2018, Durban, KZN

The KZN leg of our country-wide day-conferences was held at the Southern Sun Elangeni, Durban, Representatives from the Department of Small Business Development, SA Revenue Services, the dti, and the Small Enterprise Finance Agency formed a panel which provided information and advice on their business offerings, incentives and funding opportunities for entrepreneurs and SMMEs. The provincial department of Economic Development, Tourism and Environmental Affairs was represented and presentations included a patent lawyer from Proudly SA member company Mashabela Attorneys and Kaytech. Mr Rams Mabote once again officiated. The forum promoted locally manufactured products and services and educated delegates about the economy-wide benefits of local procurement and business to business opportunities which were explored during a networking session. The newly added element of the business forums - the business matchmaking - was a great success.

Reach for this event: 89

Target Audience: Business, SMME's, entrepreneurs, government representatives, potential members





Preferential Procurement Sector Forum, 7 June 2018, Durban, KZN

The KZN Preferential Procurement forum focused on engaging government officials across all 3 tiers as well as public entities to ensure adherence to PPPFA legislation. The event was supported by the Department of Trade and Industry and various stakeholders including National Treasury and Tsogo Sun.

Reach for this event: 30 delegates

Target Audience: Public servants, officials and procurement representatives



Fire and Feast Meat Festival, 8-10 June 2018. Johannesburg, Gauteng

The first Fire & Feast Meat Festival offered a three-day programme, which included celebrity chefs, championship cook-offs and more than 80 exhibitors.

Proudly SA and its member companies were hosted by The dti and our exhibitors included Sihle's Brew, Okubabayo and Sharpeville Breweries. The collaboration gave our members a higher brand awareness with excellent branding on the stand was a revenue generating exercise for them in what was a key access to a new market event for them. The event was held at the TicketPro Dome, Northgate, Johannesburg.

Reach for this event: 5 000

Target Audience: Consumers



Clothing and Textile Sector Forum, 13 June 2018 , Johannesburg, Gauteng

The third in our series of sector specific forums, the Clothing, Textile, Leather and Footwear Forum brought together designers, buyers, retailers, business and key decision makers to unpack the potential of increased local procurement through the entire value chain of retail fashion. The event was exceptionally well attended and gained extensive media coverage from national TV, online channels, print and radio. The presentations by buyers from Mr Price and Edcon as well as statistics and research into the sector presented by B&M Analysts, a testimonial by Skinny Sbu Socks' founder Sibusiso Ngwenya and a lively panel discussion made the event a resounding success. The B2B notice board was also well utilised develop and increase focus in the sector to proliferate local procurement of clothing and textiles and to train and upskill more workers to become significant players in the clothing and textiles space.

Proudly South African in association with Edcon are the partners who headed this key forum, that brought about change in the clothing and textiles space and encouraged inter-member trade. An important aspect was that the forum instilled growth, bringing more members to Proudly SA to join the buy-local movement

Reach for this event: 162

Target Audience: SMME, Business and Government



Manufacturing Indaba, 19 – 20 June 2018, Sandton, Gauteng

The Manufacturing Indaba comprised a two-day conference and exhibition put on together with strategic partners, the dti. The Manufacturing Indaba brings together business owners, industry leaders, government officials, capital providers and professional experts to explore opportunities and grow their manufacturing operations. The expo area had 2620 visitors and the conferences, workshops and panel discussions were attended by 623 visitors. Proudly South African used this platform to promote the campaign with a speaking platform on both days for our CEO, once as part of a panel and once presenting Proudly South African at the Small Business Indaba on the second day. Proudly SA was able to generate 121 leads for potential new members over the two days as well as to provide three Proudly South African member companies with the opportunity to exhibit and showcase their products and services which contributes to our “Access to Market” objectives. The members were Olympic Paints, Pavini Tiles and Continental China.

Reach for this event: 3000
Targeted Audience: Manufacturers, industrialists



Source Africa, 20-21 Jun 2018, Cape Town, W Cape

Source Africa promotes African made apparel, textiles and footwear and encourages business to business opportunities on a regional and international level, bringing potential investment into the region and contributing to sustainable job creation within the sector.

Our relationship with the dti’s clothing and textiles sector desk was solidified and an agreement was reached to partner on the next Source Africa event with increased resources with a bigger, more impactful, collaborative showcase at the exhibition. In addition they will work more closely with us on Proudly SA’s upcoming Clothing and Textiles sector specific forum and the heritage month fashion show. These events put the focus on a once distressed sector which is now showing signs of recovery.

Reach for this event: 156
Target Audience: Business, SMME’s, entrepreneurs, government representatives, potential members



I am an Entrepreneur Summit , 23 June 2018, Umhlanga, KZN

Andile Khumalo's KZN leg of his entrepreneur focused summits, which shares entrepreneurial leadership content presented by experts in their respective fields was well attended and once again Proudly SA gave its support, deriving at the same time ideas for our own Summits as well as potential membership leads.

Reach for this event: 100

Target Audience: Entrepreneurs, brand marketers, funders.



International Franchise and Entrepreneurs Expo, 29 June – 1 July 2018, Johannesburg, Gauteng

IFE hosted in South Africa created a showcase for visitors to find out about franchise prospects available in South Africa. Proudly South African and FASA have a strong link and this exhibition offered an opportunity for us to demonstrate our support for a sector that has many local procurement and job opportunities

In addition to taking members Makhmisa Foods to exhibit and have access to food franchise buyers they were able to sell directly to expo visitors, giving them additional exposure and access to direct market. 702's Midday Report broadcast live from the event and interviewed Proudly South African and Makhmisa for a short Twitter insert, and our Business Report Tuesday column following the expo focused on the franchise sector.

Reach for this event: 5000

Target Audience: Franchisors, franchisees, service providers and suppliers.





4.6) PR, Communications & Media

During April we continued to enjoy some post Buy Local Summit media interest, and had radio interviews on Cliff Central and Classic fm. During April we also visited our media monitoring company's operation and signed up for their impressive social media monitoring service, AmaSocial. This will allow us to track the performance of our posts and give detailed reports and data to allow us to continue optimising our social media presence.

In the same month, we hosted a group of final year AFDA students who shot a short infomercial on the work of Proudly SA which will be shown internally in the college as part of their final exam submissions. We hope this will attract more attention amongst the student body of our work.

Following allegations of the replication of South African brand MaXhosa's designs by international clothing store, Zara, Proudly SA issued a press release expressing our disappointment and calling for localisation within the organisation's branches in South Africa. This was followed by focusing our weekly CEO's opinion piece on intellectual property.

In May, the PR team accompanied Ms Happy Ngidi as she spoke at

the launch of e-waste project Tirelo Boshia, at Vaal University of Technology. A new sector not to be ignored, the safe dismantling and disposal of electronic and digital devices offers many work opportunities, and this project is focussing on women and disabled. Following the talk, we have received a further speaking opportunity later in the year.

The PR team attended Minister in the Presidency for Monitoring & Evaluation, Nkosazana Dlamini Zuma's budget speech and Minister Rob Davies' presentation of the 10th iteration of IPAP in which he put further emphasis on the importance of the work of Proudly SA.

The PR team also represented Proudly SA at a workshop convened by the dti for the pharmaceutical sector which, following our own sector specific forum earlier this year, further illuminated the issues confronting member companies Adock Ingram and Aspen Pharmacare.

Our Gauteng Public Procurement Forum at which MEC Barbara Creecy gave an impressive presentation provided material for two of our weekly Business Report columns, on incubation and on companies

that pass imported items delivered via the township off as local. The team attended the launch of Primestars' 'My Future my Career' programme which Proudly SA supports, and with which we assisted with media attendance.

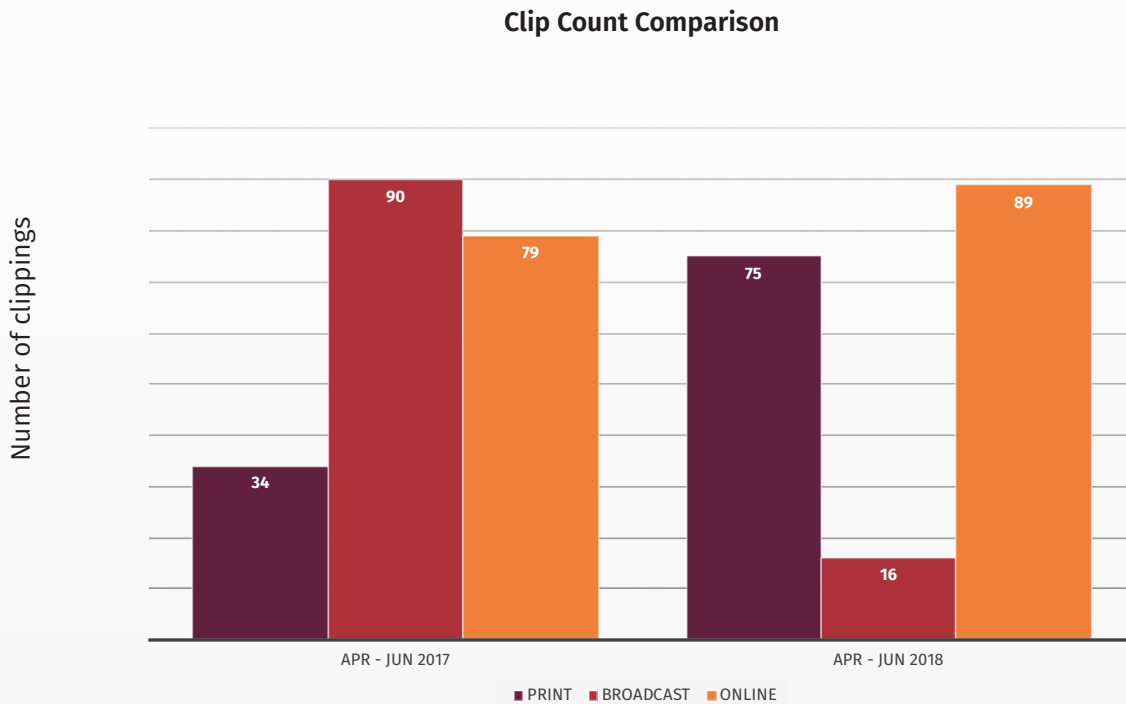
We also used social media to promote our North West business forum in May, and attended the launch of Edcon's new brand identities, generating social media posts from the event.

The team was part of the presentation to the SABC Foundation requesting the flighting of our Buy Back SA ad on a public service announcement basis, as well as part of a branding and PR presentation to around 15 Nedbank marketing and communication and brand managers to ensure their buy in of their membership.

Proudly SA's sector specific forum for the clothing and textile industry generated an enormous amount of media coverage on television, online and radio as well as print. SABC news and eNCA both covered the event. The team also joined an Eye Witness News 'meet the press' session at the end of the quarter in review.

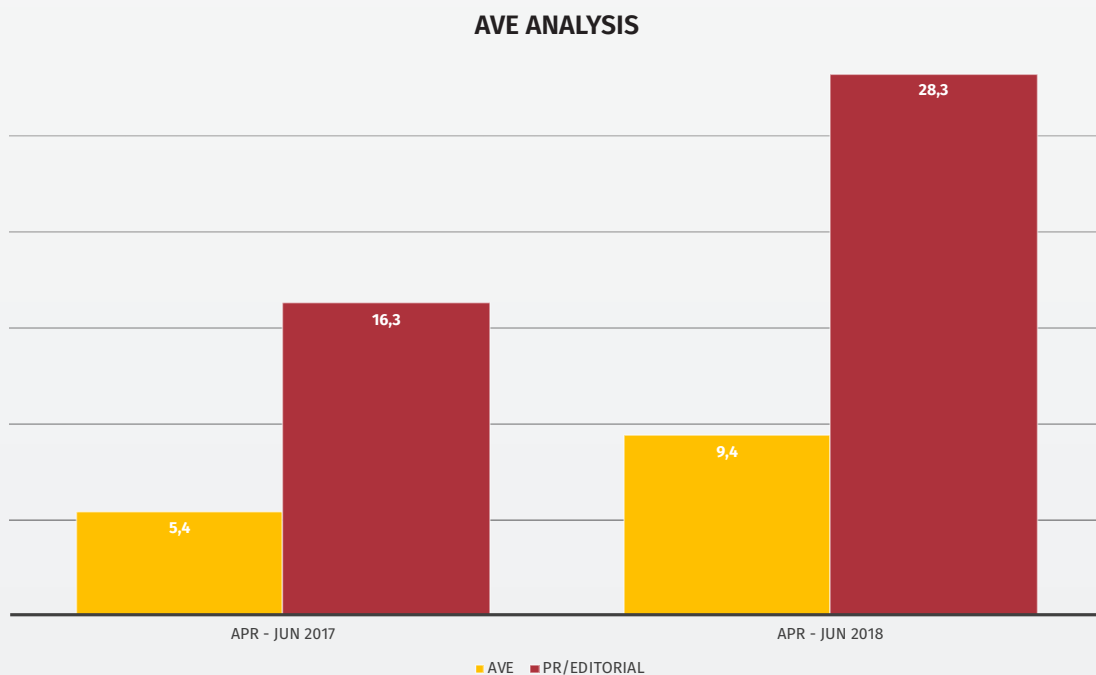
4.6.1) CLIP COUNT COMPARISON

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 2018). Comparison is made with the same period in 2017.



4.6.2) 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 2018 is R9,4 million. The PR value for the same period amounts to R28,3 million.



4.6.3) Press Releases /OP EDS/Media Articles

The following were issued / published between April and June 2018:

No	Date	Release/Commission	Title
1	3 April	Opinion/Column	The role of multinational companies in localisation
2	10 April	Opinion/Column	Why SMMEs fail
3	17 April	Opinion/Column	How to be Proudly South African
4	24 April	Opinion/Column	Multiplier effect benefits us in re-industrialisation
5	24 April	Release	Replication by Zara of local designer's work
6	8 May	Opinion/Column	Copycat designs: The art of ethical borrowing
7	15 May	Opinion/Column	Tourism's immense gift to the SA economy
8	22 May	Opinion/Column	When local is not really local
9	29 May	Opinion/Column	From incubation to the very end
10	5 June	Opinion/Column	Procuring from local sources imperative
11	12 June	Opinion/Column	SA has far more talent than we give it credit for
12	13 June	Opinion/Column	Proudly SA hosts clothing & textile industry representatives in special forum
13	19 June	Opinion/Column	Choose local fashion, it's lekker
14	26 June	Opinion/Column	Getting your unique product on the supermarket shelves

4.6.4) 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 sales staff from the following media platforms (among others).

EWN Breakfast	Clothing and Textiles forum	Manufacturing Indaba
<ul style="list-style-type: none"> • 702 • 947 • EyeWitness News 	<ul style="list-style-type: none"> • SABC • Joburg Today • eNCA • eTV • CGTN • Classic FM • Lotus FM • SABC News • Business Media Mags • Rosebank Killarney Gazette, Kempton Express, Krugersdorp News, Alberton Record etc. 	<ul style="list-style-type: none"> • Asset News Hub • Bizcommunity • SABC • Engineering News • Economist.com



4.6.5) Social Media

Below is a table which illustrates Proudly South African's following on social media platforms.

	9 APR 2018	7 MAY 2018	12 JUNE 2018
Facebook likes	13 952	14 016	14 097
Facebook followers	13 907	13 972	14 059
Twitter followers	149 309	151 259	153 523
Instagram followers	1 798	1 881	1 949
LinkedIn followers	193	196	213
TOTAL FOLLOWING	179 159	181 324	183 841

4.7) 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. Businesses/enterprises are also invited to support and join the Proudly South African Buy Local Campaign.

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

DATE	EVENT	VENUE
17 May 2018	Gauteng Procurement Forum	Rosebank, Johannesburg
18 May 2018	OBC Chickens Roof Wetting	Midrand
23 May 2018	North West Business Forum	North West
6 June 2018	Proudly SA Business Forum	Durban
7 June 2018	Proudly SA Public Sector Procurement Forum	Durban
12 June 2018	Ekurhuleni Youth Empowerment Summit	Kempton Park
13 June 2018	Clothing and Textile Sector Forum	Johannesburg
19 June 2018	Manufacturing Indaba Panel Discussion	Sandton
20 June 2018	Opening Address, Manufacturing Indaba	Sandton
21 June 2018	Presentation to BLSA Council Meeting	Sandton
28 June 2018	Edcon Fashion Challenge	Johannesburg



4.8) Brand Management

During the quarter in review we looked at public perceptions of our brand, using the information better to tailor our advertising appeal to specific audiences. The information came from a dipstick survey conducted by Massmart at select stores. Notwithstanding this research we continued our consumer advertising and awareness campaign through monthly features on Media24's print platforms featuring selected member companies.

Above The Line

Media24 (You, Drum, Huisgenoot) Partnership

In the Quarter in review we featured under the terms of our Media 24 agreement in promotional blocks highlighting members Serenitii Luxury Body Care, Deseign, The Chocolatiers and The Perfect Hair.

Our online digital feature focused on those members that benefited from an Edcon Dress for Success make over during the Buy Local Summit and we included a competition element which ran over several weeks.

Our full page advertorials featured Olympic Paints, Pavini Tiles, Sello's Gutters and Levix in a special Father's Day DIY piece, an exclusive page for Proudly South African Fire & Security and a waterwise page featuring SBS Tanks, Panne Water and Azure Water.

Each month the AVE for the advertorials across all 3 publications amounts to over R250 000

YOU LOCAL IS LEKKER
IN PARTNERSHIP WITH PRODELY SA

Choose from these Proudly South African companies next time you buy supplies

Create your **DIY** dream home

EVERYTHING can be Proudly South African - even your home improvements. Whether you're doing it yourself or just sourcing materials, it's good to know we have a host of Proudly South African options to choose from.

Opt for quality products with a local nod of approval when creating those Pinterest-inspired finishing touches. Job creation is just one of the amazing knock-on effects - which is an ultra-rewarding incentive.

Have one of these companies that will help you make your home gleam with local pride:
Olympic Paints is a Proudly South African paint manufacturer offering a range of paint applications, coatings and sealants. At the forefront of contemporary trends, it's the only paint manufacturer to offer the innovative 'Play' 3D Roll bucket that has a built-in tray in the lid. This SA-designed and patented product minimises mess and waste, which makes your paint job further easier.

Sello's Gutters offers other locally manufactured products in a range of colours, to meet all your water drainage needs - that also don't clash with your exterior.

Adding the finishing touches to your home? **Pavini Tiles** has your tile-ting sorted. As a Proudly South African member company Pavini has been the handcrafted tile of choice in the local market for more than 30 years. Durable and elegant, these quality tiles are expertly made to order.

And while you're buying your Proudly South African flag, check out this innovative tile-laying solution. Levels in a jiffy! Perfect for making DIY easier with a first-good way to lay tiles evenly. Creating your dream home and buying local never looked so good!

Criteria for Proudly South African member companies
• Proudly South African owned and operated
• Produce high quality services
• Comply with all relevant practices
• Adhere to environmental standards.

Drink smart, buy local
Water is one of South Africa's most precious natural resources. Proudly South African counts among its members a number of water collection and bottling companies, showing that even water can be Proudly South African!

Azure Water is a local enterprise that bottles still and sparkling purified water with a low sodium content and fresh taste. Azure is a founder member of Proudly SA and one of the largest South African-owned companies in the industry. This business can also personalise its labelling for corporate clients or events such as weddings or fundraisers.

Painte Water gives you natural goodness from the rocks near Heidelberg in Gauteng, where the water's filtered without altering the natural mineral composition. Its bottled-in-house in a sectioned area of the factory in bottles made from virgin plastic that's 100% recyclable. Win-win!

Every home should have a water storage system in place to prepare for shortages, extended use or simply to minimise costs. If you already have precious rain water, SBS Tanks offers Proudly South African domestic water-saving solutions.

SBS Tanks is a partner in the emergency desalination plant project at Cape Town's V&A Waterfront. It has installed thousands of tanks around the world while emphasising water conservation through education.

Ensure your family is water-wise - and keep doing your bit to save water, locally!

DRUM LOCAL IS LEKKER
IN PARTNERSHIP WITH PRODELY SA

Why not make an effort to try to buy local - there are opportunities all around!

Support local enterprise while being **water-wise**

BECOMING proudly South African and joining the movement to buy local is easier than you think. Anything and everything can be Proudly South African - even your water.

Sales of bottled water skyrocketed during summer due to the ongoing drought and the threat of taps running dry. While in Cape Town, Day Zero has been averted - for now - Cape Townians are continuing to do their bit to save water.

Buying bottled water has become a major part of being water-wise, so it's good to know there are Proudly South African options. After all, if industries are benefiting they might as well be local!

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When you buy local it ...

- Supports local jobs creation
- Supports local entrepreneurs
- Reduces transport emissions
- Saves your shopping expenses (no extra shipping charges!)

PROMOSIE | NOU OP DIE RAKKE

KYK NET HIER!
Hier is die jongste aanbiedings van ons adverteerders - van nuwe produkte tot winskippe

VOEDENDE SONNENRUIWE
Eetdik jou vet met die vetvrye, suid-afrikaanse Tasseu Oil vir 'n goeie. Dit is met vitamien E en natuurlike-ontbindende stowwe om te help om die vet te verbruik. Dit is ook baie goed vir die harte.

SKINDIET
Hoeveel het die harte vir die oë? Die harte is die harte van die harte. Die harte is die harte van die harte. Die harte is die harte van die harte.

REUSENDE VRYWILDER
Die harte is die harte van die harte. Die harte is die harte van die harte. Die harte is die harte van die harte.

NOU WIL OORHEED
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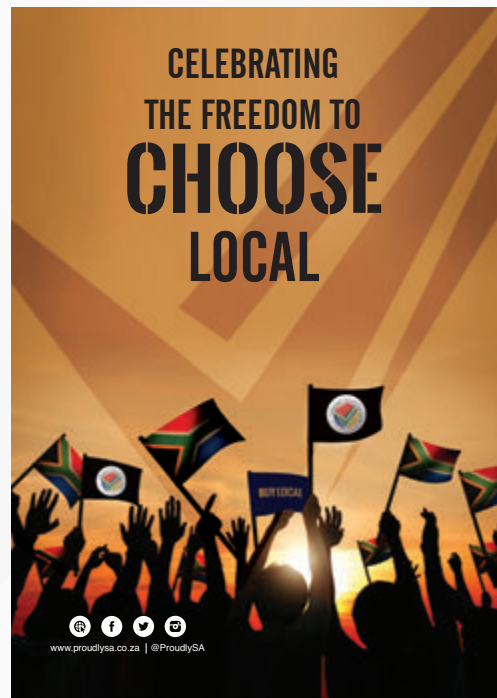
LEWENDE IN DIE KLOOF
Die harte is die harte van die harte. Die harte is die harte van die harte. Die harte is die harte van die harte.

TRAVEL PAKKE EN WERKSPES
Die harte is die harte van die harte. Die harte is die harte van die harte. Die harte is die harte van die harte.

Proudly South African adverts

In this Quarter we also had three print adverts in Step Up to a start up booklet, entrepreneur magazine and Equinox Magazine. The objective of the Proudly 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 print 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, Proudly SA aims to increase the uptake in locally manufactured goods and services and promote the positive impact this action has on the country.



Brand Research





Research Objectives

We ran a dipstick Proudly South African brand awareness survey at fifteen (15) Massmart stores in Gauteng, Kwazulu-Natal and the Western Cape with respondents ranging from LSM 2 – 10. A total of 1 680 customers were interviewed and the aim of the research was to:

- Evaluate both spontaneous and prompted public awareness of the Proudly South African brand.
- Investigate the extent to which people were inclined to give preference to Proudly South African branded products when making purchasing decisions.
- Gain insight into which positive and negative brand attributes people most closely associated with the Proudly South African Brand.
- Identify what topics were most prominently associated with proudly South Africa in the social media discourse

Demographics

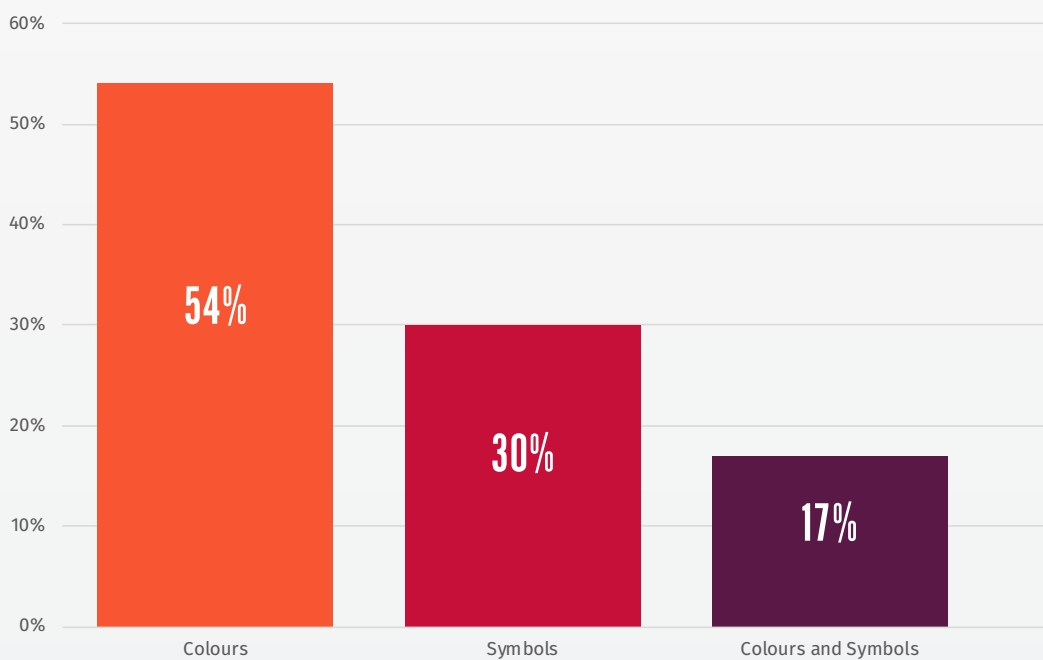
A total of 1 680 customers were interviewed, below is their demographic breakdown:

	<p>Male: 55% Female: 45%</p>
	<p>Black: 59% White: 16% Coloured: 15% Indian: 9% Asian: 1%</p>
	<p>18 – 24 years: 23% 25 – 34 years: 39% 35 – 49 years: 27% 50 – 59 years: 8% 60+ years: 3%</p>
	<p>I prefer not to answer: 32% R0 - R9 999: 29% R10 000 - R19 999: 13% R20 000 - R29 999: 8% R30 000 - R39 999: 7% R40 000 - R49 999: 5% More than R50 000: 6%</p>



Description of the Proudly SA Logo

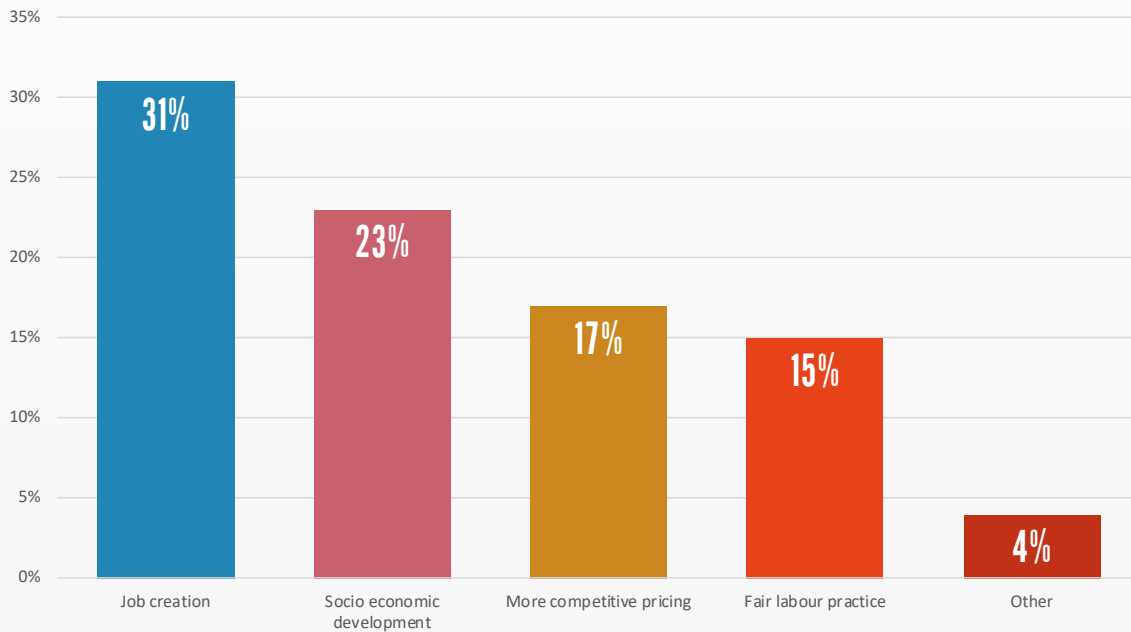
Those respondents who indicated that they were familiar with the PSA brand, were asked to describe the logo, its colours and symbol



- In total, 1 in 2 people interviewed were able to correctly describe the logos colours
- 1 in 3 could correctly describe the logo symbol
- And, only 1 in 5 could correctly describe both

Why people purchase products carrying the Proudly SA Logo

64% of those customers who were familiar with the PSA, indicated that they were positively inclined towards purchasing PSA labelled products on the basis of the below attributes:



Job creation is the number one reason customers purchase Proudly SA labelled products.



Awareness of the Proudly SA Logo

A total of 67% of the respondents indicated that they were familiar with Proudly South African brand.

- Aware
- Unaware

PERFORMANCE FOR THE PERIOD UNDER REVIEW

Performance for the period under review (1 April to 30 June 2018) - 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
Output 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	*Reach 5 million consumers during each quarter	Target reached through paid for Advertising and Editorials with Media24, over a period of 12 months.	
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; *National Consumer Educational Road show through Consumer Activations (Education Through Edutainment); *Youth targeted Campaign, incl. university radio stations and other youth targeted initiatives	*PR & Below the Line Activities reaching at least 10 million consumers per annum; *Roadshows in at least 6 provinces annually *Participation in youth activities reaching at least 750k youth *8 x Campus Radio interviews/ competitions or advertising campaigns per annum	*Reach 2 million consumers during Quarter 1 *No roadshows were planned for Quarter 1 *participation in youth activities were planned for Q1 – reach of 250k *2 campaigns were planned per quarter	We reached 2,840,400 consumers through Below The Line Activities. *N/A *Step Up To A Start Up Youth Programme (150,000) *TEA – Township Entrepreneurship Alliance (80,000) *EBonoko Foundation (100,000) *Cliff Central Radio Interviews	

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>*Participation in at least 8 major trade expos per annum;</p> <p>*Roll out of at least 3 major Proudly SA month activities per annum</p> <p>*At least 2 CSI projects per annum</p>	<p>*At least 2 major expos per quarter</p> <p>*No Proudly SA week activity planned for Q1</p> <p>*No CSI activity planned for Q1</p>	<p>*Tourism Indaba & Manufacturing Indaba. Participated in 6 other expos (See detailed Marketing Report)</p> <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 Blurps, Print Banners, Street Posters, Social Media Campaigns, Proudly SA Website.</p> <p>*Introduction of Eco-labelling in specific sectors (partnership with UNOPS)</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 3 provinces</p>	<p>*Reach 5 million consumers during each quarter</p> <p>At least one province per quarter</p>	<p>*Target reached through paid for Advertising and Editorials with Media24 over a period of 12months.</p> <p>1 KZN Newspaper; AgriBiz Journal Publication</p>	
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<p>Educational roadshows 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 dti, EDD, 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 procurement within the public sector</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 presentations at government SCM forum 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
	<p>*National, provincial and local departments visits – engagement with procurement officers</p> <p>*Presentation at SALGA</p> <p>*1-2 x day Buy Local Summit – focusing on all state organs and business procurement</p> <p>*1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – “Made in SA” Expo</p>	<p>* Provincial Public Sector forums in at least 9 provinces</p> <p>*Presentation at least 1x SALGA member’s forum and/or event;</p> <p>*At least 1 summit to be held per annum</p> <p>*At least 1 Buy Local Expo held per annum</p>	<p>* 3 Provincial Public Sector forum planned for Q1</p> <p>*No presentation planned for Q1</p> <p>*Buy Local Summit planned for Q4</p> <p>*Buy Local Expo planned for Q4</p>	<p>* 2 Provincial Public Sector forums held in GP and KZN</p> <p>*N/A</p> <p>*N/A</p> <p>*N/A</p>	<p>* The third forum was postponed due to political changes in the NW at the time.</p>
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	<p>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:</p> <p>Presentations to BUSA, BBC and BLSA members plus Business Chambers;</p> <p>* Local Procurement Partnerships with large retailers and /or manufacturers;</p>	<p>*1 presentation to each BUSA, BBC and BLSA per annum;</p> <p>Presentations to at least 2 business chambers and/or associations per annum</p>	<p>*No presentation planned to any of the targeted organizations for Q1</p> <p>No presentations planned for Q1</p> <p>*No activity planned for Q1</p>	<p>*Presentation made to BLSA Council members</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
Educate consumers on the importance of buying local (Local Procurement Accord) – influencing “Buy Local” purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	*1-2 x Day Buy Local Summit – focusing on all state organs and business procurement	*Partnerships with at least 2 major retailers/manufacturers per annum; *At least 1 summit to be held per annum;	*No activity planned for Q1	*N/A	
	1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo	*At least 1 Buy Local Expo held per annum;	*Buy Local Summit scheduled for Q4 (March '19)	*N/A	
	*Sector Specific Workshops	*3 x sector specific forums per annum	*1 sector specific forum scheduled for Q1	*Clothing & Textile Forum done.	
	*Business Forums with dti and other strategic partners	*9 business forums per annum	*3 business forums scheduled for Q1	*NW & KZN business forums held	*Gauteng forum was postponed to later in the year, as we were still tying up the overall preferential deal for venues in all 9 Provinces at the time the Forum had been scheduled to take place
	*Proudly SA Events / Exhibitions / Expo's / Villages at trade expos	* Participation in at least 8 major trade expos per annum	*2 trade expos scheduled per quarter	*Tourism Indaba & Manufacturing Indaba. Participated in 6 other expos (See detailed Marketing Report)	
	*SA Premier Business Awards aimed at rewarding SA companies that achieve high levels of excellence in the course of doing business	* Co-hosting 1X annual SA Premier Business Awards event (as a partner to the dti)	*Awards scheduled for Q3	*N/A	
	* 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 during each quarter	Target reached through paid for Advertising and Editorials with Media24 over a period of 12months.	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
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; Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	*Brand or Consumer Research to be undertaken at least once per annum *At least 12 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	*Research planned for Q1 *At least 4 dipstick surveys planned for Q1	*This was done with the assistance of Massmart. *Dipstick surveys were conducted at 4 Proudly SA events	
Brand Compliance and IP. Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	*Action/letters of demand to all (100%) irregular users of the Proudly SA logo identified *Annual compliance review of all members *Weekly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally	*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	*All identified irregular users were sent letters – 100% *All members contacted as part of the new and renewals 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 million people per annum;	Participation in the Nedlac Task team on Anti-piracy at least twice per annum	No activity planned for Q1	*N/A	
Growing the database of South African supplier products and services for local procurement	*Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders	*500 new products and/or services registered	*100 new products and/or services registered for Q1	*526 new products and/or services registered	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
*Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products	*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 at least 9 provincial public-sector forums *Promotion of database to at least 9 provincial business forums	*3 provincial public-sector forums planned for Q1 *3 provincial business forums planned for Q1	2 provincial public sector forums held in GP and KZN *NW & KZN business forums held	The third forum was postponed due to political changes in the NW at the time. *Gauteng forum was postponed to later in the year, as we were still tying up the overall preferential deal for venues in all 9 Provinces at the time the Forum had been scheduled to take place.
Strengthening Media relations, PR and social media	*Promotion of database to both the public and private sector through workshops / regular communicate (this will include the promotion of other SA Made Products as per the designated sectors). Measured in terms of how many public institutions reached that are using the database. *Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof	*Promotion of database to at least 2 business associations or chambers *Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders	No workshop with a business association or chamber planned for Q1 *100% of Daily monitoring through Newsclip of all coverage on Proudly SA	*N/A Daily reports received on all (100%) day to day media engagements and mentions	

Strategic objective /outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	<p>*Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)</p> <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 tactical 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>*Increase following on social media platforms and increase in publicity</p>	<p>*Press releases At least 24 press releases per annum</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>*Increase following on all social media platforms by 5% per annum</p>	<p>*6 press releases issued per quarter</p> <p>*4, media/editor's meetings per quarter</p> <p>No media meet & greet networking session planned for Q1</p> <p>*Daily updates on Twitter, Facebook and Instagram done</p> <p>Increase following on all social media platforms by 5% per quarter</p>	<p>14 Media Releases issued to Media Houses.</p> <p>*Informal and Formal Media Engagements held (see PR section of the report for details)</p> <p>*N/A</p> <p>*Daily updates done on Twitter, Facebook & Instagram resulting in an increase in the number of followers on all 3 platforms. The Proudly SA Twitter account now has 153 523 followers and Facebook has more than 14 059 followers & Instagram has more than 1 949 followers</p> <p>*Social Media following increased by an average of 5% per platform</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	*Major PR activation to increase awareness about the campaign and the "Buy Local" campaign	*Valentine's Day activation 1 per year on Valentine's day	*This activation is scheduled to take place during Q4 (Feb '19)	*Social Media following increased by an average of 5% per platform	
Retention and Recruitment Members	Number of members recruited and retained	*Recruit at least 200 new members for the year *Retain at least 80% of all members due for renewal for the year	*50 new members recruited during the quarter *80% of all members due for renewal renewed membership	*54 new fully paid up members recruited *85% 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 2017/18 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	
Risk Management	Approved annual strategic risk register and quarterly risk management reports	100% compliance	100% compliance	Risk Register & Risk Report submitted to ARC	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
Human Resources Management: Organisational structure is always aligned to organisational strategy	Extent (Percentage) of alignment of the functional organogram with the approved strategy	*Organogram with positions informed by the organisational strategy and aligned completely	*100% alignment of organogram to the strategy in every quarter	*Organogram fully aligned (100%) to the strategy in Q1	
Performance Management	* Percentage of critical positions filled	*All (100%) critical positions filled at all times	*All (100%) critical positions filled during the quarter	*All critical positions filled during the quarter	
Quality Management System in place	Performance management system to set and evaluate performance targets and levels every 4 months	Performance Agreements signed and all personnel assessed every 4 months during a 12-months Performance Cycle that runs from August 2017 to July 2018. Performance across all departments is not lesser than 70%	100% compliance	100% Compliance	
Compliance to Statutory Requirements	ISO 9001-based system in place and organisational activities in line with the system policies, processes and procedures Comply with SARS, Employment Equity, and Occupational Health and Safety requirements	Migrate to ISO9001 of 2015 Standard and monitor continued compliance to the requirements Make monthly, mid-term and annual submissions with relevant institutions to fully comply with SARS, Employment Equity, and Occupational Health and Safety requirements	100% compliance 100% compliance	System Migrated and Certified against ISO 9001:2015 Successfully filed and compliant with SARS Statutory requirements; Compensation Commissioner and Employment Equity Commission	

PFMA AND TREASURY REGULATIONS CHECKLIST

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		<p>Does the audit committee review the following:</p> <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, co-ordination 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. 	<p>X X X X X X X X</p>			<p>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</p>
	TR 27.1.10(a)		<p>Does the audit committee report and make recommendations to the accounting authority?</p>	X			<p>The Audit committee does report and make recommendations to the Board on a quarterly basis</p>
	TR 27.1.13		<p>Does the audit committee meet annually with the Auditor-General or external auditor to ensure that there are no unresolved issues of concern?</p>	X			<p>The Audit committee meets with the external auditors prior to and after completion of external audits</p>

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 wilful 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 			X	The reports on any disciplinary hearings held are reported to the Accounting Authority through the relevant subcommittee (HR and Remunerations Committee).

PFMA 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 it has subsidiaries, also the affairs of the subsidiaries. 	<p>X</p> <p>X</p>			<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"> ❖ revenue, expenditure and borrowings; ❖ asset and liability management cash flow projections; ❖ capital expenditure programmes; and ❖ dividend policies 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			<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 • This is part of the corporate plan submitted to the Executive Authority after approval by the Board as the Accounting Authority

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.2.		<p>Does the public entity conclude a shareholder's compact with the executive authority on an annual basis?</p> <p>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?</p>	X X			<p>A memorandum of Association (MoA) has been concluded and signed with the dti</p> <p>The draft MoA does detail the key performance measures and the indicators to be attained</p>
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
	TR 30.1.3		<p>Does the strategic plan:</p> <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. <p>Is the strategic plan updated on an annual basis?</p>	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 for Public Entities: Management of Working Capital

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	38(1)(i)		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)(i) 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 X 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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.1.3 TR 29.1.6		<p>Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only)</p> <p>If a borrowing programme was submitted, did it include:</p> <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		<p>Did the public entity borrow money for bridging purposes? If yes:</p> <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	X	No money borrowed by the campaign for any purposes, including for bridging purposes

PFMA 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
	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
				X			No material losses incurred through criminal conduct and fruitless expenditure (penalties) incurred during the previous financial year reported as such
				X			No criminal charges instituted as no such loss was incurred
				X			
				X			
						X	Proudly SA does not have any subsidiaries
	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	The Executive Authority is not obliged to table this as Proudly SA is not a public entity, however the Annual report is submitted to the dti to enable the Minister to table this if the need arises
	TR 27.1.7		Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference	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		Did the audit committee comment on its evaluation of the public entity's financial statements?	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 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 style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p>		N/A	<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
			<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 X X X X			
2.	TR 31.2.1	Banking	Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?			X	The campaign submits its list of bank accounts to the dti as per the MoA
3.	TR 31.3.1 TR 31.3.2	Investment	Does the public entity have an investment policy? If yes to the above, does the investment policy include the: <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 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 2018

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Impact	Likelihood	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Risk owner	Actions to improve management of the risk	Action owner	Time Frame
	Educate consumers on the importance of buying local- Influencing 'Buy Local' purchase behaviour <i>Promoting the country of origin label to improve fair and legal trade</i>	Strategic Risk	Insufficient financial resources to roll out consumer education and awareness campaigns to reach wider scale of the market.	Major	Common	High	20	Good	Medium	CFO/MANCO	Revenue generation strategy to be implemented Stakeholder engagement Membership to convert/approach former members	CFO/MANCO	
			Effectiveness of the current campaigns and lack of measurement thereof	Moderate	Moderate	Medium	9	Good	Low	Executive Manager: Marketing & Comms			
			Insufficient products available to consumers at point of sale	Major	Likely	High	16	Satisfactory	Medium	Executive Manager: Membership, Legal & Compliance			
			Lack of segmentation of the target market and content of the material presented	Moderate	Moderate	Medium	9	Very good	Low	MANCO	Integration with National Treasury's CSD	Executive Manager: Membership, Legal & Compliance	
	Growing the database of South African supplier products and services for local procurement	Strategic Risk	Insufficient manufacturing major players coming on board and not all sectors are covered	Major	Likely	High	16	Satisfactory	Medium	Executive Manager: Membership, Legal & Compliance; Executive Manager HR & Administration	Maintaining current efforts (clothing retail) and increasing focus on the FMCG	Executive Manager: Membership, Legal & Compliance; Executive Manager HR & Administration	

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Impact	Likelihood	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Risk owner	Actions to improve management of the risk	Action owner	Time Frame
			Imminent POPI Act	Moderate	3	3	Training to implement best practices	Satisfactory	Low	Executive Manager: Membership, Legal & Compliance; Executive Manager HR & Administration	Monitoring the regulation/compliance Creating internal capacity within the organisation	Executive Manager: Membership, Legal & Compliance; Executive Manager HR & Administration	
			Business Continuity	Major	4	12	backups of core systems; Antivirus software; 24 hour security with armed response; insurance	Satisfactory	Medium	CEO	Disaster recovery site to be identified and secured	CEO	
			Fraud & corruption	Major	4	12	Fraud prevention plan; Tip-offs anonymous; Procurement Policy; Delegation of Authority	Satisfactory	Medium	CFO/CEO			
			Lack of IT capacity and intelligence	Moderate	3	9	Website with the search facility; IT Framework & Strategy	Satisfactory	Low	CEO	Form smart partnerships with stakeholders	CEO	

PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

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	Completed
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 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.	Completed
5.	Accuracy of leave days	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.	Completed
6.	Useful lives of assets not reassessed	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	Completed
7.	Issues on the Fixed Asset Register	This was a management oversight and the useful lives of all assets would be re-assessed annually. 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	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	In Progress
9.	Minutes of meetings were not signed by the chairman	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.	Completed

No.	Finding	Corrective Action (Plan)	Status
10.	Nomination and Social Ethics don't exist as per the requirements of the MOI	The Social and Ethics committee has been formed and the first meeting of this committee was held on 9 June 2017.	Completed
11.	No contracts exist between Proudly SA and Nestle	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 The draft contract between Proudly SA and Nestle will be signed in the first week of July 2017	Completed
12,	No provision for long outstanding debtors raised	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, 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.	Completed
13.	Difference between the staff loan schedule and the trial balance	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 in the 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

No.	Finding	Corrective Action (Plan)	Status
16.	No justification of the 40% tax withheld from directors' salaries	<p>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 was 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 7th of each month as required.</p> <p>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.</p>	Completed
17.	Membership renewal forms not completed	<p>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.</p> <p>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.</p> <p>The newly appointed Executive Manager: Membership, Compliance & Legal is in the process of tightening the controls around both new membership and renewal processes.</p>	Completed

FINANCIAL REPORT

Financial report - expenditure vs budget (Quarter 1 – 1 April - 30 June 2018)

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 2018) Rands	YTD Variance (31 June 2018) Rands
INCOME								
Membership Fees	800,000	933,853	133,853	17%	Inclusive of Trade exchanges	3,200,000	933,853	(2,266,147)
Grant – the dti	8,000,000	16,000,000	8,000,000	100%	Early release of funding	30,739,000	16,000,000	(14,739 000)
Project based funding - UNOPS	0	493,420	493,420	100%	Payment was due in 2017 /18	0	493,420	493,420
Sponsorship	0	450,000	450,000	100%	Relates to 2018 Buy Local Summit & Expo, but sponsor could only be invoiced in 2018/19	13,700,000	450,000	(13,250,000)
Other Income	0	11,646	11,646	100%	Interest income & sale of promotional items	0	11,646	11,646
Total Income	8,800,000	17,888,920	9,088,920	103%		47,639,000	17,888,920	(29,750,080)
EXPENDITURE								
HR and Staffing costs	5,169,715	5,193,489	(23,774)	(0.5%)	Timing nature of certain cost elements	20,663,858	5,193,489	(15,470,369)
Administrative costs	1,717,161	1,527,268	189,893	(11%)	Timing nature of certain cost elements	6,561,143	1,527,268	(5,033,876)
Membership costs	114,443	32,612	81,831	72%	Cost cutting exercise undertaken	457,773	32,612	(425,161)
Marketing costs	2,467,500	2,516,465	(48,965)	(2%)	Timing nature of certain cost elements	18,732,426	2,516,465	(16,215,961)
Capital Expenditure & IT	166,950	203,201	(36,251)	(22%)	Timing nature of certain cost elements	1,223,800	203,201	(1,020,599)
Total Expenditure	9,635,769	9,473,034	162,734	2%		47,639,000	9,473,034	(38,165,966)

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