



PROUDLY
SOUTH AFRICAN



QUARTERLY **REPORT**

1 APRIL - 30 JUNE 2019

Quarter 1

2019/20 Financial Year



PROUDLY SOUTH AFRICAN
Quarterly Report for Q1 (1 April to 30 June 2019)

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: ___/___/2019	Rank: Chairperson	Date: ___/___/2019

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A C R O N Y M S

The following are definitions of the acronyms used in the report

Accord	The Local Procurement Accord (an agreement signed on 31 October 2011 by labour, government, business and community representatives to promote local procurement in South Africa, in support of the New Growth Path and government's aim to create 5 million jobs by 2020.
APP	Annual Performance Plan.
Brand SA	Brand South Africa, an agency of the government of the Republic of South Africa whose objective it is to market South Africa as a foreign investment destination.
CGCSA	Consumer Goods Council of South Africa
CPO	Chief Procurement Officer.
CIPC	Companies Intellectual Property Commission.
COTII	Council of Trade and Industry Institutions.
CSI	Corporate Social Investment.
EDD	Economic Development Department, a national government department in the Republic of South Africa.
FMCG	Fast Moving Consumer Goods.
IPAP	Industrial Policy Action Plan
NCPC	The National Cleaner Production Centre, a programme of the dti, housed under the CSIR which focuses on assisting companies implement cleaner production and resource efficiency measures.
NEDLAC	National Economic Development and Labour Council, an entity of the Department of Labour.
NT	National Treasury.
PFMA	Public Finance Management Act No. 1 of 1999.
Proudly SA	Proudly South African, a not for profit company incorporated in terms of the Companies Act
SALGA	South African Local Government Association.
SAPBA	South African Premier Business Awards.
SAPS	South African Police Service.
SARS	South African Revenue Service.
SOEPF	State Owned Enterprises Procurement Forum
the dti	Department of Trade and Industry, a national government department in the Republic of South Africa.
The Summit	The Local Procurement Summit & Expo.
UN	United Nations.

EXECUTIVE SUMMARY

This report covers the period 1 April – 30 June 2019 and focuses on various highlights during the period:

The quarter in review began a little differently from most first quarters as many companies and organisations went into semi limbo ahead of the national and provincial elections in May. As predicted, polling went off without incident, delivered by the IEC to the very highest international standards and the activities that were on hold resumed apace later in May and through June.

Proudly South African was not immune to the slow April/May and as such delayed the roll out of its public sector procurement forums, which resumed in June. These forums depend greatly on close collaboration with the MECs of Finance or Economic Development or equivalent in the respective provinces, and now that all provincial structures are in place, we can proceed with our planning for the remainder of the year.

Many of the campaign's processes continued without interruption, however, and this included our monitoring of tenders for items designated for local procurement. Our system now monitors websites of 763 entities and the NT mandatory sites delivering each tender to qualifying member companies and reporting non-compliant documents to the relevant dti desk. In the quarter in review we verified 176 tenders, finding 44 to be non-compliant.

Proudly SA continues to work closely with dti sector desks as we focus on selected industries most in need of attention. In the previous financial year, we did extensive work with the clothing and textiles sectors, pharmaceuticals

and poultry industries and during the quarter under review we participated in efforts to assist with issues in the sugar and tomato industries and associated value chains. We introduced industry specific forums, have hosted events for the pharmaceutical and CTFL sectors as industries in distress and have scheduled forums to put the spotlight on the furniture industry, medical devices and on the automotive sector during the year ahead.

In collaboration with the dti, we have also presented during the quarter in review at a workshop hosted by the Industrial Development Division on the topic of localisation.

We have encouraged the excellent work of local production companies who are a source of hundreds of thousands of jobs. Many of those employed in the creative industries are young people, making it even more important to nurture and grow local screen content.

Recognising the importance of our local tv series and the relevance they have across all races, genders and ages of our society, and in an effort to find a way for the campaign to maximise its work with the least expenditure, Proudly SA has undertaken a series of presentations in the quarter in review to key production companies and their writers. In unpacking the importance of localisation, we have been able to work with story liners to find ways of embedding the buy local narrative into their scripts and lives of characters, and we look forward to seeing these stories roll out later during the second quarter.

Also in the media space, we have utilised the skills and Public Service Announcement budget of AFDA, the Johannesburg based film school, to conceptualise and create a new Buy Local TV advert in the form of a public service announcement, at no cost to the campaign. Once edited this commercial will be flighted at our events and wherever we can secure airtime, especially public service slots with the major broadcasters, with no usage or licencing cost implications.

The highlight of the quarter in review was the validation of the buy local movement by the President in his State of the Nation Address. In a concerted social media campaign, supported by letters and meetings with the President's office, we secured a section in the speech that called on all South Africans to put localisation high on their agendas. He also called for more visibility in retail stores of local goods. Work from our side had already started in this regard. We have, in collaboration with the Manufacturing Circle, called for a consultative workshop with all major retailers affiliated to the Consumer Goods Council of SA to address increased shelf space in stores for locally grown, produced and manufactured goods and we anticipate this will take place during the second quarter.

With unemployment levels remaining stubbornly high and disappointing economic contraction figures delivered during the quarter in review, Proudly South African remains committed to the fight for local businesses, whether it is assisting with access

to new markets through a diverse range of exhibitions and ad hoc activations, exposure to government tenders and automatic entry onto Treasury's Central Supplier Database for those looking to do business with government, or simply encouraging trade between members.

As our database of members grows across small entrepreneurial enterprises to large multi nationals with manufacturing bases in the country, our visibility and relevance to consumers also grows. With the continued support of government, from the President down to municipal offices, we are confident that the impact of the work of the buy local movement will be seen and felt by all South Africans.

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 20 June 2019 and considered the following:

- The CEO provided an update on the Import Replacement Project and highlighted the data gathered by TIPS on the same subject.
- The CEO reported on a successful meeting with the Economic Advisor to the President and how she had been briefed on the successes and challenges of the Campaign thus far.
- The Chairman reported on his interactions with the various constituencies.
- The Board considered the proposal around a joint campaign with The Manufacturing Campaign and SAFTU around a Buy Local Awareness Project around Tomatoes. The Board agreed that a due diligence be undertaken and reported on at the next Board.
- The Board resolved to mandate the Chairman and CEO to sign any documentation regarding SARS.
- The Board agreed with the recommendation from the HR and Remuneration Committee to change the Executive Manager for HR and Administration to a Manager's post.

3.2) AUDIT AND RISK COMMITTEE

The members of the Audit and Risk committee did not meet in the first quarter, however a meeting is being scheduled for July 2019

3.3) Finance and Procurement Committee

The members of the Finance and Procurement committee held their meeting on 5 June 2019 and the meeting considered the following:

- The Committee received an updated register of Trade Exchanges.
- The Chairperson suggested that Sponsorship be sought from the KZN Provincial Government for a Buy Local Summit and Expo in that province.
- The CFO provided an update on outstanding VAT Returns and the Chairperson suggested the next steps to follow.
- The Committee received the report on the Revaluation of Assets, it related to Leasehold Improvements and Furniture. Leasehold improvements due to the extension of the property lease for a further 3 years.
- A motivation for additional funding for an above the line consumer campaign had been submitted to the dti to be used during the Festive Season.
- The Committee noted the Management Accounts and Cash Flow.

3.4) MEMBERSHIP, MARKETING AND COMMUNICATIONS COMMITTEE

The members of the Membership, Marketing and Communications Committee held their meeting on 5 June 2019 and the meeting considered the following:

- The Committee requested that Proudly SA request to join the Government Delegation on the Jobs Summit Task Team at NEDLAC.
- The Committee suggested a meeting with National Treasury around Localisation.
- The Committee noted the increase in member companies but reiterated the need for a membership drive.
- The Committee noted the Marketing Report, which included a comprehensive report on the Buy Local Summit and Expo.
- The Committee suggested inviting more institutional buyers to the Summit.
- The CEO reported on the progress on the Import Replacement Project.

3.5) HR AND REMUNERATIONS COMMITTEE

The members of the HR and Remunerations Committee held their meeting on 5 June 2019 and the meeting considered the following

- The Committee agreed to recommend that the Executive Manager for HR and Administration become a HR and Administration Manager post.
- The Committee noted that reports on training, development, performance management and employee wellness.

3.6.) SOCIAL AND ETHICS COMMITTEE

The members of the Social and Ethics Committee did not meet in the first quarter. The Committee is required to meet a minimum of 2 times a year and will meet in the next quarter.

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 2019/20 financial year.

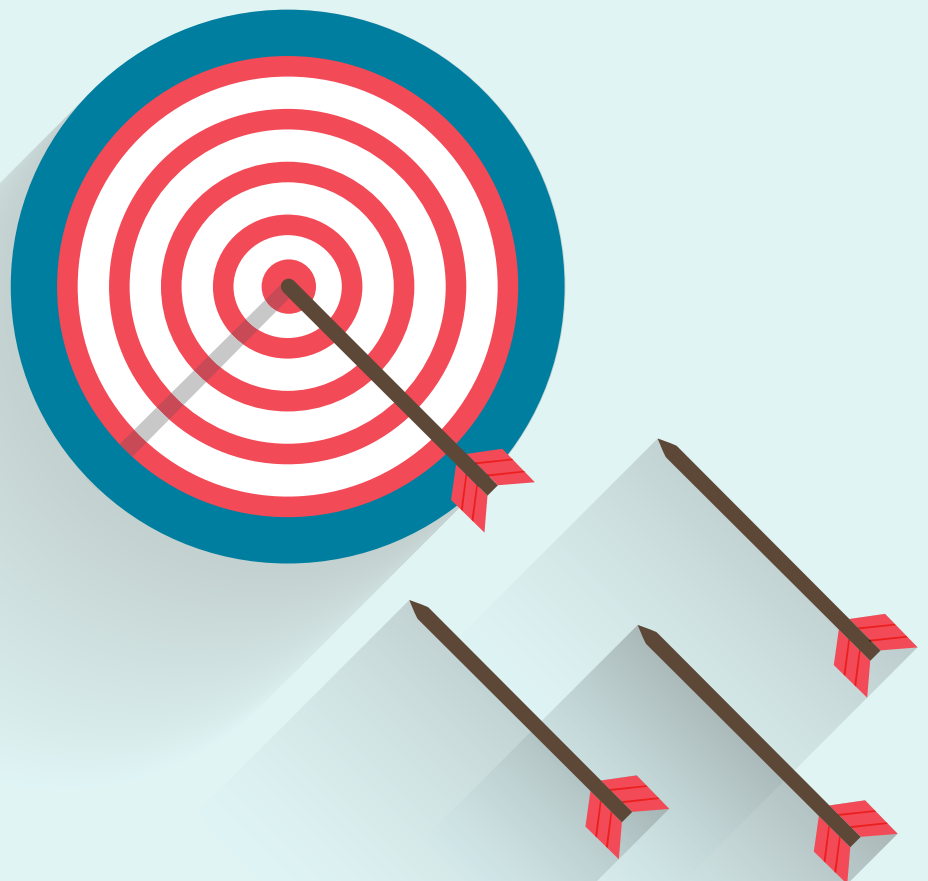
The following were some of the achievements and most of these are reported in detail in Section 5 of the report:

- Below the Line Campaign reached more than one million consumers through SONA, Elections IEC presence, CEO's weekly column, GCIS article, various press releases and opinion pieces
- Proudly SA participated in 3 trade expos namely TOPS @ Spar Wine Shows one each in Durban and Johannesburg, Rand Easter Show and Manufacturing Indaba (Johannesburg)
- Proudly SA hosted one Business Forum in North West province
- The target of 2% increase in the following on all social media platforms was substantially exceeded
- The target of recruiting 55 new fully paid up members was exceeded as 58 members were recruited during the quarter
- The target of 80% membership retention/renewal rate was exceeded as 83% was achieved
- The database of locally made products and services grew by an additional 1673 new products with the database now having 11 303 products and services
- Proudly SA continued with its tender monitoring system where tenders issued in the public sector for designated items are checked for compliance with local content provisions.
- 460 tenders/request for proposals (RFP's) were identified through the tender monitoring system in Q1 whereas the target was 300
- Proudly SA's on-line shopping platform with RSA Made is beginning to show grow since its launch in Q2 of 2018/19 financial year
- The target of 5% growth per quarter for the number of products and/or services was exceeded as 15.8% was achieved
- Proudly SA obtained an unqualified audit report for 2018/19 with a substantial reduction in audit findings compared to 2017/18

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 2019/20 financial year, and below are some of the areas where the campaign fell short for the quarter:

- Proudly SA did not participate in the Nedlac Task team meeting on anti-piracy during Q1
- 10 media engagements were planned but only 8 were done due to the unavailability of some of the media houses





4.3) MEMBERSHIP REPORT FOR Q3 2019/20

Overview

The Proudly South African membership base is growing at a steady pace with 1,543 companies currently registered as members of the Campaign.

In quarter one of 2019/2020, a total of 58 new members were recruited, predominantly from Gauteng at 30, and almost all other provinces except for the Northern Cape.

Quarter one saw 18 members recruited in Manufacturing, and an unprecedented 15 in Food Products. The latter is testament to the membership department's drive in recruiting members in the FMCG space to ensure an increase in the Proudly South African member logo visibility.

Members were mostly recruited as Beneficiary of Diamond companies as well as referrals. The rate of retention of member companies for the current quarter is satisfactory at 83% - largely due to members' support of the 2019 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 1,338%.

QUARTER 1 HIGHLIGHTS

New Members	
Target	50
Achievement	58
Renewal Rate (in percentage)	
Target	80%
Achievement	83%
Database of Local Products and Services	
Target	125
Achievement	1,673
Number currently listed	11,303
Exceeded target (in percentage)	1,338%

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)	
TE	A membership based on a Trade Exchange Agreement	
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
	Direct	Enquiry received directly from organisation interested in membership
	Event	Leads generated from Proudly South African's presence at events
	Lead Origin	The platform from whence a lead originates
	Referral	Referral of a company from an internal or extra stakeholder

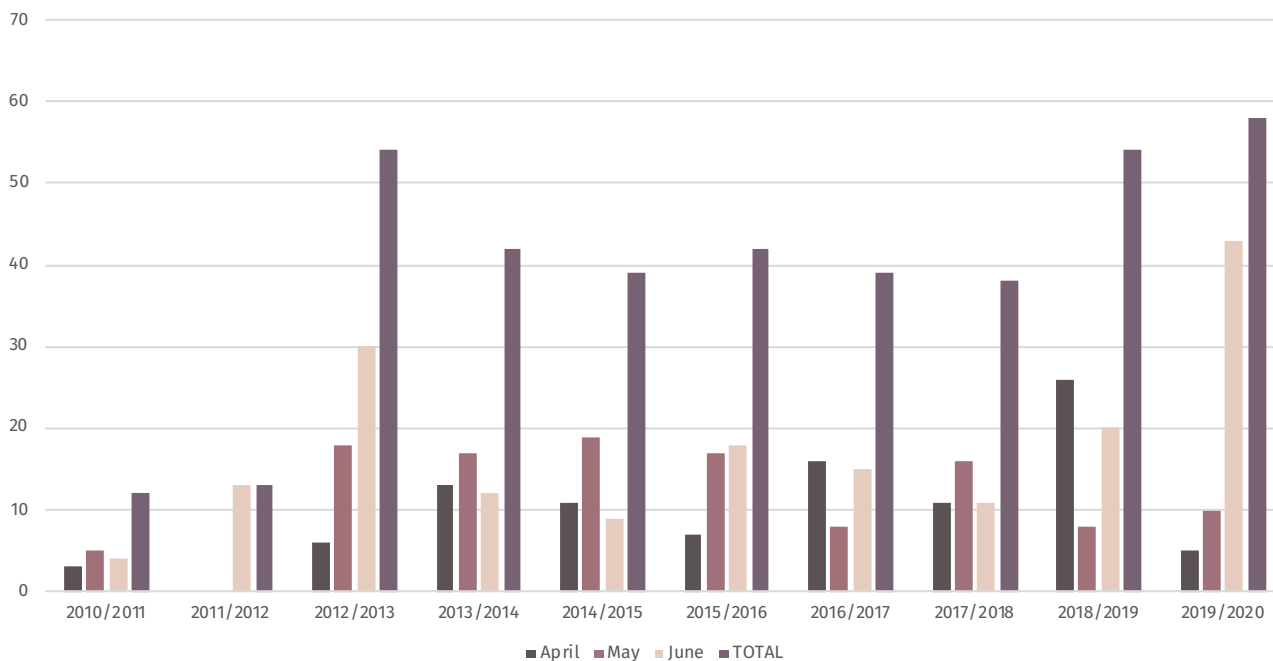
2019/2020 Q1 NEWLY-RECRUITED MEMBERS

Year-on-year Comparisons: 2010/2011 to 2019/2020

Month	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
April	3	0	6	13	11	7	16	11	26	5
May	5	0	18	17	19	17	8	16	8	10
June	4	13	30	12	9	18	15	11	20	43
Total	12	13	54	42	39	42	39	38	54	58

GRAPHICAL REPRESENTATION

Year-on-year Comparison: 2010/2011 to 2019/2020



2019/2020 Q1 NEWLY-RECRUITED MEMBERS

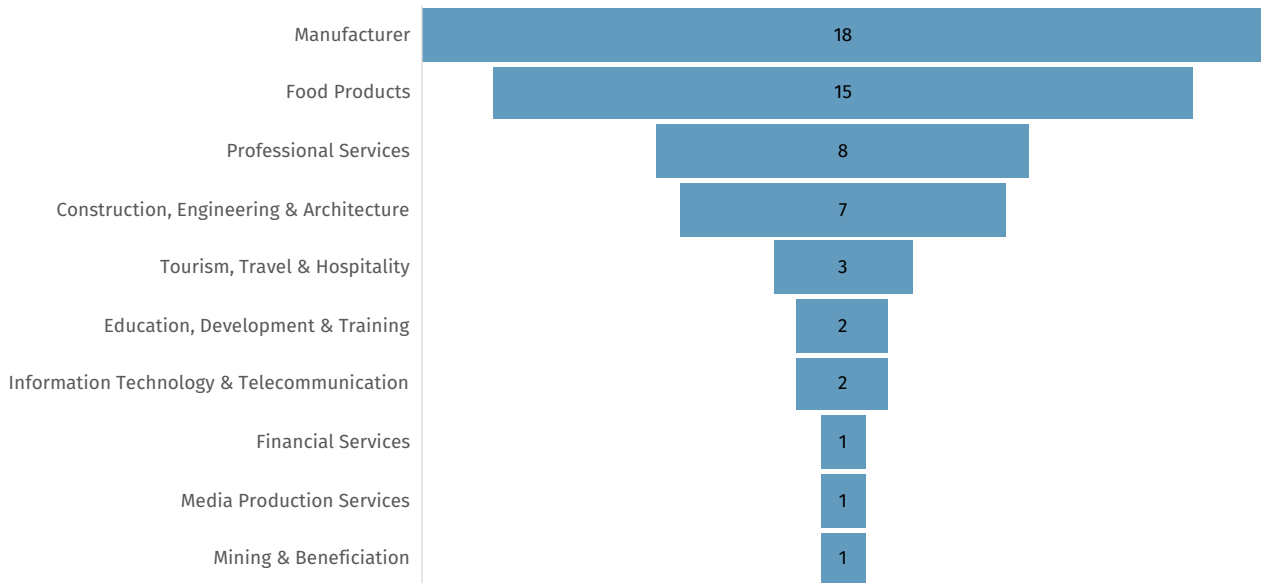
COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
APRIL				
Bakgatla Holdings	Professional Services	Gauteng	SMME	Consultant-generated Lead
Curlicure (Pty) Ltd	Manufacturer	Western Cape	SMME	Enquiry
Trade Now no 147 CC	Food Products	Limpopo	SMME	Enquiry
Tsheto Leadership & Coaching Academy	Education, Development & Training	Gauteng	SMME	Consultant-generated Lead
Zyteq Fire (Pty) Ltd	Manufacturer	Western Cape	SMME	Referral
MAY				
Borabogolo Designs	Manufacturer	Gauteng	SMME	Event
GAD Consulting Services Inco	Education, Development & Training	Gauteng	SMME	Referral
K2014040167 South Africa Proprietary Limited	Professional Services	Gauteng	SMME	Referral
Konempire (Pty) Ltd	Food Products	Western Cape	SMME	Consultant-generated Lead
Nogana Ramathetse Tours & Transport	Tourism, Travel & Hospitality	Gauteng	SMME	Consultant-generated Lead
Nyeleti Travel Agency (Pty) Ltd	Tourism, Travel & Hospitality	Gauteng	SMME	Consultant-generated Lead
Shiva Media	Food Products	Gauteng	SMME	Referral
Shugaz Fashion and Textiles	Manufacturer	Gauteng	SMME	Referral
SmartDigital Solution (Pty) Ltd	Information Technology & Telecommunication	Gauteng	SMME	Consultant-generated Lead
TheUrbanative	Manufacturer	Gauteng	SMME	Referral

COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
JUNE				
#colourofwine	Food Products	Gauteng	SMME	Referral
4 Packaging Africa (Pty) Ltd	Media Production Services	Gauteng	SMME	Beneficiary of Diamond
Apple Tree Natural (Pty) Ltd	Food Products	Gauteng	SMME	Referral
Artsolar	Manufacturer	KwaZulu-Natal	SMME	Consultant-generated Lead
AV Data Architecture & Services (Pty) Ltd	Food Products	Western Cape	SMME	Referral
AW Engineering (Pty) Ltd	Construction, Engineering & Architecture	Western Cape	SMME	Beneficiary of Diamond
Belluca	Food Products	Limpopo	SMME	Referral
BLK Tax (Pty) Ltd	Manufacturer	Gauteng	SMME	Event
Blossom Foods CC	Food Products	Mpumalanga	SMME	Beneficiary of Diamond
Closeal Manufacturing cc	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Diversifex 592 (Pty) Ltd	Professional Services	Gauteng	SMME	Beneficiary of Diamond
Excserpro	Construction, Engineering & Architecture	Mpumalanga	SMME	Beneficiary of Diamond
Fruti Bevs (Pty) Ltd	Food Products	North West	SMME	Beneficiary of Diamond
Green Golden Group	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
Green Output Solutions (Pty) Ltd	Professional Services	Gauteng	SMME	Beneficiary of Diamond
Isibusiso Holdings	Construction, Engineering & Architecture	Free State	SMME	Beneficiary of Diamond

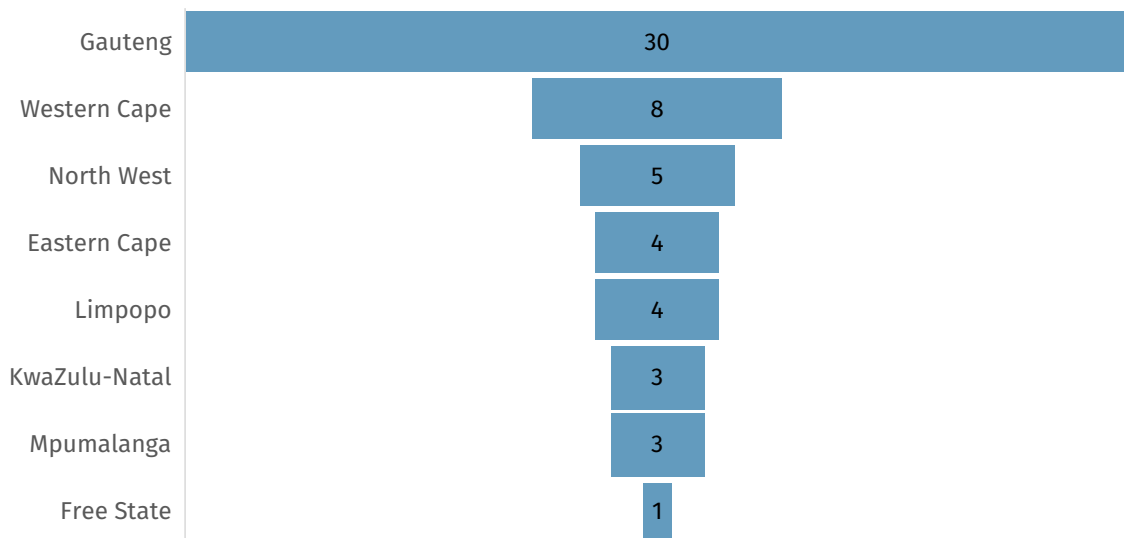
COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
JUNE continued				
J9 Wines	Food Products	Western Cape	SMME	Referral
KCM Environmental Services (Pty) Ltd	Professional Services	KwaZulu-Natal	SMME	Beneficiary of Diamond
Khanyile Solutions cc	Manufacturer	Gauteng	SMME	Beneficiary of Diamond
La Leona (Pty) Ltd	Food Products	Western Cape	SMME	Referral
Lemondela CC	Food Products	Limpopo	SMME	Consultant-generated Lead
Masa Risk Advisory Services (Pty) Ltd	Professional Services	Gauteng	SMME	Referral
Mather & Platt	Manufacturer	Gauteng	SMME	Consultant-generated Lead
Mati Hydro (Pty) Ltd	Food Products	Gauteng	SMME	Beneficiary of Diamond
Mohau Letau Business Management Consultants (Pty) Ltd	Construction, Engineering & Architecture	Gauteng	SMME	Beneficiary of Diamond
Motalane Mining cc	Mining & Beneficiation	Gauteng	SMME	Beneficiary of Diamond
Ozzys Eco Decor	Manufacturer	Eastern Cape	SMME	Beneficiary of Diamond
Pati - Passion (Pty) Ltd	Manufacturer	Gauteng	SMME	Referral
PLK Group (Pty) Ltd	Professional Services	Limpopo	SMME	Consultant-generated Lead
Profecia IT (Pty) Ltd	Information Technology & Telecommunication	Eastern Cape	SMME	Beneficiary of Diamond
Rambait Trading Enterprises (Pty) Ltd	Manufacturer	North West	SMME	Beneficiary of Diamond
Recens Development (Pty) Ltd	Food Products	Gauteng	SMME	Referral
Roc and Rac Trading Enterprise	Manufacturer	North West	SMME	Beneficiary of Diamond
SAMAC Engineering Solutions	Construction, Engineering & Architecture	KwaZulu-Natal	SMME	Beneficiary of Diamond

COMPANY	SECTOR	PROVINCE	CLASSIFICATION	LEAD ORIGIN
JUNE continued				
SUPCO (Pty) Ltd	Manufacturer	Gauteng	SMME	Enquiry
Sybil Projects	Construction, Engineering & Architecture	North West	SMME	Beneficiary of Diamond
The Salad Lab (Pty) Ltd	Food Products	Mpumalanga	SMME	Consultant-generated Lead
Travel-Click	Tourism, Travel & Hospitality	Western Cape	SMME	Consultant-generated Lead
Unconventional Media Waste Solutions (Pty) Ltd	Professional Services	Gauteng	SMME	Beneficiary of Diamond
Whoosh Innovation (Pty) Ltd	Financial Services	Gauteng	SMME	Referral
Zito Aluminium & Glass	Manufacturer	Eastern Cape	SMME	Beneficiary of Diamond
Zoe Decor (Pty) Ltd	Manufacturer	Eastern Cape	SMME	Beneficiary of Diamond
Zoe Investments	Construction, Engineering & Architecture	North West	SMME	Beneficiary of Diamond

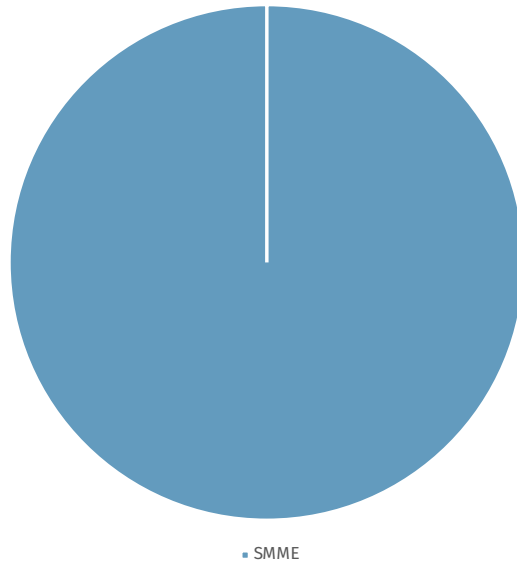
**2019/2020 Q1
NEWLY-RECRUITED MEMBERS BY SECTOR**



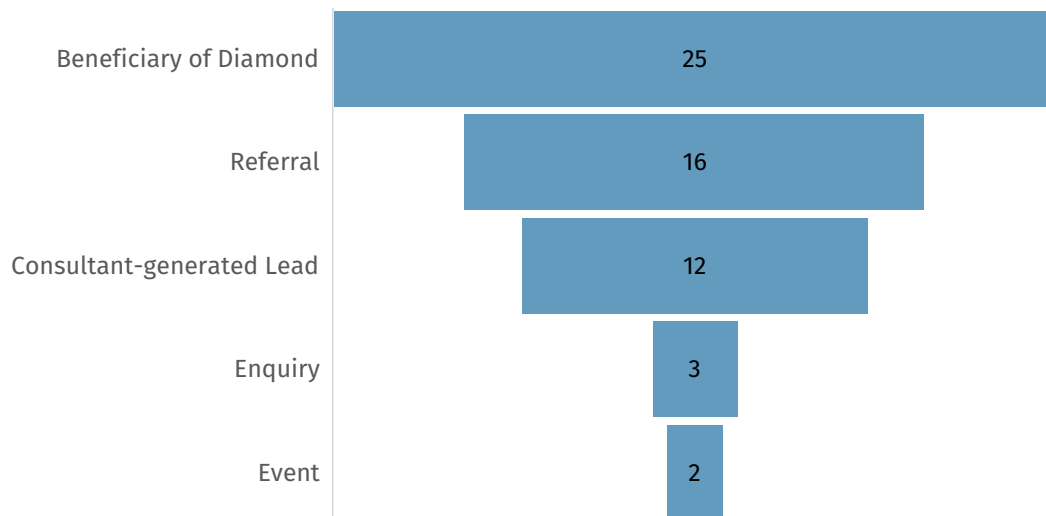
**2019/2020 Q1
NEWLY-RECRUITED MEMBERS BY PROVINCE**



**2019/2020 Q1
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION**

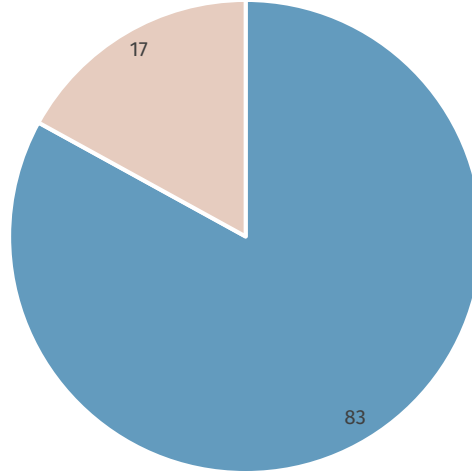


**2019/2020 Q1
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN**



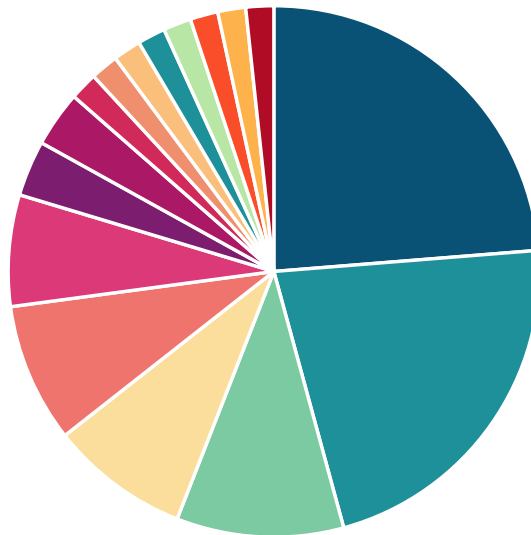
2019/2020 Q1 RENEWING MEMBERS

2019/2020 Q1:
Percentage of Renewing Members versus Members yet to Renew



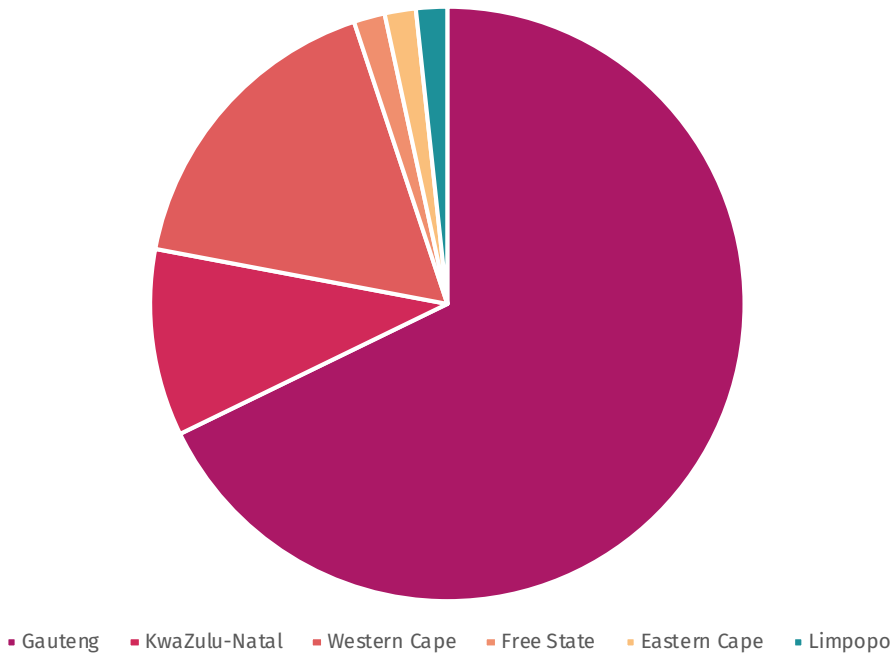
■ 1. Renewing Members ■ 2. Members yet to Renew

2019/2020 Q1 RENEWING MEMBERS BY SECTOR

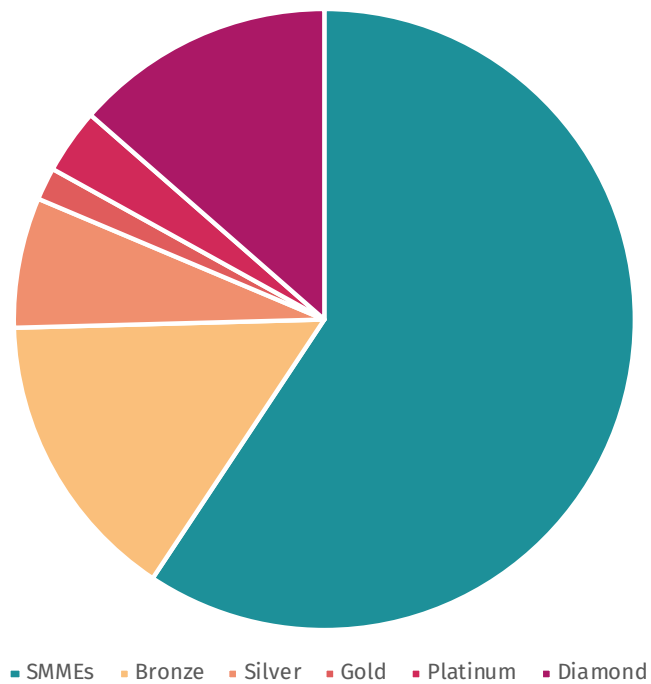


■ Manufacturer
■ Food Products
■ Representative Organisations
■ Education, Development & Training
■ Government
■ Mining & Benefication
■ Tourism, Travel & Hospitality
■ Media, Marketing & Publishing
■ Professional Services
■ Community Organisations
■ Information Technology & Telecommunication
■ Agriculture
■ Media Production Services
■ Financial Services
■ Construction, Engineering & Architecture
■ Crafts & Home Industries

**2019/2020 Q1 RENEWING MEMBERS
BY PROVINCE**



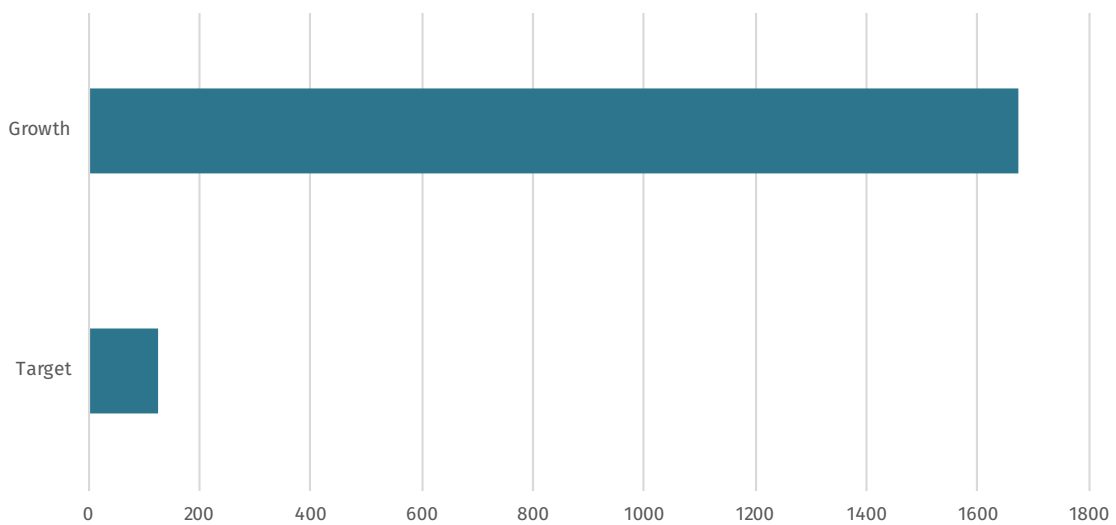
**2019/2020 Q1 RENEWING MEMBERS
BY CLASSIFICATION**



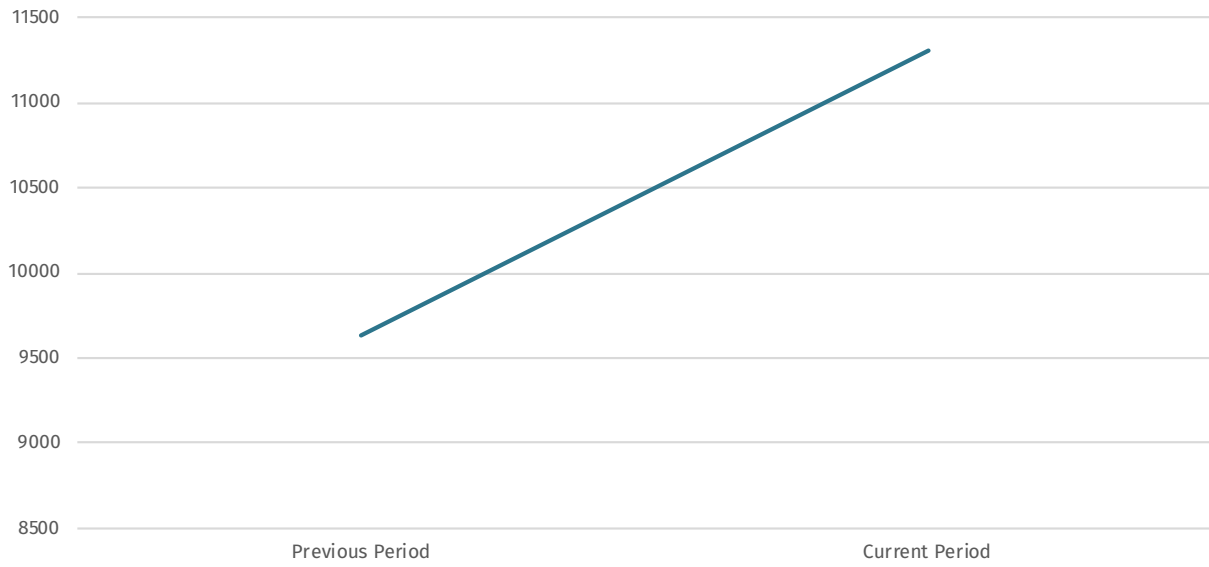
**2019/2020 Q1
PROUDLY SOUTH AFRICAN DATABASE
OF LOCAL PRODUCTS AND SERVICES**

PROUDLY SOUTH AFRICAN DATABASE	
Period	Number of Products and Services
Previous Quarter: 2018/2019 Q4	9,630
Current Quarter: 2019/2020 Q1	11,303
Current Period: 2019/2020 Q1	
Target	125
Number of Products and Service Added	1,673
Target exceeded by 1,338%	

**2019/2020 Q1:
DATABASE OF LOCAL PRODUCTS AND
SERVICES TARGET V GROWTH**



**2019/2020 Q1:
DATABASE OF LOCAL PRODUCTS AND
GROWTH COMPARED WITH PREVIOUS PERIOD**

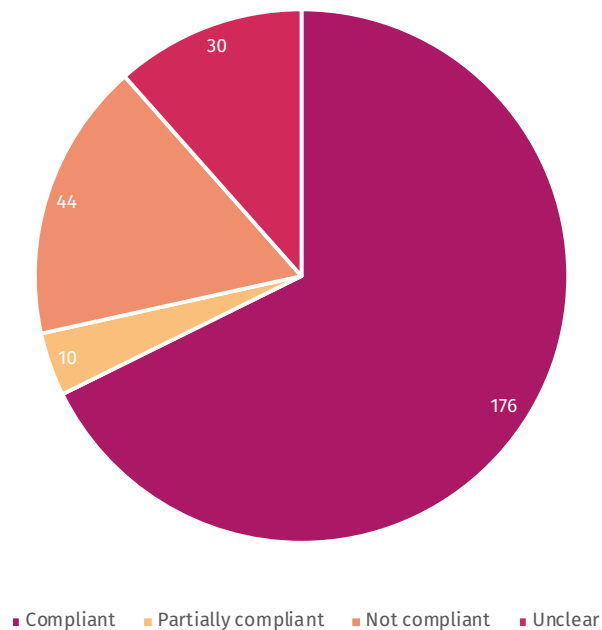


4.4) TENDER MONITORING REPORT

2019/2020 Q1 2019/2020 Q1 TENDERS DESIGNATED FOR LOCAL CONTENT

2019/2020 Q1 Tenders Designated for Local Content					
	April	May	June	Quarterly summary	
Monthly total	63	20	177	Total	260
Compliant		41	17	118	176
Partially compliant		4	1	5	10
Not compliant		18	2	24	44
Unclear		0	0	30	30
Compliance rate for 2019/2020 Q1 = 68%					

2019/2020 Q1: TENDERS DESIGNATED FOR LOCAL CONTENT



4.5) Highlights for the quarter

EVENTS AND ACTIVATIONS



The Rand Show, Gauteng, 19-28 April 2019

The Rand Show is the province's premier consumer expo. The consumer show displays an array of offerings in the building, construction, home furnishings and home textiles, architecture and design, sports, and real estate industries. The show revolves around families, their lifestyles and living spaces. Providing access to market opportunities for Proudly SA member companies, and generating a significant number of leads for membership, the show was also a consumer education opportunity for the buy local campaign. Members that joined Proudly SA were Sihle's Brew, Okubababayo, and Jen-Til Touch all of whom who made great sales through this platform.

Attendance at the event: 400 000

Target Audience: Business owners, start-up businesses, consumers, Proudly SA member companies

Tops at Spar Wine Show

Durban, 9-11 May 2019 & Johannesburg 6-8 June 2019

The Tops at SPAR Wine Show is South Africa's best attended consumer wine event and takes place in seven cities across South Africa - Durban, Johannesburg, Cape Town, Port Elizabeth, Pretoria, East London and Nelspruit. Proudly South African opted to participate in 3 shows in this current cycle, and Durban was the first of this series. Hosted at the Suncoast Globe, the show provided an access to market platform for two member companies, namely La Ricmal and Darling Sweet. Both achieved high consumer sales and good visibility.

At the Johannesburg edition Proudly SA was joined by J9 Wines and The Chocolatiers. The latter in particular enjoyed a great show and large volume sales.

Target audience: Wine estate, consumers.



Source Africa, Cape Town, 12-14 June 2019

The country's leading fabric and textile industry event, Source Africa is an expo of local and overseas manufacturers and features a number of workshops and panel discussions on industry trends and technological issues. These talks and presentations included a high-level seminar presented by leading experts on the topic "State of the South African Clothing and Textile industry" which highlighted government activity and support for improving industry competitiveness. Speakers included Jackie May, Founder of Twyg (Panel Host), Nerisha Jaira, Executive Director of SAFLEC, Simon Eppel, Director of SALRI and SACTWU member and Proudly SA board member Michael Lawrence, Executive Director of National Clothing Retail Federation.

The event included a series of fashion shows including two Proudly South African members, Ledikana and Lust be Original.

Proudly South African exhibited as part of the dti pavilion and utilised the event for membership lead generation.

Reach for this event: 100

Target Audience: Business owners, industry leaders, government officials, buyers, manufactures and suppliers

Manufacturing Indaba, Johannesburg 25-26 June 2019

Proudly South African both exhibited and presented at the 2-day event, held at the Sandton Convention Centre. With the focus on how manufacturing promotes development and boosts the African economy, and the latest innovative technologies and approaches to improve manufacturing activities, the event hosted a ministerial panel, consisting of Pan-African ministers which discussed “Vision to Action: Manufacturing as a Powerhouse of Emerging Countries & Economies”. Strategic partners included the dti, the Manufacturing Circle and the Department of Science and Technology.

Reach for this event: 200

Target Audience: Manufacturing industry professionals, buyers, government, public visitors, international investors



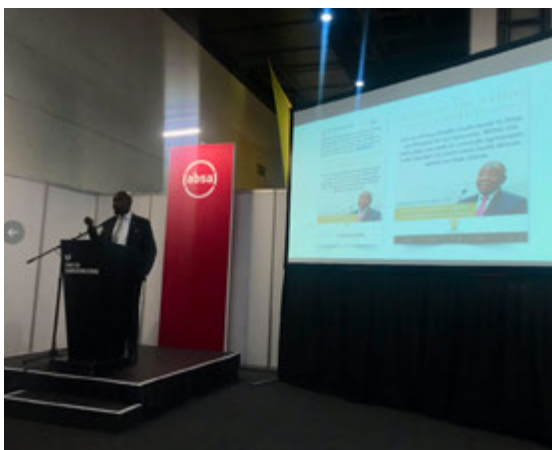
Proudly SA North West Business Forum, 27 June 2019

The North West Business Forum was well attended by 119 established SMME's and entrepreneurs. With the addition of partner regional radio station, North West FM, we were able to reach a wider audience. North West FM also delivered a short presentation as part of the partnership and interviewed CEO live on air.

The office of the MEC sent their newly appointed HOD, Mr Lufuno Tshikovhi to present and Proudly SA member company GAD Consulting Services, represented by Ms Precious Mvulane also spoke. Participating in the panel discussion were Gift Ntsoane from the Department of Small Business Development, David Molefe from the dti, Neo Rampagane from SEDA, Lemogang Ngakantsi from SEFA, and Senyane Moteane from SARS.

Attendance: 119

Target Audience: Business, government, consumers, SMME's



Forbes Africa Under 30 Gathering, Johannesburg, 28 June 2019

Under 30s comprise the majority of South African consumers and cannot be ignored as a significant market segment whose attention we need to capture.

“The future belongs to Africa and the future belongs to its youth,” says Jason Pau, Chief of Staff to international billionaire Jack Ma, co-founder of Alibaba, who added that the journey for young entrepreneurs, especially in Africa, is not always easy. Many start-ups fall by the wayside due to a lack of resources and in this country, it is estimated that the small enterprise failure rate is at almost 80% within the first three years.

What does this mean for the future of our Proudly SA brands and businesses?

Younger consumers are looking for a sense of belonging and resonance in a world in which they are bombarded by brand messages across all social media platforms. Brand success is dependent on companies', products' and brands' ability to empower consumers.

The Forbes 30 Under 30 list is one of the most-anticipated list of game-changers on the continent in the categories of Business, Technology, Creatives and Sport and celebrates pioneers who are building brands, creating jobs, and innovating, leading, transforming and contributing to new industries, in turn, changing the economic and social landscapes of South Africa and the continent.

Speakers and sponsors at the event included FNB Business, Aerobatics, Alexander Forbes, CNBC Africa, Gareth Cliff and Forbes Africa.

The event was a membership recruitment opportunity and 40 leads were generated.

Attendance: 800

Target Audience: Young entrepreneurs, business people, SMME's, media



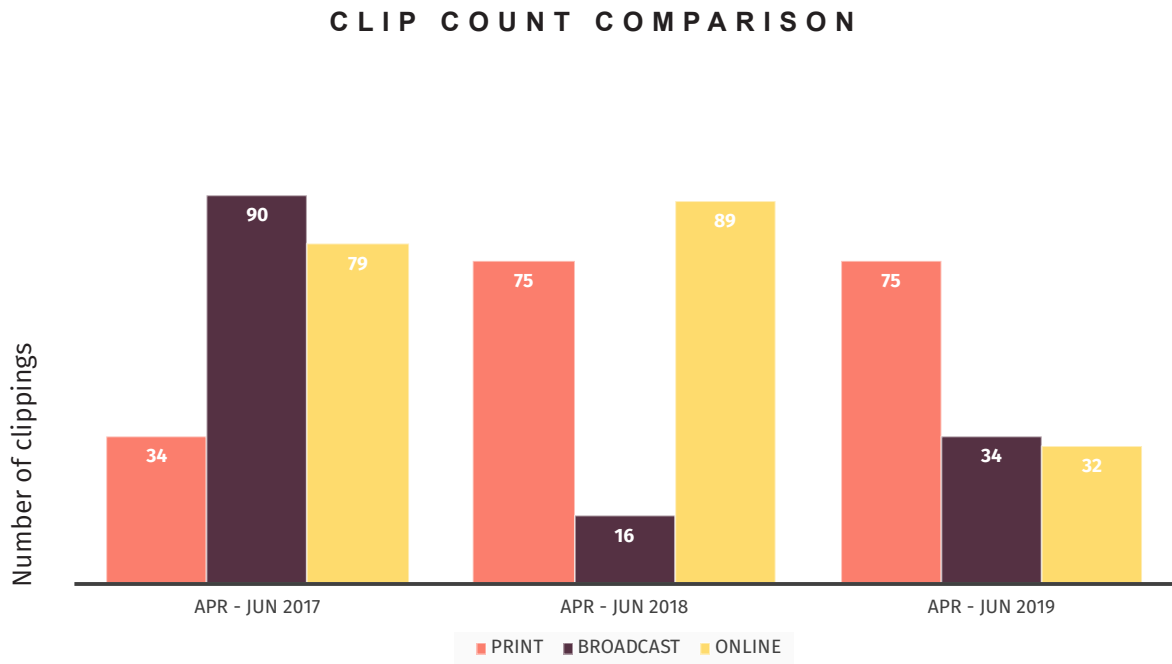
4.6) PR Communications & Media

4.6.1) Summary

PR Activities during the quarter in review focused on member companies as we allowed them to become the newsmakers for the campaign. In addition, we handed over the CEOs weekly column in Independent Media's Business Report to four young people during Youth Month and this was a great success. Our broadcast media presence was greatly enhanced during the quarter in review, especially as we were given access to both the IEC Operations Centre and the President's State of the Nation Address, putting us at the centre of the most talked about events of the quarter.

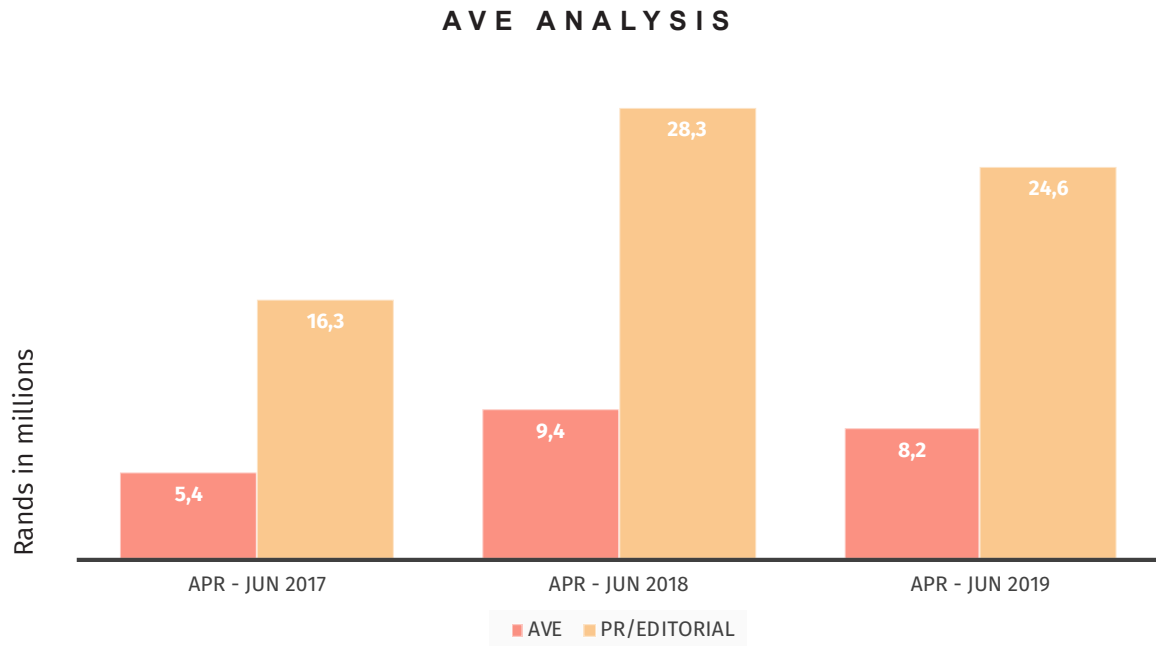
4.6.2) Clip Count Analysis

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 (Apr – Jun 2019). Comparison is made with the same period in 2018 and 2017.



4.6.3) AVE/PR Values

The advertising value equivalency (AVE) is what editorial coverage would cost it were advertising space or time. PR/Editorial value is derived by multiplying the AVE by three. The total AVE value between April and June 2019 is R8.2 million and the PR/editorial value for the same period is R24.6 million.



4.6.4) Press Releases/Op Eds/Media Articles

The following were issued between April and June 2019

No.	Date	Release/Commission	Title
1	April 2019	Commissioned by GCIS	Q&A with the CEO
2	02 April 2019	Business Report Column	Transformation & Job Creation in Agriculture
3	09 April		The Middleman is not economic empowerment
4	16 April	Business Report column	Investment that equals jobs for our country
5	07 May	Business Report column	Why wait for outside approval to hail our own
6	14 May	Business Report column	Don't sit on the fence, sit on a local chair
7	15 May	Press release	Youth Design studio helping businesses grow: SINTU Design
8	21 May	Business Report column	Collective effort is required to create jobs
9	28 May	Business Report column	Youth unemployment an impediment to SA growth
10	04 June	Business Report column	Give youth a voice to change SA for the better - Siyabonga Zungu, Proudly SA Brand Manager
11	05 June	Press release	Proudly SA company SMERGOS champions the needs of disabled
12	11 June	Business Report column	Crying out for change and jobs as anger mounts - Roseline Sefuthi, Unemployed
13	14 June	Press release with dti	Source Africa: Clothing & textiles need fundamental value chains to succeed
14	18 June	Business Report column	Make your skills relevant to opportunities- Sibusiso Mkhwanazi, SINTU Design
15	21 June 2019	Press Release	SONA: When the President said he listened...he really meant it
16	25 June	Business Report column	We should proceed to supply our own light – Kelton Smith, AFDA Student

4.6.5) 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).

No	Name	Date	Notes
1	SABC Sales	03 April	
2 & 3	Bomb Productions	10 & 21 May	Meet series producers/writers
4	Ochre Media	17 May	Meet series producers
5	Multiple media houses	8-10 May	At IEC media and operations centre
6	Mnet/Multichoice	20 May	Programming heads
7	Multiple media houses	20 June	State of the Nation Address

4.6.6) Social Media

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

	08-Apr-19	06-May-19	07-Jun-19
Facebook likes	15 293	15 333	15 410
Facebook followers	15 661	15 702	15 779
Twitter followers	161 697	162 068	162 548
Instagram followers	3 285	3 326	3 390
LinkedIn followers	488	506	537

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
2 April 2019	CSI Handover	Thokoza
4 April 2019	Supreme Poultry Factory Launch	Hartebeesfontein
11 April 2019	Top Co Event	Ekurhuleni
26 June 2019	Small Business Indaba	Sandton
27 June 2019	North West Business Forum	Rustenburg
28 June 2019	Youth Event – Ideas Expo	Tsakane

BRAND MANAGEMENT

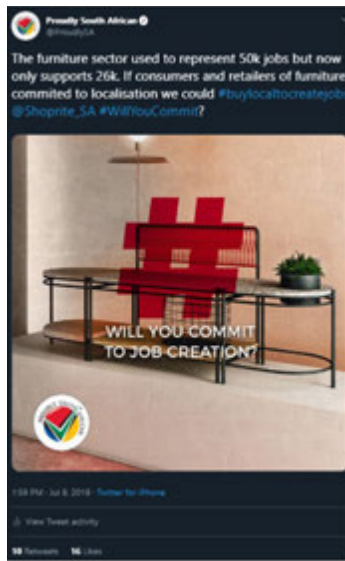
During the Quarter in review we worked on below the line activities that supported the marketing functions. In addition, we worked on internal branding that has provided a support function to the organisation's below the line activities, including sponsorship proposals that will be used to solicit financial support from partners for our various events. Proposals have been created for the 2020 Buy Local Summit & Expo, Women's Day event, the Delicious International Food & Music Festival, amongst others.

The Branding Department's work includes the creation of all the design elements that are needed for every event that the campaign runs, including invitations, programmes, speaker slides and presentations.

Print Advertising



Only one print ad ran during the Quarter in review, which was in Transform SA magazine, designed as a recruitment message for potential new members.



Social Media

The role of social media as an increasingly important tool to spread the buy local message has necessitated the creation of platform specific messages to reach a wider audience and to increase our social media following. The #WillYouCommit campaign was one such example, with a Twitter focus on identified procurers of furniture.



During the Quarter in review we also completed the close out report for the Festive Season above the line campaign which concluded at the end of January, as well as the Buy Local Summit & Expo 2019. The Buy Local Summit close out book is a beautiful coffee table edition that was created as a pictorial and statistical wrap up of the two-day event. The book was created for those sponsors that participated in the 2019 event as well as for prospective sponsors of the 2020 edition of the Summit.

PERFORMANCE FOR THE PERIOD UNDER REVIEW

Performance for the period under review (1 April to 30 June 2019) - Performance against the Annual Performance Plan targets for the quarter

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 (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/Buy SA) activism campaign reaching at least 20 million consumers	*No activities were planned for Q1	*N/A	
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, with radio stations of Tertiary Institutions and/ or youth targeted commercial and community radio stations (programs)	*PR & Below the Line Activities reaching at least 10 million consumers per annum; *At least 6 Activations hosted annually *10 x Youth targeted Radio interviews/ competitions or advertising campaigns per annum	*Reach 1 million consumers during Quarter 1 *No activations were planned for Quarter 1 *No youth activities were planned for Q1	*Reached more than 1 million people through PR activities for SONA, Elections IEC presence, Weekly Column, GCIS commissioned article, Press Releases, Opinion pieces. * N/A * N/A	*Activations to commence during Q2 *Youth Activations to commence during Q2

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 Month</p> <p>*Proudly SA CSI projects</p>	<p>*Participation in at least 12 trade expos per annum;</p> <p>*Roll out of at least 3 major Heritage month activities per annum</p> <p>*At least 2 CSI projects per annum</p>	<p>*At least 3 expos per quarter</p> <p>*No Proudly Heritage month activities planned for Q1</p> <p>*No CSI activities planned for Q1</p>	<p>*4 Expos namely: Tops @Spar Wine Show – DBN & JHB The Rand Easter Show, Manufacturing Indaba Show – JHB</p> <p>*N/A</p> <p>*N/A</p>	<p>*Heritage Month Activities scheduled for Q2 (September)</p> <p>*CSI activities planned for Q2 (Mandela Day)</p>
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<p>Educational roadshows</p> <p>Increase buy-in and support for local procurement by the public sector (all state organs) through:</p> <p>*Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum</p> <p>*Partnership with the 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>*National, provincial and local departments visits – engagement with procurement officers</p> <p>* Presentation to officials in metropolitan councils – engage with local government on localisation</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>* Provincial Public Sector forums in at least 9 provinces</p> <p>*Presentation to at least 2 metropolitan council procurement forums per annum</p>	<p>*No activity planned for Q1</p> <p>*No presentation planned for Q1</p> <p>*No Provincial Public Sector forum planned for Q1</p> <p>*No presentation planned for Q1</p>	<p>*N/A</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>*Tender Monitoring – Number of tenders/RFPs identified by Proudly SA's system, issued for designated sectors/products by public sector entities</p> <p>*CSD Integration – an integration of the Proudly SA database with National Treasury's CSD (Number of Proudly SA companies integrated with CSD)</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 - SCC – "Made in SA" Expo</p>	<p>*At least 1 200 tenders/RFPs for designated sectors/ products identified through the tender monitoring system per annum</p> <p>*Launch of integration of CSD with Proudly SA database, with at least 100 companies registered in Year 1 (2019/20)</p> <p>*At least 1 summit to be held per annum</p> <p>*At least 1 Buy Local Expo held per annum</p>	<p>*300 Tenders/RFPs</p> <p>*No activity planned for Q1</p> <p>*Buy Local Summit planned for Q4</p> <p>*Buy Local Expo planned for Q4</p>	<p>*460 Tenders/RFPs identified and monitored</p> <p>*N/A</p> <p>*N/A</p> <p>*N/A</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>*1 presentation to each BUSA, BBC and BLSA per annum;</p> <p>*Presentations to at least 4 business chambers, associations and/or industry events per annum</p>	<p>*No presentation planned to any of the targeted organizations for Q1</p> <p>*No presentations 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>* Local Procurement Partnerships with large retailers and /or manufacturers;</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 - SCC – “Made in SA” Expo</p> <p>*Sector Specific Workshops</p> <p>*Business Forums with dti and other strategic partners</p> <p>*Proudly SA Events/ Exhibitions/ Expo’s/ Villages at trade expos</p> <p>*SA Premier Business Awards aimed at rewarding SA companies that achieve high levels of excellence in the course of doing business</p> <p>Soliciting and securing of localisation and/or local procurement commitments from the private sector – number of sectors and companies from which commitments are secured.</p> <p>*Implementation of Import Replacement in key industries/products as per the highest imported items into the country, by value</p>	<p>*Partnerships with at least 2 major retailers/manufacturers per annum;</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 x sector specific forums per annum</p> <p>*9 business forums per annum</p> <p>* Participation in at least 12 major trade expos per annum</p> <p>* Co-hosting 1X annual SA Premier Business Awards event (as a partner to the dti)</p> <p>*Secure an industry commitment from at least one major sector per annum</p> <p>*Secure new localisation commitments from at least 5 major corporates per annum</p> <p>* Implementation of Import Replacement in at least one key industry/product per annum</p>	<p>*No partnerships planned for Q1</p> <p>*Buy Local Summit scheduled for Q4 (March '20)</p> <p>*Buy Local Expo scheduled for Q4 (March '20)</p> <p>*No sector specific forums scheduled for Q1</p> <p>*1 business forum scheduled for Q1</p> <p>*3 trade expos scheduled per quarter</p> <p>*Awards scheduled for Q4</p> <p>No industry commitments planned for Q1</p> <p>*No new localisation commitments planned for Q1</p> <p>*No implementation of import replacement (in any key industry/product) planned for Q1</p>	<p>*N/A</p> <p>*N/A</p> <p>*N/A</p> <p>*N/A</p> <p>*NW Business Forum</p> <p>*Tops @Spar Wine Show - DBN & JHB, The Rand Easter Show, Manufacturing Indaba Show - JHB</p> <p>*N/A</p> <p>*N/A</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
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 18 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	*No consumer research study planned for Q1 *One dipstick survey was planned for Q1	*N/A *North West Business Forum survey done	
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 *Monthly 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 monthly – 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; *Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders	Participation in the Nedlac Task team on Anti-piracy at least twice per annum	*1 activity planned for Q1	*Proudly SA was unable to attend the Nedlac Task team meeting on Anti-piracy	*The official that used to represent Proudly SA resigned. A new official nominated to serve on this committee
Growing the database of South African supplier products and services for local procurement	*Grow the number of companies registering on the database.	*500 new products and/or services registered	*125 new products and/or services registered for Q	*1,673 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 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.	*Promotion of database to at least 9 provincial public-sector forums *Promotion of database to at least 9 provincial business forums *Promotion of database to at least 2 business associations or chambers	*No provincial public-sector forums planned for Q1 *1 provincial business forum planned for Q1 *No workshop with a business association or chamber planned for Q1	*N/A *NW Business Forum *N/A	
Strengthening Media relations, PR and social media	*Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof *Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders) *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 *Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns	* Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders * Press releases At least 36 press releases per annum * Media engagement *At least 40x individual media engagements per annum	*100% of Daily monitoring through Newsclip of all coverage on Proudly SA *9 press releases issued per quarter *10 media/editor's meetings per quarter No media meet & greet networking session planned for Q1 *Daily updates on Twitter, Facebook and Instagram done	*We received daily notifications from Newsclip on all activities and coverage on Proudly SA *There were 16 in total. Refer to Press Release section of this report under PR. *8 - Ochre Media, Multichoice, eTV, Bomb Productions (x2), SABC Team, SONA, Newzroom Afrika. *N/A *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 162,000 followers and Facebook has more than 15,780 followers & Instagram has more than 3,390 followers	Due to the unavailability of some of the media houses we were engaging, we had to move the rest of our meetings to Q2.

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q1 target)	Actual Achievement (Q1)	Reason for Variance
	*Increase following on social media platforms and increase in publicity *Major PR activation to increase awareness about the campaign and the "Buy Local" campaign	*Increase following on all social media platforms by 2% per annum *Valentine's Day activation 1 per year on Valentine's day	Increase following on all social media platforms by 2% per quarter *This activation is scheduled to take place during Q4 (Feb '20)	*Facebook = 4,7% Twitter = 1,1% Instagram = 11,4% LinkedIn = 35,3% *N/A	
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	*55 new members recruited during the quarter *80% of all members due for renewal renewed membership	*58 new fully paid up members recruited *83% 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 finalized and updated for the quarter	
*Improvement of accessibility and uptake of locally made products	*Grow the number of products registered on the online shopping platform (RSA Made) – percentage growth annually	*20 % growth in number of products and/or services registered on the platform per annum	*5% growth per quarter	*15.8% growth for Q1	
(Official online shopping platform for Local Products, to be utilized by all online shoppers in SA and abroad wishing to buy locally made products)	*Growth in sales of products on the online shopping platform (RSA Made)	*30% growth in sales on the RSA Made platform year on year	7.5% growth per quarter	36% reduction, quarter 1 (2019/20) versus quarter 4 (2018/19)	The focus for the platform was on increasing the number & range of products, prior to commencing with a marketing & sales drive

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	
	*Percentage of critical positions filled	*All (100%) critical positions filled at all times	*All (100%) critical positions filled during the quarter	*A vacancy arose for the Head of HR & Administration, and processes commenced to fill this position. All other critical positions filled during the quarter.	
Performance Management	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 2019 to July 2020. Performance across all departments is not lesser than 70%	100% compliance	100% compliance	
Quality Management System in place	ISO 9001-based system in place and organisational activities in line with the system policies, processes and procedures	Migrate to ISO9001 of 2015 Standard and monitor continued compliance to the requirements	100% compliance	100% compliance. Surveillance audit conducted by SABS	
Compliance to Statutory Requirements	Comply with SARS, Employment Equity, and Occupational Health and Safety 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. All required submissions done and certificates of compliance received from Dept. of Labour and SARS	

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		Does the audit committee review the following:				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
			• The effectiveness of internal control systems;	X			
			• The effectiveness of internal audit;	X			
			• The risk areas of the entity's operations to be covered in the scope of internal and external audits	X			
			• The adequacy, reliability and accuracy of financial information provided to management and other users of such information	X			
			• Any accounting and auditing concerns identified as a result of internal and external audits	X			
			• The entity's compliance with legal and regulatory provisions	X			
			• The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and	X			
			• Where relevant, the independence and objectivity of the external auditors.	X			
	TR 27.1.10(a)		Does the audit committee report and make recommendations to the accounting authority?	X			The Audit committee does report and make recommendations to the Board on a quarterly basis
	TR 27.1.13		Does the audit committee meet annually with the Auditor-General or external auditor to ensure that there are no unresolved issues of concern?	X			The Audit committee meets with the external auditors prior to and after completion of external audits

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 27.2.1		<ul style="list-style-type: none"> Are risk assessments conducted regularly to identify the public entity's emerging risks? Does the public entity have a risk management strategy (including a fraud prevention plan) to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks? If there is a risk management strategy, is it communicated to all employees? 	X X 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 X			<p>The internal Audit plan approved by the Audit committee is a rolling 3-year plan</p> <p>All internal audit reports are tabled at the Audit Committee and the Auditors report to the committee on all their work, including tabling their quarterly progress against the approved audit plan</p>
	TR 27.2.10		<p>Does the internal audit function evaluate the following:</p> <ul style="list-style-type: none"> The information systems environment; The reliability and integrity of financial and operational information; The effectiveness of operations; Safeguarding of assets; and Compliance with laws, regulations and controls 	X			As part of the annual internal audit plans, the areas referred to herein, are included for audits. They are therefore evaluated (audited) annually and reported once these specific audits are concluded

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

PFMA 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. 	X			<ul style="list-style-type: none"> The budget and cash flow for the financial year were submitted to the dti on time The Board has approved the Strategic Plan and it was submitted to the dti and a Business plan was developed based on the approved Strategic plan.
	TR 29.1.1		<p>Does the corporate plan include the following:</p> <ul style="list-style-type: none"> strategic objectives and outcomes identified and agreed upon by the executive authority in the shareholder's compact; strategic and business initiatives as embodied in business function strategies; key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives; a risk management plan; a fraud prevention plan; a materiality/significant framework, referred to in Treasury Regulation 28.15; 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 	X			<ul style="list-style-type: none"> The approved strategic plan and business plan has been submitted to the dti as the Executive Authority strategic plan 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.		Does the public entity conclude a shareholder's compact with the executive authority on an annual basis? If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X X			A memorandum of Association (MoA) has been concluded and signed with the dti The draft MoA does detail the key performance measures and the indicators to be attained
2.	53(1)	Annual budgets by non-business Schedule 3 public entities	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities, however Proudly SA does submit its budget to the dti as required as per the MoA
	53(2)		Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dti as per the MoA
	53(3)		Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?		X		Specific to Schedule 3 non business entities and not applicable to Proudly SA however, Proudly SA does not budget for a deficit.
	TR 30.11		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 30.12		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		Does the strategic plan: <ul style="list-style-type: none"> cover a period of three years; include objectives and outcomes as identified by the executive authority; include multi-year projections of revenue and expenditure; include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and include the materiality/significant framework, referred to in Treasury Regulation 28.1.5. Is the strategic plan updated on an annual basis?	X X X X X X			The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations

PFMA for Public Entities: Management of Working Capital

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	38(1)(j)		<p>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?</p>	X			A written assurance is submitted to the dti in the form of a letter confirming compliance with Section 38(1)(j) of the PFMA on a quarterly basis
	51(1)		<p>Does the public entity:</p> <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	<p>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</p> <p>There are currently no major capital projects</p>

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
			<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
2.	55	Annual report and financial statements	Did the public entity submit the following to the relevant treasury, executive authority and Auditor-General within 5 months from the end of the financial year: <ul style="list-style-type: none"> An annual report on the activities of the public entity during that financial year; The financial statements for that financial year after the statements have been audited; The report of the auditors on those statements. 	X X X			The Annual Report, Annual Financial Statements and the Auditors report on the financial statements, are all submitted to the dti on time, as required in the MoA

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

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 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			
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

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 Promoting the country of origin label to improve fair and legal trade	Strategic Risk	Insufficient financial resources to roll out consumer education and awareness campaigns to reach wider scale of the market Effectiveness of the current campaigns and lack of measurement thereof Insufficient products available to consumers at point of sale	Major Moderate Major	Common Moderate Likely	High Medium High	Sponsorship and strategic partnerships to implement to consumer education Improved value proposition to attract high value members Dipstick surveys; Post event surveys; Debriefs; Lessons learnt Improved value proposition to attract high value members especially with retailers & manufacturers	Good Good Satisfactory	Medium Low Medium	CFO/MANCO Executive Manager: Marketing & Comms Executive Manager: Membership, Legal & Compliance	Revenue generation strategy to be implemented Stakeholder engagement Membership to convert/approach former members	CFO/MANCO Executive Manager: Membership, Legal & Compliance	Ongoing 31 March 2020 Ongoing
	Growing the database of South African supplier products and services for local procurement	Strategic Risk	Lack of segmentation of the target market and content of the material presented Insufficient manufacturing major players coming on board and not all sectors are covered	Moderate Major	Moderate Likely	Medium High	Segmentation of public and private sectors & consumers Focused membership/recruitment drive; Improved value proposition to attract high value members	Very good Satisfactory	Low Medium	MANCO Executive Manager: Membership, Legal & Compliance	Integration with National Treasury's CSD Maintaining current efforts (clothing retail) and increasing focus on the FMCG	Executive Manager: Membership, Legal & Compliance Executive Manager: Membership, Legal & Compliance; Executive Manager HR & Administration	31 March 2020 31 March 2020

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	Moderate	Medium	Training to implement best practices	Satisfactory	Low	Executive Manager: Membership Legal & Compliance; Manager HR & Administration	Monitoring the regulation/compliance Creating internal capacity within the organisation	Executive Manager: Membership Legal & Compliance; Manager HR & Administration	31 March 2020
	Financial Management	High-level Operational Risks	Business Continuity	Major	Moderate	Medium	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	31 March 2020
			Fraud & corruption	Major	Moderate	Medium	Fraud prevention plan; Tip-offs anonymous; Procurement Policy; Delegation of Authority	Satisfactory	Medium	CFO/CEO			Ongoing
			Lack of IT capacity and intelligence	Moderate	Moderate	Medium	Website with the search facility; IT Framework & Strategy	Satisfactory	Low	CEO	From smart partnerships with stakeholders	CEO	Ongoing

PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

No.	Finding	Corrective Action (Plan)	Status
1.	Completeness of operating expense as invoice not recorded on the general ledger	AFS were adjusted accordingly. Management will ensure that all invoices are recorded in the accounting records on the accrual basis	Completed
2.	Invoice recorded in the incorrect accounting period	AFS were adjusted accordingly. Management will ensure that all transactions are recorded in the correct financial period, and that adequate internal control processes are put in place to identify such transactions.	Completed
3.	Supplier invoiced Proudly SA amount higher than the signed trade exchange agreement	AFS were adjusted accordingly. Management will ensure that supporting documents are reviewed against invoices supplied for payment before being processed.	Completed
4.	Accuracy of leave days used to accrue for leave pay	Management will ensure that a regular reconciliation is performed between the leave schedule and leave forms and the accrual calculation is accurate and complete.	Completed
5.	Reassessment of useful lives incorrectly calculated	AFS were adjusted accordingly	Completed
6.	Assets not tagged on the fixed asset register	All identifiable items will be tagged	Completed
7.	Minutes of meeting not signed by the respective chairpersons	Minutes have since been signed. The Board secretariat will ensure that all minutes of meeting are signed by the respective chairpersons	Completed
8.	Duplicate invoices recorded in the general ledger	AFS were adjusted accordingly	Completed
9.	Incorrect aging of the creditors balances as payments are incorrectly allocated	This is SAP problem and the SAP service provider has been advised of the problem and they are in the process of resolving the problem	Completed
10.	Balance as per the creditor's statements does not agree to the age analysis	Additional information was provided to the auditors to resolve this finding. Management will ensure that creditors' reconciliations are performed on a regular basis and all variances are immediately resolved	Completed
11.	Incorrect apportionment of revenue received in the current year and revenue received in advance	AFS were adjusted accordingly AND a process was developed and implemented to address the audit finding	Completed
12.	No Sponsorship agreements in place for revenue received	Contracts will be signed between Proudly SA and sponsors	Completed

FINANCIAL REPORT

Financial report - Income and expenditure vs budget (Quarter 1 – 1 April to 30 June 2019)

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 2019) Rands	YTD Variance (31 March 2019) Rands
INCOME								
Membership Fees	970,000	569,870	(400,130)	(41%)	Various leads are being followed up, more smaller value members were recruited	3,880,000	569,870	(3,310,130)
Grant – the dti	15,000,000	15,000,000	0	0%		32,623,000	15,000,000	(17,623 000)
Project based funding - UNOPS	0	0	0	0%		0	0	0
Sponsorship	0	0	0	0%		16,500,000	0	(16,500,000)
Other Income	0	107,128	107,128	100%	Interest income & sale of promotional items	0	107,128	107,128
Total Income	15,970,000	15,676,998	(293,002)	(1.8%)		53,003,000	15,676,998	(37,326,002)
EXPENDITURE								
HR and Staffing costs	5,870,495	5,903,718	(33,223)	(0.5%)	Timing nature of certain cost elements	24,371,978	5,903,718	18,468,261
Administrative costs	1,579,668	1,180,111	399,557	25%	Timing nature of certain cost elements	6,855,797	1,180,111	5,675,686
Membership costs	120,689	10,694	109,996	91%	Cost cutting exercise undertaken,	482,758	10,694	472,064
Marketing costs	450,000	419,702	30,298	7%	Timing nature of certain cost elements	19,840,725	419,702	19,421,023
Capital Expenditure & IT	429,936	450,487	(20,551)	(5%)	Timing nature of certain cost elements	1,451,742	450,487	1,001,255
Total Expenditure	8,450,788	7,964,711	486,077	6%		53,003,000	7,964,711	45,038,289

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