

QUARTERLY REPORT

1 APRIL - 30 JUNE 2020

Quarter 1

2020/21 Financial Year



PROUDLY
SOUTH AFRICAN





PROUDLY SOUTH AFRICAN
Quarterly Report for Q1 (1 April to 30 June 2020)

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: ___/___/2020	Rank: Chairperson	Date: ___/___/2020

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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.
SOEPF	State Owned Enterprises Procurement Forum
DTIC	Department of Trade and Industry, a national government department in the Republic of South Africa.
The Summit	The Local Procurement Summit & Expo.
UN	The United Nations

EXECUTIVE SUMMARY

This report covers the period 1 April – 30 June 2020 and focuses on various highlights during the period:

The start of the quarter in review coincided with the stark reality of the South African lockdown, in response to the global coronavirus pandemic. It soon became apparent that buying local would not only be preferable as we supported local businesses, but also in many cases, as ports of entry were blocked and supply chains were increasingly constrained, it was local products that sustained us on retail shelves.

As the economic impact of lockdown quickly became evident, the campaign crafted a response in line with our mandate as the country's official Buy Local Campaign that would support our various stakeholders and entities and that could strengthen the value proposition for our member companies.

This response included:

Joining B4SA in all their efforts to strengthen the country's manufacturing base for the provision of required PPE and other life-saving devices during this pandemic period.

We created Covid-19 related portals hosted on our www.proudlysa.co.za website, as a marketplace to increase accessibility of locally made products for the private sector.

The first portal responded to the urgent need for non-medical grade (fabric) masks and to the need for the many companies that re-purposed machinery, staff and other resources in their existing operations to the manufacture of these items, to gain access to market. The information on the portal relied on the additional support and guidelines provided by the dtic, SACTWU and the Clothing Bargaining Council. Our PR

and marketing efforts around publicising the portal gained us a lot of media traction and helped drive traffic to the portal, which resulted in much needed exposure and sales for the companies on the portal.

During Q2 we will extend face masks to include visors and face shields.

In addition to adding hand sanitiser as well as surface detergents and disinfectants to the portal, we also included a site to assist the CTFL sectors with babywear and blanket suppliers, with the onset of the winter months.

We increased the keywords in our tender monitoring system to incorporate all the words related to PPE, as clothing and textiles are designated for local content at 100% for the public sector. Together with our strategic partners in the dtic and SACTWU, our levels of engagement with the public sector increased during this period, enabling us to intervene in more public sector tenders.

We conceptualised our consumer education campaign, which was part of the economic response to the Covid-19 pandemic and particularly its impact on the economy and job losses. A critical component in the new campaign was the creation of a tv commercial that would have the largest reach across all tv channels. The commercial was conceptualised, shot and produced during the quarter in review and the initial placement and flighting schedules began at the beginning of Q2.

Broadcasting airtime for the advert was secured on SABC, eTV and DSTV, through trade exchange agreements and as part of their public service announcement responsibilities across most, if not all their channels and includes SABC radio.

We made progress in our retail localisation strategy and continued engaging Shoprite on increasing their levels of local content in their FMCG stores.

We were able to bring on board a 2nd mobile phone manufacturer, namely Mobicel, who introduced their first range of locally manufactured phones in SA.

We brought in six (6) new diamond members namely, British American Tobacco, Kimberly Clark, Tongaat Hulett's Sugar, Mr Price Group, Mobicel and Trelidor as new members, and managed to renew Hisense, Actom and Twizza.

We are part of a joint technical working committee with organised business, specifically BUSA, NBI, BLSA and SAB aimed at ensuring that the business constituency implements the local procurement commitments as contained in the 2018 Jobs Summit Framework agreement.

As lockdown eased, one of the first sectors to re-open was e-commerce and online shopping and so we initiated a mostly social media and PR driven campaign to give our online store, www.rsamade.co.za more prominence and took

the opportunity to call on more members to become vendors and use the platform as an access to an otherwise closed market.

We ended the quarter in review with a slightly eased lockdown but in a worse economic situation than before. Many businesses that are allowed to re-open under level 3 have not survived and the loss of jobs is of grave concern. Proudly SA continues to work to push the buy local message and to highlight the further consequences on the country if we do not.

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 30 June 2020 and considered the following:

- The Chairman provided an update on the pending CCMA cases lodged by the previous Marketing Manager and the HR Manager who were dismissed, following disciplinary processes. The Marketing Manager had also been charged with fraud but the court process had been delayed by the lockdown.
- The Board approved the Quarterly Report and approved its submission to the DTIC.
- The Board acknowledged the communication from the DTIC indicating a 10% reduction in the grant allocation and requested that management rework the budget.
- The Board was appraised of the portals created by the organisation for locally produced PPE, baby clothes and blankets. These portals were marketed to CEO's and Captains of Industry.
- Management was continuing their work to obtain Industry Level local procurement commitments from Business.
- Management was working with the various workstreams set up by B4SA, looking at ways to promote local production.
- The Board was informed of the new advert that was commissioned for the Buy Local campaign which would launch on 3 July 2020.
- The Board considered the recommendation from the Membership, Marketing and Communications Committee and the Finance and Procurement Committee on membership discounts and resolved that Management continue to offer discounts on membership fees as per their discretion. These instances would be reported to the Board.
- The Board agreed that no bonuses would be paid for the financial year and agreed to again review the pending decision on annual salary inflationary adjustments later in the year.

3.2) AUDIT AND RISK COMMITTEE

The members of the Audit and Risk committee did not meet in the first quarter as the Covid-19 lockdown had set back the auditing process (both internal and external year-end audits). The two months extension for submission of Annual Financial Statements, financial year end Audit reports and Annual Reports by public entities was Gazetted by the Minister of Finance on 30 March 2020.

3.3) Finance and Procurement Committee

The members of the Finance and Procurement committee held their meeting on 29 June 2020 and the meeting considered the following:

- The Committee agreed to recommend that the Board take a resolution to give the CEO more leverage to make decisions around discounts and other matters that would have an impact on the finances during the pandemic.
- The Committee anticipated a reduction in the grant amount from the DTIC and await the formal confirmation, in order to realign the Annual Performance Plan and budget.
- The Committee noted the Management Accounts and Cash Flow and it was agreed that the Committee would monitor these on a monthly basis.

3.4) MEMBERSHIP, MARKETING AND COMMUNICATIONS COMMITTEE

The members of the Membership, Marketing and Communications Committee held their meeting on 26 June 2020 and the meeting considered the following:

- The Committee noted the discounts offered to manufacturers of masks from the bargaining council;
- The Committee agreed to recommend to the Board that the CEO and Management be allowed to offer discounts when they see fit and report these instances to the Board. This would be in response to the financial implications caused by the pandemic.
- The CEO indicated that the DTIC had been approached to request if the APP could be amended in light of the COVID 19 pandemic.
- The Committee received the Membership Report.
- The Committee received the Tender Monitoring Report.
- The Committee received the Marketing Report on activities held during the quarter.
- The Committee noted that Proudly SA had developed portals for PPE and Sanitisers for the private sector to procure from.
- Portals were also created for babywear and blankets that could be procured as part of CSI activities for the public sector.
- The Committee received a report on the overview of the work of Business for South Africa and its focus on local production.
- The Committee received the report on the marketing around the promotion of the COVID 19 Portals.
- The CEO reported that management had held many engagements around the Public Procurement Bill and were preparing a submission around localisation in the Public Service.
- Proudly SA was actively seeking localisation commitments from Businesses. Management was hoping to get industry level commitments as it was easier to get commitments this way.

3.5) HR AND REMUNERATIONS COMMITTEE

The members of the HR and Remunerations Committee held their meeting on 26 June 2020 and the meeting considered the following:

- The Committee received and noted reports on Staff Profile, Movements, Training and Development.
- The Committee noted the Organogram. Applications had been received for the vacant Membership Manager, Marketing Manager and HR Manager positions.
- The Committee noted that in terms of Treasury circulars circulated to all state entities, no performance bonuses would be payable for this financial year, and suggested Proudly SA follow suit, for this current financial year. The matter would be discussed further at the Board Meeting;
- The Committee noted the COVID 19 Plans in place, as presented by management, and recommended some changes to them, in order to ensure full alignment with the regulations.

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 during 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 not able to achieve some of its targets as contained in the Annual Performance Plan (APP) for the first quarter of the 2020/21 financial year.

South Africa was compelled to impose a lockdown in response to the Covid-19 pandemic, which curtailed any physical activities. Proudly SA therefore relied on and made use of digital/virtual platforms to convey its buy local messaging.

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

- Above the Line activities reached more than 4.5 million consumers through:
 - A number of TV and radio interviews were done as part of the roll-out plan for Covid-19 PPE, sanitizer & disinfectant portals
- Below the Line activities reached more than 2 million consumers through:
 - A number of media releases
 - Advertising in publications
 - CEO's column, which was done only twice during this period; and
 - Various opinion pieces
- Proudly SA introduced and hosted three (3) online Instagram live sessions for Local Fridays to drive consumer education;
- Proudly SA participated in an online youth summit with Generation Next focusing on supporting locally made products/brands
- The campaign managed to secure 6 new partnership/membership deals with major retailers/manufacturers, namely British American Tobacco, Kimberly Clark, Mr Price Group, Tongaat-Hulett Sugar and Mobicel;
- Proudly SA formed a technical committee with BUSA, NBI & BLSA to secure local procurement commitments in the private sector;
- Proudly SA participated in the B4SA workstreams to increase local manufacturing capacity for PPE and other items required during this Covid-19 pandemic period;
- Proudly SA made a presentation to SACTWU's national and provincial office bearers;
- 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. 331 tenders/request for proposals were identified in Q1 whereas the target was 300;
- The average increase in following on the three (3) social media platforms is in excess of the targeted 2.0%
- Nine (9) press releases were issued to mainstream media during the quarter.
- The target of recruiting 55 new members was achieved as 55 new members were recruited during the quarter under review;
- The database of locally made products and services grew by an additional 247 new products with the database now having 14 769 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 2020/21 financial year, and below are some of the areas where the campaign fell short for the quarter:

- The target of 70% membership retention/renewal rate was not achieved as only 45% was achieved, mainly due to the fact that the renewal process remains a time bound one as various compliance documents are required. The process can take at least 3 months to complete in its entirety. With the tough economic climate exacerbated by Covid 19 pandemic, members are renewing at a much slower pace.
- No member companies have been integrated with National Treasury's CSD due to licensing challenges, and the delay in finalising the required MoU with National Treasury for this.
- Ten (10) media engagements were planned but only nine (9) took place due to the challenges brought about by the Covid-19 regulations.





4.3) MEMBERSHIP REPORT FOR Q1 2020/21

Overview

The Proudly SA membership base grew at a steady pace counting 55 new members in the first quarter. This achievement was largely due to the collaboration between Proudly SA, the National Bargaining Council for the Clothing Manufacturing Industry and the Southern African Clothing and Textile Workers' Union in establishing a marketplace on the Proudly SA website of companies that manufacture cloth facemasks.

Members acquired according to the classifications include the following: 38 SMMEs, eight silver members, six diamond members including British American Tobacco, Kimberly-Clark Professional, The Mr Price Group, Tongaat-Hulett Sugar South Africa Limited, Interactive Trading 266 (Pty) t/a Mobicel, and Trellidor Holdings, and three in the bronze category.

Leads were generated predominantly from referrals from stakeholders including members, sponsors of the Campaign and strategic partners and direct contact made with the Campaign by interested companies. Most new members were acquired in Gauteng (at 22) followed by KwaZulu-Natal (at 20), also Western Cape, Mpumalanga, Eastern Cape and the Free State.

Companies in the manufacturing sector remains the strongest sector to join at 36 followed by Food Products, Professional Services, Information Technology and Telecommunication, Agriculture, Healthcare, Wholesale and Retail Trade, and Representative Organisations.

Proudly SA's local database of products and services exceeded the target of 125 new items by 198%.

The renewal target of 70% was not achieved as only 45% of the Campaign's membership base renewed timeously. It is important to note that not one company has cancelled its membership. Thus, the membership department attributes the delay in renewals due to the economic uncertainty in light of the global pandemic caused by the outbreak of the novel Coronavirus, COVID-19.

Effective measures have been put in place to ensure that there is significant improvement in Proudly SA's membership retention plans for quarter 2 of 2020/2021.

The membership base currently stands at 1,775 member companies.

QUARTER 1 HIGHLIGHTS

New Members	
Target	55
Achievement	55
Renewal Rate (in percentage)	
Target	70%
Achievement	45%
Database of Local Products and Services	
Target	125
Achievement	247

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

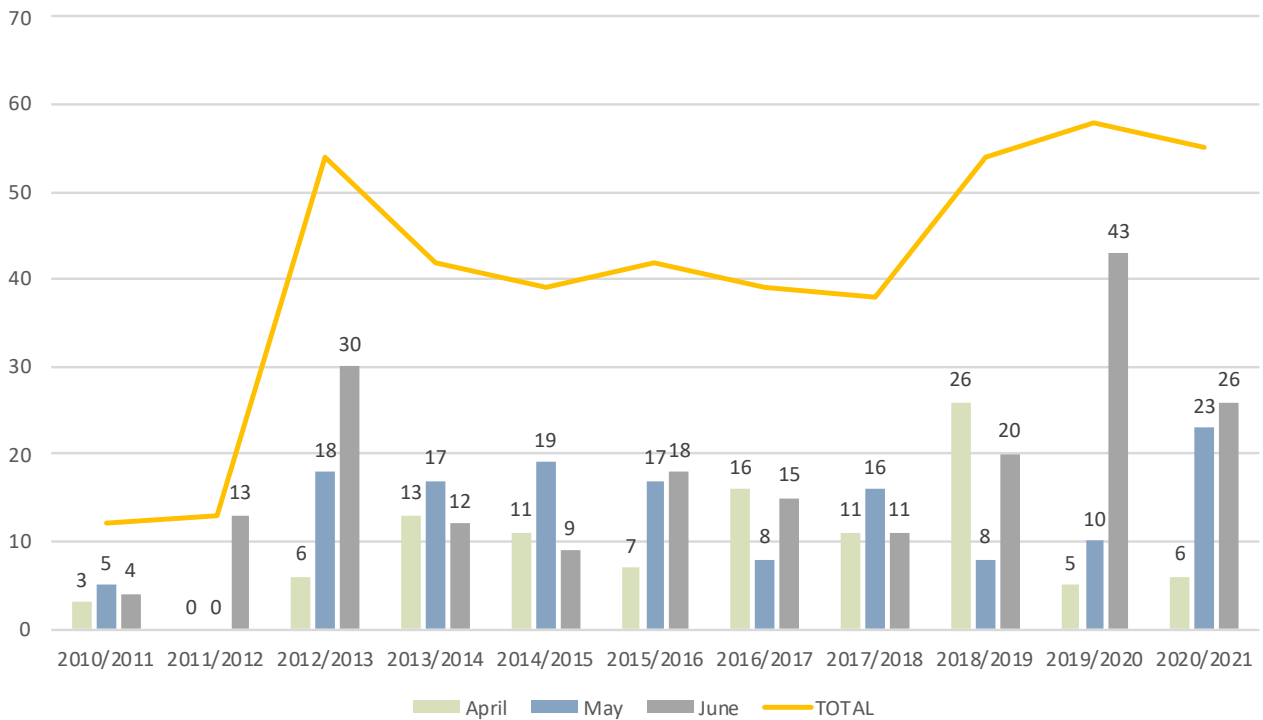
Classification of Members		
Category	SMMEs Small, micro and medium enterprises turning over less than R5 million per annum and organisations including foundations, councils, associations, and not-for-profit institutions	Annual membership fee payable (excluding VAT) R500.00
	Bronze Organisations turning 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 an 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 external stakeholder

2020/2021 Q1 NEWLY-RECRUITED MEMBERS

2020/2021 Q1 Year-on-year Comparisons by Month

MONTH	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
April	3	0	6	13	11	7	16	11	26	5	6
May	5	0	18	17	19	17	8	16	8	10	23
June	4	13	30	12	9	18	15	11	20	43	26
TOTAL	12	13	54	42	39	42	39	38	54	58	55

GRAPHICAL REPRESENTATION YEAR-ON-YEAR COMPARISONS BY MONTH FOR 2010/2011 TO 2020/2021



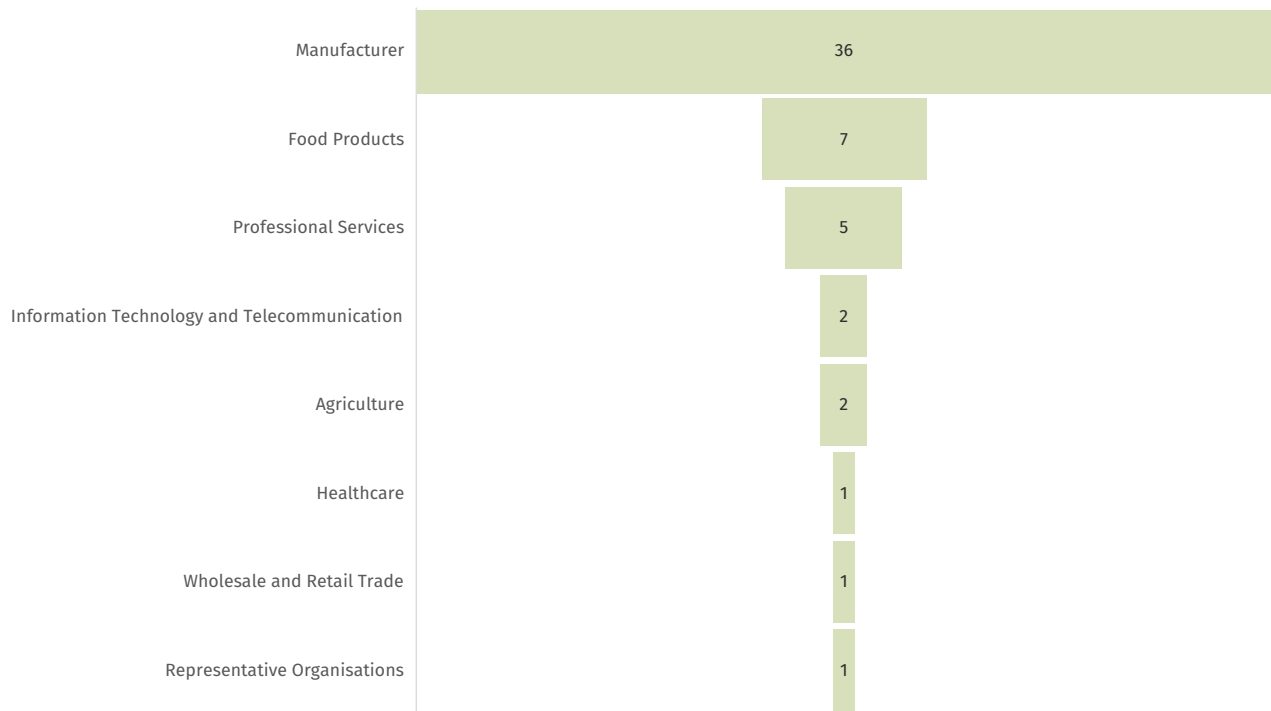
2020/2021 Q1 NEWLY-RECRUITED MEMBERS BY MONTH

Company	Sector	Province	Classification	Lead Origin
April				
Afrolegend Consulting CC	Manufacturer	Gauteng	SMME	Direct
Alva Group (Pty) Ltd	Professional Services	Gauteng	SMME	Event
British American Tobacco	Manufacturer	Gauteng	Diamond	Direct
Guma Protection Services	Professional Services	Gauteng	SMME	Referral
Motley Crew	Manufacturer	Gauteng	SMME	Referral
RHI Trading CC t/a RHI Tents	Manufacturer	Western Cape	Silver	Consultant-generated
May				
Amile Studio Jewellery & Accessories	Food Products	Gauteng	SMME	Referral
Creseldah Educational Foundation t/a CEFPADS	Manufacturer	Mpumalanga	SMME	Consultant-generated
Devprox	Information Technology and Telecommunication	Western Cape	SMME	Direct
Dikgwebo Holdings (Pty) Ltd	Manufacturer	Gauteng	SMME	Referral
Dzuvha	Healthcare	Gauteng	SMME	Consultant-generated
FK Empire	Manufacturer	Gauteng	SMME	Direct
Funky Ouma Gourmet Food (Pty) Ltd	Food Products	Western Cape	SMME	Referral
Gogogqashiya Supplies	Manufacturer	KwaZulu-Natal	SMME	Consultant-generated
HouseCrowd	Professional Services	Gauteng	SMME	Direct
Kalelo Energy Solutions t/a Active Days	Manufacturer	Gauteng	SMME	Direct
Kimberly-Clark Professional	Manufacturer	Gauteng	Diamond	Referral
Lavender in Lavender Hill	Manufacturer	Gauteng	SMME	Direct
Laza Investments (Pty) Ltd	Manufacturer	Gauteng	SMME	Direct
Magwa Enterprise Tea (Pty) Ltd t/a Magwa Tea	Food Products	Eastern Cape	Silver	Direct
Mr Price Group	Wholesale and Retail Trade	KwaZulu-Natal	Diamond	Referral

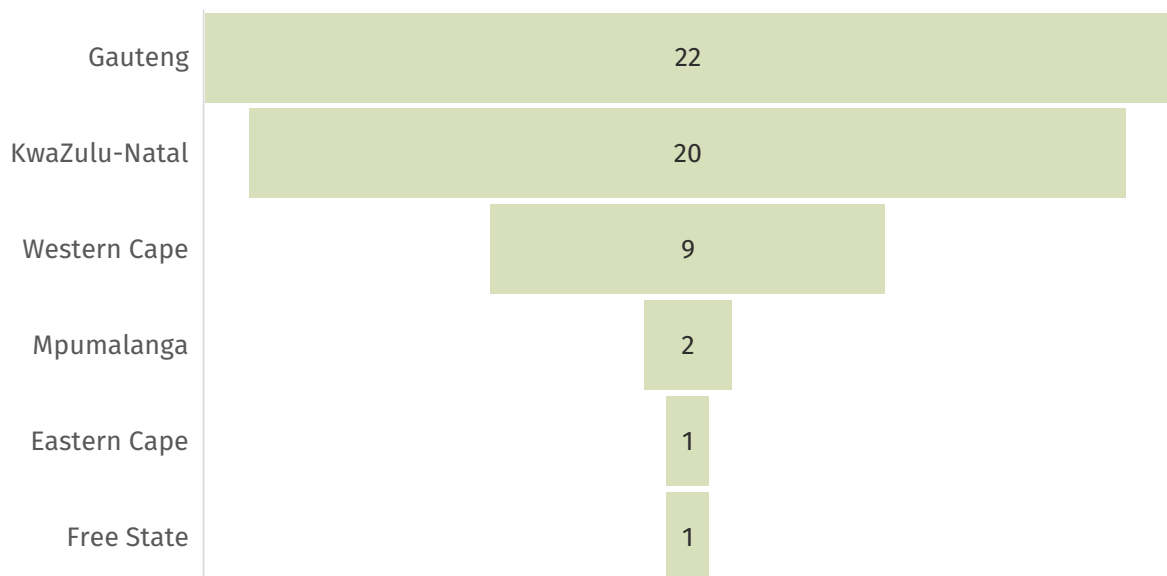
Company	Sector	Province	Classification	Lead Origin
May continued				
Nelco International	Manufacturer	Gauteng	SMME	Referral
Not Going Quietly (Pty) Ltd	Manufacturer	Western Cape	SMME	Direct
Shumayela Holdings (Pty) Ltd t/a Truevines Wines	Food Products	Gauteng	SMME	Referral
Silver-Tec (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Referral
Tombi Trade	Manufacturer	KwaZulu-Natal	SMME	Referral
Tongaat Hulett Sugar South Africa Limited	Agriculture	KwaZulu-Natal	Diamond	Direct
Trellidor Holdings	Manufacturer	KwaZulu-Natal	Diamond	Direct
Vegan Chef	Food Products	Gauteng	SMME	Consultant-generated
June				
Africa Bespoke Apparel t/a ABA	Manufacturer	KwaZulu-Natal	Silver	Referral
CEMS Manufacturing (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Referral
Chem-Science Laboratories (Pty) Ltd	Professional Services	KwaZulu-Natal	SMME	Direct
EUBI Marketing CC	Manufacturer	Western Cape	SMME	Direct
Flexogrip (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Direct
Headwear 24 (Pty) Ltd	Manufacturer	KwaZulu-Natal	Silver	Referral
House of Grads (Pty) Ltd	Manufacturer	KwaZulu-Natal	Silver	Referral
Interactive Trading 266 (Pty) t/a Mobicel	Manufacturer	Gauteng	Diamond	Direct
Joseph Industries (Pty) Ltd	Manufacturer	KwaZulu-Natal	Bronze	Direct
JVA Manufacturing t/a Afri-Tech Trading	Manufacturer	Free State	SMME	Direct
Kingtox CC	Manufacturer	Gauteng	SMME	Direct
Leo Garments (Pty) Ltd	Manufacturer	KwaZulu-Natal	Silver	Referral
Limatouch (Pty) Ltd t/a Body Motion	Manufacturer	Mpumalanga	SMME	Referral

Company	Sector	Province	Classification	Lead Origin
June continued				
Linen Drawer CC	Manufacturer	Gauteng	SMME	Referral
Locality Apparel	Manufacturer	Western Cape	SMME	Direct
Mardouw Investments Za (Pty) Ltd	Agriculture	Gauteng	SMME	Referral
Mark Borgen t/a Flexi Cane Distributors	Manufacturer	KwaZulu-Natal	SMME	Referral
Mciver Apparel (Pty) Ltd	Manufacturer	KwaZulu-Natal	Diamond	Direct
MetaD8ta (Pty) Ltd	Professional Services	KwaZulu-Natal	Diamond	Direct
Ritela (Pty) Ltd	Food Products	Gauteng	SMME	Consultant-generated
Saisha's Trading t/a Deep Horizon	Manufacturer	KwaZulu-Natal	Silver	Referral
SBW Wines (Pty) Ltd	Food Products	KwaZulu-Natal	SMME	Referral
South African Footwear and Leather Export Council t/a SAFLEC	Representative Organisations	KwaZulu-Natal	SMME	Direct
Stockza	Information Technology	Gauteng	SMME	Direct
Turning Point	Manufacturer	Western Cape	SMME	Referral
Vainquer Bags (Pty) Ltd	Manufacturer	Western Cape	SMME	Direct

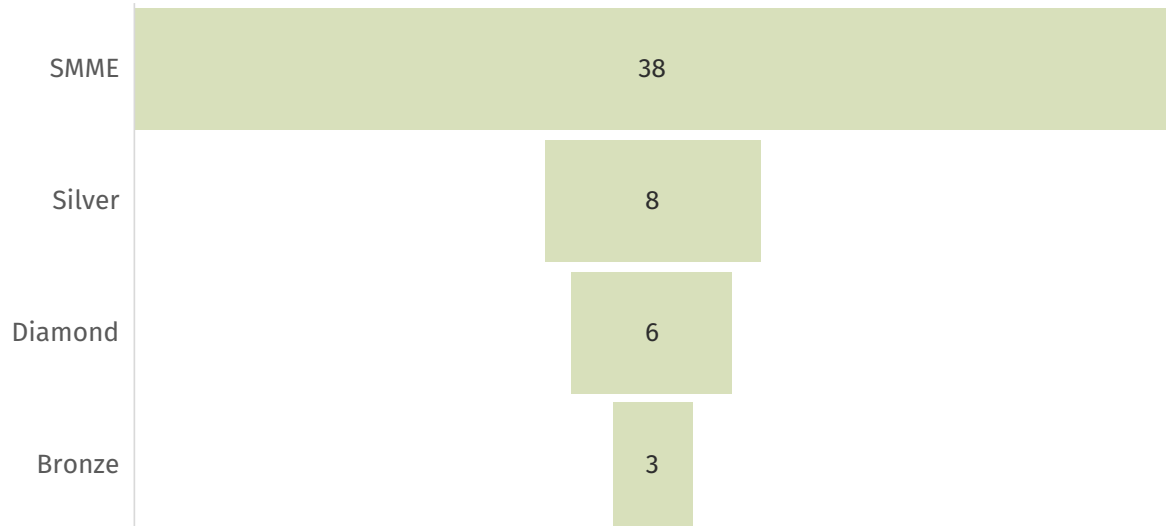
**2020/2021 Q1
NEWLY-RECRUITED MEMBERS BY SECTOR**



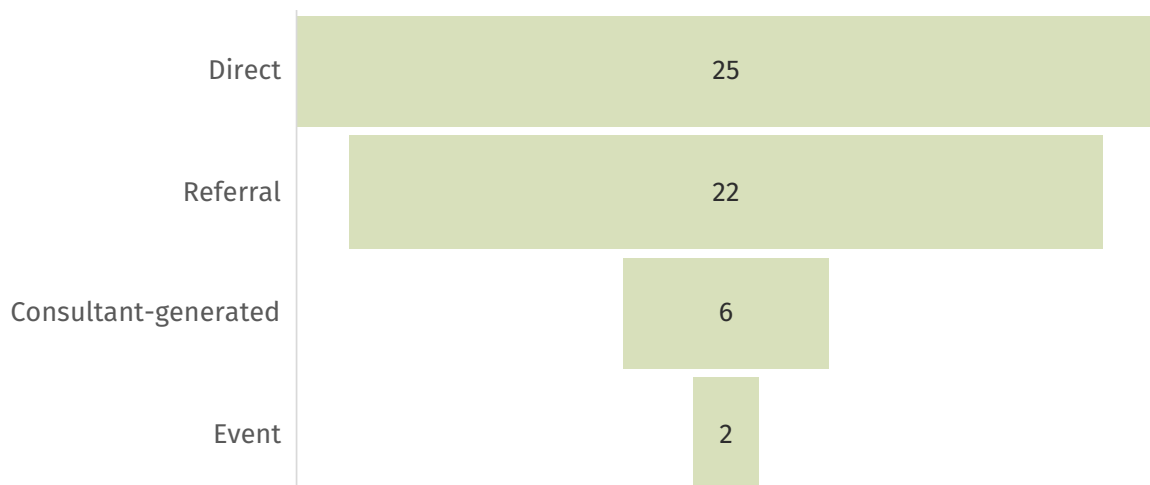
**2020/2021 Q1
NEWLY-RECRUITED MEMBERS BY PROVINCE**



**2020/2021 Q1
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION**



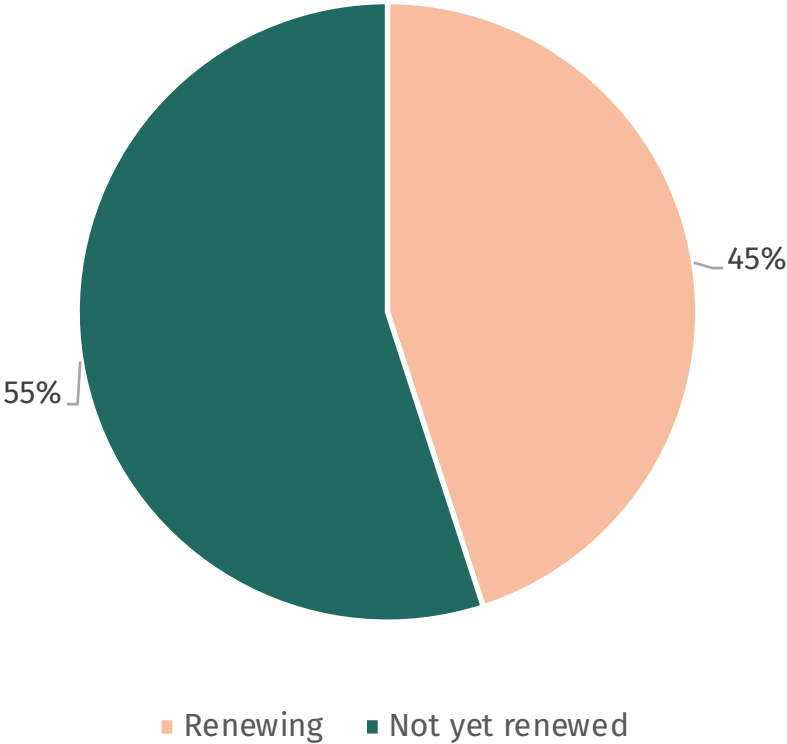
**2020/2021 Q1
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN**



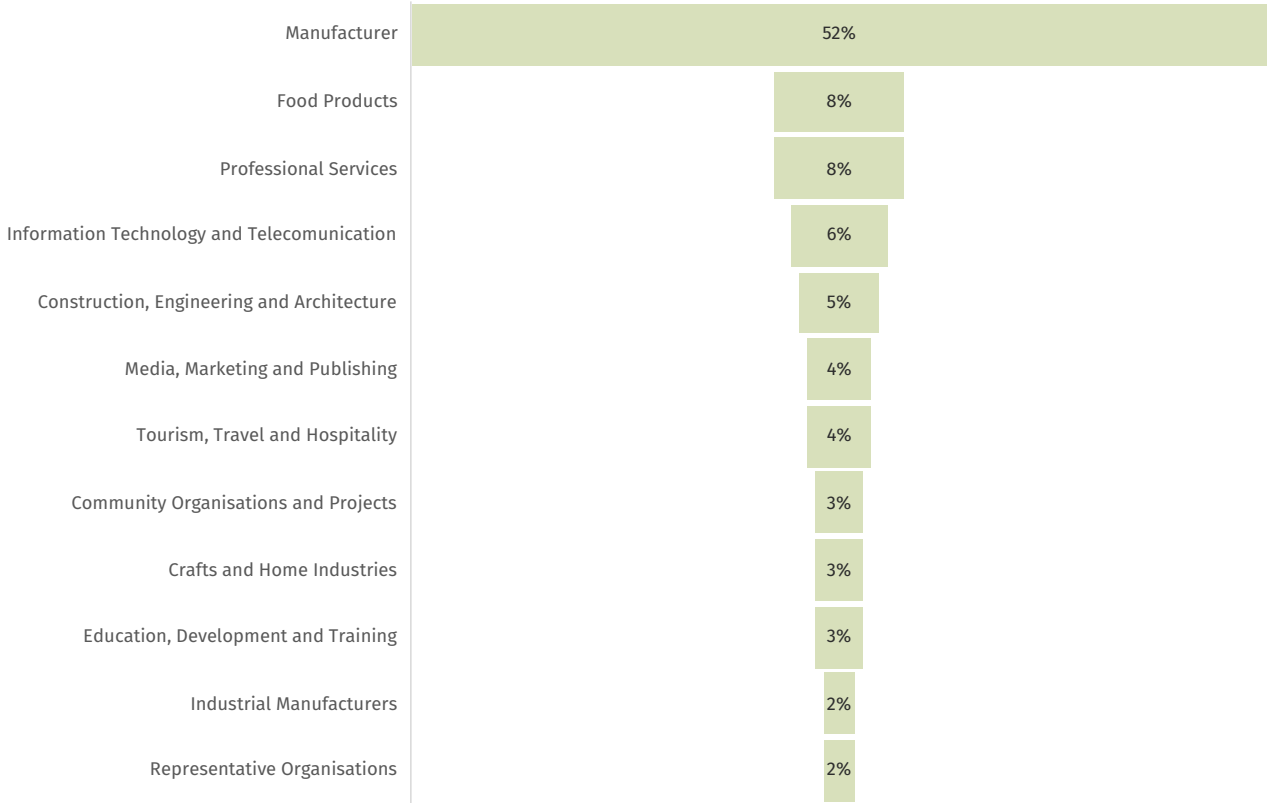
2020/2021 Q1 RENEWAL REPORT

RENEWAL REPORT	
Target	70%
Renewal Rate	45%
REASON FOR DEVIATION	
Members' renewals remain a timeous process which can take up to three months to complete. The current economic climate in light of the uncertainties presented by the novel Coronavirus, COVID-19, is also placing companies under severe financial stress which is contributing to the lower renewal rate.	
Number of cancelled memberships: 0 companies	

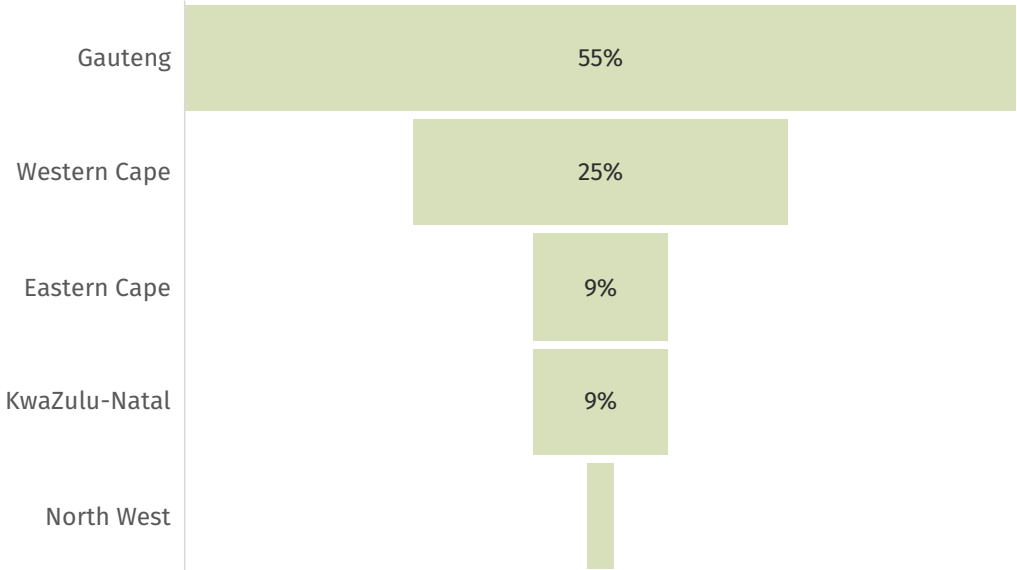
**2020/2021 Q1
RENEWED MEMBERS V NOT YET RENEWED**



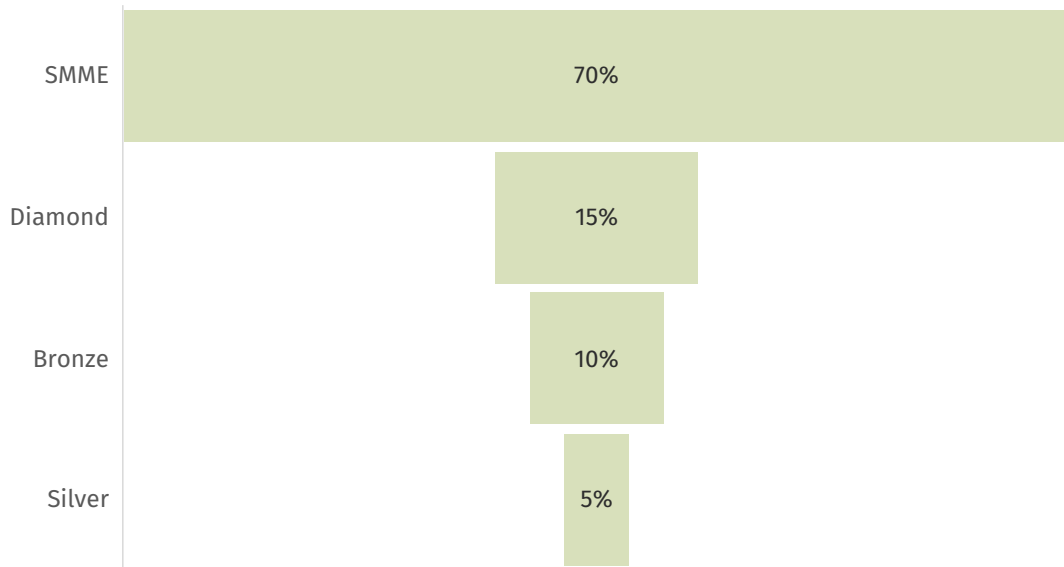
**2020/2021 Q1
RENEWING MEMBERS BY SECTOR**



**2020/2021 Q1
RENEWING MEMBERS BY PROVINCE**



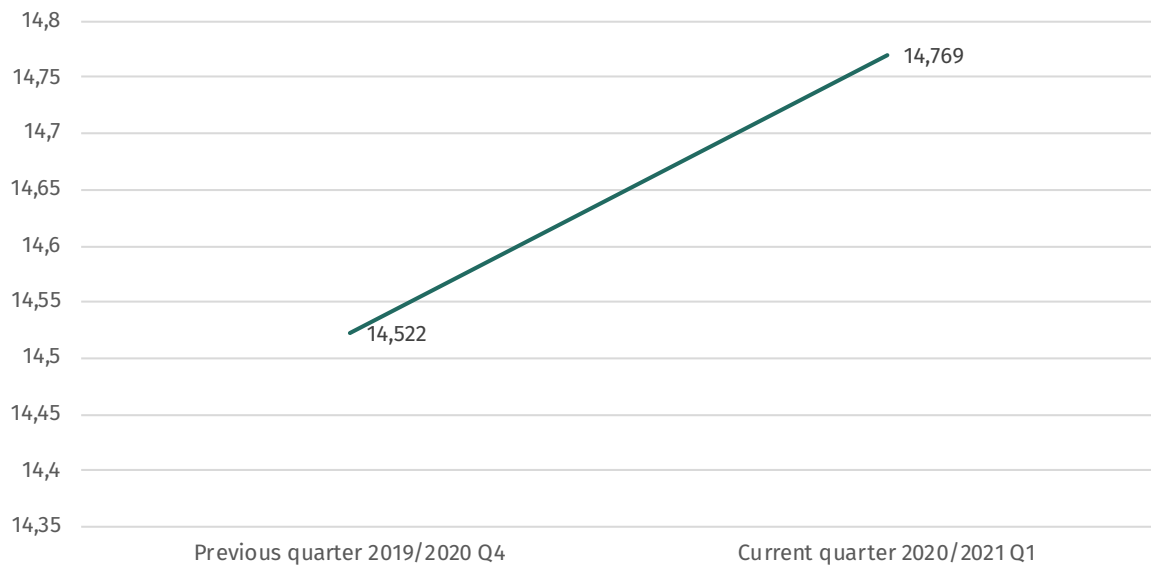
**2020/2021 Q1
RENEWING MEMBERS BY CLASSIFICATION**



**2020/2021 Q1 DATABASE OF LOCAL PRODUCTS
AND SERVICES**

PROUDLY SOUTH AFRICAN DATABASE	
Period	Number of Products and Services
Previous Quarter: 2019/2020 Q4	14,522
Current Quarter: 2020/2021 Q1	14,769
2020/2021 Q1	
Target	125
Number of Products and Services Added	247
Target exceeded: 198%	

2020/2021 Q1
DATABASE OF LOCAL PRODUCTS AND SERVICES
PREVIOUS QUARTER V CURRENT QUARTER



4.4) Highlights for the quarter

EVENTS AND ACTIVATIONS

LOCAL FRIDAYS CONVERSATIONS- VARIOUS DATES



Proudly SA Local Friday went live on Instagram on Friday 22 May, in the first of a series of conversations in which Proudly SA engages in informal chats with well-known South Africans and friends of the campaign.

The conversations are scheduled on alternate Fridays and began on 22 May and have been hosted by Proudly SA, CEO Eustace Mashimbye & Chief Marketing Officer, Happy MaKhumalo Ngidi.

1. 22 May Happy MaKhumalo Ngidi in conversation with brand guru, Thebe Ikalafeng
Reach: approx. 80 views on IG and YouTube and 5000 followers
2. 05 June Eustace Mashimbye in conversation with tv news anchor, Leanne Manas
Reach: approx. 80 views on IG and YouTube and 5000 followers
3. 19 June Happy MaKhumalo Ngidi in conversation with sports presenter and radio talk show host, Robert Marawa
Reach: approx. 85 views on IG and YouTube and 5000 followers

Target Audience: All

SUNDAY TIMES GEN NEXT DIGITALIZED CONVERSATION – 30 JUNE 2020



The youth on buying local and creating local brands

Tuesday 30 June 10h00

The Sunday Times Gen Next event in partnership with HDI Youth Consultancy, now in its 16th year, is the country's leading annual youth brand preference and consumer behaviour event. This year Sunday Times Gen Next took the movement online.

The webinar which Proudly SA sponsored and in which we participated followed the theme: The youth on buying local and creating local brands in South Africa, where a panel looked at how marketers, advertisers and brand managers must continue to up their game in speaking to the youth of today who are the consumers of tomorrow. (NB the youth market represents 60% of the SA and African market)

Moderated by Refilwe Maluleke, Managing Director of Yellow Wood, the young panel included Siyabonga Zungu, Brand Manager of Proudly South African, Maps Maponyane, media personality and entrepreneur and owner of

Buns Out restaurant, and Wesley Vos founder of VOSK Shoes.

All the speakers agreed that South African brands need to stand out, build value, have a differentiating factor and be authentic and that appealing to the youth is a sure way to ensure brand longevity.

Reach for this event: 537 Arena Event subscribers, 602 via Youtube and 1671 via Facebook (total 2810)

Target Market: Youth, entrepreneurs, consumers

PROUDLY SA WEBINAR FORUMS- 2020

In this new era of social distancing and #StayAtHome, the live events industry has stalled and been replaced by virtual events online.

Proudly SA is therefore re strategising and putting in place a digital platform, a series of topics and a new events calendar that will replace its monthly public sector and business forums. Moving virtual still allows the campaign to promote its work and also allows for larger audiences that are not restricted by geography.

Proudly SA will be focusing on a few topics that will focus on topics and subjects that assist members and non-members re think their approach to work but which nevertheless relate to localisation and how its role in re building the economy and putting South Africans back to work has never been more important. Some of the topics include:

- Re purposing your home for work from home solutions (including members in the furniture and telecoms sectors)
- COVID-19 related funding and relief finance and where to find it and apply
- Packaging your product: Price vs Value
- Creating & sustaining a local brand and the need to support home grown businesses

Targeted reach for this event: Max 500

Target Market: Proudly SA members, stakeholders, consumers, SMME's & non members

4.5) PR, Communications & Media

4.5.1) Summary

The quarter in review which represented the first 90 days of the COVID-19 lockdown levels 5, 4 and then 3 was a busy and productive time for the public relations department. As it became apparent that the buy local movement would become a critical element in the drive to support the economy during a period of relative commercial inactivity, Proudly SA wrote opinion pieces and solicited slots on broadcast media, especially in support of the work on its face mask portal.

The extension of the portal to include sanitisers and detergents and the eventual opening of e-commerce activity further gave us opportunities for media releases, as well as the announcement of Huletts becoming a member of the campaign.

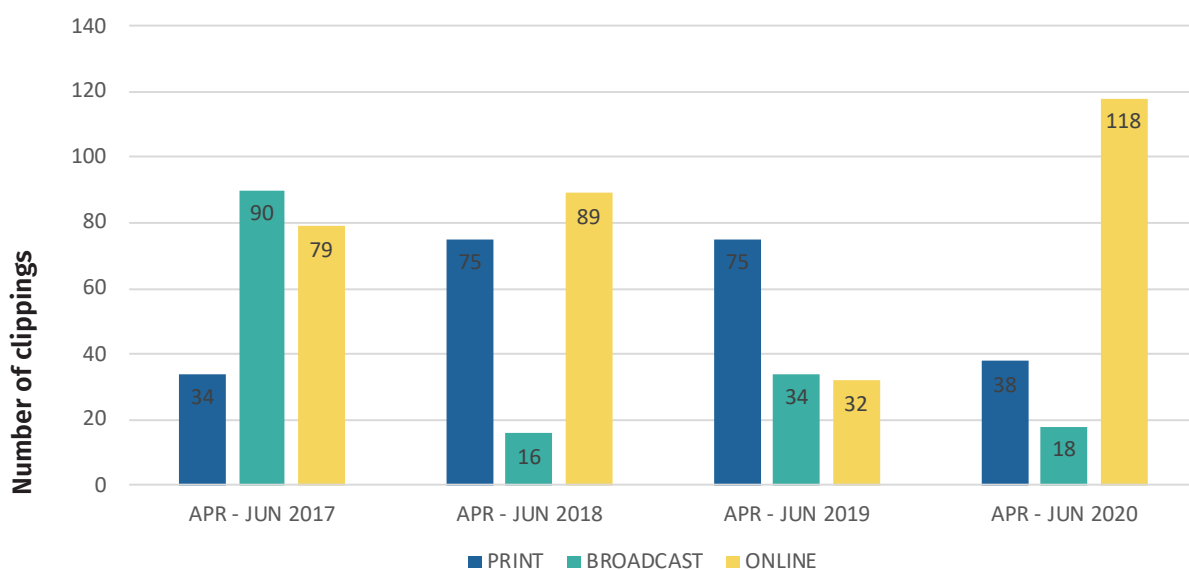
In addition we generated a lot of activity across our social media platforms during this time, supporting the country, its essential and front line workers, celebrating Mothers' Day and Youth Day, and with a teaser campaign for the tv commercial (which launched only in Q2). We also scheduled and boosted social media promotions for the launch of our Local Fridays which began at the end of May on Instagram Live and were scheduled on alternate Fridays, featuring local celebrities in conversation with Proudly SA.

Media coverage received by the campaign for the quarter gave us a total PR value of R20 million.

4.5.2) Clip Count Analysis

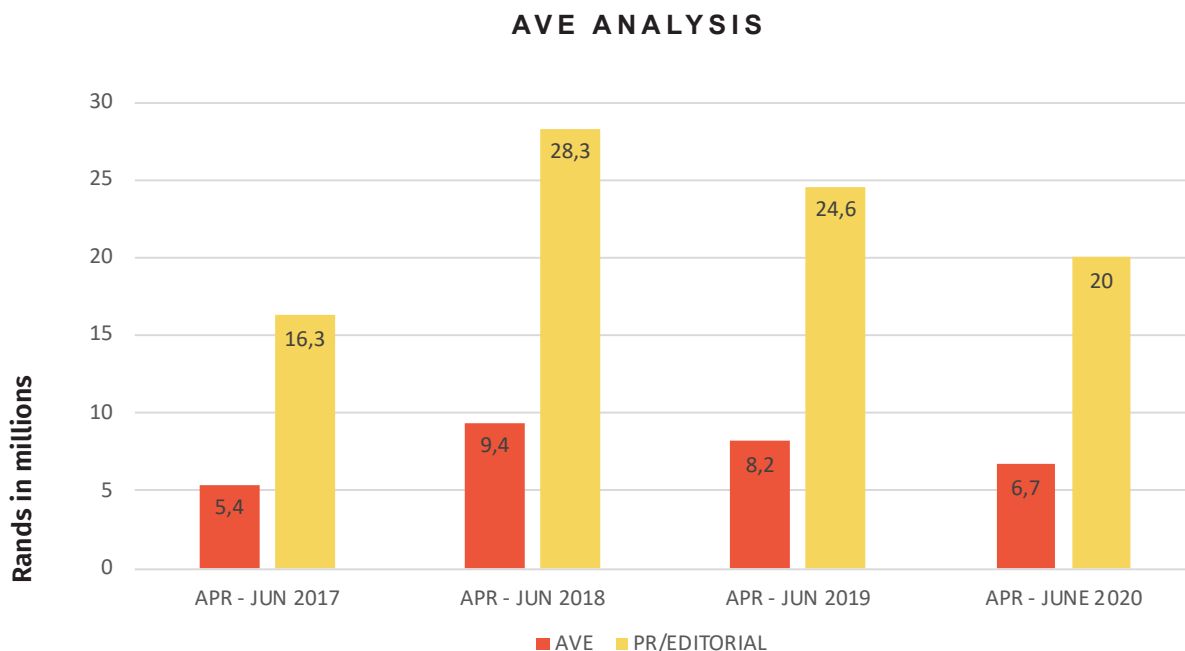
The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (Apr – Jun 2020). Comparison is made with the same period in 2019, 2018 and 2017.

CLIP COUNT COMPARISON



4.5.3) AVE/PR Values

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. The total AVE value recorded between April and June 2020 is R6.7 million and the PR/editorial value translates to R20 million.



4.5.4) Press Releases/Op Eds/Media Articles

The following were issued between April and June 2020. The words in bold were used as filter phrases to sift through the quarter’s media coverage.

No.	Date	Release/Commission	Title	AVE
1	20 April	Press release	B4SA Helth Working Group - SA cloth mask demand to boost local manufacturing	R 69 587.79
2	24 April	Press release	Proudly SA masks portal goes live	R 125 421.64
3	12 May	Press release	Proudly SA mask portal extends to hand sanitiser and detergents	R 294 847.25
4	14 May	Press release	Proudly SA and RSAMade welcome re-opening of e-commerce platforms	R 606 557.75
5	01 May	Opinion piece	Safeguarding consumers and local businesses during the COVID-19 pandemic	R 390 686.39
6	05 June	Thought leader piece for Arena Holdings	On buying local	
7	June	Editorial	Sunday Times Made in SA magazine supplement ‘Rebuild our local economy’	R 58 818.21
8	22 June	Press release	Hulett’s makes a sweet deal with Proudly SA	R 56 210.63
9	30 June	Native article	Gen Next: Youth and buying and supporting local brands	

4.5.5) Media visits/engagements

Engagement is important to build and strengthen good working relationships with the media. Though the Coronavirus pandemic presented a challenge in us reaching our goal, we have managed to receive coverage, or have virtual meetings or interactions with members of the media and/or advertising sales staff from the following media platforms (among others).

- Arena Holdings
- CliffCentral
- SABC
- GCIS
- Newzroom Afrika
- eNCA
- Creamer Media
- Smile FM
- Sunday Times

4.5.6) Social Media

Below is graphical representation of Proudly South African's follower analytics across active social media platforms.

	No of followers 07 Apr 2020	No of followers 06 Jul 2020	Q-Q growth (and fiscal growth thus far)
Facebook likes	16 982	17 257	275 (1.62 %)
Facebook follows	17 774	18 764	990 (5.57 %)
Instagram follows	4 534	5 039	505 (11.14 %)
LinkedIn	1 022	1 319	297 (29.06 %)
Twitter	168 198	171 175	2 977 (1.78 %)

Twitter has the highest growth this quarter in terms of individual numbers, while LinkedIn has the highest percentage growth for the quarter. It is worth noting that both LinkedIn and Instagram have already achieved their annual quarter of a 10% follower growth.



4.5.6 Presentations

The Proudly SA CEO, Eustace Mashimbye made CEO-led virtual 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 virtual presentations included, among others, the following:

DATE	EVENT	VENUE
13 April 2020	Presentation to SACTWU's national and provincial office bearers	Virtual
15 April 2020	Presentation to B4SA team	Virtual
24 April 2020	Presented to the Jobs Summit's Joint Technical Committee (JTC)	Virtual
29 April 2020	Presented to the Recapitalize SA Clusters meeting on re-industrialization	Virtual
19 May 2020	Presentation to TISA on digitization of International Marketing and Export Promotion	Virtual
28 May 2020	Presentation to the JSE CEO and Executive team on Localization	Virtual
29 May 2020	Presentation to the Trade and Investment Board	Virtual
29 June 2020	Presentation to the Solidarity Fund team	Virtual

BRAND MANAGEMENT

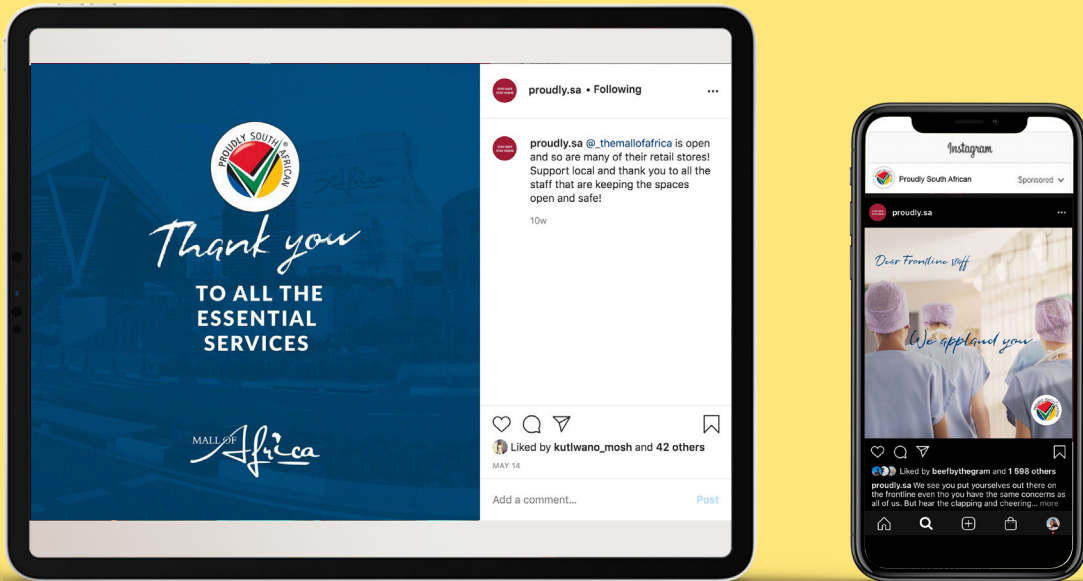


During the quarter in review we worked on above the line activities that supported the marketing functions. In addition, we worked on internal branding that provided a support function to the organisation's overall activities.

In this quarter the advent of lockdown and the COVID-19 pandemic moved most of our activities online as we found new ways to communicate the buy local message through social media as well as other online platforms.

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

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. During lockdown people have moved to digital platforms to communicate and to access information.

We ran various campaigns in this quarter to speak to consumers and continued communicating the buy local message.

We ran a co-branded campaign with The Mall of Africa to encourage people to adhere to lockdown and hygiene regulations but also to show appreciation to essential services and essential service workers who continued to work even during levels 5 and 4.

In addition, we ran our own 'thank you' campaign celebrating those that were on the front line providing essential services and keeping the economy moving. We encouraged the consumers to purchase locally to keep the economy afloat.





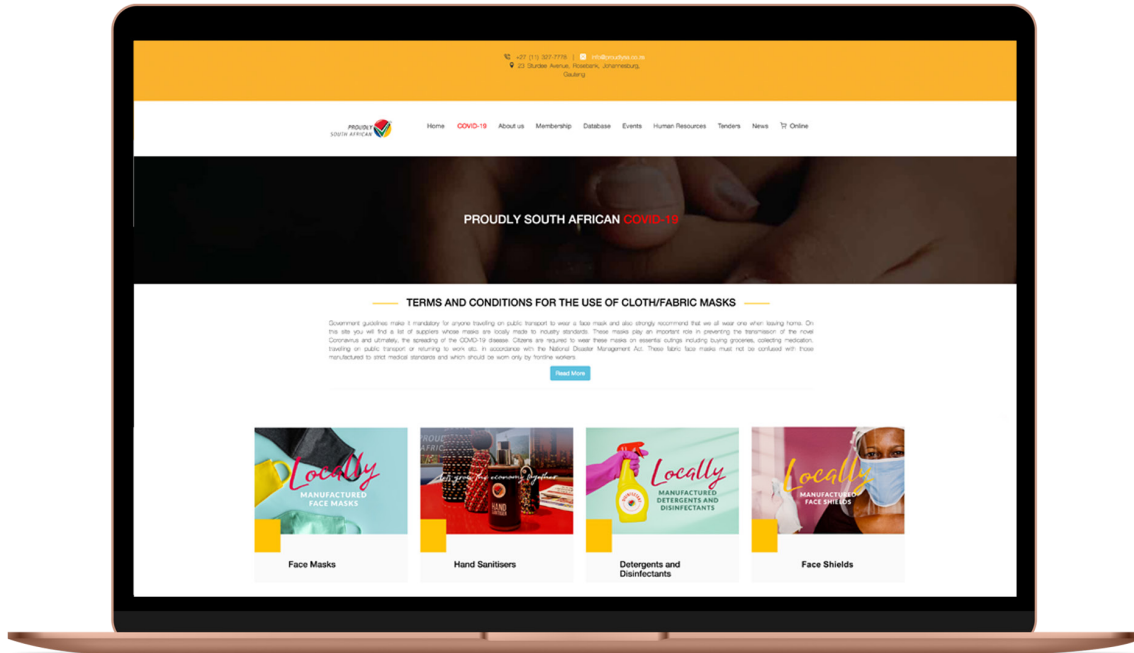
GAME TIME TVC

We also embarked on a new TVC that is aimed at motivating and encouraging consumers and business to play their part in buying local and rebuilding the economy. This TVC has schedules on etv, across Multichoice channels and on SABC flighting from the next quarter. The TVC is part of a bigger new campaign that Proudly SA has embarked on in an effort to galvanise the nation to stand together in solidarity and work toward revitalizing our economy.

The rationale of the new TVC is to show consumers and business owners across all sectors that they can effect positive changes to the economy with their own daily purchasing choices. Creating a vibrant economy feels like a difficult and insurmountable task but during the pre-production phase during the quarter in review we worked on crafting a message that will illustrate that you can affect the economy when you buy from your local baker, a street vendor, a local designer, when you use the bus, train or taxi, when you make use of local supply chains for your business, and when you buy local products online etc. These actions alone seem insignificant, but when seen in the scope of a commercial you realise that the whole is greater than the sum of its individual parts.



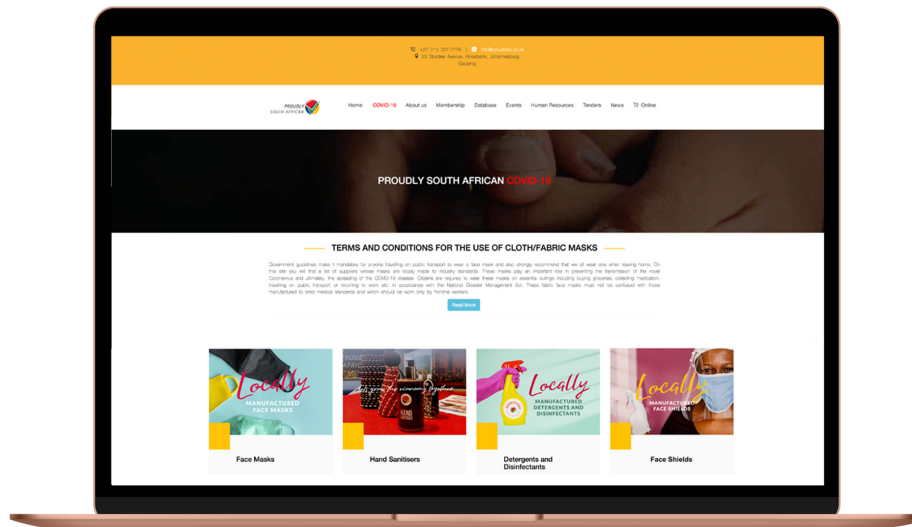
PROUDLY SA PORTALS



The branding and design team created a COVID-19 portal to showcase local supplies of essential items including fabric masks, sanitizers, detergents and disinfectants providing an easy access/information platform for buyers and suppliers.



PROUDLY SA'S COVID-19 PORTALS



In response to the current COVID-19 pandemic and our State President's call on all South Africans to wear facemasks, it was established that the country faced an urgent need for cloth facemasks as the economy systematically re-opened from 1st June 2020. On estimation, each South African would need at least two masks (a total of almost 100 million masks) in the short-term to ensure that government's efforts are supported in terms of flattening the curve of infections as Corporate South Africa returns to work.

To ensure easy access to locally-manufactured masks, Proudly SA worked closely with the Department of Trade, Industry and Competition (dtic), the South African Clothing and Textile Workers' Union (SACTWU) and the Bargaining Council for the Clothing Manufacturing Industry to launch a marketplace on the Proudly SA website ("portal") to ensure that not a single mask is imported, thereby keeping local factories, fashion designers and crafters at work to contribute to the retention of as many jobs as possible. This initiative also provided the companies the opportunity to play their part in contributing to the upliftment of the country's ever-dwindling economy.

Currently, all the manufacturers enlisted on the portal have the capacity to manufacture up to 14 million masks per week (one factory received interest of 2 million masks in one week from local and international buyers). Procurement happens directly with the factories to ensure they keep all the profits to fund their operations and remain competitive.

Proudly SA's online store, RSAMADE may also be considered to facilitate procurement to ease the

order and delivery processes for both consumers and businesses.

Given the immense success of the cloth facemask portal, Proudly SA also developed similar platforms for locally-manufactured items including face shields/visors, medical and civilian-grade sanitiser, disinfectants and detergents, as well as textile PPEs, testing kits and furniture.

To ensure the portals are widely supported by consumers, government entities as well as the private sector, in order to promote the manufacturing and procurement of local products, Proudly SA partnered Business for South Africa, the dtic, organised labour and business in order for the portals to gain traction across all spheres of society.

Partners include procurement officers from the Department of Health, nationally and provincially and Corporate South Africa including Proudly SA's large member companies, apex organisations Business Unity South Africa and the Black Business Council and their members; association bodies and their members including Business Leadership South Africa, the Manufacturing Circle, the Johannesburg Stock Exchange, the Franchise Association of South Africa, Consumer Goods Council of South Africa (to access the retailers and fast-moving consumer goods manufacturers), National Association of Automotive Component and Allied Manufacturers and many more. Consumers were also targeted as the portals are promoted on various social media platforms, through print and broadcast media including the SABC (radio, television and digital platforms), e.tv and MultiChoice.

BUSINESS FOR SOUTH AFRICA



In support of Business Unity South Africa's initiative Business for South Africa convened to address the challenges facing the Health sector, Proudly South African has given support by joining the governing committee of the local manufacturing arm of the initiative.

The governing committee comprises representatives from all spheres of society including government through the dtic including the Minister's Chief Advisor, the Department of Science and Technology; national development finance institution, the Industrial Development Corporation of South Africa; the online resource for trade and industrial policy research, Trade and Industrial Policy Strategies (TIPS); business through The Manufacturing Circle, Black Business Council, experts in Health, and the National Association of Automotive Component and Allied Manufacturers; labour through the Congress of South African Trade Unions and the Southern Africa Clothing and Textile Workers' Union; social partners including Proudly South African; private financial institutions, and members of the law fraternity.

To ensure that local manufacturing remains the core focus of the initiative, Proudly South African joined each Personal Protective Equipment (PPE) workstream including face shields/visors, PPE textiles including FFP2 and surgical masks, gowns, aprons etc., gloves, ventilators, test kits, and sanitisers/disinfectants as the organisation leading the latter workstream. The workstreams have been established to close the gap between the supply of locally-manufactured PPEs and demand, and to assist companies to become procurement-ready.

In order to complement the work of the Procurement arm of the initiative, and to further drive localisation by supporting local manufacturers, Proudly SA has offered to host the content of the Business for South Africa procurement platform on the Proudly SA website. This platform provides insights into the state of local manufacturing of PPE in the country, matched with projected demand data made available by the dtic as well as other reputable sources. Proudly SA has also committed to listing government and private sector tenders/RFQs alongside product specifications, and a list of local manufacturers provided product is manufactured locally, complies with industry specifications and standards, is tested, certified and/or licensed with the relevant regulators or verification bodies. The platform will complement Proudly SA's COVID-19 portals.

Through the Proudly SA tender monitoring function, Proudly SA reports to the governance committee as well as the workstreams on PPE tenders/RFQs issued by government on a weekly basis. This report assists the dtic and labour to lobby for the support of local manufacturers through the work of the Business for South Africa workstreams, and the workstreams to track government's demand of the much-needed products.

In the first quarter, Proudly SA's tender monitoring function picked up 225 PPE tenders/RFQs.

PROUDLY SA'S TENDER MONITORING FUNCTION



To support the efforts to drive stricter adherence to local procurement legislation (within the public sector), Proudly SA has launched the Tender Monitoring Function in April 2017 which now searches through over 816 government and SOE websites for tenders that are required to stipulate an element of local procurement. As part of Proudly SA's value proposition for members, they are matched with companies that are able to fulfil the tenders and are flagged and sent to the dtic to monitor compliance.

Proudly SA assists the dtic in categorising tenders in terms of their compliance to local content specifications, whether they are fully compliant, not compliant or whether the local content is unclear. Through the Proudly SA tender monitoring function, the dtic's industrial procurement division directly addresses non-compliance of tenders/RFQs issued by the entities of government. Compliance to designation for the first quarter will be measured and reported in Quarter 2.

SARS INDUSTRY STAKEHOLDER FORUMS

To support the industries that are flooded with imports, SARS convenes quarterly meetings in order to establish areas of collaboration between SARS and industry on a formal basis by considering the protection of the economy, fiscus and people; for SARS to contribute to the efficient and effective regulation of Customs and Excise processes; and to improve South Africa's reputation as a reliable and trustworthy trade partner by promoting facilitation and compliance with legislation.

Proudly SA was invited to participate in all SARS' stakeholder forums each quarter for the following industries: alcohol, beverage, poultry, tyres, plastics, scrap metal, downstream steel, sugar, tobacco, petrol and the newly-established forum for furniture.

Members of the committees are informed of trade trends, requirements and developments that impact on business, are provided with advice on issues to enhance/improve trade facilitation and compliance, challenges experienced by SARS or industry are reviewed in order to suggest strategic business direction and best practices.

Members consist of the relevant SARS' representatives from the Customs and Excise teams, government (usually a representative of the applicable dtic sector desk), and industry bodies.

Initially, Proudly SA was introduced to the Customs and Excise team in order to receive assistance on its import replacement project on the basis that there is misinterpretation/misclassification of imports of the Standard Industry Classification codes – especially with the wide use of the word "other" across all sectors. Proudly SA managed to obtain support from the team in this regard as it was established that it is legislated to formally declare imports as per invoicing details. SARS is exploring the possibility to review its processes and systems in order to implement the legislation.

The forums also provide Proudly SA the opportunity to represent member companies at these forums, and to report to members the state of imports in the country with a view to decrease and eventually alleviate dumping of product on the shores of the country.

DRAFT PUBLIC PROCUREMENT BILL

In June, Proudly SA submitted comments on the Draft Public Procurement Bill. It is the view of Proudly SA, that preferential procurement needed to be reconsidered.

It is of the utmost importance that the Bill creates a transparent procurement system that is developed first and foremost to promote goods manufactured in the Republic without discarding other preferential factors including categories of person, business and sectors. More specifically, the Bill must ensure that local manufacturers are at the heart of every procurement decision made by the public sector.

Proudly SA is of the view that the public sector's inability to procure locally-made goods (whether designated or more widely) is the cause of the systemic practices which in turn has created supply chain disruptions.

It was recommended that the framework for local procurement should be contained in the Bill itself.

Proudly SA further recommended that preference should be given to locally-made goods over and above designation by committing to the following:

1. to actively expand the list of national designated products by at least five products per annum, significantly expand the value of goods and services it procures from South African producers, over and above national designation by developing and implementing a self-designation policy for each level of government of local products specific to firstly, metro or municipality (including entities reporting to these structures) availability, secondly, regional/provincial (including entities reporting to this level of government) availability, and thirdly, consideration of other provinces (including entities reporting to this level of government) before seeking procurement opportunities outside the borders of the Republic;
2. centralised purchasing of all (national) designated items through commercialising local technology. Proudly SA is of the view that a central point will advance local procurement to ensure aggregated spend, with advantages for economies of scale;

3. further advance centralised purchasing, procurement officials must have access to product specifications in line with the needs of the Republic and the capabilities of local manufacturers. Therefore, product specifications must be revised and published in one central point to alleviate any confusion from the public sector in order to invite local companies to bid accordingly;
4. development of resources, including people and IT structures.

When local procurement takes place by suppliers, measures must be put in place to verify that the "suppliers" procured from local manufacturers. Proudly SA recommends that a full list of qualifying local manufacturers be made available in each bid as well as in a centralised point (online).

The awarding of tenders and contracts should be done in a way that further advances industrialisation through promoting investment in the Republic. Therefore as an incentive to investors, the public sector should conclude longer term (minimum five-year) procurement agreements, which will serve as off-take agreements in order to introduce a new locally-manufactured product or manufacturer, or to capacitate existing manufacturers who wish to manufacture to scale in order to meet the procurement needs (in terms of volume) of the public sector.

To ensure the fluid implementation of the Bill and its integrity be upheld, consequences for non-compliance must also be addressed. It is recommended that the Regulator works closely with the Office of the Auditor-General of South Africa to ensure procurement Regulations including preferential procurement of locally-made products be implemented accordingly. Should any party be found guilty of non-compliance, immediate action should be taken against the party, whether criminal or other, and that such culprit be held liable in their personal capacity (as per the latest amendments to the Public Audit Act). A whistle-blower telephone line/ email address may be used to report non-complying parties anonymously.

PERFORMANCE FOR THE PERIOD UNDER REVIEW

Performance for the period under review (1 April to 30 June 2020) - Performance against the Annual Performance Plan targets for the quarter

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	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	*Reach 4.5 million consumers during Quarter 1	*Reached in excess of 4.5 million consumers through a number of TV and Radio interviews as part of the roll-out plan for the Covid-19 PPE, hand sanitizer and disinfectant portals.	
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) *Consumer education campaigns hosted in tertiary institutions (in partnership with Wear SA)	*PR & Below the Line Activities reaching at least 10 million consumers per annum; *At least 6 Activations hosted annually **12 x Community and/or youth targeted Radio interviews/ competitions or advertising campaigns per annum 8x campus consumer education activations at tertiary institutions	*Reach 2 million consumers during Quarter 1 *No activations planned for Quarter 1 *3 Campaigns with radio stations planned per quarter *2 campus consumer education activations per quarter	*Reached in excess of 2 million consumers through a number of media releases, opinion pieces and advertising in publications. *N/A *Not implemented	Postponed to Q2 due to Covid-19 restrictions The campus activities have been put on hold due to Covid-19 restrictions

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	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 16 trade expos per annum;</p> <p>*Roll out of at least 2 major Heritage month activities per annum</p> <p>*At least 1 CSI projects per annum</p>	<p>*Participation in at least 4 trade expos per quarter</p> <p>*No Proudly SA Heritage month activities planned for Q1</p> <p>*No CSI activity planned for Q1</p>	<p>*No participation in any earmarked expos</p> <p>*N/A</p> <p>*N/A</p>	<p>Due to Covid-19 restrictions</p>
<p>Increase procurement of local products and services in the public sector through increased engagements with the public sector.</p>	<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>*National, provincial and local departments visits – engagement with procurement officers</p>	<p>*At least 1 presentation to SOEPF per annum</p> <p>*Presentation at 2 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>*No presentation planned for Q1</p> <p>*No presentation planned for Q1</p> <p>* 2 Provincial Public Sector forums planned for Q1</p>	<p>*N/A</p> <p>*N/A</p> <p>* Provincial Public Sector forums were not held.</p>	<p>Unable to implement due to Covid-19 restrictions & have planned to implement virtual events during Q2 in this regard.</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	<p>* Presentation to officials in metropolitan councils – engage with local government on localisation</p> <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>*Presentation to at least 2 metropolitan council procurement forums per annum</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 (2020/21)</p> <p>*At least 1 summit to be held per annum</p> <p>*At least 1 Buy Local Expo held per annum</p>	<p>*No presentation planned for Q1</p> <p>*300 Tenders/RFPs</p> <p>*25 Proudly SA companies to be integrated with CSD in Q1</p> <p>*Buy Local Summit planned for Q4</p> <p>*Buy Local Expo planned for Q4</p>	<p>*N/A</p> <p>*331 Tenders for designated sectors/products were monitored</p> <p>*No member companies have been integrated with CSD to date</p> <p>*N/A</p> <p>*N/A</p>	<p>Some licensing challenges needed to be addressed first</p>
<p>Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA</p>	<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>* 3 presentations – 1 each to BUSA, BBC and BLSA per annum;</p> <p>*Presentations to at least 8 business chambers, associations and/or industry events per annum</p>	<p>* No presentations planned with any of the targeted organizations for Q1</p> <p>* 2 presentations planned for each quarter</p>	<p>* Formed a technical committee with BUSA, NBI & BLSA to secure local procurement commitments</p> <p>* Presentation made to B4SA which represents all apex business associations</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	* Local Procurement Partnerships with large retailers and /or manufacturers;	*Partnerships with at least 2 major retailers/manufacturers per annum;	*No partnership planned for Q1	*Partnerships concluded with: <ul style="list-style-type: none"> British American Tobacco Kimberly Clark Tongaat-Hulett Mr Price Group Trellidor Mobitel 	
	*1-2 x Day Buy Local Summit – focusing on all state organs and business procurement	*At least 1 summit to be held per annum;	*Buy Local Summit scheduled for Q4 (March '21)	*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 Expo scheduled for Q4 (March '21)	N/A	
	*Sector Specific Workshops	*2 x sector specific forums per annum	*No sector specific forum scheduled for Q1	N/A	
	*Business Forums with dtic and other strategic partners	*9 business forums per annum	*2 business forum scheduled for Q1	*Business forums were not held	Due to Covid-19 regulations around physical activities, however, we have sourced an online/virtual solution to carry this out.
	*Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos	* Participation in at least 16 major trade expos per annum	*4 trade expos scheduled per quarter	*No participation in any earmarked expos	Due to Covid-19 regulations around physical activities, the expos were cancelled by the organisers
	*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 dtic)	*Awards scheduled for Q4	*N/A	
	Soliciting and securing of localisation and/or local procurement commitments from the private sector – number of sectors and companies from which commitments are secured.	*Secure an industry commitment from at least one major sector per annum	*No industry commitment planned for Q4	*Formed a technical committee with BUSA, NBI & BLSA to secure local procurement commitments	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
		<p>*Secure new localisation commitments from at least 5 major corporates per annum</p> <p>*Development of database of buyers and/or SCM officers for purposes of hosting at least one local procurement workshop</p> <p>*Implementation of Import Replacement in at least one key industry/product per annum</p>	<p>*No new localization commitments from a major corporate earmarked for Q1</p> <p>*No local procurement workshop planned to present the developed database of buyers and/or SCM officers</p> <p>*No import replacement implementation (in any key industry/product) planned for Q1</p>	<p>*N/A</p> <p>*N/A</p> <p>*N/A</p>	
Brand Management Brand research - Development of a scientific basis for local procurement	<p>Implementation of Import Replacement in key industries/products as per the highest imported items into the country, by value</p> <p>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;</p> <p>Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;</p>	<p>*Brand or Consumer Research to be undertaken at least once per annum</p> <p>*At least 18 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website</p>	<p>*No consumer research study planned for Q1</p> <p>*4 dipstick survey planned for Q1</p>	<p>*N/A</p> <p>One survey done for the Generation Next Webinar</p>	<p>*Due to Covid-19 regulations around physical activities.</p>
Brand Compliance and IP. Effective management of Proudly SA intellectual property	<p>Percentage of successfully executed letters of demand and court actions against identified transgressors</p>	<p>*Action/ letters of demand to all (100%) irregular users of the Proudly SA logo identified</p> <p>*Annual compliance review of all members</p> <p>*Monthly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally</p>	<p>*100% of all identified illegal users sent letters</p> <p>*100% (All) members checked for compliance</p> <p>*Monitoring of the use of logo and phrase done illegally – 100% contact with all identified companies</p>	<p>*All identified irregular users were sent letters – 100%</p> <p>*All members contacted as part of the new and renewals membership compliance process – 100%</p> <p>*Monitoring done by Adams and Adams monthly – 100%</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Partnership with enforcement agencies	<p>*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;</p> <p>*Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders</p>	<p>*Participation in at least 24 Customs & Excise industry stakeholder forums and national operations per annum hosted by SARS</p>	<p>*Participation in 6 Customs & Excise industry stakeholder forums planned per quarter</p>	<p>*Proudly SA presented to two industry bodies in SARS led Customs & Excise Industry Forums in June – Furniture & Plastics</p>	<p>*Forums were cancelled by SARS due to Covid-19 for April & May</p>
Growing the database of South African supplier products and services for local procurement	<p>*Grow the number of companies registering on the database.</p>	<p>*500 new products and/or services registered</p>	<p>*125 new products and/or services registered per quarter</p>	<p>*247 new products and/or services registered</p>	
*Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products	<p>*Promotion of database to both the public and private sector through workshops / regular communique (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.</p>	<p>*Promotion of database to at least 9 provincial public-sector forums</p>	<p>*2 provincial public-sector forums planned for Q1</p>	<p>*Provincial Public Sector forums were not held.</p>	<p>*Due to the Covid-19 restrictions, physical events were put on hold</p>
		<p>*Promotion of database to at least 9 provincial business forums</p> <p>*Promotion of database to at least 8 business associations or chambers</p>	<p>*2 provincial business forum planned for Q1</p> <p>*2 workshops with business associations or chambers planned for Q1</p>	<p>*Provincial business forums did not take place</p> <p>*None took place</p>	<p>Due to the Covid-19 restrictions</p> <p>Due to the Covid-19 restrictions but webinars planned for Q2</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Strengthening Media relations, PR and social media	*Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof	*Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders	*100% of Daily monitoring through Newsclip of all coverage on Proudly SA	*Daily feed from media monitoring service - refer to breakdown in PR section in this report.	
	*Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)	*Press releases At least 36 press releases per annum	*9 press releases issued per quarter	*9 press releases were issued in this quarter as indicated in the Press Release / Articles section.	
	*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	*Media engagement *At least 40x individual media engagements per annum	*10 media/ editor's meetings per quarter	*9 media engagements were facilitated and done.	An extra engagement has been added to Q2 deliverables.
		* At least 3 x Media meet & greet networking sessions per annum	*No media meet & greet networking session planned for Q1	*N/A	
	*Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns	* Social Media activities daily	*Daily updates on Twitter, Facebook and Instagram done	* 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 171,175 followers and Facebook has more than 18,764 followers & Instagram has more than 5,039 followers	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Retention and Recruitment Members	* Increase following on social media platforms and increase in publicity	* Increase following on all social media platforms by 2% per annum	Increase following on all social media platforms by 2% per quarter	* An average increase of 2.4% for all social media platforms	
	* 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 '21)	* N/A	
	Number of members recruited and retained	* Recruit at least 220 new members for the year	* 55 new members recruited during the quarter	* 55 new fully paid up members recruited	
		* Retain at least 70% of all members due for renewal for the year	* 70% of all members due for renewal renewed membership	* 45% of all members due for renewal, renewed their membership	Difficult economic climate exacerbated by the Covid-19 pandemic

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
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 2018/19 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 (Official online shopping platform for Local Products, to be utilized by all online shoppers in SA and abroad wishing to buy 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	Awaiting info	
	*Growth in sales of products on the online shopping platform (RSA Made)	*50% growth in sales on the RSA Made platform year on year	12.5% growth per quarter.	Awaiting info	
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	
	*Percentage of critical positions filled	*All (100%) critical positions filled at all times	*All (100%) critical positions filled during the quarter	*Three critical managerial vacancies existed during the quarter	*Interviews could not be conducted due to Covid-19 lockdown restrictions

Strategic objective /outcome						
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance	
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	0% compliance	*Performance Management assessments for the quarter were not conducted due to Covid-19 lockdown restrictions	
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	*SABS QMS audit was not conducted	*Due to Covid-19 lockdown restrictions	
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	*SARS compliance in place, Workplace skills plan & Annual training report were submitted	*EE and Compensation reports were not submitted, due to system challenges during Covid-19 lockdown	

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 28.1.5; 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 	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 	X X X X X			
2.	TR 312.1	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 313.1 TR 313.2	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 - 30 JUNE 2020

High level definition	Ref	Contributory Factor (s)		Consequence(s)		Inherent Risk Rating	Existing Controls	Residual Risk Rating	STRATEGIC RISK REGISTER		Treatment Owner	Due Date
		Detailed Risk Description	Effect(s) or impact	Inherent Risk	Control description				Residual risk	Person responsible for assurance on the holistic risk		
Over-dependence on single funding source	1	A significant portion of revenue generated by Proudly South African is from the annual grant received from the Department of Trade and Industry (DTI), this poses a risk as there is no diverse income streams and thus reliance is placed on a single funder.	If the DTI were to decrease or stop funding Proudly South African altogether, this would pose business continuity risk and going concern risk and would significantly hamper the entity's ability to achieve its strategic objectives.	12	There is an existing agreement with the DTI and an MTEF budget allocation for the next three years. Proudly South African Board has built relationships with both the political and administrative officials of the DTI in order to cement the inflow of funding.	12	Benchmark Proudly South African against other similar organisations in key international markets (Proudly South African could partner with KPMG and request for pro-bono work and research in these markets. Proudly South African could also seek assistance from Brand SA and use their work and studies). Proudly South African should greatly explore other funding sources within the Public Sector (e.g. agencies) Diversification of income streams (membership fees and partnerships/sponsorships)	CEO/CEO/Membership Exec	CEO/CEO/Membership Exec	31-Mar-21		
Resistance to change in buying behaviour	2	One of the key pillars of Proudly South African is to ensure that there is an increase in local production and sales. In achieving this, the end-users play a critical role as a total change in mindset is required in order to alter the buying behaviour.	This would result in the Proudly South African not achieving the impact desired.	16	Public Sector: Tender Monitoring systems Public Sector Road shows Private Sector Participation at expos Buy-local expo Import replacement Localisation commitments Retailers Roadshow (FMCG) Consumer Education Campaigns	12	Inclusion of AG in the road shows SOEPP localisation programmes Integration with CSD Private Sector Commitments Intensely road shows Grow memberships Consumers Drive end-user demand through Masterplan Intensely labour programme (Shop-stewards involvement) The friends of the campaign Partnerships with faith-based organisations	CEO	CEO	31-Mar-21		
Lack of high value members especially with retailers & manufacturers	3	Insufficient products available to consumers at point of sale.	Loss of revenue which will result in the Proudly South African not achieving the impact it desired.	16	Improve value proposition to attract high value members especially with retailers & manufacturers.	12	Public Sector Inclusion of AG in the road shows Private Sector Intensely road shows Grow memberships	Executive Manager: Membership, Legal & Compliance	Executive Manager: Membership, Legal & Compliance	31-Mar-21		
Lack of tools/resources to measure the impact of the work conducted.	4	The impact of work conducted can only be reliably measured if there are tools in place that can gauge whether Proudly South African is effective in achieving its mandate.	- Reputational damage. - Impaired stakeholder relations.	15	Annual consumer targeted research (Massmart) Dpsstick surveys post most activities	12	Development of a monitoring and evaluation framework (inputs, activities, outputs, outcomes and impact). Conduct qualitative research.	CEO/GMO	CEO/GMO	31-Mar-21		
Perceived lack of brand value by some potential members and resultant shortage of products and suppliers.	5	Perceived lack of brand value by some potential members and resultant shortage of products and suppliers.	This would result in potential members not taking up subscriptions for membership at Proudly South African, thus reducing the impact the organisation would have in promoting local procurement and the ability to diversify its income streams.	20	-Reduction of membership fees ->Improved value proposition ->Focus on access to markets for members	9	-Messaging unpacking the value of Proudly South African ->Building partnerships to enhance enterprise development ->Sustained brand visibility through partnerships ->Linking of localisation to BEE Scorecard	CEO/GMO	CEO/GMO	31-Mar-21		
High-Level Operational Risks	6	Business Continuity.	- Loss of data. - Loss of income to replace assets.	12	Backups of core systems: Antivirus software: 24 hour security with armed response; Insurance	9	Disaster recovery site to be identified and secured	CEO	CEO	31-Mar-21		

PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN - 2018/19

No.	Finding	Corrective Action (Plan)	Status
1.	Certain board members did not appear on CIPC company registration document but they were disclosed in the Annual Financial Statements as directors	The Board Secretariat will liaise with CIPC to add board members not appearing on Proudly SA's CIPC document	In progress Confirmation received from CIPC that Director Amendments have been lodged.
2.	Member fees are determined on the financial performance of the prospective members, however some members did not submit their annual financial statements during the renewal application process	The membership consultant will obtain JSE listed member companies' AFS's on their respective websites.	Completed, corrective action is in place

FINANCIAL REPORT

Financial report - expenditure vs budget (Quarter 1 – 1 April to 30 June 2020)

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 2020) Rands	YTD Variance (31 March 2021) Rands
INCOME								
Membership Fees	1,139,000	1,065,660	(73,340)	(6%)	Various leads are being followed up, more smaller value members were recruited	4,556,000	1,065,660	(3,490,340)
Grant – the dti	15,000,000	15,000,000	0	0%		39,417,000	15,000,000	(24,417 000)
Project based funding - UNOPS	0	0	0	0%		0	0	0
Sponsorship	0	400,000	400,000	100%	2020 BLSE Sponsorship	11,500,000	400,000	(11,100,000)
Other Income	0	120,374	120,374	100%	Interest income & sale of promotional items	0	120,374	120,374
Total Income	16,139,000	16,586,034	447,034	3%		55,473,000	16,586,034	(38,886,966)
EXPENDITURE								
HR and Staffing costs	5,971,368	4,804,258	1,167,110	20%	Various vacancies, annual salary increase not implemented	25,155,472	4,804,258	20,351,214
Administrative costs	1,467,395	876,345	591,050	40%	Cost savings due to COVID19 regulations & timing nature of certain cost elements	7,014,662	876,345	6,138,317
Membership costs	114,224	22,838	91,385	80%	Cost savings due to COVID19 regulations & Cost cutting exercise undertaken,	456,895	22,838	434,057
Marketing costs	1,387,499	1,243,743	143,756	10%	Activities were curtailed due to the COVID19 regulations	20,840,725	1,243,743	19,946,446
Capital Expenditure & IT	121,136	111,600	9,536	8%	Timing nature of certain cost elements	2,005,245	111,600	1,893,645
Total Expenditure	9,061,622	7,058,784	2,002,837	22%		55,473,000	7,058,784	48,763,679

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