

QUARTERLY REPORT

1 JAN - 31 MARCH 2017

Quarter 4

2016/17 Financial Year



PROUDLY
SOUTH AFRICAN



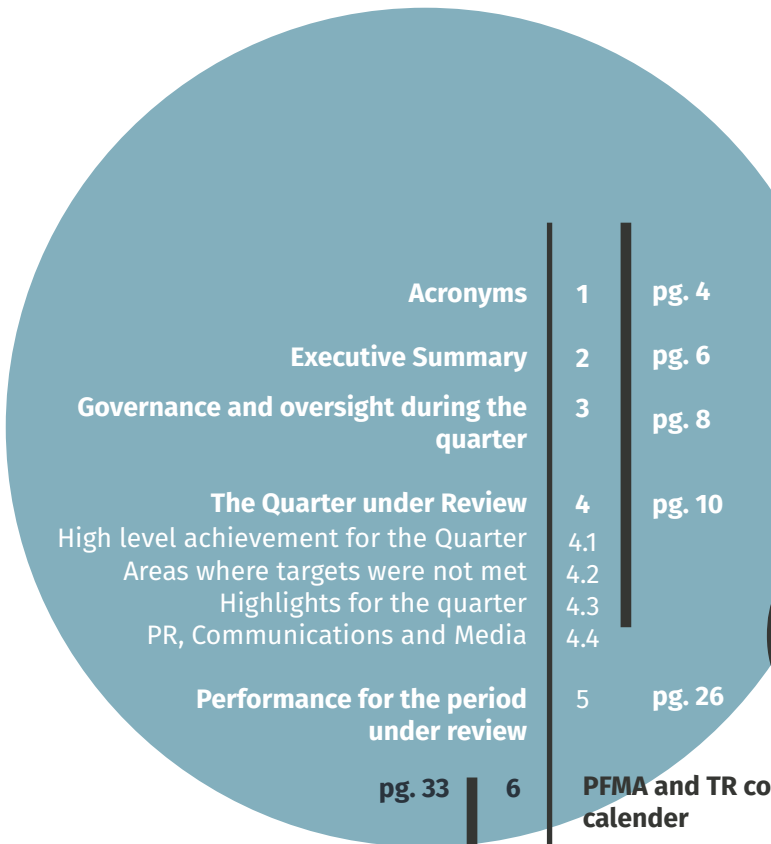


Quarterly Report for Q4 (January to March 2017)

APPROVAL OF THE REPORT

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

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ACRONYMS

The following are definitions of the acronyms used in the report

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

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

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EXECUTIVE SUMMARY



ECONOMIC OUTLOOK

After the political uncertainties in the major economies of the UK and USA at the end of 2016, the new year was greeted with a sense of relative normalcy, both in South Africa and around the world.

Analysts and economists looking for decisiveness in South African political and economic policy direction, seemed cautiously optimistic ahead of a new sitting of the National Assembly, and the February budget.

Despite having very little 'wiggle room', then Finance Minister Pravin Gordhan delivered a budget speech on 22 February that attempted to address the major

issues of unemployment, public debt and low economic growth. Gordhan sent a message of calm and prudent fiscal management to the world, including to ratings agencies, whose assessment of our investment climate is critical to attracting much needed Foreign Direct Investment.

February also saw the introduction of the National Minimum Wage which seemed to receive a largely positive response from labour. In the final quarter of 2016, employment in fact grew by 235 000 and job seekers declined by 92 000, pushing the official unemployment rate down by 0.6% to 26.5%. Take up in jobs was biggest in

the services sector, followed by manufacturing and transport. On a strong note, 47% of SMEs polled at the end of last year reported taking on additional staff during the preceding 12 months.

Although high gold and platinum prices were balanced against higher crude oil costs, inflation remained stable, and on the low side. Despite an overall contraction of 3.6% in the manufacturing sector reported by Stats SA in February, the motor vehicle parts and transport equipment grew by 0.8% , a possible indication that preferential local procurement measures are reaping rewards.



Our past efforts have come short of delivering either adequate growth or the social transformation we need. We are at a crossroads now. We need to act urgently to build confidence and support investment. We need to bring all stakeholders onto an inclusive growth and transformation path

-Pravin Gordhan



In February, the SA Chamber of Commerce & Industry (SACCI) commented, “All indications are that economic growth will pick up as the implementation and prudent authority takes hold. The business climate could further be improved if the constructive present economic developments could be augmented. Business and investor confidence depend on whether this window of opportunity will be seized and the more positive sentiment be supported by responsible governance and accountability.”

Towards the end of March, then Finance Minister Gordhan departed for a roadshow to the UK, looking for support and further investment into the country. Almost 90% of all foreign investment comes from Europe and USA and so the message he was taking with him was important for future economic growth and the resultant creation of more business opportunities.

On 24th March, Gordhan was summarily recalled before the roadshow even began and then on 31 March, Gordhan, along with his Deputy and 9 other ministers, lost his job.

Since then, economic momentum has been lost and business confidence has plummeted. SACCI’s Business Confidence Index sunk from 97.7 points in January, to 95.5 in February and 93.8 in March.

As at the end of March, all eyes were on the rating agencies and their reaction to the sacking of the Finance Minister. As we sit at the end of Q1 2017, South Africa’s prospects for even modest economic growth in 2017 have been virtually dashed.

In this overall political and economic climate in Q1 of the year, Proudly South African was required to secure sponsorship for its 6th Annual Buy Local Summit and Expo, whose date was pushed out

from end March to early April to accommodate Minister Rob Davies. The campaign suffered a severe blow when Transnet withdrew its funding and Absa significantly reduced its contribution. Both chose instead to put their money into the Global Entrepreneur Congress held for the first time in South Africa between 13-15 March. With over 6 000 delegates from across the world it was an attractive alternative with global reach for these sponsors, but which left us with a significant shortfall in funding.

Therefore, a large part of our energy in Q1 was spent in looking for financing for the event, and we spent much time knocking on old and new doors. We managed to achieve RXXX of our target RXXX, and ended the quarter optimistic that we would host the largest and most successful Summit yet.

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

GOVERNANCE AND OVERSIGHT DURING THE QUARTER

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

3.1. Board Meeting

The Proudly SA Board of Directors met on 27 March 2017 and considered the following:

- The Chairman's organisational report giving updates on the strategic discussions held with amongst others, the dti and Nedlac's Trade and Industry Chamber, during the period under review;
- The composition of the standing committees of the Board, including the resuscitation of the Social and Ethics committee;
- The appointment of the Company Secretary for the organisation;
- The chapter drafted for inclusion in the next edition of IPAP;
- The quarterly report for the period January to March 2017;
- The Annual Performance Plan for the 2017/18 financial year;
- The draft budget for the 2017/18 financial year;
- The outcome of the extended (second phase) of the Economic Impact study;
- Reports from standing committees of the Board;
- Annual Calendar of meetings for the next financial year;
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule;

3.2. Audit and Risk Committee

The members of the Audit and Risk Committee held their meeting on 22 March 2017 and the meeting considered the following:

- Annual Review of the Terms of Reference of the committee;
- Recommended training of Board members and members of the Audit and Risk Committee as part of their Continuous Development Programme;
- Internal Audit Reports, which included reports on Performance Information and on Corporate Governance;
- Internal Audit Plan for the 2017/18 financial year;
- Recommendation on the appointment of external auditors for the next 3 financial years;
- Risk Management quarterly report.

3.4. Membership, Marketing and Communications Committee

The members of the Membership, Marketing and Communications Committee held their meeting on 22 March 2017 and the meeting considered the following:

- The outcome of the extended (second phase) Economic Impact Study on the impact and/or multiplier effect of improved local economic activity – including Buying Local – on the economy;
- The Buy Back SA settlement agreement concluded with the advertising agency that previously held the rights and owned the IP and the proposed resurrection of that specific advertising campaign;
- Feedback from the presentation made by Proudly SA to Nedlac’s Trade and Industry Chamber;
- The revised Membership Fee Structure, with discounts for longer term membership periods;
- The Membership Report for the period under review;
- A proposal on the compliance evaluation process for renewing members;
- Marketing report on the events and activities that took place during the period under review, including the Festive Season campaign report;
- PR, Media and Communications report for the period under review;
- A detailed plan on the 2017 Buy Local Summit and Expo;
- A report on the progress made to date on implementation of Proudly SA’s deliverables with regards to the Switch Africa Green project, in line with the funding received from UNOPS for this project.

3.6. HR and Remunerations Committee

The members of the HR and Remunerations Committee held their meeting on 27 March 2017 and the meeting considered the following:

- Annual Inflationary Adjustment to the Directors Fees (Non-Executive);
- The Salary Benchmarking and Comparisons exercise undertaken to improve the campaign’s personnel retention strategy;
- Feedback on the special HR and Remunerations Committee meeting held to consider retention of the current Executive Managers;
- Remuneration of the Chairman – recommendation to introduce a retainer;
- Revised tax laws in so far as the remuneration of Non-Executive Directors, is concerned;
- HR Reports on Staff movement, Performance Management, Staff training and Development and Staff Retention activities;

THE QUARTER UNDER REVIEW

4.1. HIGH LEVEL ACHIEVEMENTS FOR THE QUARTER

During the quarter under review, the Proudly SA campaign was able to achieve most of its targets as contained in the Annual Performance Plan (APP) for the fourth (and final) quarter of the 2016/17 financial year.

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

- The final phase of the Buy Local Festive season campaign continued during the month of the January 2017, where the campaign evolved into the Back To School campaign ahead of the new schooling year. This campaign was aimed at getting South Africans to buy locally manufactured products and services for the upcoming school year, when buying items such as school uniform and stationery. The campaign sought to educate consumers on the economy wide benefits of buying local, and was made up of elements that included amongst others, an Above-The-Line campaign and a strong social media presence;
- Participation in the Step Up 2 a Start Up campaign gave Proudly SA an opportunity to reach thousands of school going students, and educating them on the importance of buying local;
- Pan African Research Advisory Services completed the extended (2nd phase) of the Economic Impact Study aimed at firstly arriving at the premium acceptable for local procurement in the public sector when procuring those products mainly in the Manufacturing, Agro-processing and Pharmaceuticals sector and secondly to determine the multiplier effect of local procurement;
- The campaign participated at 3 major trade expos, which were all very strategic in nature and these were Africa Trade Summit, Africa Energy Indaba and the Global Entrepreneurship Congress;
- Strategic discussions, aimed at ensuring that partnerships and memberships would be cemented in the future, were held with three of the five major retailers, namely Woolworths, Mr. Price and The Foschini Group;
- A total of 11 press releases were issued during the quarter on an array of issues including amongst others, the crisis that has befallen the local poultry industry, as well as information on the upcoming Buy Local Summit and Expo.
- At least 89% of renewal membership fees due for the quarter, indicating an above average retention rate of existing members during the period under review;
- Proudly SA's Twitter following has exceeded 135 000. Organically grown, the number of followers continues to grow. This PR platform enables Proudly SA to communicate its programmes and weigh in on relevant current topical issues.

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 fourth quarter of the 2016/17 financial year, however the annual target had already been achieved in earlier quarters for almost all the areas, and below are some of the areas where the campaign fell short for the quarter:

- The Schools Consumer Education campaign was meant to have taken place in at least three schools during Quarter 4 however the schools campaign did not take place, as the campaign opted to participate in the Step Up 2 a Start Up schools project. This is a project that is targeted at schools all over the country and enabled the campaign to reach more school going students than what would have been the case if only 3 schools had been visited as per the initial plan as contained in the APP;
- No presentations to any of the major business associations listed in the APP, took place during quarter 4. The campaign however started discussions with all the associations and interactions with all the associations took place through the presentation made by Proudly SA to the Nedlac Trade and Industry Chamber, where all these business associations are duly represented;
- The 2017 edition of the Proudly SA Buy Local Summit and Expo, was initially scheduled for 22 -23 March 2017, but was rescheduled due to the unavailability of all the political principals invited to the event, namely the Deputy President and the Ministers of Trade and Industry, Economic Development, and Small Business. A decision was then taken to move the event to 3 -4 April 2017 as that was the first available date when both the venue and the invited political principals would become available. This decision was of strategic importance as the absence of these political heads would have impacted negatively on the profile of the event on both days as well as on the overall summit outcomes.

4.3. HIGHLIGHTS FOR THE QUARTER - EVENTS AND ACTIVATIONS

Africa Trade Summit

7-8 February 2017

The Africa Trade Summit and Expo looked at the feasibility of creating platforms necessary for African SMMEs to trade globally and locally through innovative big business and trade linkages. The event was held at the Cape Town International Convention Centre (CTICC).

Proudly SA Chief Executive Officer Eustace Mashimbye gave a presentation on 08 February 2017 on Proudly SA, local procurement and the relative benefits and offerings. The dti provided a well -designed stand which Proudly SA and the NEF shared at the event.

Reach for this event: 3 000

Target Audience: Dignitaries, diplomats, local ministers, decision makers and SMMEs



Three Cities One Day

14 February 2017

Valentine's Day celebrations took place in partnership with Mango. Proudly SA and Mango teams handed over a thousand roses, hand-held South African flags and cupcakes out to members of the public both in-flight and on the ground with the theme "Love is in the air". The in-flight activation targeted two flights each for Durban, Johannesburg and Cape Town and the ground activation took place at Lanseria International Airport.

Local artists – Thami Shobede and Charlie Mind Games performed on the ground, which excited fans tremendously. The overall campaign worked very well with assistance from the Mango team, albeit a pilot project. The success indicated that future events of this nature and magnitude in reach should continue.

The annual event sought to inspire South Africans, showed love for the people of South Africa and promoted social cohesion and national pride. Part of Proudly SA's mandate is to encourage South Africans to "buy local" and we therefore also promoted and encouraged the nation to show their love for South Africa by supporting and buying local products to help stimulate the local economy and create more jobs.

Reach for this event: 7 000

Target Audience: Consumers



Africa Energy Indaba
21-22 February 2017

Hosted by Siyenza Marketing, the Africa Energy Indaba is the continent's premier energy event, bringing together the continent's leading players in the sector to unlock the energy opportunities presented across the African continent. The indaba garnered support through strategic partnerships with leading energy organisations, such as the World Energy Council, the South African National Energy Association and the NEPAD Planning & Coordinating Agency to name a few.

Proudly SA exhibited at the show from 21-22 February at Sandton Convention Centre, JHB and invited a Proudly SA Member, Bokone Gas to share the exhibition space.

Reach for this event: 2 000
Target Audience: Energy sector

Proudly South African Media Launch
28 February 2017

Proudly South African hosted the Buy Local Summit & Expo Launch 2017 at The Forum, Turbine Hall, Johannesburg. The core aim of the event was to announce sponsors and partners for the 2017 annual "Buy Local Summit & Expo" to the media and other key stakeholders.

The event also provided an overall synopsis of what the Buy Local Summit 2017 entails. Proudly South African CEO Eustace Mashimbye, introduced the companies whose partnerships would ensure that the 6th edition of the Summit would be the largest to date.

Reach for this event: 35
Target Audience: Media, sponsors and key stakeholders





Global Entrepreneurship Congress (GEC)

14-15 March 2017

The GEC gathered together an audience of start-up champions in the thousands, from more than 170 countries to identify new ways of assisting founders to start and scale new ventures around the world. At the week-long GEC, delegates made connections, gained insights, learnt about new research, and left ready to renew their programmes, policy ideas and firm up founder skills.

Proudly SA was one of the key partners and exhibited at the event from 14-15 March 2017. The event took place at the Sandton Convention Centre, Johannesburg.

Reach for this event: 4 000

Target Audience: Entrepreneurs, investors, researchers, policy makers

Buy Local Summit and Expo

3-4 April 2017

This year's Buy Local Summit & Expo held at the Sandton Convention Centre in Johannesburg was extended to a two-day event on 3rd & 4th April. The event was initially scheduled for 22nd & 23rd of March, in line with the campaign's deliverable as contained in the 2016/17 Annual Performance Plan.

The focus of the event was on educating audiences on the involvement of the campaign on issues relating to localisation. It also outlined who the role-players within government and business are, who work in unison with the campaign to achieve localisation goals, in line with the NDP and the re-industrialisation drive as contained in IPAP.



The SMME focused workshop hosted on the first day was aimed at empowering local SMME's. The conference and exhibition took place on the second day. The conference was themed "Driving Industrialisation and Growing the Economy (with reference to the Industrialisation Policy Action Plan)". The property is growing exponentially and stakeholders were excited to participate at the event. Sponsors saw the value of the project and a number have already committed to future opportunities.

There was a total of 180 exhibition stands showcasing locally manufactured products and services, ranging from those manufactured by SMMEs to large corporate companies, and across many different sectors. Some of the sectors represented included clothing and textiles, pharmaceuticals, automotive sector, food, beverages, as well as representation from two of the major retailers.

Some of the speakers at the 2 day event, included the Minister of Small Business Development, Ms. Lindiwe Zulu, Minister of Trade and Industry, Dr. Rob Davies, CEO of Jet (Edcon), Head of Merchandising and Buying at Pick 'n Pay, economists, and other industry leaders.

Reach for this event: 6 000

Target Audience: Business, government, consumers, procurement officers



4.4. PR, COMMUNICATIONS AND MEDIA

4.4.1. Summary

The first quarter of 2017 was driven by preparations for the 6th Annual Buy Local Summit and Expo and putting into place the media and advertising agreements, including negotiating added value packages with print and broadcast media.

Nevertheless, 11 releases went out in this period, of which seven were unrelated to the Summit. Our releases on the murder of Sakhumzi Restaurant’s manager as well as on the death of Joost van der Westhuizen both got some traction on social media as well as mainstream media, as did a piece on job losses in the poultry sector.

We were commissioned to write two articles – one for Pretoria News on why buying local matters, which was published with the CEO’s name in the by-line and one by the Franchise Association of South Africa also on the importance of buying local which was covered in several trade publications.



Publication: Diamond Fields Advertiser
 Date: 08 Feb 2017
 Page: 10

Alarm over lay-offs

SIR – Proudly South African, the advocacy campaign for job creation through local procurement, has noted with alarm that a sector which has historically provided many thousands of jobs in the country is facing massive lay-offs. Thousands of poultry industry workers have lost their jobs in

recent months and many feel there will be few, if any, alternative work opportunities for them. “In the current economic climate where we are facing such low economic growth, the country can ill-afford such losses and the consequent lasting damage to the sector,” said Proudly SA chief executive Eustace Mashimbye. “But the country is faced with the perennial problem of balancing trade agreements which benefit the many with a potential

negative impact elsewhere. It is an unenviable task but we acknowledge the DTT’s efforts to stem the flow of massive job losses and to keep the poultry sector alive and competitive with the likes of Brazil, the EU and America.” Proudly SA urges all South Africans to support the country’s poultry industry which continues to produce top quality meat, and buy locally produced chicken and poultry products.

“When jobs are lost on this scale, it is truly worrying... we feel for the workers and their families who have lost their livelihoods. At Proudly SA we can only continue to work to promote the buy local ethos,” said Mashimbye.

DERYN GRAHAM
 Proudly SA

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articles – one for Pretoria News on why buying local matters, which was published with the CEO’s name in the by-line and one by the Franchise Association of South Africa also on the importance of buying local which was covered in several trade publications.

The CEO had two one-on-one interviews, with Beeld and Independent Media's Business Report and was featured in large spreads in both of those publications.



Outside of the Summit & Expo, Proudly South African this year moved from the highways to the skies for its annual Valentine's Day activation, partnering with member company Mango Airlines on flights to and from Cape Town, Durban and Johannesburg (Lanseria and OR Tambo International Airport), in addition to having a team on the ground at Lanseria, handing out flags, roses and cupcakes with Proudly SA messaging. There was a sound stage and performances from Idols SA Season 12 runner-up Thami Shobede as well as up-and-coming local R&B artist, Charlie Mindgames.

Meanwhile, surprised passengers on an early morning flight to Cape Town, and the return flight at lunchtime also received flags and cupcakes with two couples winning stays at Tsogo Sun hotels.

A press launch was held on 28 February at Johannesburg's Turbine Hall to announce Proudly SA's sponsors and partners for the 2017 Summit and brought in around 20 media representing print and broadcast.

Our media monitoring service settings have, since 1 December, been refined only to capture mentions where Proudly SA has a capital 'P' which has eliminated many random mentions of the phrase "Proudly SA" or "Proudly South African." In addition, reporting for PR will henceforth be in 'real time' and not retrospectively for the previous quarter. Therefore, this PR, Communications and Media section of the report refers for the first time to the Quarter in review, namely January to March.



Eustace Mashimbye

Buying local helps spur economy to growth

PROUDLY South African was established in 2001, born out of the 1998 Presidential Job Summit convened by then-president Nelson Mandela. Like all government initiatives, its purpose is to combat the triple challenges of poverty, inequality and above all, unemployment.

Proudly South African's mandate is four-fold: to promote nationwide buy-local activism, to encourage everyone to look at labels of origin on all goods and make the choice to buy a "Made in South Africa" product, to work with law enforcement agencies to combat the influx of counterfeit goods and to make buying local easier by developing a local supplier database which is available to all South Africans. The campaign's objective is singular - to help in the creation of 5 million new jobs by 2020.

Buy-local movements are gaining momentum around the world; South Africa is not unique in its efforts to tap into national pride and dog-good issue. As nationalism seizes many countries' imaginations in an apparent backlash against globalisation, the Proudly South African campaign is well positioned to leverage this upsurge in patriotism and push its message that buying local does indeed matter.

As individual consumers shopping for household items, we each have the power in our pockets to make a difference to re-invest in our own country, send money back to the fiscus and retain jobs.

This is effectively what a buy local choice means.

On a greater scale, the benefits of local procurement are enormous. The investment of just R1 in manufacturing will result in a R1.13 increase in GDP and in an increase of R0.13 in export receipts and R0.35 in fiscal revenue.

An investment of R1 million in the same sector will result in the creation of three new and sustainable job opportunities.

Proudly South African's efforts are supported by government, business, organised labour and the community.

Public procurement accounts for a significant contribution to the economies of both developed and developing countries and can represent as much as 25% of GDP! Legislating public procurement has assisted in increasing the uptake of local goods and services in South Africa.

The Local Procurement Accord of 2011 followed by the revision of the Preferential Procurement Policy Framework Act has designated sectors, sub sectors and products for local procurement.

These include heavy duty items required in the construction sector, mining and transport, as well as smaller goods such as stationery and office furniture. Local procurement is one of the key industrial levers set out in government's Industrial Policy Action Plan (IPAP) and on top of the sectors designated for support, a number of priority areas are being integrated into public procurement policy and procedure. These include supporting and strengthening small and emerging enterprises, encouraging the commercialisation of new products and services and fostering a sustainable, green economy. But while the public sector is in part regulated, it is the business to business - B2B - opportunities which offer massive opportunities for growth in local procurement.

Even among our own member companies, we encourage them to source goods and services from each other before looking elsewhere and this network has proved meaningful for many of them.

Among our member companies we count some large multinationals as well as township and rural-based companies, and trading between them is highly encouraged.

Unlocking the potential of SMMEs - the "kasi economy" and other entrepreneurial enterprises merely by supporting their existence can further our goal of job creation significantly. While government must build the enabling environment for job creation, it is ultimately these companies that will be the employers. In fact, the National Development Plan (NDP) has a vision of an economy in which SMMEs contribute 90% of jobs by 2020.

In a recently commissioned piece of research, 46% of people said they would support buy local even if the item was more expensive than an imported alternative. This underlines the importance of checking country of origin labels, which all items are legally obliged to carry in South Africa.

Part of our work is constantly to drive this message home - choose something Made in South Africa and create or at least save a job which might otherwise be in jeopardy. We have all seen the catastrophic consequences of thousands of imported chicken versus locally produced poultry - thousands of job losses.

To avoid this in other sectors of our economy, it is incumbent on each and every one of us and each and every company and government entity to make buy local choices.

Eustace Mashimbye is Proudly South African chief executive.



EUSTACE MASHIMBYE
PROUDLY SA, CEO

safranchisewarehouse.blogspot.co.za/2017/01/the-franchise-association-of-south.html

safranchise WAREHOUSE

SA Franchise is your primary information partner for all things franchising. With our mandate to inform, educate and connect, whether you are starting out, need funding, want to learn more about the industry or are ready move to on - we can help.

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The Franchise Association of South Africa urges members to support local procurement

By Liza Milburgh - March 27, 2017

With the recent entry into the South African market of a large number of new franchises, particularly in the fast food sector - think queues around the block at the openings of Burger King and Starbucks, the arrival of Domino's Pizza and Krispy Kreme and the proliferation of so many other franchises in just about all industry segments, it is no wonder that franchising contributes almost 12.5% to South Africa's GDP.

The potential for these franchises to contribute even more lies not only in generating increased sales of their respective products and services, but in the business to business opportunities that exist between them.



SAFRANCHISE
NEWS
03 MAR 2017
08:52

Buy local and create a job: how Proudly South African is helping small businesses

Proudly South African was established in 2001, born out of the 1998 Presidential Job Summit convened by late former president Nelson Mandela.

Like all government initiatives, its purpose is to combat the triple challenges of poverty, inequality and, above all, unemployment.

Proudly South African's mandate is four-fold: to promote nationwide "buy local" activism, to encourage everyone to look at the labels of origin on all goods and choose to buy a product made in South Africa, to work with law enforcement agencies to combat the influx of counterfeit goods and to make buying local easier by making a local supplier database available to all South Africans.

The campaign's objective is to help create 5 million new jobs by 2020.

Buy-local movements are gaining momentum around the world. South Africa is not unique in its efforts to tap into national pride to make buy local both a feel-good and a dog-good issue. As nationalism seizes many countries' imaginations in an apparent backlash against globalisation, the Proudly South African campaign is well positioned to leverage this upsurge in patriotism and push its message that buying local does indeed matter.

As individual consumers shopping for household items, we have the power in our pockets to make a difference and reinvest in our own country by sending money back to the fiscus and helping to retain jobs.

On a greater scale, local procurement has enormous benefits. An investment of just R1 in manufacturing will result in a R1.13 increase in gross domestic product, an increase of R0.13 in export receipts and R0.35 in fiscal revenue. Investment of R1 million in the same sector will create three sustainable jobs.

Legislating public procurement levels has supported the uptake of local goods and services in South Africa. The Local Procurement Accord of 2011, followed by the revision of the Preferential Procurement Policy Framework Act, has designated sectors, sub-sectors and products for local procurement. These include heavy-duty items required in the construction sector, mining and transport, as well as smaller goods such as stationery and office furniture.

While the government must build an environment that enables job creation, it is ultimately these companies that will be the employers. In fact, the National Development Plan has a vision of an economy in which SMMEs contribute 90% of jobs by 2020.

But while the public sector is in part regulated, it is the business-to-business opportunities that offer massive scope for growth in local procurement.

Among Proudly South African member companies are large multinationals, as well as township-based and even rural companies. Trading between them is highly encouraged. Unlocking the potential of small, medium-sized and micro-enterprises (SMMEs), the so-called kasi economy and other entrepreneurial enterprises merely by supporting their existence can further our goal of job creation.

While the government must build an environment that enables job creation, it is ultimately these companies that will be the employers. In fact, the National Development Plan has a vision of an economy in which SMMEs contribute 90% of jobs by 2020.



In a recently commissioned piece of research, 46% of people said they would support buying local even if the item was more expensive than an imported alternative. This underlines the importance of checking country-of-origin labels, which all items are legally obliged to carry in South Africa. Part of our work is to drive this message home - choose something made in South Africa and create a job, or save one that might otherwise be in jeopardy.

We have seen thousands of job losses as a catastrophic consequence of increased sales of imported chicken versus locally produced poultry. If we are to avoid this in other sectors of

our economy, it is incumbent on all of us and on every company and government entity to support buy local.

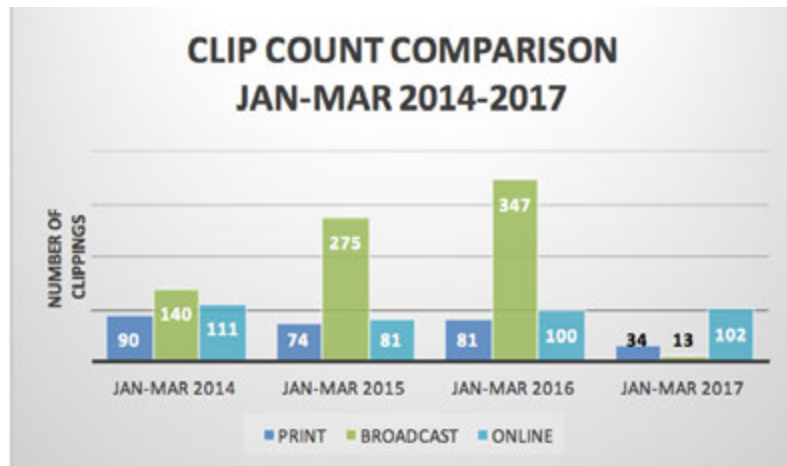
Proudly South African is hosting its 6th Buy Local Summit @ Expo on April 3 and 4 2017 at the Sandton Convention Centre.

Do not miss this focus on SMMEs, providing practical advice, tips and information on establishing and sustaining a successful business. It has the support of the Ministry of Small Business Development.

Do not miss the main conference and exhibition, and will be addressed by Minister of Trade and Industry Rob Davies. [See more](#)

4.4.2. Clip Count Analysis 2014-2017

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 (January – March 2017). Comparison is made with the same period in 2014, 2015 and 2016.

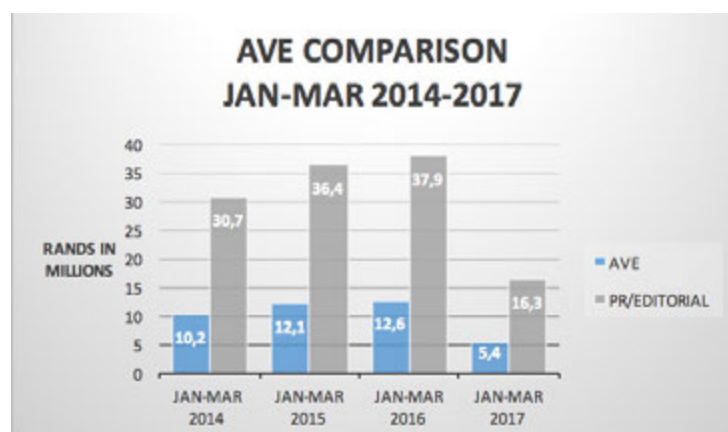


The analysis shows a decrease in the total clip count as compared to previous years. The main reason for this decline is attributed to the recent refining of the settings of Proudly SA’s media monitoring service, assisting the organisation in capturing only relevant media mentions which can be attributed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

Furthermore, the 2017 Buy Local Summit & Expo, a flagship event which traditionally gets the most media coverage, this year fell outside of the quarter under review (January – March 2017) unlike in 2014, 2015 and 2016.

4.4.3. AVE/PR VALUE

The AVE/PR Value Comparison shows a decrease for the period January – March 2017 compared to the previous year. The Advertising Value Equivalency (AVE) places a value on editorial as an equivalent for the same amount of space or airtime taken in advertising. The PR/Editorial Value is derived by multiplying the AVE by three, as per industry norms



The AVE/PR value analysis shows a decrease for January – March 2017 compared to the same quarter in previous years. As per the previous graph entitled Clip Count Comparison, the decrease can be attributed to the timing of the 2017 Buy Local Summit as well as the refining of our media monitoring service settings.

4.4.3. Press Releases

The following were issued / published between July and September 2016:

NO	DATE	HEADLINE
1	30 January	PROUDLY SA SHOCKED AT MURDER OF SOWETO MANAGER
2	31 January	PROUDLY SA BUY LOCAL SUMMIT & EXPO EXTENDED TO 2 DAYS IN 2017
3	1 February	PROUDLY SA REGRETS JOB LOSSES IN THE POULTRY SECTOR
4	6 February	STATEMENT FROM PROUDLY SA ON LOSING A RUGBY LEGEND AND ICON
5	6 February	DATE OF PROUDLY SA'S 6TH LOCAL SUMMIT & EXPO CHANGED
6	15 February	SHOWING LOVE FOR SA WITH PROUDLY SA AND MANGO
7	28 February	PROUDLY SA ANNOUNCES ITS PARTNERS FOR THE 2017 BUY LOCAL SUMMIT & EXPO
8	1 March	Opinion Piece for Pretoria News: WHY BUYING LOCAL MATTERS by Eustace Mashimbye
9	6 March	ADCOCK INGRAM BECOMES THE FIRST MAJOR PHARMACEUTICAL COMPANY TO TAKE UP PROUDLY SA MEMBERSHIP
10	13 March	FRANCHISE ASSOCIATION OF SA URGES MEMBERS TO SUPPORT LOCAL PROCUREMENT
11	29 March	PROUDLY SOUTH AFRICAN TO EXPLORE IDENTITY & HERITAGE AT BUY LOCAL SUMMIT & EXPO

4.4.4. Media Visits/Engagements

In the process of negotiating our terms for collaborating on the Summit & Expo, meetings between several media houses were held including Power FM, Kaya FM, and Business Day TV. The Valentine's Day activation also gave us an opportunity to engage with media houses.

Power FM	Soweto Life Magazine
Kaya FM	Business Day TV
eTV	VOW FM
Radio 2000	SME South Africa
The New Age	Business Report
Radio Islam	SABC
Soweto TV	Beeld
ANN7	Citizen

FOKUS OP | DIE TROTS SUID-AFRIKAANS-VELDTOEG

Koop plaaslik en help die ekonomie

Gehalte deel van Trots SA se belofte



Beneit die praatwerk van die Trots SA-kampanje is die belangrikste deel van die belofte om plaaslik te koop. Dit is die manier waarop die ekonomie kan groei en die werkloosheid kan verminder word. Die Trots SA-kampanje is 'n belangrike deel van die regering se beleid om die plaaslike ekonomie te ondersteun en te groei te help. Dit is die manier waarop die ekonomie kan groei en die werkloosheid kan verminder word. Die Trots SA-kampanje is 'n belangrike deel van die regering se beleid om die plaaslike ekonomie te ondersteun en te groei te help.

Gratis ekspos

Die Trots SA-kampanje is 'n belangrike deel van die regering se beleid om die plaaslike ekonomie te ondersteun en te groei te help. Dit is die manier waarop die ekonomie kan groei en die werkloosheid kan verminder word. Die Trots SA-kampanje is 'n belangrike deel van die regering se beleid om die plaaslike ekonomie te ondersteun en te groei te help.

4.5. Presentations

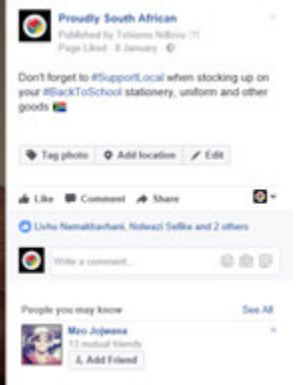
The Proudly SA CEO, Eustace Mashimbye made CEO-led presentations at various events and media interviews as an awareness and education campaign around the work of Proudly South African Campaign and what it stands for. Businesses/enterprises, as well as consumers are invited to support and join the Proudly South African Buy Local Campaign.

DATE	EVENT	VENUE
31 January 2017	NEDLAC Trade and Industry Chamber (together with the Chairman of the Board)	NEDLAC Offices
31 January 2017	4th Japan Seminar (JETRO)	SCC
22 February 2017	Treasure Chest Wines (Black Wine manufacturers)	SCC
28 February 2017	Proudly SA Buy Local Summit & Expo media launch	Turbine Hall
8 March 2017	Smart Procurement World (Africa Trade Indaba)	Cape Town

4.6. Above The Line Campaigns

4.6.1. Back To School

Following on from December 2016's Festive Season Campaign which promoted the buying of locally produced gifts and groceries for the holiday season, the campaign was extended and morphed in January 2017 into a Back To School themed message, using the same imaging as December. Encouraging the purchase of locally made uniform and stationery items for the January return to school, the campaign was promoted across social media.



4.6.2. Buy Local Summit

The Buy Local Summit & Expo is our flagship event and this provided for an opportunity to promote the campaign as well as to get the businesses to come to the event. The above the line served a primary purpose of getting businesses and procurement officials to attend the event, secondary to that is to get our brand out there. Visibility of the brand and the campaign activities makes the brand stronger and more relevant to businesses.

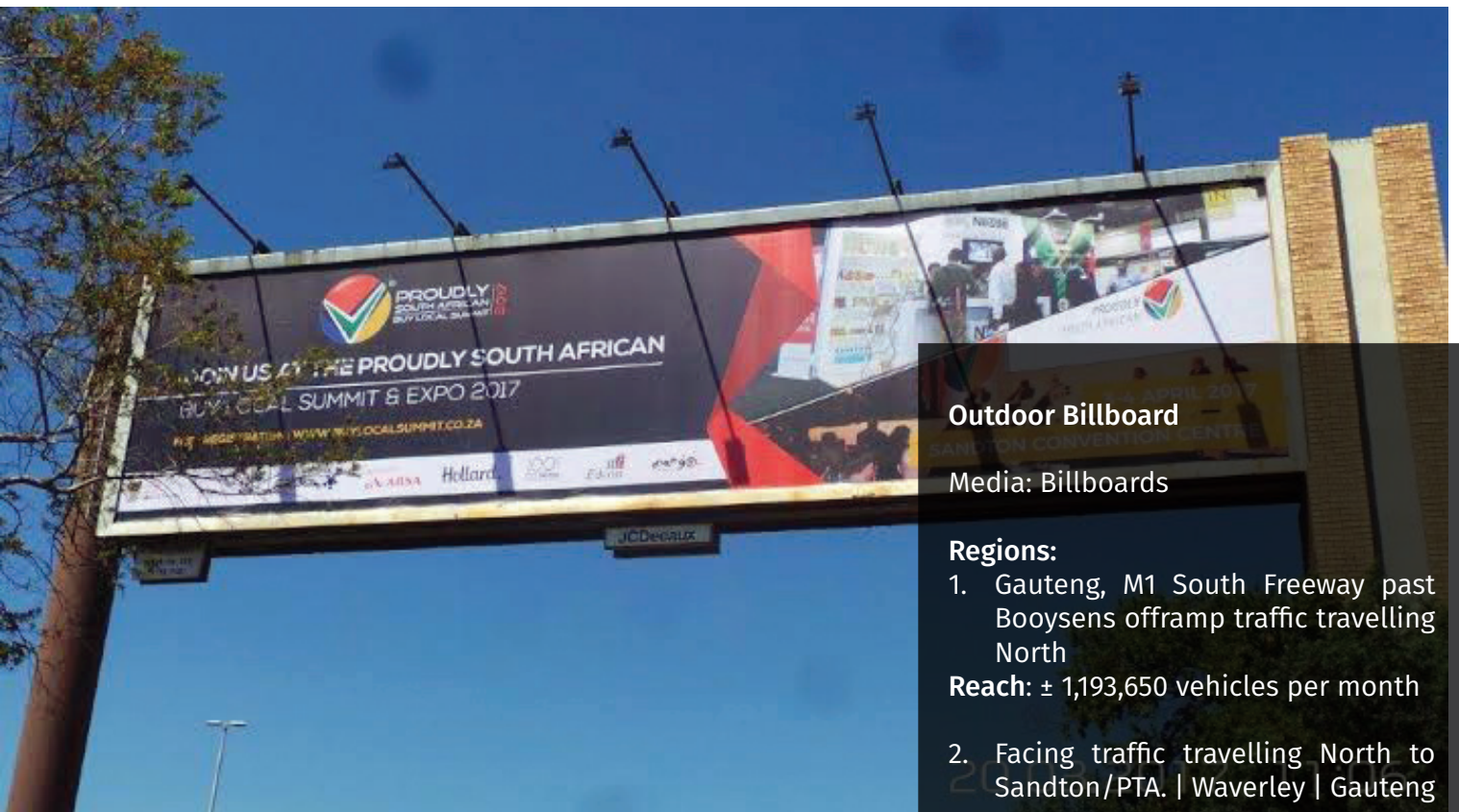
The platforms used to promote the event and the work around the event are Print, Television, outdoor billboards & radio adverts. The buy local message has been projected in the promotion of this event and has enabled the campaign to further reach more people in the interest to promote local and strengthen brand association with other important stakeholders sponsoring and aligned to the event and campaign. Through promotion of this event including logos from other big brands has allowed us to leverage from their brand equity.



Campaign Objectives

- Build Proudly SA Brand and create brand awareness
- Promote the Buy Local Summit & Expo
- Educate consumers on the importance of buying local
- Promote the Country of Origin label to improve sales of local products.
- Showcase local brands sponsoring the event
- Strengthening brand alignment with big brands

Campaign	Join us at the Buy Local Summit & Expo 'Be proudly South African, Buy local to create jobs'
Objectives	Call to action: Join us at the Buy Local Summit & Expo. Get businesses to attend the expo and conference
Elements	3 Billboards 18 street poles Radio Adverts Television adverts Newspaper advert Magazine adverts
Period	January 31st – 4th April
Target Market	Business & SMMEs



Outdoor Billboard

Media: Billboards

Regions:

1. Gauteng, M1 South Freeway past Booyens offramp traffic travelling North

Reach: ± 1,193,650 vehicles per month

2. Facing traffic travelling North to Sandton/PTA. | Waverley | Gauteng

3. N1 Ben Schoeman highway just before New road offramp.



Print advert

Print ads were taken out to

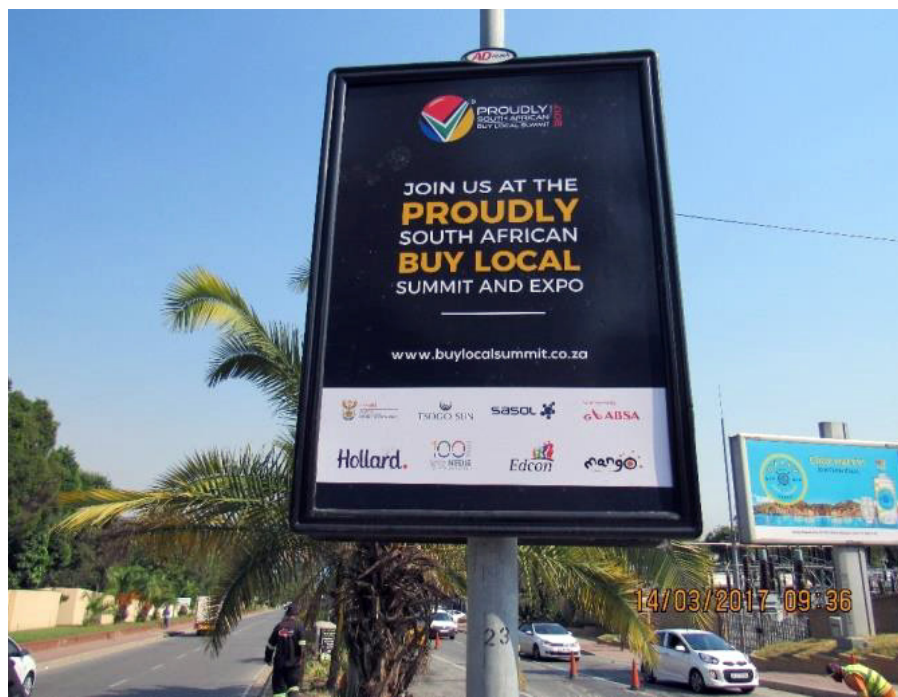
Media:

- **Report adverts**
Date: 27 Feb
Reach: Circulation 253 452/Readership 1 166 000
- **City Press ads 12/19/26 March and 2 April**
Date: 3 ads in Business Section on each of 12/19/26 March
Reach: Circ 81 488/Readership 165 300
- **Sowetan ads**
Date: 27/28/29/30/31 March
Reach: Circ 86 624/Readership 551 000
- **Mango Juice**
Date: 01 -31 March 2017
Reach: Circulation- 20 000

Regions: National

Online

Sowetan Live
Banners/eNewsletter
Date: 27-31 March
Reach: Unique browsers 1 752 838
CTR (click through rate) of 0.24%



Radio

702 – Promos
Reach 547 000

Power - Live reads in last 2 weeks of March
Reach 99 000

Radio 2000 - Live reads 1 week prior
Reach 477 000

Kayafm - Live reads last 2 weeks March
Reach 841 000

Region: Gauteng
Total Reach:



Television

Multichoice Channels: Travel ; Trace Tv ; TLC ;Sony; Nat Geographic's ; life ; Food Network; E Entertainment;-
discovery entertainment; Discovery ID ; BBC First: BBC Earth ; Animal Channel

Reach: 3 374 848
Region: National

Street Poles

Media: Sowetan online banners and added value editorial ran from 27Mar-3 April

Regions: Gauteng,
Reach:

Region	Units	Street Name	Estimated average daily road count
Johannesburg Metro	3	Katherine Street	15 050
Johannesburg Metro	3	Marlboro Drive	11 557
Johannesburg Metro	3	Sandton Drive	16 889
Johannesburg Metro	3	William Nicol Drive	51 044
Johannesburg Metro	3	5th Street	10 080
Johannesburg Metro	3	6th Road	12 000
Johannesburg Metro	3	Linden Street	11 050
Johannesburg Metro	3	Main Road	28 814
Johannesburg Metro	3	Oxford Road	16 080
Johannesburg Metro	3	Republic Road	24 080
Johannesburg Metro	3	Jan Smuts Avenue	26 050

PERFORMANCE FOR THE PERIOD UNDER REVIEW

(January to March)
 Performance against the Annual Performance Plan targets for the quarter

Strategic objective/outcome	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, influence purchase behaviour in favour of local products and educate consumers on the importance of buying local through:	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) activism campaign reaching at least 20 million consumers	*To reach 5 million consumers through the Buy Back SA campaign each quarter	*More than 5 million consumers reached through the last phase of the Buy Local Festive Season! Back To School advertising campaign done as follows: - 20 major shopping centres all over the country; - 20 township malls all over the country.	
Educate consumers on the importance of buying local (Local Procurement Accord) – influencing "Buy Local" purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	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: * Below the line activities through social media, press releases and other PR related activities; *National consumer educational road show through mall activations (education through edutainment); *Schools consumer education campaign in secondary schools and FET colleges	*PR & Below the Line Activities reaching at least 20 million consumers per annum; *Roadshows in at least 6 provinces annually *Roll out of schools campaign in at least 12 schools and/or FET colleges per annum	*Reach 5 million consumers during each quarter *No Activations planned for Quarter 4 *Schools campaign in 3 schools during each quarter	*In excess of 5 million consumers reached through PR activities (listed above in PR section) *Consumer mall activations held in 6 provinces by Q3 *Step up 2 a Start Up project helped reach 16 000 students in approx. 100 schools for the year	*Schools consumer education rolled out through the Step Up 2 a Start Up schools programme In total, 3 universities reached for the year
Educate consumers on the importance of buying local (Local Procurement Accord) – influencing "Buy Local" purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	*University activation campaigns campus radio adverts / live reads, industrial theatre and edutainment.	* 2x Universities per annum;	*2 Activations in universities for Quarter	*Wits Business School and Wits University radio	

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>* Proudly SA CSI projects</p>	<p>*Participation in at least 8 major trade expos or events per annum;</p> <p>*At least 2 CSI projects per annum</p>	<p>*At least 2 expos or events per quarter</p> <p>*No CSI activity planned for Q4</p>	<p>presentations done</p> <p>*Participated at 3 x major expos/events – Africa Trade Summit, Africa Energy Indaba and GEC</p>	
Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade	<p>Above-the Line Campaigns promoting the Proudly SA logo as the Country of Origin label. These include Radio Adverts, TV Blurps, Print Banners, Street Posters, Social Media Campaigns, Proudly SA Website.</p>	<p>Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers;</p>	<p>*To reach 5 million consumers through the Buy Back SA campaign each quarter</p>	<p>*More than 5 million consumers reached through the last phase of the Buy Local Festive Season/ Back To School advertising campaign done as follows: -20 major shopping centres all over the country; -20 township malls all over the country.</p>	
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<p>Educational roadshows Increase buy-in and support for local procurement by the public sector (all state organs) through: *Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum *Partnership with National Treasury to drive Buy Local Message to procurement decision makers in all spheres of government and to monitor procurement within the public sector.</p>	<p>*At least 1 presentation to SOEPF per annum</p> <p>*Conducting of performance audits by AG's office to monitor compliance with local content preferential procurement regulations and designations by organs of the state To reach the following during</p>	<p>*At least one presentation to SOEPF (per annum)</p> <p>*Engage AG and relevant authorities to support compliance with the PPPFA local content provisions</p>	<p>*Met with the leadership of SOEPF in Q3</p> <p>*Preliminary discussions finalised with AG to commence audits after discussion with dti</p>	<p>*the dti to lead this process and Proudly SA to focus on education elements within the public sector as part of its campaigns (Below The Line)</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	"National, provincial and local departments visits – engagement with procurement officers	the 2016/17 financial year: *8 national departments p/a *2 provincial governments p/a *2 metros per annum *20 district municipalities p/a	*2 national departments per quarter; *2 provincial government per annum; * 1 Metro *5 SALGA district municipalities	*2 reached - the dti and DSEB *1 provincial ED govt. depts. – GP *1 Metro met – Joburg *None	*278 Municipalities (incl. Metros) reached at the SALGA national members assembly in Q1
	"Presentation at SALGA *1-2 x Day Buy Local Summit – focusing on all state organs and business procurement *1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – "Made in SA" Expo	*1 presentation to SALGA *At least 1 summit to be held per annum *At least 1 Buy Local Expo held per annum	*1 Presentation and/or meeting with SALGA in Q3. No target (deliverable) for Q4 *Buy Local Summit scheduled for March 2017 *Buy Local Expo scheduled for (March 2017)	*1 x meeting held with SALGA to negotiate the participation at the SALGA summit * Buy Local Summit scheduled for March 2017 moved to 3 April 2017 *Buy Local Expo scheduled for March 2017 moved to 3 April 2017	*Participation at the SALGA summit cancelled due to high costs involved *2017 edition of the Buy Local Summit & Expo moved to April 2017 as a result of non-availability of the required political principals
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	National Educational road shows: Increased buy-in and support for local procurement by the private sector. Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products through:				

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	<p>* Presentations to BUSA, BBC and BLSA members;</p> <p>* Briefing sessions/ one-on-one visits to/with retailers</p> <p>*1-2 x Day Buy Local Summit – focusing on all state organs and business procurement</p> <p>1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo</p> <p>*Sector Specific Workshops/Business Forums</p> <p>*Proudly SA Events/ Exhibitions/ Expo’s/ Villages at trade expos</p> <p>*SA Premier Business Awards (in partnership with the dti and Brand SA)</p>	<p>*1 presentation to BUSA, BBC and BLSA per annum;</p> <p>*Briefing sessions with at least 2 major retailers per annum;</p> <p>*At least 1 summit to be held per annum;</p> <p>*At least 1 Buy Local Expo held per annum;</p> <p>*8 x workshops/forums per annum</p> <p>* Participation in at least 8 major trade expos, events, etc. per annum</p> <p>* Hosting 1X annual SA Premier Business Awards event (as a partner to the dti)</p>	<p>*No presentation to any of the targeted organizations</p> <p>*1 Briefing session with at least one major retailer</p> <p>*Buy Local Summit scheduled for Q4 (March '17)</p> <p>*Buy Local Expo scheduled for Q4 (March 2017)</p> <p>*No sector specific business forum/workshop scheduled for Q4</p> <p>*2 trade expos, events, etc. per quarter</p> <p>*Awards scheduled for Q3 (December 2016)</p>	<p>*Met with the leadership of BBC and CEO Initiative</p> <p>*3 major retailers (Mr. Price, Woolworths and TFG met and briefed)</p> <p>* Buy Local Summit scheduled for March 2017 moved to 3 April 2017</p> <p>*Buy Local Expo scheduled for March 2017 moved to 3 April 2017</p> <p>*Participated at 3 x major expos/events – Africa Trade Summit, Africa Energy Indaba and GEC</p> <p>*SA Premier Business Awards held on 6 December 2016</p>	<p>*Presentation slots not yet confirmed by the orgs. Letters sent to all organisations</p> <p>*2017 edition of the Buy Local Summit & Expo moved to April 2017 as a result of non-availability of the required political principals</p> <p>*Annual target met and exceeded in Q1 and Q2</p>
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing Buy	* 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) activism campaign reaching at least 20 million consumers	*To reach 5 million consumers through the Buy Back SA campaign each quarter	*More than 5 million consumers reached through the last phase of the Buy Local Festive Season/ Back	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Local purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products				To School advertising campaign done as follows: - 20 major shopping centres all over the country; - 20 township malls all over the country.	
Brand Management Brand research - Development of a reliable monitoring and evaluation system	Existence of a reliable monitoring and evaluation system – to measure uptake of local products and services and procurement by the public sector, private sector and consumers; Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	*Economic Impact Study on the impact of buying local on brand awareness and uptake of Proudly SA member products and services conducted – at least once per annum *At least 8 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	*Economic Impact Study completed during Q3	*Economic Impact Study completed and results released during Q2. Extended economic impact study completed during Q4	*Annual target met and exceeded in Q1, Q2 and Q3 using the in-house Questback research software for provincial business forums
Brand Compliance and IP. Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	*Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods *Action/letters of demand to irregular users of the Proudly SA logo *Regular compliance reviews of all members	*Weekly monitoring of the use of the logo in the market *100% of all identified illegal users sent letters *100% (All) members checked for compliance	*Weekly monitoring done *All identified irregular users were sent letters – 100% *All members contacted as part of the new and	

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		<ul style="list-style-type: none"> *Weekly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally 	<ul style="list-style-type: none"> *Monitoring of the use of logo and phrase done illegally 	<ul style="list-style-type: none"> renewals membership compliance process – 100% *Monitoring done by Adams and Adams weekly – 100% 	
	"Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof"	<ul style="list-style-type: none"> *Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders 	<ul style="list-style-type: none"> *100% of Daily monitoring through Newscorp of all coverage on Proudly SA 	<ul style="list-style-type: none"> *Monitoring done during the quarter, 100% of all coverage identified 	
	* Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)	<ul style="list-style-type: none"> *Press releases At least 24 press releases per annum 	<ul style="list-style-type: none"> *6 press releases issued per quarter 	<ul style="list-style-type: none"> *11 press releases issued during Q4 (see PR section above) 	
	"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"	<ul style="list-style-type: none"> *Media engagement *At least 16x individual media meetings per annum 	<ul style="list-style-type: none"> *4 media/editor's meetings per quarter 	<ul style="list-style-type: none"> *16 media meetings/visits held with various media houses (See list in PR section above) 	
	"Daily communication on Twitter and Facebook"	<ul style="list-style-type: none"> * At least 2 x Media breakfast/ lunch per annum * Social Media activities daily 	<ul style="list-style-type: none"> *At least 1 x media breakfast/ lunch per quarter (Q2 and Q4) *Daily updates on Twitter and Facebook done 	<ul style="list-style-type: none"> *1 Media event (Buy Local Summit and Expo launch held during Q4) *Daily updates done on Twitter and Facebook resulting in an increase in 	
"Increase following on social media platforms and increase in publicity"					

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
		<p>*Social media competitions at least once a month (12 per annum);</p> <p>*Valentine's Day activation 1x per year on Valentine's day</p>	<p>*3 social media competitions per quarter (one a month)</p> <p>*This activation is scheduled to take place during Q4 (Feb '17)</p>	<p>the number of followers on both platforms. The Proudly SA Twitter account now has 135 000 followers and Facebook has more than 10 000 followers</p> <p>*A major social media competition ran for the Festive season campaign</p> <p>*This year's Valentine's activation took place during Q4 (Feb '17)</p>	
Retention and Recruitment Members	Number of members recruited and retained	<p>*Recruit at least 144 new members for the year</p> <p>*Retain at least 50% of all members due for renewal for the year</p>	<p>*36 new members recruited during the quarter</p> <p>*50% of all members due for renewal renewed membership</p>	<p>*21 new members recruited and approved during the quarter</p> <p>*89% of all members due for renewal, renewed their membership</p>	<p>Target for Q4 not achieved, however annual target exceed (153 companies recruited)</p>
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 2015/16 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 Q4	
Human Resources Management: Organisational structure is always aligned to organisational strategy	Extent (Percentage) of alignment of the functional organogram with the approved strategy *Percentage of critical positions filled	<p>*Organogram with positions informed by the organisational strategy and aligned completely</p> <p>*All (100%) critical positions filled at all times</p>	<p>*100% alignment of organogram to the strategy in every quarter</p> <p>*All (100%) critical positions filled during the quarter</p>	<p>*Organogram fully aligned (100%) to the strategy in Q4</p> <p>*2 critical vacant positions on the organogram filled during Q4 – CFO and Executive Membership and Legal recruitment processes completed. The 2 incumbents to start in April 2017</p>	

PFMA AND TR COMPLIANCE CHECKLIST / COMPLIANCE CALENDER

Corporate Management

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
27.1.8			Does the audit committee review the following:				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
		<ul style="list-style-type: none"> • The effectiveness of internal control systems; 		X			
		<ul style="list-style-type: none"> • The effectiveness of internal audit; 		X			
		<ul style="list-style-type: none"> • The risk areas of the entity's operations to be covered in the scope of internal and external audits 		X			
		<ul style="list-style-type: none"> • The adequacy, reliability and accuracy of financial information provided to management and other users of such information 		X			
		<ul style="list-style-type: none"> • Any accounting and auditing concerns identified as a result of internal and external audits 		X			
		<ul style="list-style-type: none"> • The entity's compliance with legal and regulatory provisions 		X			
		<ul style="list-style-type: none"> • 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			
		<ul style="list-style-type: none"> • 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			<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		Has the internal audit function prepared a three-year strategic internal audit plan based on the risks facing the public entity? Does the internal audit function report to the audit committee detailing its performance against the plan?	X			The Internal Audit plan approved by the Audit committee is a rolling 3-year plan 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
	TR 27.2.10		Does the internal audit function evaluate the following: <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
			<p>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?</p>		X		
			<p>Have any employees of the public entity committed financial misconduct?</p>		X		
			<p>If so, was the investigation instituted within 30 days?</p>			X	
			<p>Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct?</p>			X	If any criminal charges are instituted for financial misconduct, the Executive Authority will be advised accordingly
			<p>Is the Executive Authority, Auditor-General and relevant treasury provided with a schedule detailing:</p> <ul style="list-style-type: none"> • The outcome of any disciplinary hearings and/or criminal charges; • The names and ranks of employees involved; and • The sanctions and any further actions taken against these employees. 			X	The reports on any disciplinary hearings held are reported to the Accounting Authority through the relevant subcommittee (HR and Remunerations Committee).

PFMA Checklist for Public Entities Planning and Budgeting

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.2.		<input type="checkbox"/> dividend policies Does the public entity conclude a shareholder's compact with the executive authority on an annual basis? If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X			A memorandum of Association (MoA) has been concluded and signed with the dti The draft MoA does detail the key performance measures and the indicators to be attained
2.	53(1)	Annual budgets by non-business Schedule 3 public entities	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities, however Proudly SA does submit its budget to the dti as required as per the MoA
	53(2)		Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dti as per the MoA
	53(3)		Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?		X		Specific to Schedule 3 non business entities and not applicable to Proudly SA however, Proudly SA does not budget for a deficit
	TR 30.1.1		Did the accounting authority submit a proposed strategic plan to the executive authority for his or her approval at least six months before the start of the financial year of the department designated by the executive authority?			X	Specific to Schedule 3 non business entities and not applicable to Proudly SA, however a strategic plan was submitted as per the MoA
	TR 30.1.2		Was the final strategic plan submitted to the executive authority before 1 April? Does the strategic plan:			X	Final strategic plan submitted as per requirements contained in the MoA
	TR 30.1.3		<ul style="list-style-type: none"> • cover a period of three years; • include objectives and outcomes as identified by the executive authority; • include multi-year projections of revenue and expenditure; • include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and • include the materiality/significant framework, referred to in Treasury Regulation 28.1.5. Is the strategic plan updated on an annual basis?	X X X X X X			The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations

PFMA Checklist for Public Entities Management of Working Capital

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

PFMA Checklist for Public Entities Reporting

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	TR 26.1.1	Quarterly Reporting	Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dti as per the MoA (30 days from the end of each quarter)
	TR 26.1.2		Does the public entity report quarterly to the executive authority (via the designated accounting officer) on the extent of compliance with the PFMA and Treasury Regulations? (Schedule 3A and 3C public entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dti
	TR 29.3.1 TR 30.2.1		Has the public entity established procedures to report quarterly to the executive authority in relation to progress made against achieving the targets set out in the strategic and corporate plan?	X			Proudly SA is required in the MoA to submit quarterly reports to the dti, as per the template provided. The quarterly report sets out the progress made against achieving the set targets as contained in the APP
2.	55	Annual report and financial statements	Did the public entity submit the following to the relevant treasury, executive authority and Auditor-General within 5 months from the end of the financial year. <ul style="list-style-type: none"> • An annual report on the activities of the public entity during that financial year. • The financial statements for that financial year after the statements have been audited. • The report of the auditors on those statements. 	X			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 therein
65		<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>				X	No material losses incurred through criminal conduct and fruitless expenditure (penalties) incurred during the previous financial year reported as such No criminal charges instituted as no such loss was incurred 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			This disclosure was included in the Governance section in the Annual Report as the audit committee has an approved set of Terms of references
TR 27.1.10		<p>Did the audit committee comment on its evaluation of the public entity's financial statements?</p>		X			The Audit committee does comment on the public entity's financial statements in the AFS contained in the Annual Report

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 28.1.1		Does the financial statement include a report by the accounting authority that discloses the emoluments of all directors and executive members of the public entity and its subsidiaries?	X			
	TR 28.1.2		<p>If yes, to above, does the disclosure include:</p> <ul style="list-style-type: none"> • Fees for services as a director or executive member; • Basic salary; • Bonuses and performance related payments; • Sums paid by way of expense allowances; • Contributions made to any pension fund, medical aid, insurance scheme, etc.; • Any commission, gain or profit sharing arrangements; • Any share options, including their strike price and period; and • Any other material benefits received. 	<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 Checklist for Public Entities
Cash management, banking and Investment

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	51(1)(b)(iii) TR 31.1	Cash Management	<p>Are systems, procedures and processes in place in the public entity to ensure efficient and effective banking and cash management, which includes?</p> <ul style="list-style-type: none"> • Collecting and banking revenue promptly Making payment no earlier than necessary with due regard for efficient, effective and economical programme delivery and the public entity's normal terms for account payments; • Avoiding prepayments for goods and services unless required by the contractual arrangements with the supplier; • Accepting discounts to effect early settlement; • Pursuing debtors with appropriate sensitivity and vigor to ensure that amounts receivable by the public entity are collected and banked promptly; • Accurately forecasting the public entity's cash flow requirements; • Timing the in and out flow of cash; • Recognizing the time value of money, i.e. economically, efficiently, and effectively managing cash; 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>		N/A	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			
2.	TR 31.2.1	Banking	Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?			X	The campaign submits its list of bank accounts to the dti as per the MoA
3.	TR 31.3.1 TR 31.3.2	Investment	Does the public entity have an investment policy? If yes to the above, does the investment policy include the: <ul style="list-style-type: none"> • selection of counter-parties through credit risk analyses; • establishment of investment limits per institution; • establishment of investment limits per investment instrument; • monitoring of investments against limits; • reassessment of investment policies on a regular basis; • reassessment of counter-party credit risk based on credit ratings; and • reassessment of investment instruments based on liquidity requirements. 			X	The Proudly SA campaign does not have enough long term cash reserves to enable it to invest. Any surplus funds are placed in Call accounts with the highest rate of returns, as negotiated with the banking institution where the funds are kept.

PROGRESS ON ACTIONS IN THE RISK REGISTER AS AT 31 DECEMBER 2016

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

Risk No	Objective (Strategic Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
3	To work with enforcement agencies to prevent illegal imports, dumping of unsafe products and illicit trade	Strategic Risk	Lack of legislative mandate and recognition of Proudly SA as a key player by the enforcement agencies.	High	Presentations and submissions made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Presentations made to Nedlac's Trade and Industry Committee	Unsatisfactory	High	A request made to the Nedlac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products	MANCO	31-Mar-18
4	Increase uptake of Membership	Strategic Risk	Poor value proposition for existing and prospective members.	High	Value proposition based on the use of the Proudly SA logo and the Proudly SA activities and campaigns conceptualized for the Buy Local campaign. Membership fee restructured to make it more affordable	Weak	High	The Proudly SA membership value proposition needs to be improved to provide for items that impact on the bottom line of the member companies, including participation in foreign missions. Roll out more advertising campaigns. Communicate the Restructured membership fee	MANCO	31-Mar-18
5	To educate South Africans on the importance of 'Labels of origin' in order to promote fair and legal trade with other countries.	Strategic Risk	Lack of uptake of Proudly SA products and services by all spheres of governments including SOE's (Non-compliance with regulations on designation of sectors)	High	Procurement regulations revised and products designated for local procurement by all organs of the state	Weak	High	Roll out provincial public sector procurement forums - educational campaigns on PPFPA local content provisions (regulations) to all spheres of government in partnership with NT, SALGA, provincial ED and Finance departments as well as SOEFF	MANCO	31-Mar-18

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
6	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Lack of funding to undertake meaningful research to inform consumer education campaigns	High	Deep stick surveys undertaken after every event.	Weak	Medium	An Economic impact study on Buy Local done by Pan African Research and results finalised. To utilize this data to strengthen the campaign's case in the market – study to be extended. To package case studies of member success stories for use in the market.	MANCO	31-July-17
7	To compile a database of locally produced products and services.	Strategic Risk	Lack of comprehensive LPIA, supplier database	High	Developed a database of local products and services on the website	Weak	Medium	Require a campaign to promote the database of local products and the use of the database by both the private and the public sector. Identify strategic partners to assist with growing and publicising the database	Executive Manager, Marketing & Comms CFO	31-Mar-18
8	To compile a database of locally produced products and services	Strategic Risk	Existence of multiple databases in the market, including a proliferation of similar industry sector organisations with similar objectives to Proudly SA	High	Attempts to conclude partnerships with organisations that have databases in order to merge the databases have been made, i.e. SAUGA, NT, SOEPF	Weak	Medium	Partner with NT on the integration of Proudly SA onto government's Central Supplier Database Promotion of database required to improve credibility and use of the Proudly SA database	MANCO	31-Mar-18

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent Risk	Current Controls	Perceived control effectiveness	Residual Risk	Actions to improve management of the risk	Action Owner	Time Frame
9	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Threat of counterfeit goods, dumping of illegal and toxic waste and unfair trade.	Medium 9	Proposed partnerships with law enforcement agencies to roll out anti-dumping and prevent illegal imports	Unsatisfactory	Medium 8	Roadshows at borders and customs to educate consumers and customs staff about illegal imports A request made to the Nedlac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products Proudly SA to participate in the dti's random searches for pirate or dumped products at the ports. Request to be made to the Minister	MANCO BOARD	31-Mar-18

PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

No.	Finding	Corrective Action (Plan)	Status
1.	There was an invoice that was not recorded in the general ledger	This specific invoice was received after financial year end and was erroneously captured on the date on which it was received and not on the invoice date. The invoice has now been correctly captured and the entire population on invoices received after financial year end has been checked to ensure that all the invoices for the financial year under review, have been correctly captured in the correct period.	Completed
2.	An invoice recorded in the general ledger that did not meet the following requirement of the VAT act: - The invoice did not have an invoice/serial number	The invoice was received from an SMME used for services rendered, which had indicated the invoice date only and this was used as the invoice number for processing purposes. In future, all invoices that do not comply with all the requirements of the VAT Act will be returned to the respective billing company for correction prior to making payments.	Completed
3.	The monthly returns to SARS (EMP 201 forms) and the reconciliation of taxes collected from employees with monies paid to SARS (EMP 501 form)	The variance between the EMP201 and EMP501 of the months in questions was due to additional payments made later in the year due to either penalties arising from the previous years (which we are still disputing with SARS) or additional statutory payments which were made in arrears in respect of the Board Members. Reconciliation returns to be submitted every 6 months and not only at tax year end	In process - ongoing
4.	Employees received increases in their salaries during the month of April 2015 but there were no increment letters given to staff	The current practice is to notify all staff of all increments through a staff meeting where they are all notified of the approved staff increment letters. In order to ensure accuracy and completeness, all staff will be issued individual increment letters whenever these are approved by the Board.	Completed
5.	The entity incurred interest and penalties amounting to R50 276.94 and these interest and penalties were not reflected on the general ledger	The abovementioned interest and penalties were only brought to management's attention by SARS after financial year end, when an application for a Tax Clearance Certificate was submitted (during May 2016). The required journal has been processed and the payment of these interest and penalties has been made to SARS, and as a result the organisation has received its Tax Clearance certificate from SARS	Completed
6.	Some employees had negative leave balances at year end	Compassionate leave in the form of annual leave days was given to these employees, despite them not having sufficient leave credits, as their situations were of an emergency nature. In future, efforts will be made to ensure that leave is approved only for staff members that have sufficient leave days, at the time when the request for the leave is submitted.	31 March 2017
7.	There were assets that were not coded and not easily identifiable on the floor	The assets listed above all previously had tags with asset numbers, but these subsequently fell off. In future, all assets will be regularly checked to ensure that the tags are all still there, and will replace the tags where they have fallen off, with tags that correspond with the assets as listed in the Fixed Asset Register	Completed
8.	The Companies Act of South Africa requires that all company information be kept up to date, and at the date of the audit, the auditors' details of the entity were not updated as per the CIPC records.	A request to update the company's statutory information with the correct auditor's details and financial year end has been submitted and a follow up will be made with CIPC to ensure that the details have been updated as required.	Completed

No.	Finding	Corrective Action (Plan)	Status
9.	Some minutes of meetings were not signed by the chairman	This was an oversight by management and in future, all minutes as adopted, will be presented to the Chairman, at the meeting subsequent to the one where the minutes were approved, for his signature, to ensure compliance with the provisions of the Companies Act.	Completed
10.	Section 21 of the Memorandum of Incorporation (MOI) requires Proudly SA to have a 'Nomination and Social Ethics committee', however these committees were not formed.	This committee was previously formed and convened, but due to the size of the organisation, there was not enough for this committee to consider at all its meetings. The organisation is to seek a professional opinion to determine whether the organisation needs this committee or not and whether or not the functions envisaged for this committee can be performed by the other fully functional committees. In the meantime, the functions of this committee are currently dealt with directly by the Board. Once the opinion has been obtained and if necessary, the MOI will be amended accordingly.	Completed
11.	Proudly SA charges its members an annual membership fee, which becomes effective from the date/month of the invoice/renewal date. The membership fees are not charged pro-rata based on the financial year-end/period of the entity. Members therefore pay their annual membership fees in advance which entitles them to the use of the services provided by Proudly SA for the next 12 months. The recognition of revenue therefore needs to be apportioned in order to be in line with the IFRS for SMEs recommendations.	Proudly SA membership is valid for 12 months, however the benefits accrue to the member at the date when they join, despite the membership being valid for the whole year. Despite this being the first time that this is raised by any of our auditors, the recommendation required for the apportionment of membership fees for the current financial year as well as the prior financial year has been done, and the required journal entries have been processed, as recommended.	Completed

FINANCIAL REPORT

Expenditure Vs. Budget
(Quarter 4 - January To March 2017)

Description of item	Budget for the quarter (Q4)	Actual for the quarter (Q4)	Variance for the quarters (Q4)	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (31 March 2017) Rands	YTD Variance (31 March 2017) Rands
INCOME								
Membership Fees	750,000	405,871	(344,129)	(46%)	Under-collection	3,000,000	2,063,748	(936,252)
Grant – the d&S	7,868,000	7,868,000	0	0%		31,868,000	31,868,000	0
Project based funding - UNOPS	900,000	0	(900,000)	(100%)	Delayed finalization of some of the activities linked to this project	900,000	0	(900,000)
Sponsorship	5,000,000	1,432,018	(3,567,982)	(71%)	Postponement of the Buy Local Summit & Expo from March to April 2017	9,700,000	1,832,018	(7,867,982)
Other Income	0	114,328	114,328	100%		0	287,954	287,954
Total Income	14,518,000	9,820,217	(4,697,783)	(32%)		45,468,000	36,051,721	(9,416,279)
EXPENDITURE								
HR and Staffing costs	4,381,290	3,766,459	614,831	14%	There were 3 vacancies in Q4, which included the CFO and the Chief Officer: Membership, Legal & Compliance.	19,170,779	18,342,908	827,871
Administrative costs	1,601,693	1,544,760	56,933	4%		5,444,771	5,482,921	(38,150)
Membership costs	167,613	21,255	146,358	87%	Cost cutting exercise undertaken	670,450	149,290	521,160
Marketing costs	9,496,499	7,351,712	2,144,787	23%	Postponement of the Buy Local Summit & Expo from March to April 2017	18,756,000	11,699,581	7,056,419
Capital Expenditure	376,500	158,728	217,772	57%	Reduced spending in Q4	1,426,000	1,177,677	248,323
Total Expenditure	16,023,594	12,842,915	3,175,679	20%		45,468,000	36,852,377	8,615,623