



QUARTERLY REPORT

1 JANUARY - 31 MARCH 2018

Quarter 4

2017/18 Financial Year

**PROUDLY
SOUTH AFRICAN** 



Quarterly Report for Q4 (January to March 2018)

APPROVAL OF THE REPORT

Recommended by the CEO for Approval		Endorsed by the Accounting Authority	
Name: Mr. E. Mashimbye	Signature: _____	Name: Mr. H. Gabriels	Signature: _____
Rank: CEO	Date: ___/___/2018	Rank: Chairperson	Date: ___/___/2018

TABLE OF CONTENTS

Page 4	1. Acronyms
Page 5	2. Executive summary
Page 6	3. Governance and oversight
Page 8	4. The quarter under review
	4.1 High level achievements for the quarter
	4.2 Areas where targets were not met
	4.3 Membership report
	4.4 Highlights for the quarter
	4.5 PR, communications & media
	4.6 Presentations
	4.7 Above the line campaigns
	4.8 Strategic partnerships
Page 46	5. Performance for the period under review
Page 53	6. PFMA and Treasury regulations checklist
Page 67	7. Progress on actions in the risk register
Page 71	8. Progress on post-audit implementation plan
Page 74	9. Financial report

ACRONYMS

The following are definitions of the acronyms used in the report

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



Executive Summary

ECONOMIC OUTLOOK

This report covers the period
1 January – 31 March 2018 and
focuses on various highlights during the
period:

An overall change in political and economic sentiment prevailed in the new year, following the change in ANC leadership at the Nasrec elective conference in December. SACCI's Business Confidence Index reached its highest level in two years in January, at 99.7, up 3 points on December.

Festive season retail spending also contributed to the positive economic outlook, as well as a stronger Rand, with a sense that local and international investors were keen to exploit the mood.

In January, the then Deputy President Cyril Ramaphosa led the country's delegation to the World Economic Forum in Davos and spoke positively about the country's prospects, emphasising that the Budget would see the country pulling back from the 'fiscal cliff' it had been expected to plunge over previously. The mood was, however, tempered in early February by the uncertainty

around the country's leadership, and on 14th February, former President Zuma resigned, the SONA was postponed and questions surrounded who would deliver the Budget. SACCI's BCI slipped a little to 98.9, still 3.4 points higher than one year previously.

When the 2018/9 Budget was finally delivered by then Finance Minister Gigaba, it was seen as government's best effort to make the best of the current situation. Escalating public sector debt balanced against falling tax revenue collection makes demands for long outstanding infrastructure reforms unaffordable. The first VAT increase in 25 years was imposed on the country going from 14% to 15%, adding to living costs. Together with an increase in the fuel levy, the impact on the poor will begin to be felt in the next quarter.

Trade conditions already slacked in February, but economic growth was

nevertheless expected to reach 1.5% in 2018, rising to 2.1% in 2020.

At the tail end of the quarter in review, 2 factors contributed to an overall positive outlook and these were firstly the reprieve the country was given by ratings agency Moody's who not only preserved the country's investment grade status, but also upgraded the outlook on the country from negative to stable. Their sovereign analyst for South Africa, Zuzana Brixiova said, "The recovery of the country's institutions will, if sustained, gradually support a corresponding recovery in its economy, along with a stabilisation of fiscal strength."

And secondly, on 28 March, The Reserve Bank reduced the repo rate by 25bps, down to 6.5%, after holding the rate firm in their January announcement, as inflation settled and the Rand strengthened against a weaker dollar.

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 2018 and considered the following:

- The Chairman reported on the following:
 - Successful flighting of the “Buy Back SA” advert on the National Broadcaster over the festive period.
 - Positive interaction with the Minister at recent events
 - Presenting at the FEDUSA Workshops positively influencing shop stewards to “buy local”
 - The Chairman noted and congratulated the CEO and his team on the success of the Buy Local Summit and Expo
- The Board approved the Quarterly Report for the period 1 October 2017 - 31 December 2017 and recommended its submission to the dti.
- The CEO reported on the motivation behind the Sector Specific Forums
- The CEO presented on the progress the organisation had made in terms of establishing an E-Commerce site for member products
- The Board approved and adopted the Annual Performance Plan
- The Board received a report on the Buy Local Summit and Expo and hailed its success
- The Board approved the Annual Risk Register on recommendation from the Audit and Risk Committee
- The Board approved the Budget for 2018-2019 on recommendation of the Finance and Procurement Committee
- The Board received reports from the various sub committees

3.2) Audit and Risk Committee

The members of the Audit and Risk Committee held their meeting on 22 February 2018 and the meeting considered the following:

- The Committee perused and recommended the amended Risk Register for tabling at the Board Meeting
- The Committee underwent training on:
 1. Role of the Audit and Risk Committee
 2. Legislation and best practice
 3. Responsibilities of Members
 4. Responsibilities of the Audit and Risk Committee
 - Financial Reporting
 - Risk Management
 - Internal Audit and Internal Controls
 - External Audit
 - Reporting Requirements

3.3) Finance and Procurement Committee

The members of the Finance and Procurement Committee held their meeting on 6 March 2018 and the meeting considered the following:

- The Committee agreed to renew the lease of the current premises for a period of three years subject to the inclusion of a relocation clause
- The Committee reviewed the SODA and suggested that benchmarking exercises be done on the limit of authorisation for the CEO
- The Committee extensively discussed the budget, recommended amendments and recommended that it be tabled to the Board for approval
- The Committee reviewed and amended the Terms of Reference of the Committee
- The Committee received the report on the Buy Local Summit and Expo stands tender
- The Committee ratified the procurement around the Buy Back SA campaign

3.4) Membership, Marketing and Communications Committee

The members of the Membership, Marketing and Communications Committee held their meeting on 7 March 2018 and the meeting considered the following:

- The Committee reviewed and adopted the terms of reference of the committee
- The Committee noted the uptake in membership figures and the increase in the manufacturing sector
- The Committee recommended that Management develop a policy on Reputation Management and table it to the Committee
- The Committee received reports on the events and activations undertaken.
- The Committee received a presentation on the upcoming Buy Local Summit and Expo

3.5) HR and Remunerations Committee

The members of the HR and Remunerations Committee held their meeting on 19 March 2018 and the meeting considered the following:

- The Committee recommended exploring the effect of tax regulations on Board Fees.
- The Committee approved the revised organogram and agreed to the introduction of 2 new administration positions
- The Committee received a Succession Planning Policy and agreed to make input on the policy
- The Committee agreed to the recommendation to the Board to grant an annual inflationary adjustment of 6% to staff members and 4% to Senior Managers.
- The Committee took special note and commended the gesture by Senior Management to receive a percentage less than the amount recommended for staff

3.6) Social and Ethics Committee

The members of the Social and Ethics Committee held their meeting on 27 March 2018 and the meeting considered the following:

- The Committee agreed to peruse the Social Media Policy and make inputs prior to the next meeting

THE QUARTER UNDER REVIEW

4.1) High level achievements for the quarter

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

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

- Official launch of the 7th Buy Local Summit and Expo
- Valentine's Day Activation. A joint venture between Proudly SA and Mango Airlines – a member company.
- Sector Specific Forums
 - Poultry
 - Pharmaceutical
- 2018 Buy Local Summit & Expo took place on 14 and 15 March 2018
- 65 new fully paid up members were recruited
- The targets for both the above the line and below the line consumer education campaigns on the importance of buying local were achieved and exceeded.
- The annual SA Premier Business Awards took place in January 2018





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 2017/18 financial year, and below are some of the areas where the campaign fell short for the quarter:

- The target relating to dipstick surveys were not achieved; however measures are in place to implement this in the new financial year.
- 72% of all members due for renewal renewed their membership, as opposed to the target of 90% as contained in the APP.

4.3) Membership Report for Q4 2017/18

Overview

The last quarter of 2017/2018 reaped the rewards of relationships cultivated with reputable organisations such as the Gauteng Growth and Development Agency's The Innovation Hub and South Africa's internationally-renowned beverage darling, The South African Breweries. The Innovation Hub – a Proudly South African member since June 2016 – saw the opportunity to partner Proudly SA and award 100 qualifying entrepreneurs who form part of their incubation programmes, namely Maxum Business Incubator, Climate Innovation Centre South Africa, BioPark @ Gauteng, eKasi Labs, and mLab Southern Africa annual Proudly SA memberships in February. Similarly, in March, SAB, through their revered Entrepreneurship Programmes, identified 50 market-ready entrepreneurs who would become beneficiaries of Proudly South African memberships. The aforementioned relationships are testament to the organisation's commitment to the development of SMMEs at a time when support for these contributors to our economy has become crucial. Combining the two organisations' contributions, 151 new companies were introduced to Proudly South African for membership in February and March alone. Efforts are underway to finalise and process the applications of this staggering number of new member companies.

Taking into account the newly-recruited members (including paid-up members and registered entrepreneurs from The Innovation Hub and SAB), quarter four saw an uptake of 65 new member companies. This number excludes the nominated beneficiaries whose memberships have been paid but whose application forms and/or compliance documents have not as yet been submitted for processing). Of the 65 newly-recruited members, 49 new memberships were activated in February, 15 in March and 1 in January.

Members were recruited in 13 out of a total 26 sectors – a marked improvement in the number of sectors represented by Proudly South African members. Manufacturing remains at an all-time high with 31 newly-recruited members, followed by 9 new members in Food Products, 7 in Professional Services, and a welcomed surge of 6 new members in the Information Technology and Telecommunication sector.

The number of members recruited in Gauteng remains the highest at 61, followed by the Eastern Cape and KwaZulu-Natal at 5 new members each.

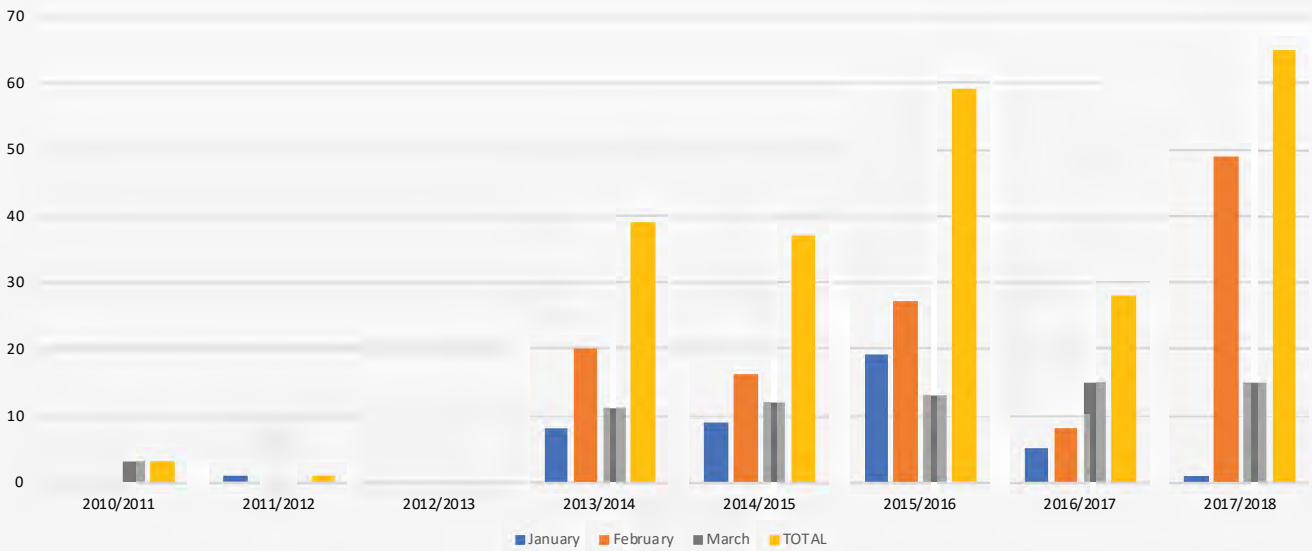
The Proudly South African database of local products and services grew by 183 items in Quarter 4, exceeding the target of 150 new listings. The database is growing at a satisfactory pace, reaching a total of 8,373 items as at 31 March 2018.

Members are retained at a monthly average of 72% to date for all four quarters, collectively. It is found that the high-value members are renewing their memberships more frequently and timeously when compared with the smaller organisations. Proudly South African is embarking on a drive to implement a debit order system to ease the payment process for the smaller organisations who are taking longer to renew their memberships.

2017/2018 Q4 NEWLY-RECRUITED MEMBERS
 Year-on-year Comparisons: 2010/2011 to 2017/2018

MONTH	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
January	0	1	0	8	9	19	5	1
February	0	0	0	20	16	27	8	49
March	3	0	0	11	12	13	15	15
TOTAL	3	1	0	39	37	59	28	65

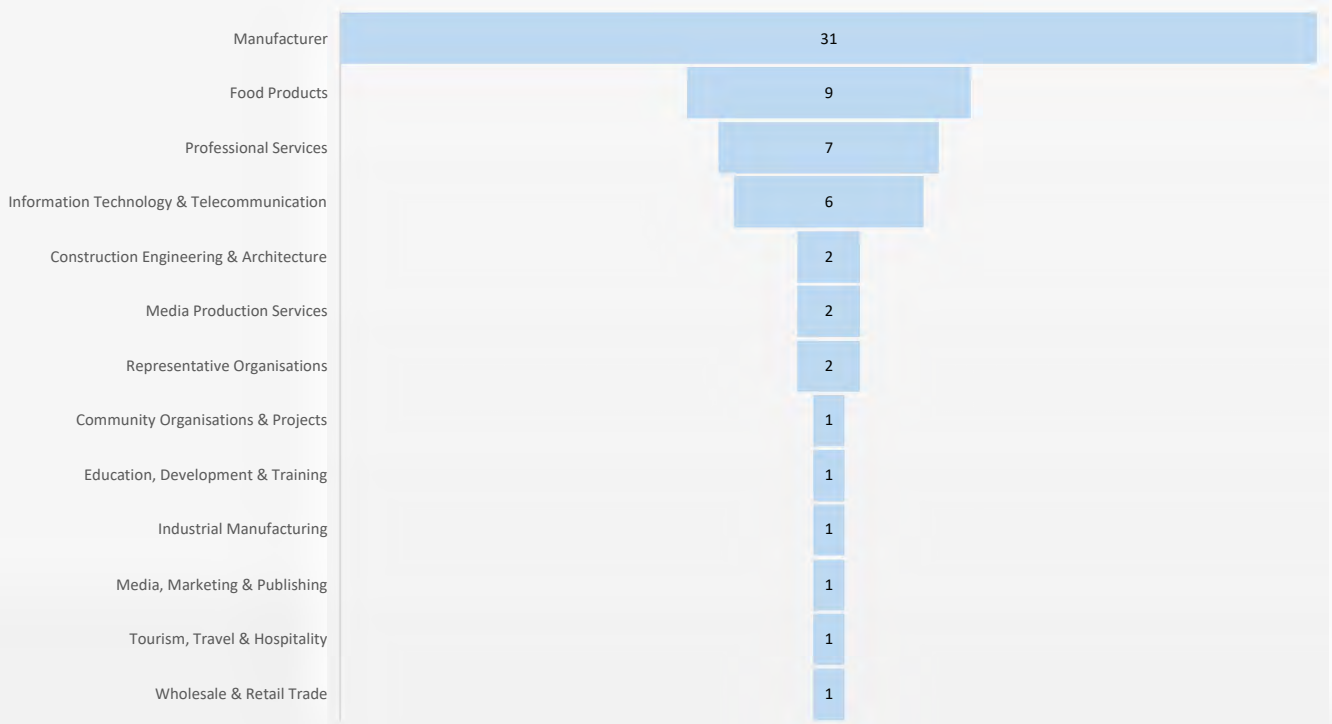
Graphical Representation
 Q4 Year-on-year Comparison
 2010/2011-2017/2018



**2017/2018 Q4
NEWLY-RECRUITED MEMBERS BY SECTOR**

SECTOR	NUMBER OF NEWLY-RECRUITED MEMBERS
Manufacturers	31
Food Products	9
Professional Services	7
Information Technology & Telecommunication	6
Construction Engineering & Architecture	2
Media Production Services	2
Representative Organisations	2
Community Organisations & Projects	1
Education, Development & Training	1
Industrial Manufacturing	1
Media, Marketing & Publishing	1
Tourism, Travel & Hospitality	1
Wholesale & Retail Trade	1
TOTAL	65

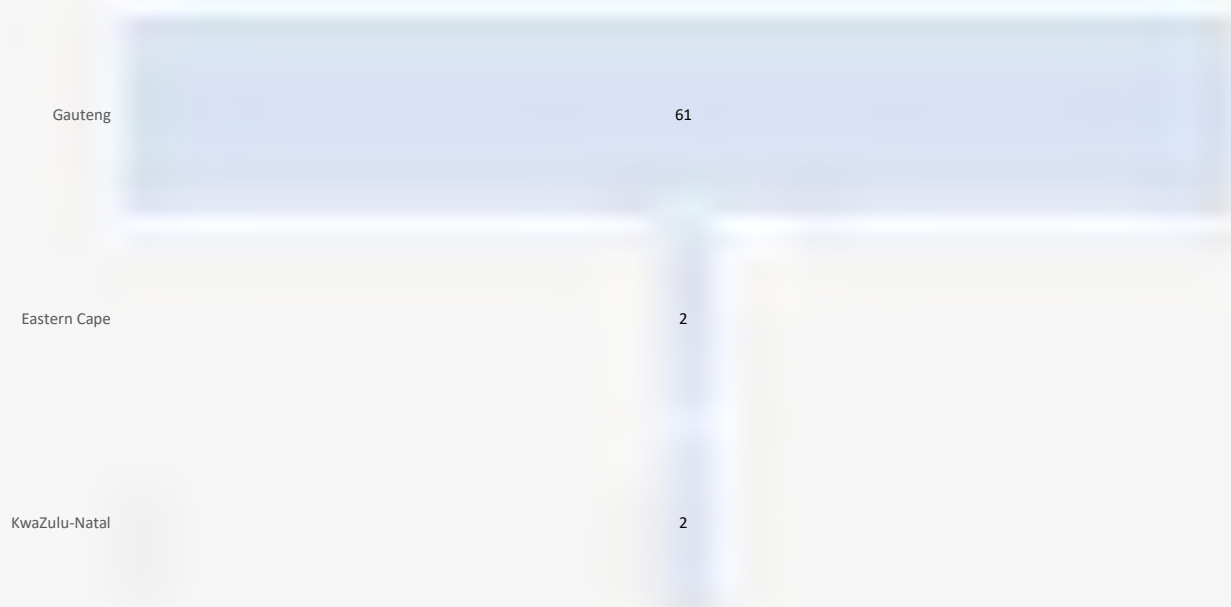
**2017/2018 Q4
NEWLY-RECRUITED MEMBERS BY SECTOR**



**2017/2018 Q4
NEWLY-RECRUITED MEMBERS BY PROVINCE**

PROVINCE	NUMBER OF NEWLY-RECRUITED MEMBERS
Gauteng	61
Eastern Cape	2
KwaZulu-Natal	2
Total	65

**2017/2018 Q4
NEWLY-RECRUITED MEMBERS BY PROVINCE**



2017/2018 Q4 NEW RECRUITS: JANUARY		
COMPANY	SECTOR	PROVINCE
Pavini Handcrafted Tiles	Manufacturer	Gauteng
TOTAL		1

**2017/2018 Q4
NEWLY-RECRUITED MEMBERS BY PROVINCE**

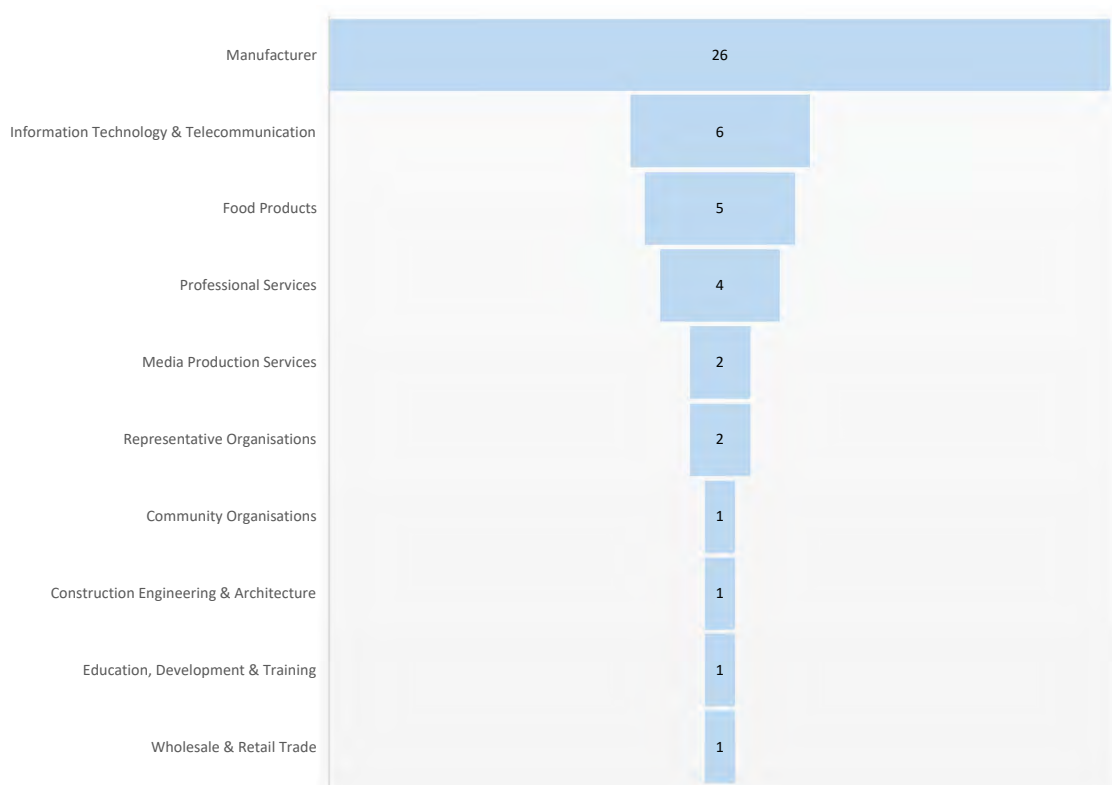


**2017/2018 FEBRUARY
NEWLY-RECRUITED MEMBERS BY SECTOR**

2017/2018 Q4 NEW RECRUITS: FEBRUARY		
COMPANY	SECTOR	PROVINCE
Acacia Saint	Manufacturer	Gauteng
Adia Engineering Systems (Pty) Ltd	Manufacturer	Gauteng
Aerobuddies	Education, Development & Training	Gauteng
African Applied Chemical	Manufacturer	Gauteng
Anatomoulds	Manufacturer	Gauteng
Austics	Manufacturer	Gauteng
Baps Innovation	Information Technology & Telecommunication	Gauteng
Bellascene Artisan Wines	Food Products	Gauteng
Black-Belt (Pty) Ltd	Professional Services	Gauteng
Connect Life Stay	Information Technology & Telecommunication	Gauteng
Dermacell	Manufacturer	Gauteng
DermoProf Skincare (Pty) Ltd	Manufacturer	Gauteng
Desseign (Pty) Ltd	Manufacturer	Gauteng
Eco-Match	Construction Engineering & Architecture	Gauteng
Fet Group	Media Production Services	Gauteng
Foodie King's	Food Products	Gauteng
Gradesmatch (Pty) Ltd	Information Technology & Telecommunication	Gauteng
Green Extraction Technology (Pty) Ltd	Food Products	Gauteng
I am emerge (Pty) Ltd	Information Technology & Telecommunication	Gauteng
IMMA CC	Professional Services	Gauteng
Indoni Beauty Range	Manufacturer	Gauteng
Joburger CC	Manufacturer	Gauteng
Johannesburg Chamber of Commerce and Industry	Representative Organisations	Gauteng
K & K Paint Manufacturers	Manufacturer	Gauteng

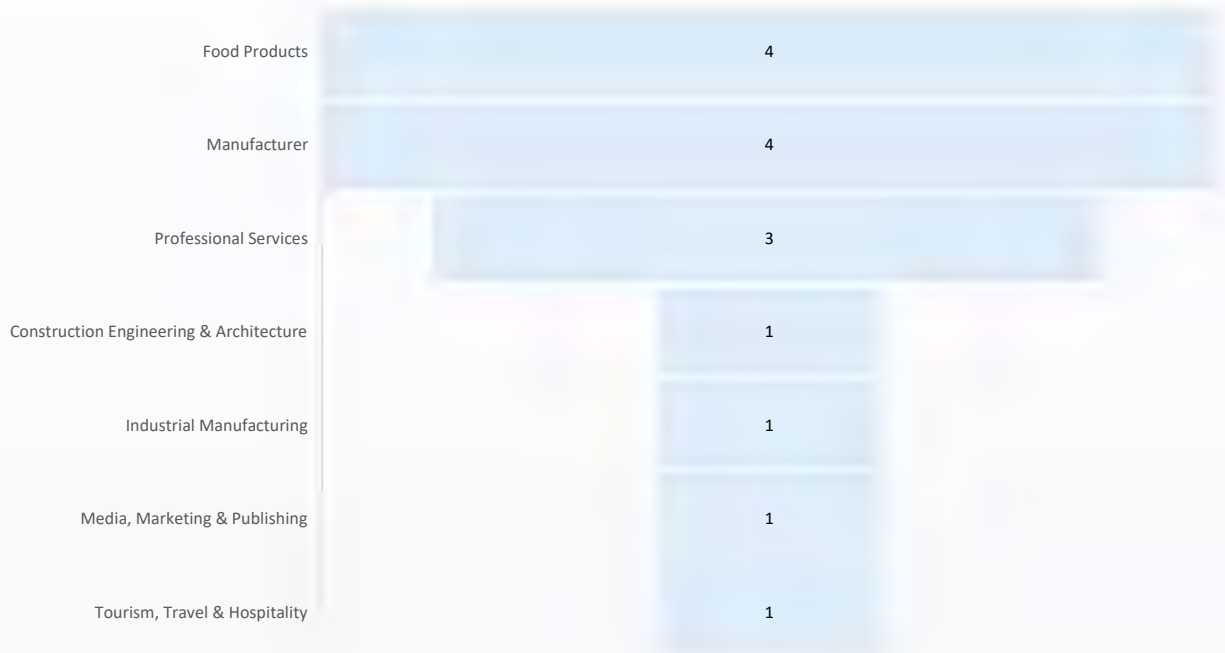
2017/2018 Q4 NEW RECRUITS: FEBRUARY Continued		
COMPANY	SECTOR	PROVINCE
Kelello Office and Stationery Solutions	Wholesale and Retail Trade	Gauteng
Leebernco (Pty) Ltd	Education, Development & Training	Gauteng
Lightbulb Education	Manufacturer	Gauteng
Lowe Furniture and Decor	Manufacturer	Gauteng
Mama Tee's Beverages (Pty) Ltd	Food Products	Gauteng
Maximize Office Solutions (Pty) Ltd	Information Technology & Telecommunication	Gauteng
MoonTime Africa	Manufacturer	Gauteng
N Ndlovu Associates	Professional Services	Gauteng
Naledi Baby Brands (Pty) Ltd	Manufacturer	Gauteng
Palabora Foundation	Community Organisations & Projects	Gauteng
Plastisnap	Manufacturer	Gauteng
Purple Esther	Manufacturer	Gauteng
Qualitone	Information Technology & Telecommunication	Gauteng
Sechi Chemicals	Manufacturer	Gauteng
SENSO Solutions (Pty) Ltd	Manufacturer	Gauteng
So You Think You Can Spin	Media Production Services	Gauteng
South African Fashion Foundation	Representative Organisations	Gauteng
South Western Dairy	Manufacturer	Gauteng
Supertherm	Manufacturer	Gauteng
TeaYeHm Holdings	Manufacturer	Gauteng
Technovera (Pty) Ltd	Manufacturer	Gauteng
The Stoelbag Foundation	Manufacturer	Gauteng
Trolley Zanzi	Manufacturer	Gauteng
We Create Dot Za	Professional Services	Gauteng
XS Health	Manufacturer	Gauteng
Total		49

**2017/2018 FEBRUARY
NEWLY-RECRUITED MEMBERS BY SECTOR (GAUTENG)**

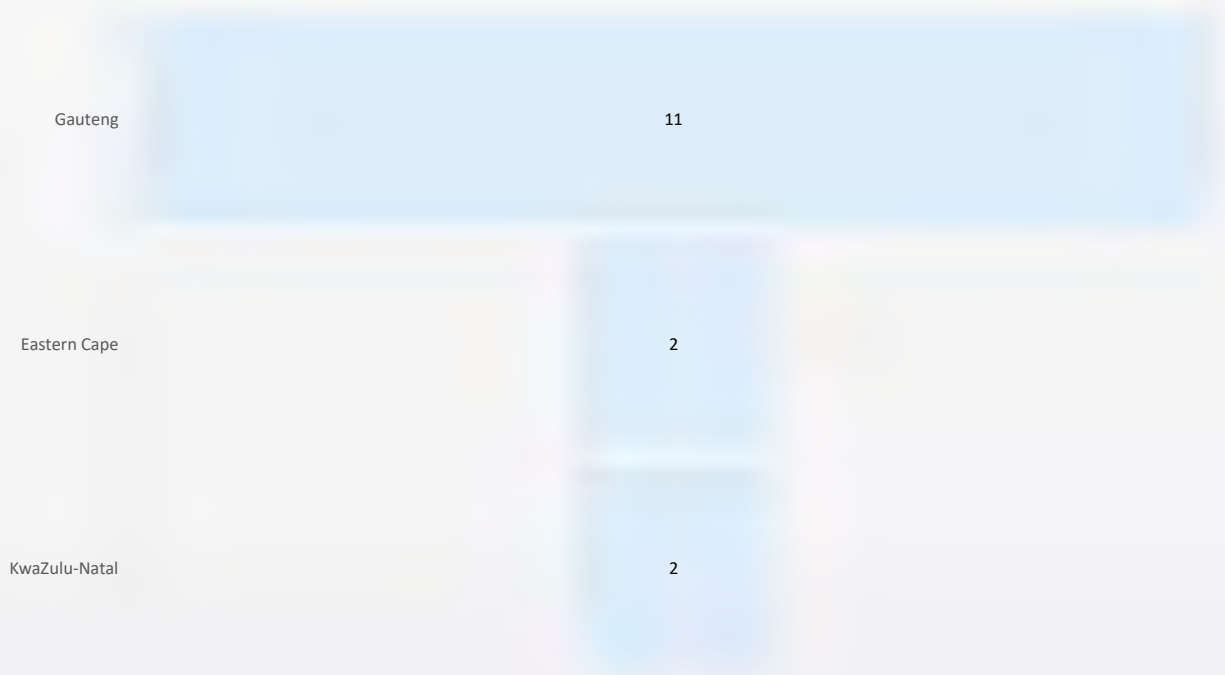


2017/2018 Q4 NEW RECRUITS: MARCH		
COMPANY	SECTOR	PROVINCE
Absolute Style Wines (Pty) Ltd	Food Products	Gauteng
Afika M Hair and Beauty	Professional Services	Eastern Cape
Basop Packaging	Manufacturer	Gauteng
Biozest	Food Products	Gauteng
DDS & Liquid Logic	Professional Services	Gauteng
Hiseko Engineering and Projects	Construction Engineering & Architecture	Gauteng
Ivili Loboya	Manufacturer	Eastern Cape
Just Fuze	Media, Marketing & Publishing	KwaZulu-Natal
Kevali Chemicals	Manufacturer	Gauteng
MH Automation	Industrial Manufacturing	KwaZulu-Natal
Montech Calibration	Professional Services	Gauteng
Smergos (Pty) Ltd	Manufacturer	Gauteng
Take a Tour	Tourism, Travel & Hospitality	Gauteng
The South African Breweries (Pty) Ltd	Food Products	Gauteng
Whycook	Food Products	Gauteng
Total		15

**2017/2018 MARCH
NEWLY-RECRUITED MEMBERS BY SECTOR**



**2017/2018 MARCH
NEWLY-RECRUITED MEMBERS BY PROVINCE**



4.4) Highlights for the quarter

EVENTS & ACTIVATIONS

Proudly SA Back to School Activation, Durban, KZN 12 - 13 January 2018

Proudly SA hosted a Back to School Mall Activation at the Pavilion Shopping centre in Durban. One of the campaign's core deliverables is educating consumers on the importance of buying local and its economic benefits, and a presence in shopping malls is an efficient way of reaching and interacting with many consumers. Mall activations such as this stimulate awareness around buying local and the label of origin campaign, to boost recognition of the Proudly South African brand and logo. Mall activations also have the potential to attract new members to the Campaign. The event MC was Selby Mkhize, an on-air radio personality in KZN who helped to draw interest to the activation.

Reach for this event: 1500
Target Audience: Consumers





Buy Local Summit & Expo Media Launch, Parktown, Gauteng – 6 February 2018

In the run up to the annual Buy Local Summit, Proudly South African invited stakeholders of the event including sponsors, speakers, MC's, event organisers and media to network and build relationships with each other before the hosting of the actual event. The Launch took place at the Emoyeni conference venue in Parktown.

Reach for this event: 75

Target Audience: Media and Buy Local Summit stakeholders

**The Mango and Proudly South African Valentine's Day Activation, Lanseria, Gauteng
14 February 2018**

On Valentine's Day, Proudly South African partnered with Mango Airlines for the second time, to bring unsuspecting Mango passengers traveling through Lanseria International Airport, South African flags and cupcakes to warm their hearts and start their day off with smiles. For some lucky passengers aboard selected flights, an extra surprise came in the form of Proudly SA branded headrests, and an in- air saxophonist who serenaded all aboard. One lucky couple per flight won a prize of flights for 2, accommodation courtesy of Tsogo Sun as well as car hire for a weekend away in SA. Social media activity around the entire activation was high.

Reach for this event: 1300 (800 passengers; 500 Lanseria patrons)

Target Audience: Lanseria and Mango clientele, general public



**Pharmaceutical Sector Forum,
Johannesburg, Gauteng**
20 February 2018

In recognition of the distress in which the pharmaceutical sector finds itself but as an industry which is labour intensive with the capacity to sustain many jobs, each of which has a multiplier effect in peripheral sectors, Proudly SA hosted a Sector Specific Forum, calling together industry players, government, labour and civil society. The Forum unpacked and addressed all of the issues which currently face this vulnerable sector. The event was hosted at the Crowne Plaza Hotel, Johannesburg and organisations that were part of the networking session included Aspen Pharmaceuticals, the Department of Health, National Treasury, Adcock Ingram, Kiara Health and Black Pharmaceuticals Industry Association.

Reach for this event: 85
Target Audience: SMME, business and government

**Poultry Sector Forum,
Johannesburg, Gauteng**
27 February 2018

Recognising another sector in distress, Proudly SA convened a Poultry Sector specific forum, with the support of OBC. The forum discussed issues confronting the industry including the immoral dumping of chicken, and the challenges for small producers to access markets. Also represented at the forum were the Fair Play Movement, BFAP, SA Poultry Association, the dti, Nando's, Country Bird Holdings, FAWU and Daybreak Farm.

Reach for this event: 80
Target Audience: Business, government and Poultry Producers and Procurers.

Africa Energy Indaba – Johannesburg, Gauteng
20- 21 February 2018

The Africa Energy Indaba 2018 focused on discussing, debating and seeking solutions to enable adequate energy generation across the continent. Delegates were drawn from all continents representing a combination of industry experts, project developers, financiers, energy users, government officials and manufacturers, including key representatives from NEPAD, SANEA, World Energy Council, SA Electrical Export Council and Department of Energy.

Proudly SA exhibited and the marketing department and membership department were active at the event.

The event was hosted at the Sandton Convention Centre.

Reach for this event: 500 - 1000
Target Audience: SMME, business, energy sector representatives





Meetings Africa, Johannesburg, Gauteng
27 – 28 February 2018

Meetings Africa showcases Africa’s diverse offering of services and products in a sector that is an active economic player that offers employment opportunities for many. Proudly SA exhibited at this SA Tourism partner event under the dti stand alongside the National Empowerment Fund (NEF). The event was well attended and was a recruitment opportunity for the Proudly SA membership department.

Reach for this event: 300
Target Audience: SMMEs, Proudly SA Members (Maropeng and Little Green number), meetings sector related business



Flavours of the City, Johannesburg, Gauteng
02 – 04 March 2018

‘Flavours of the City’ is a food and lifestyle event that supports and promotes small and medium enterprises in the food and beverages sector. The dti invited Proudly SA to bring members who would benefit from the opportunity to showcase their products to consumers. The following Proudly SA members exhibited: Sihle’s Brew, YaMama Gemmer, Okubabayo Atchaar, Sharpville Breweries, Skyrule Drinks and Sweet Gift Bakery.

Reach for this event: 2 000
Target Audience: Public, business owners, other exhibitors Government officials, Buyers, SMMEs



The Proudly South African Buy Local Summit, & Expo, Johannesburg, Gauteng – 14-15 March

The growing, annual Buy Local Summit & Expo focused on ensuring that content was even more impactful this year, that it assisted in equipping small business with industry trends while keeping organisations at all levels up to date with local procurement movements. A line up of top level speakers proved to be a massive draw card for media and delegates. The event was over-subscribed online long before 14 March 2018, and registration had to be closed early.

The SMME Workshop took place on 14 March 2018 – Day 1. Lead by MC and Media personality - Leanne Manas, with a focus on the progression and development of businesses. The workshop set the stage for SMME's to learn and change thinking while keeping future growth in mind, with headline sponsors - Standard Bank, expounding on "How to Finance your Next". Pavlo Phitidis, well-known to assist entrepreneurs to build their businesses into valuable assets spoke on "Taking your Business to its Next". The Keynote speaker for the workshop was none other than the custodian of Small Business Development – Minister Lindiwe Zulu. The workshop included two very efficient and well-thought out elements, one being the panel discussion, facilitated by reputation builder and coach for corporate professionals and entrepreneurs – Rams Mabote.



It centred around the theme: "The Rise and Rise of Supplier Development Programmes" and consisted of a selection of industry influencers including AB InBev's Enterprise Development Lead for SAB AB InBev Africa Zone – Phumzile Chifunye, Massmart's Founder of Lokhule Trading & Projects Partner in the Massmart Supplier Development Programme – Zanele Ntsibande and Sasol SA's Vice President for Supplier Management & Transformation – Lebelo Lukhele to name a few.





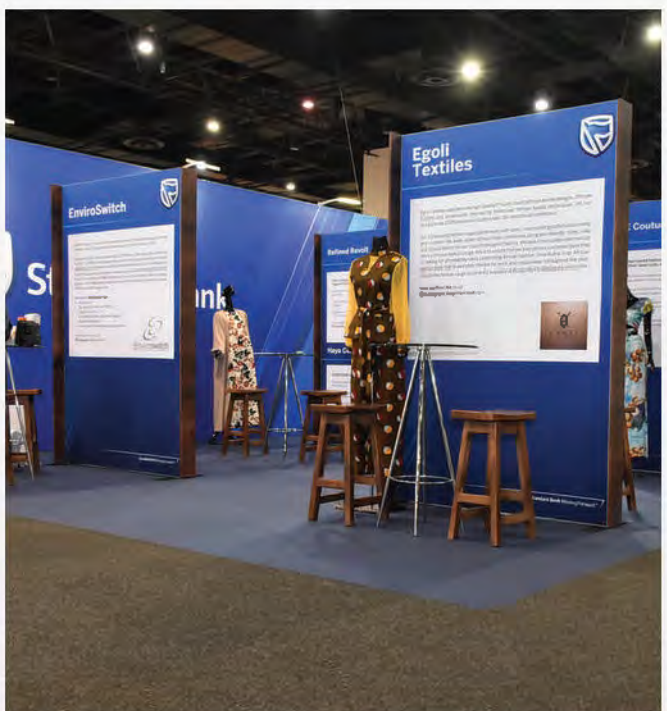
The other element was a One-Stop-Shop which designated organisations which play a vital role in the small business establishment process. Organisations that formed the One-Stop-Shop comprised of the Small Enterprise Development Agency (SEDA), the Small Enterprise Funding Agency (SEFA), the Companies & Intellectual Property Commission (CIPC), The Consumer Goods Council of SA (CGCSA), the National Empowerment Fund (NEF), the Office of the Tax Ombud, SA Revenue Service (SARS), the Department of Trade and Industry (the dti), the Unemployment Fund (UIF), the Industrial Development Corporation (IDC), the National Youth Development Agency (NYDA) and The Core Group.

Vusi Thembekwayo, popular public speaker amidst his other talents, pulled much valued interest in the overall workshop. His presentation – “Trust Me, I’m an Entrepreneur” shed light on the life of an entrepreneur and ways to handle challenges and build one’s brand. Another exciting segment of the workshop – “Dress for Success” saw member company representatives transform from their standard, ‘everyday’ attire and have their wardrobes set to match the objectives they aimed to achieve by way of understanding their goals and what it is they do, the functionality of their dress code, that first impressions last and that the way you dress is the way you will be addressed. Edcon was responsible for the esteemed expert advice and wardrobe behind this segment.

The Exhibition and Conference ran concurrently on 15th March 2018 – Day 2, also hosted at the home of the Buy Local Summit & Expo, the Sandton Convention Centre.

The exhibition comprised 200 Proudly South African member companies who showcased their offerings free of charge and had the opportunity to attend the conference and workshop as well.

TK Global Experts provided a business-to-business matchmaking service throughout the event. They scrutinised attendees before and during the event and strategically set up meetings between exhibitors, delegates and sponsors. One positive story that was borne out of this project follows: “I have been looking to talk to someone at Transnet for ages. Today the opportunity was given on a silver platter”. This statement can be found in the full report amongst other outputs that resulted from the work done by TK Global Experts.





Proudly SA employed the services of the PIMC Development Communication to compile research for both the overall campaign and the Buy Local Summit and Expo. PIMC executed an impact assessment, gathering data over the two day event, including participant views and provided recommendations. Conclusions that came out of this research are that The Proudly SA Buy Local Summit and Expo is a professionally organised annual event, that it is a fantastic platform for stakeholder engagement, South African companies benefit from showcasing their locally produced products at the annual event, the Summit and Expo is a great platform for sponsors to confirm their commitment to support the buy local campaign and localisation, the event is a premium offering, good for SMME's, government, private sector and all South Africans.

MEC for Economic, Environment, Agriculture and Rural Development, Lebogang Maile opened Day 2 of the Summit at the conference preceded by a walk about through the exhibition. Amongst other activities, two robust high-level and high-impact discussions were held. One facilitated by MC, Andile Khumalo, themed: "Procurement in South Africa", which was made up of commercial and public procurement heavy weights, the likes of which included The Foschini Group, Nampak and The dti. The other discussion, themed: "The Politics of Buying Local", facilitated by media personality, journalist and author, Redi Tlhabi, unpacked issues surrounding the relationship between politics and localisation. Participants included representatives from the Economic Freedom Fighters (EFF), the South African Clothing & Textiles Worker's Union (SACTWU) and the African National Congress (ANC).

The event was closed in due celebratory style with a Fashion show produced by none other than South Africa's King of Fashion, David Tlale, revered for his bold designs, showmanship and penchant for drama, who teamed up with Edcon to showcase a line of locally designed pieces.

Through the Summit, local products and services were promoted, government bodies were informed of their responsibilities in terms of local uptake and delegates were educated on the importance and impact of buying local.

Reach for this event: 8 000+

Target Audience: Business, government, consumers, procurement officers

Rand Easter Show, Johannesburg, Gauteng

30 March – 8 April 2018

The Rand Show has become South Africa's largest and most iconic consumer event, having entertained multiple generations of South African families. It was staged at the Johannesburg Expo Centre in Nasrec and served as an important launch pad for exciting brands and businesses catering to the entire family.

Categories included sport, children's products and services, wellness, outdoor living, science, technology, government departments, trends, design and home living, as well as world-class exhibits by the SANDF.

The expo attracts over 200 000 visitors each year with mostly families across all cultures. Often referred to as Johannesburg's biggest day out, 2018 proved yet again why the Rand Show has been in existence for over 120 years.

Proudly SA and its members once again joined the dti who provided the opportunity to exhibit to: Sihle's Brew, YaMama Gemmer, Nalane Group and Okubabayo.

Reach for this event: 500

Targeted Audience: Public, business owners, other exhibitors





4.5) PR, Communications & Media

The period in review is the first full quarter in which there can be a direct comparison year on year with Newsclip reports, since the introduction of the upper case 'P' filter for 'Proudly' versus the former general search for anything including the words 'proudly South African'. In addition, both the SA Premier Business Awards and the Proudly South African Buy Local Summit & Expo fell in this quarter, which was not the case in 2017. In addition, the commencement on 20 February of our weekly column in Independent Media's Business Report contributed to an excellent quarter for PR and media.

4.5.1 SUMMARY

As we drew closer to the end of the 2017/18 financial year and the start of the 2018 calendar year, Proudly South African kicked the year off with a back-to-school consumer activation in Durban's Pavilion Mall, engaging consumers on buying local stationery, uniform and other items needed ahead of the new academic year.

At the end of January, the SAPBA Awards, postponed from December 2017 took place, and in the immediate run up to the event, Proudly South African resources were pulled back in to make the event a great success.

In February, while focusing on the looming Buy Local Summit & Expo, we hosted two successful sector-specific business forums, namely the pharmaceutical and poultry sectors, in a bid to find solutions to the challenges faced by these industries. These were great opportunities to build relationships with niche media and journalists.

February also saw the finalisation of the agreement regarding the CEO's weekly column in the Business Report – a daily supplement carried by all Independent Media national titles in Gauteng, KZN and the Western Cape as well as online. The first column appeared on 20th February.

For Valentine's Day we once again took to the skies with Mango and flew to Durban and Cape Town accompanied by media and online blog writers. We got additional mileage out of the Proudly South African Valentine's Day meeting of celebrity couple Liesl Laurie and ProVerb in 2016 who, this Valentine's Day, posted extensively on social media about the 2nd anniversary of their relationship.

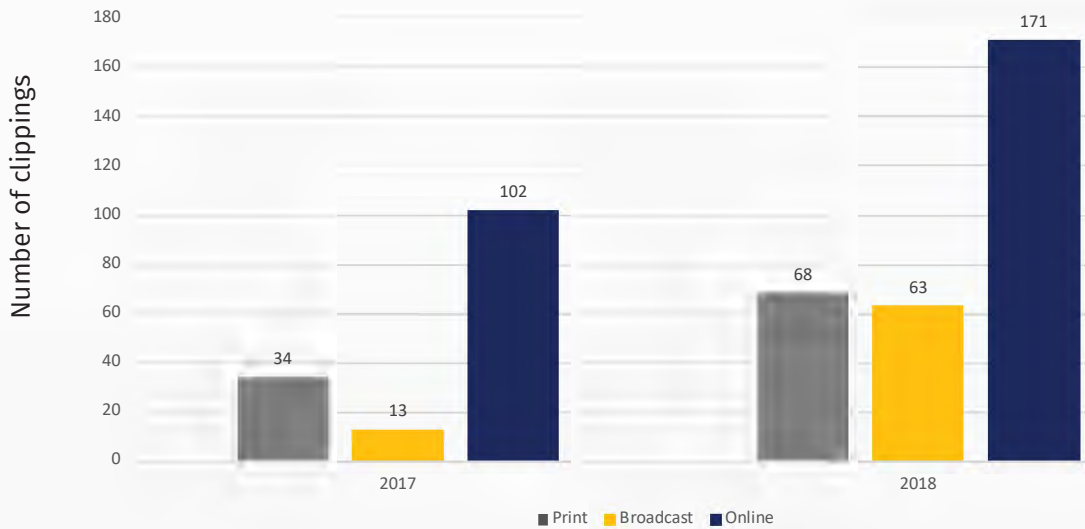
The last event of Proudly SA's financial year, was our flagship event, the 7th annual Buy Local Summit & Expo, which assisted in making the quarter the most impressive in terms of media coverage for the financial year, as well as in comparison to the same quarter in the previous year.

During the Buy Local Summit & Expo we had a number of live outside broadcasts with both tv and radio media houses. These were SABC Morning Live, eTV Sunrise, Powerfm and Radio Pulpit, and other broadcasters who recorded interviews included China Global TV Network and Gauteng TV.

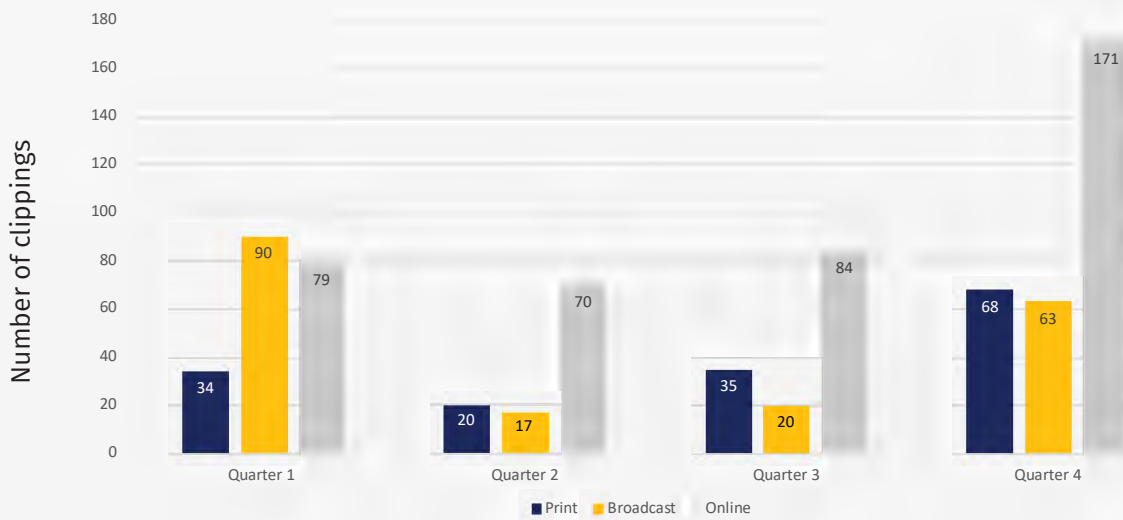
4.5.2) CLIP COUNT ANALYSIS

The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (January – March 2018). Comparison is made with the same period in 2017 as well as with quarters in the past financial year

**Clip Count
Quarter 4 (Jan-Mar) comparison**



**Clip Count
2017/18 Financial Year Comparison**



The clip count has increased significantly compared to both the same quarter in the previous year, as well as in comparison with the other quarters in that financial year.

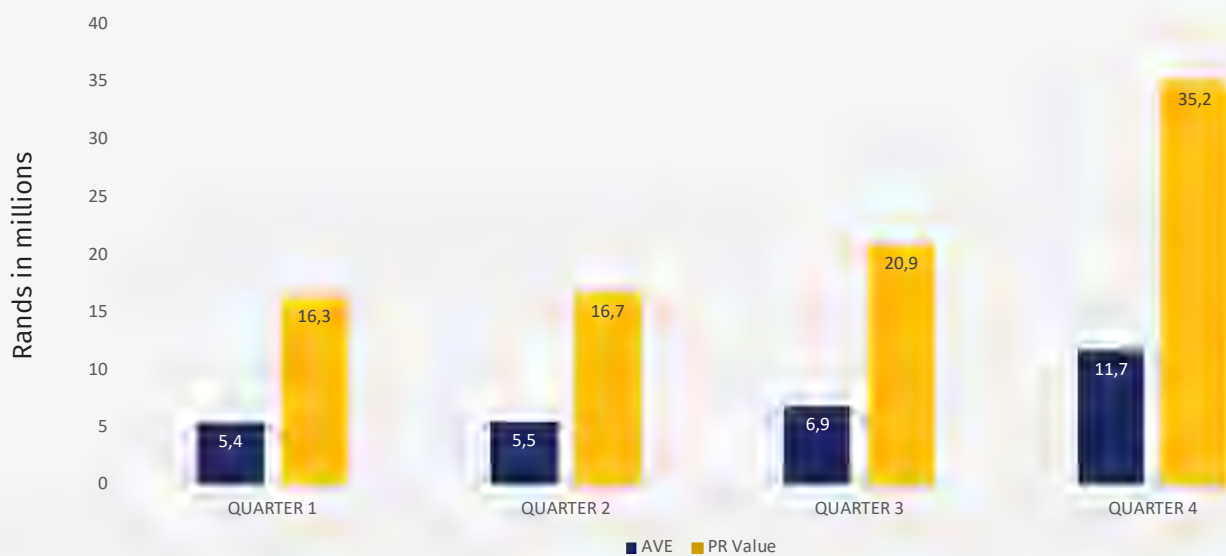
4.5.3) AVE/PR VALUE

The Advertising Value Equivalency (AVE) is what editorial coverage would cost if it were advertising space (or time). PR/Editorial value is derived by multiplying the AVE by three, as per industry norms. The total AVE value between January and March 2018 is R11,7 million. The PR value for the same period amounts to R35,2 million.

**AVE Analysis
Quarter 4 (Jan-Mar) Comparison**



**AVE Analysis
2017/18 Financial year comparison**



Both the AVE and the PR value have increased significantly, compared to both the same quarter in the previous year, as well as in comparison with the other quarters in that financial year.

4.5.4) Press Releases /OP EDS/Media Articles

The following were issued / published between January and March 2018:

No	Date	Release/Commission	Title
1	11 January	Press Release	Proudly SA to host back-to-school activation in Durban
2	16 January	Press Release	DStv Delicious International Food & Music Festival earns its Proudly SA accreditation
3	22 January	Commissioned/ SA Profile Magazine	Buy Local & Create Jobs: Q&A with Eustace Mashimbye
4	30 January	Joint press release with Brand SA and the dti	Boksburg company scores a double at SA Premier Business Awards
5	6 February	Press Release	Dates for 7th Annual Buy Local Summit & Expo announced
6	14 February	Press Release	Showing Love for SA with Mango Airlines
7	20 February	Business Report Column Week 1	Strong family ties helped beat scourge of unemployment
8	20 February	Press Release	Proudly SA convenes Pharmaceutical Sector Specific Forum to address challenges facing the industry
9	27 February	Press Release	Proudly SA tackles issues facing the poultry sector in special forum
10	27 February	Press Release	Outcomes of the Proudly SA Sector Forum on Poultry
11	27 February	Business Report column Week 2	Ignoring industry distress is ignoring job losses
12	6 March	Business Report Column Week 3	Fong Kong goods have economy in a headlock
13	13 March	Media Advisory	Proudly SA Buy Local Summit & Expo taking place on 14th & 15th March
14	13 March	Business Report Column Week 4	We're only asking the government to play by its own rules
15	14 March	Press Release	Entrepreneurs given a new lease on life at Proudly SA SMME Summit
16	14 March	Press Release jointly with Nestlé SA	MD of Nestlé South Africa and the DSBD hand over delivery vehicles at Proudly SA Summit
17	15 March	Press Release	Annual Buy Local Summit & Expo ends in style
18	20 March	Business Report Column Week 5	Proudly SA flies the flag and draws the delegates
19	27 March	Business Report Column Week 6	Public Private Partnerships in the spotlight

4.5.5) Media Visits/Engagements

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

During the Buy Local Summit & Expo we had a number of live outside broadcasts with both tv and radio media houses. These were SABC Morning Live, eTV Sunrise, Powerfm and Radio Pulpit, and other broadcasters who recorded interviews included China Global TV Network and Gauteng TV.

BUY LOCAL SUMMIT	PHARMACEUTICAL SECTOR FORUM	SUMMIT LAUNCH	POULTRY SECTOR FORUM
<ul style="list-style-type: none"> Cliff Central Radio Pulpit 702 Kaya FM Power FM Business Report Jozi FM eTV Metro FM Radio Islam SABC 2 Morning Live Beeld Gauteng TV CGTN 	<ul style="list-style-type: none"> Business Report: Cape Argus, Daily News, IOL SAfrica24.com Cape Business News Ezweni News Tiso Black Star group Joburg Post Medical Chronicle Engineering News Egoli Jozi News Isivinini News Medical Academic SA Pharmaceutical and Cosmetic Review 	<ul style="list-style-type: none"> CliffCentral Bizcommunity VOW FM OziAfrica.com Egoli Jozi News China Global TV Network Isivinini News Kaya FM Sowetan BuaSoweto News Soweto-Life News 	<ul style="list-style-type: none"> Business Report Engineering News Bizcommunity Algoa FM Cape Messenger SME South Africa ENCA IOL Xinhua News Investing.com Ezweni News
VALENTINE'S DAY	SA PREMIER BUSINESS AWARDS	MEDIA 24 BRAINSTORM SESSION	OTHER
<ul style="list-style-type: none"> Hazelbird Post Caxton: Fourways Review 	<ul style="list-style-type: none"> Business Report Sunday Times CNBC Sandton Chronicle The New Age 	<ul style="list-style-type: none"> YOU magazine DRUM magazine Huisgenoot magazine 	<ul style="list-style-type: none"> CEO and PR Manager meeting with Business Report Radio 2000 Primedia Broadcasting

4.5.6) Social Media

	02 OCT 2017	07 FEB 2018	06 MAR	09 APR 2018	GROWTH 02 OCT 2017 to 09 Apr 2018 Number [Percentage]
Facebook likes	12 919	13 153	13 269	13 952	1 033 [8.00 %]
Facebook followers	12 847	13 091	13 211	13 907	1 060 [8.25 %]
Twitter followers	140 246	145 899	147 541	149 309	9 063[6.46%]
Instagram followers	1 203	1 498	1 582	1 798	595 [49.46%]
Linkedin Followers	135	N/A	175	193	58 [42.96%]
TOTAL FOLLOWING	167 350	173 641	175 778	179 159	11 809 [7.06%]
TOTAL AVERAGE FOLLOWING PER PLATFORM	33 407	34 728	35 156	35 832	2 425 [7.26%]

4.6) Presentations

The Proudly SA CEO, Eustace Mashimbye made CEO-led presentations at various events and gave various media interviews. The aim of these presentations is to create awareness and to educate audiences about the Proudly South African Campaign and what it stands for. Businesses/enterprises are also invited to support and join the Proudly South African Buy Local Campaign.

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

DATE	EVENT	VENUE
6 February 2018	Launch of Proudly SA Buy Local Summit and Expo	Johannesburg
14 February 2018	FEDUSA Capacity Building Workshops	Boksburg
20 February 2018	Pharmaceutical Sector Forum	Rosebank
23 February 2018	Furniture Expo Opening	Johannesburg
27 February 2018	Poultry Sector Forum	Sandton
14-15 March 2018	Proudly SA Buy Local Summit and Expo	Sandton





4.7) Above the Line Campaigns

The branding for the quarter in review was aligned with the Buy Local Summit & Expo 2018. All internal and external material and messaging was designed to promote the event and to amplify the buy local message. Both above and below the line activities were used to promote the Summit.

The above the line campaign had a two pronged message, to drive feet to the event and to create awareness about the campaign and activities. Advertising went on various platforms including outdoor media , radio adverts, print as well as online digital campaigns:

Print media:

Business Report - 2 ads across all national titles ie The Star (circulation 74 500), The Mercury (circ. 24 500), Cape Times (circ 29 600), Pretoria News (circ 12 500)

Entrepreneur Magazine - 200 139 subscribers to hard copy , 600 000 + online

Juice Magazine - (Mango's in flight magazine)

Beeld - 1 ad with an article (circ 35 000)

Equinox - (Tsogo Sun's in room magazine)

Radio

702 - Reach: 471 000

Power FM - Reach: 97 000

Outdoor media

Four billboards in Gauteng:

- William Nicol Drive Sandton
- Faraday Johannesburg
- R24 Airport freeway
- Lynwood Road , Pretoria



Online digital campaign

The digital campaign comprised social media and other digital platforms to promote the campaign and reach a larger audience. People who interact with information on these digital platforms engage more and are more easily converted to attendees through the online registration click through mechanism. Their phones and desktops have more time to engage with an advert and it is easier to transfer those people to registered guests at the event



Daily Performance



The goal of this campaign was to create awareness around the **Proudly South Africa Buy Local Summit & Workshop** as well as to drive users to sign up for the event. The main focus was to get people to go to the event that was held in Johannesburg on **14-15 March**. Geo-location targeting was employed around the main business hubs in the country to ensure we delivered to the correct users. Overall, the campaign gathered **2 200 705 impressions** and **2 548 clicks** with a exceptional **CTR of 0,12 %** due largely to the optimizations



Creative

SPEND R 40 009,97	IMPRESSIONS 2 200 705	CLICKS RECORDED 2 548	CTR % 0,12 %	eCPC R 15,70
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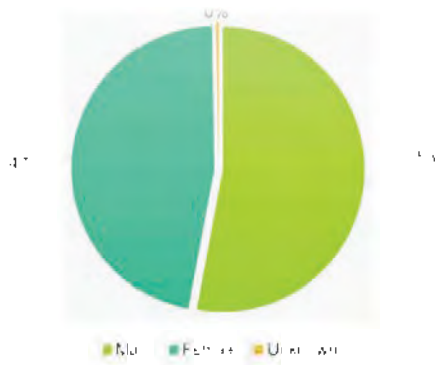
Creative	Impressions	Clicks	CTR%
300x250	834,009	1 457	0,11 %
320x50	284,003	575	0,09 %
300x600	127,729	254	0,16 %
970x250	50,934	222	0,37 %
728x90	44,185	25	0,03 %
160x600	50,967	15	0,03 %

Facebook



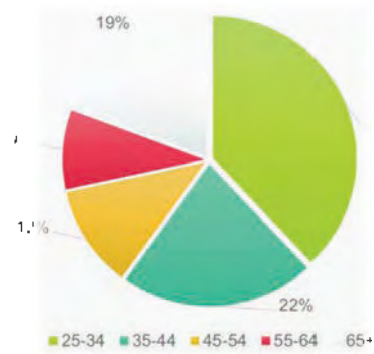
Facebook | Campaign Insights

Gender



From the data we've gathered we can confirm that our male users performed slightly better than the female users.

Age



In the age demographics, we've come to the conclusion that the 25-34yrs age group is the best performers overall. Also, upon deep-diving we found that male users between 25-34yrs were responsible for 22% of the campaign's overall delivery.

Facebook Campaign Overview

Link clicks	4 948
Clicks	6 893
Impressions	384 194
LCTR Rate %	1,29%
Reach	322 779
Frequency	1,2



Facebook | Top Campaign Performers

1

Proudly South African
Sponsored · €

Like Page

Top exhibitors, top speakers, networking opportunities and business linkages all under one roof.

PROUDLY SOUTH AFRICAN BUY LOCAL SUMMIT
SANDTON CONVENTION CENTRE
14-15 MARCH 2018
REGISTER AT WWW.BUYLOCALSUMMIT.CO.ZA

Free registration
Visit our Expo in Hall 2 on 15 March 2018!
[HTTPS://BUYLOCAL.EXPO2018.COM](https://buylocal.expo2018.com) **Book Now**

22 Comments · 88 Shares

Like Comment Share

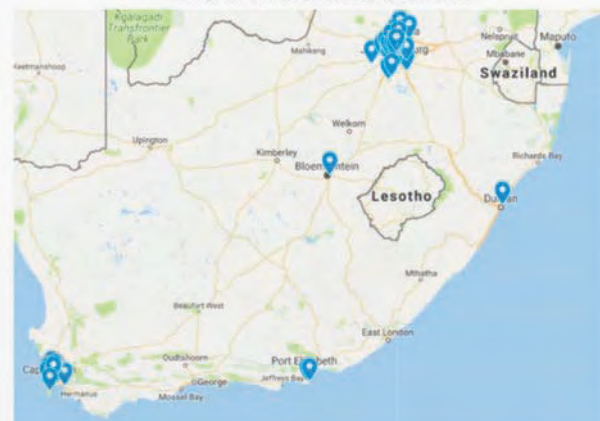
LCTR%	CPLC	Link Clicks
0,96%	R 4,46	2 605

135 478		Unique Reach
272 907		Impressions
4 219		Clicks
1,55%		CTR



GeoVisualisation

11



The campaign targeted South-Africa's major metropole's to ensure that we reached the right audience to engage with content. These users would more likely attend the Summit and Workshop. You will notice that engagements are in **Cape Town – Port Elizabeth – Bloemfontein – Johannesburg – Durban.**

Facebook Campaign Information

Advertiser	Proudly South African
Platform	Facebook
Placement	Link Clicks
Goal	Drive traffic to the Proudly South African website in order for users to sign up for the brand's Buy Local Summit and Expo
Audience	322 779
Facebook Budget	1,2

Twitter



Twitter | Top Performing Tweets in Terms of Cost

Link Click Rate %	CPLC	Link Clicks
17,62 %	R 0,23	13 833



13 851		Engagements
78 524		Impressions
1		Retweets
0		Replies
0		Follows
1		Likes



Twitter | Best Performing Tweet

Link Click Rate %	CPLC	Link Clicks
9,75 %	R 0,36	23 074



23 092		Engagements
243 104		Impressions
2		Retweets
0		Replies
0		Follows
1		Likes

Twitter Campaign Overview

Link clicks	74 189
Engagements	74 289
Impressions	550 850
Link click rate %	13,47%
CPLC	R0,27
Budget spent	R20 000,00

Twitter Campaign Information

Advertiser	Proudly South African
Platform	Twitter
Placement	Website card
Twitter budget used	R20 000,00

The above the line campaign was successful in reaching and engaging a wide audience and contributed significantly to the high attendance at the Summit & Expo. In addition, it reached and educated many more people about the Proudly South African campaign.

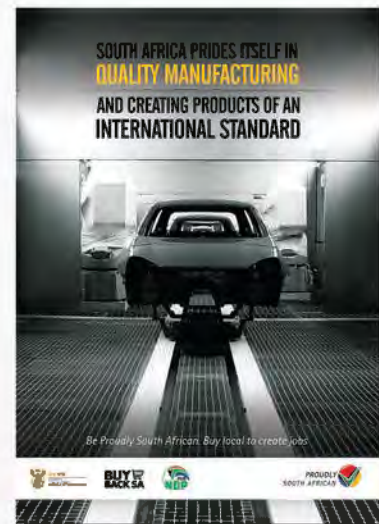
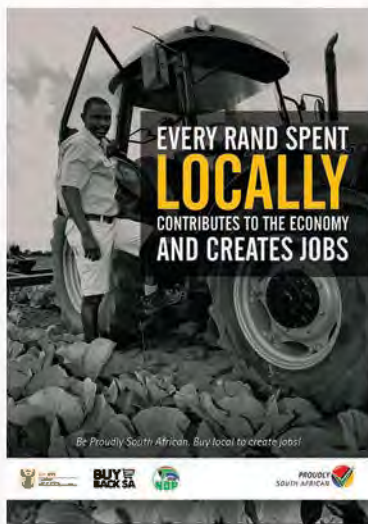
The quarterly message had a two pronged purpose: to mobilise people to attend the event as well as educate consumers about the Proudly South African campaign and the work that we do outside of the Summit & Expo.

- **Buy Back SA campaign**

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

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

A 4 million Rand television campaign was run for a period of 1 month on SABC Television as well as radio adverts running across the two platforms. These platforms chosen have a national reach and all LSM across the board.



- **Made in SA Ad Campaign**

The new messaging for the quarter in review was “Made in SA, it’s not just a label, it’s more” The advert depicts the Proudly SA logo on a number of products, with a strap line that points out that it’s not simply a label, but a movement that has a real impact on the economy and job creation. The advert encourages consumers to see that there is more to their purchase decision than supporting South Africa, but that every ‘Made in SA’ purchase has real positive consequences in the lives of South Africans. The campaign has lived through print media and on our digital platforms.

Brand exposure included:

Print Advert : Woolworths Taste magazine



4.8) Strategic Partnerships

4.8.1. Fedusa Workshop

ENGAGEMENTS WITH LABOUR FEDERATIONS TO RESPOND TO A CALL TO SUPPORT “BUY LOCAL”

Since the signing of The Local Procurement Accord (LPA) on 31 October 2011, Proudly SA has been pivotal in encouraging the signatories to this accord to deliver on their commitments as clearly outlined in that agreement. Emanating from LPA, Proudly SA's role includes nationwide buy local activism campaigns to, inter alia, labour federations in line with Organised Labour Commitments 8, 9 and 10 of the Accord.

The Accord and its relevance is amplified by the revision of the Preferential Procurement Policy Framework Act (PPPFA) enacted in 2000, with its Regulations promulgated in 2001 and amended in 2011 – particularly Regulation 8 which deals with Local Production and Content.

It is against this backdrop that Proudly SA partnered with FEDUSA to educate and lobby its unions' shopstewards at their nationwide conferences through interactive engagements by presentations followed by intensive engagements on how best to drive the localisation message and prioritise the procurement of local products and services.

Shopstewards were encouraged to establish Local Procurement Committees in their respective workplaces together with their employers and push for an agenda to procure their day-to-day consumables from other local companies. These consumables include canteen items, cleaning products, stationery, etc.

Proudly SA Board Chairman and Management made presentations at the following FEDUSA provincial conferences:

- 14 February 2018 Gauteng
- 20 February 2018 Kwa-Zulu/Natal
- 20 February 2018 Western Cape
- 28 February 2018 Eastern Cape (East London)
- 13 March 2018 Eastern Cape (Port Elizabeth)

The feedback from this Labour Federation's regions was very positive, and there was a clear undertaking to support localisation and Proudly SA initiatives.

4.8.2 Nedlac Task Team

FEEDBACK ON PARTICIPATION IN NEDLAC'S CUSTOMS FRAUD AND ILLEGAL IMPORTS TASK TEAM

This is a high-level summary report on Proudly South African's participation on NEDLAC's Trade and Investment Chamber Task Team on Customs Fraud and Illegal Imports.

The committee convened and met 3 times; the first session dealt mostly with the Constitution and Terms of Reference of the Task Team which were adopted and detailed below:

1.1 The Trade and Industry Chamber agreed to establish a Customs Fraud and Illegal Imports Task Team. Constituencies agree that customs fraud and illegal imports harm domestic industries and jobs. Customs fraud also means a loss to the fiscus. The Task Team should explore and propose the implementation of measures to prevent (or, where not possible, at least curtail) customs fraud and illegal imports in support of local economic activities and job creation, amongst others by:

1.1.1) Reviewing the FRIDGE Study Report on Customs Fraud and Illegal Imports of 2010; the NEDLAC Report on Customs Fraud in respect of Textile, Clothing and Footwear; and the NEDLAC Report on the Customs Duty Bill and Customs Control Bill (“the reports”) in order to:

1.1.2.) Receive an update, from Government with additional inputs from SARS, Business and Labour, on the implementation of the measures to deal with customs fraud identified in the reports in the:

- i. clothing, textiles, footwear and leather goods (CTFL) sectors identified; and
- ii. other sectors identified in the FRIDGE Study Report;

- 1.1.3.) Determining the reason/s for partial and/or non-implementation of measures identified in the reports and corrective measures to address these;
- 1.1.4.) Receiving an update on any new forms or areas of customs fraud in the sectors identified in the reports and determine measures to address these;
- 1.1.5.) Receiving a report on measures to deal with customs fraud imposed or being considered for sectors not identified in the reports and brought to the attention of the task team as sectors experiencing serious customs fraud and illegal imports challenges;
- 1.1.6.) Identifying new priority sectors and recommend remedies to strengthen action against customs fraud in such sectors;
- 1.1.7.) Devising support measures, including measures that business and labour can introduce, to ensure implementation of the identified measures mentioned in the subsections above including any partially or fully outstanding measures;
- 1.1.8.) Identifying systemic problems concerning customs fraud and illegal imports and list potential actions in each case to address the problems; and improve risk assessment and deployment of targeted Customs controls;
- 1.1.9.) Developing a report on its work for submission to the Chamber.

During the second meeting of the Task Team, Government (through experts from SA Revenue Services) presented a detailed scenario of the landscape and challenges in and around Customs Fraud since the last meeting of the Task Team more than 5 years ago. After lengthy and comprehensive analysis of the current situation, the following key resolutions were taken and discussed during the third meeting of the Task Team:

- a. SARS will bring more experts to deal with other technical issues which were raised during the second meeting;
- b. Business and Labour will make their presentation to contribute in formulating a refined strategy to deal with problems in customs and imports; and

Final response report will be drafted for escalation to relevant NEDLAC EXCO and then to the Minister concerned.

4.8.3 United Nations Office for Project Services (UNOPS)

Proudly South African, with the support of the United Nations Office for Project Services (UNOPS) through Switch Africa Green, has undertaken a pilot project entitled 'Awareness Creation and Capacity Building on Ecolabelling in the Agricultural Sector'. Its aim is to promote a culture of sustainable agricultural production and procurement choices in South Africa.

Key Research Outcomes

In the project's initial phase, research was conducted to sketch the South African agricultural landscape in terms of certification, particularly as it relates to small-scale farmers. Following interviews with 392 farmers across six provinces, the research findings were perhaps unsurprising:

- Overall, the level of awareness of sustainable production practices and ecolabelling among small-scale farmers is very low at 11.73%.
- All large-scale farms are certified against one or more local and international standards.
- 61.4% of small-scale farmers do not have any form of certification.

These findings informed the next phase of the project.

Setting the Bar

Three draft sustainability standards were subsequently developed to guide South African farmers to adopt and incorporate sustainability practices that are environmentally friendly and socioeconomically viable into their production systems, namely:

- Proudly South African Standard: Sustainable Farming (to be used in combination with the product standards)
- Proudly South African Standard: Unprocessed Fruits and Vegetables
- Proudly South African Standard: Unprocessed Red Meat – Ruminants
- The Proudly South African standards can be differentiated from other local and international standards based on their comprehensive content and structure which aims to help small-scale farmers transition to sustainable agricultural practices. The Proudly South African standards are broadly divided into the following sections:
 - Sustainable Farming
 - General management
 - Social justice
 - Environmental management
 - Facility management
 - Unprocessed Fruits and Vegetables
 - Production
 - Quality control
 - Packaging
 - Unprocessed Red Meat – Ruminant
 - Animal husbandry
 - Transport and slaughter
 - Quality control
 - Packaging

While developing the standards, Proudly South African established a multi-stakeholder committee of experts – the Technical Committee – whose role it was to consider all the relevant elements of the draft standards so as to ensure that they were locally relevant and reflected the project’s aim of capacity building around sustainable agricultural practices. Importantly, while focusing on best practice, a balance needed to be sought so that the criteria did not place an undue burden on small-scale farmers. Following the Technical Committee’s initial review, the standards were sent out for public comment before returning to the Technical Committee for finalisation. Engagement with industry stakeholders formed an intrinsic part of the public comment process.

Small-Scale Farmer Participation

While the standards are a major element of the project, they do not constitute the entire project. Indeed, a chief objective was to ensure participation by small-scale farmers, something that is generally a challenge due to economic, logistical and perceptual issues around certification. To overcome this, Proudly South African recruited nine young people to coach farmers on the Proudly South African standards and sustainability practices in agriculture. They underwent intensive training to equip them for this task.

Testing the Standards

A key differentiator of the Proudly South African project was the piloting of the standards at eight farms selected from three provinces. The farms were selected following a stringent process that included assessments of their knowledge of sustainable practices, the viability of the farm, the local labour component and the capacity to complete the pilot project.

The farmers were then coached by the trained coaching experts regarding sustainable farming practices and the Proudly South African standards over a three-month period.

At the time of writing, the farms are preparing to be assessed to determine their compliance with the Proudly South African standards. If the farms comply with the mandatory indicators of the standards, they will be licensed to display the Proudly South African logo on their products.

Going Forward

The success of the pilot project will determine the longevity of Proudly South African's work in this sector. In its final phase, a review will be done to assess the project outcomes. Assuming the aims of the project have been met and subject to funding, the project will carry on so that capacity and awareness of sustainable consumption and production in agriculture will continue to grow, particularly among small-scale farmers.

PERFORMANCE FOR THE PERIOD UNDER REVIEW

(January to March 2018) - Performance against the Annual Performance Plan targets for the quarter

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour	<p>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:</p> <ul style="list-style-type: none"> 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; 	<ul style="list-style-type: none"> Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers 	<ul style="list-style-type: none"> Reach 5 million consumers during each quarter 	<ul style="list-style-type: none"> Buy Local Summit & Expo with an estimated reach of 10mil people, utilizing printed and electronic media platforms. Buy Back SA television and radio adverts has an estimated reach of another 15million audiences country-wide. 	
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour	<p>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:</p> <ul style="list-style-type: none"> PR and Below the line activities through Social Media, press releases, radio interviews and other PR related activities; National Consumer Educational Road show through Mall Activations (Education Through Edutainment); Schools campaign in secondary schools and FET colleges (consumer education) 	<ul style="list-style-type: none"> PR & Below the Line Activities reaching at least 20 million consumers per annum; Roadshows in at least 6 provinces annually Roll out of schools campaign in at least 6 schools and/or FET colleges per annum 	<ul style="list-style-type: none"> Reach 5 million consumers during each quarter. No roadshows were planned for Quarter 4 2 Schools campaigns planned during quarter 4 	<ul style="list-style-type: none"> Target reached – Buy Local Summit & Expo PR activities. Back To School Mall Activation. A radio interview took place on VOW FM which is a radio platform which is on FM frequency. Total Reach: 5000 	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	<ul style="list-style-type: none"> Youth targeted Campaign, incl. university radio stations and other youth targeted initiatives Proudly SA Events/Exhibitions/Expo's/Villages at trade expos; Increased awareness of the buy-local message in support of Heritage Day/Week/Month Proudly SA CSI projects 	<ul style="list-style-type: none"> Participation in youth targeted activities reaching at least 500k youth 8 x Campus Radio interviews/ competitions or advertising campaigns per annum Participation in at least 8 mini trade expos or events per annum; Roll out of at least one Proudly SA week per annum Proudly SA CSI projects 	<ul style="list-style-type: none"> No participation in youth activities were planned for Q4. 2 campaigns per quarter At least 2 major expos or events per quarter No Proudly SA week activity planned for Q4 No CSI activity planned for Q4 	<ul style="list-style-type: none"> N/A UNISA & Wits Africa Energy Indaba Meetings Africa Rand Easter Show N/A N/A 	
Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade	<ul style="list-style-type: none"> 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. Introduction of Eco-labelling in specific sectors (partnership with UNOPS) 	<ul style="list-style-type: none"> Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers; Promotion of Eco-labelled local products in the agricultural sector in 4 provinces 	<ul style="list-style-type: none"> Reach 5 million consumers during each quarter At least one province per quarter 	<ul style="list-style-type: none"> Buy Local Summit & Expo. Awareness creation & promotion of projects at the Proudly SA Buy Local Expo 	
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<ul style="list-style-type: none"> Educational roadshows Increase buy-in and support for local procurement by the public sector (all state organs) through: <ul style="list-style-type: none"> Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum. Partnership with the dti, EDD, National Treasury and provincial government departments on education of procurement officials on the implementation of the public procurement regulations in support of local procurement for designated sectors in national, provincial & local government departments and to monitor procurement within the public sector 	<ul style="list-style-type: none"> At least 1 presentation to SOEPF per annum Presentation at 1 government's SCM forum with Heads of procurement from various national government departments. 	<ul style="list-style-type: none"> No activity planned for Q4 No presentations at government SCM forums planned for Q4 	<ul style="list-style-type: none"> N/A N/A 	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	<ul style="list-style-type: none"> National, provincial and local departments visits – engagement with procurement officers 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 	<ul style="list-style-type: none"> Provincial Public Sector forums in at least 5 provinces Presentation at least 1x SALGA member’s forum and/or event; At least 1 summit to be held per annum At least 1 Buy Local Expo held per annum 	<ul style="list-style-type: none"> No Provincial Public Sector forum planned for Q4 No presentation planned for Q4 but 1 presentation was planned in Q3 which did not take place Buy Local Summit planned for Q4 Buy Local Expo planned for Q4 	<ul style="list-style-type: none"> N/A N/A Summit took place on 14 & 15 March 2018 Expo took place on 15 March 2018 	
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	<p>National Educational road shows: Increased buy-in and support for local procurement by the private sector. Signing of Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products and services through:</p> <ul style="list-style-type: none"> Presentations to BUSA, BBC and BLSA members plus Business Chambers; Local Procurement Partnerships with large retailers and/or manufacturers; 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 - SCC – “Made in SA” Expo Sector Specific Workshops Business Forums with dti and other strategic partners 	<ul style="list-style-type: none"> 1 presentation to BUSA, BBC and BLSA per annum; Partnerships with at least 3 major retailers/manufacturers per annum; At least 1 summit to be held per annum; At least 1 Buy Local Expo held per annum; 3 x sector specific workshops/forums per annum 9 business forums per annum 	<ul style="list-style-type: none"> 1 presentation planned to any of the targeted organizations for Q4 Partnership with at least 1 major retailer/manufacturer for Q4 Buy Local Summit scheduled for Q4 (March '18) Buy Local Expo scheduled for Q4 (March 2018) 1 sector specific forum/workshop scheduled for Q4 BUT did not achieve Q3 target. None planned for Q4 	<ul style="list-style-type: none"> Not achieved Massmart Summit took place on 14 & 15 March 2018 Expo took place on 15 March 2018 	<ul style="list-style-type: none"> Preliminary engagements held with BUSA, BLSA & BBC

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
	<ul style="list-style-type: none"> Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos SA Premier Business Awards (in partnership with the dti and Brand SA) 	<ul style="list-style-type: none"> Participation in at least 8 major trade expos, events, etc. per annum Hosting 1x annual SA Premier Business Awards event (as a partner to the dti) 	<ul style="list-style-type: none"> 2 trade expos, events, etc. scheduled per quarter Awards scheduled for Q3 but postponed to Q4 due to the unavailability of Ministers. 	<ul style="list-style-type: none"> Rand Easter Show Flavours of the City Held on 30 January 2018 	
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	<ul style="list-style-type: none"> *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; 	<ul style="list-style-type: none"> Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers 	<ul style="list-style-type: none"> Reach 5 million consumers during each quarter 	<ul style="list-style-type: none"> Buy Local Summit & Expo with an estimated reach of 10mil people, utilizing printed and electronic media platforms. Buy Back SA television and radio adverts has an estimated reach of another 15million audiences country-wide. 	
Brand Management Brand research - Development of a scientific basis for local procurement.	<ul style="list-style-type: none"> Existence of an Economic Impact Study to contribute to the increase in the uptake of local products and services and procurement by the public sector, private sector and consumers; Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes; 	<ul style="list-style-type: none"> Economic Impact Study conducted and results published – 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 	<ul style="list-style-type: none"> No activity planned for Q4 At least 2 dipstick surveys per quarter 	<ul style="list-style-type: none"> N/A Target not reached. 	<ul style="list-style-type: none"> Management oversight a new internal IT system developed to address this.

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Brand Compliance and IP. Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	<ul style="list-style-type: none"> Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods Action/letters of demand to all (100%) irregular users of the Proudly SA logo identified. Regular compliance reviews of all members. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Weekly monitoring done All identified irregular users were sent letters – 100% All members contacted as part of the new and renewals membership compliance process – 100% 	
Partnership with enforcement agencies	<ul style="list-style-type: none"> To prevent illegal imports, counterfeit products, dumping of unsafe products and under invoiced products through Below and Above the line Anti - piracy and illicit trading campaigns reaching 2 million people per annum; Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders 	<ul style="list-style-type: none"> Weekly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally Participation in the Nedlac Task team on Anti-piracy at least once per annum 	<ul style="list-style-type: none"> Monitoring of the use of logo and phrase done illegally – 100% contact with all identified companies Participation in the Nedlac Task team originally planned for Q2 but postponed to Q4 	<ul style="list-style-type: none"> Monitoring done by Adams and Adams weekly – 100% Participated in 3 meetings with the Nedlac Task Team 	
Growing the database of South African supplier products and services for local procurement	<ul style="list-style-type: none"> Promotion of Database – NATIONAL CAMPAIGN to grow the number of companies registering on the database. 	<ul style="list-style-type: none"> 500 new products and/or services registered Promotion of database to at least 5 provincial public sector forums 	<ul style="list-style-type: none"> 150 new products and/or services registered No provincial public sector forums planned for Q4 	<ul style="list-style-type: none"> 183 new products and/or services registered. N/A 	
<ul style="list-style-type: none"> Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products 	<ul style="list-style-type: none"> Call to Action campaigns (Above and Below the line campaigns) reaching businesses. 	<ul style="list-style-type: none"> Promotion of database to at least 9 provincial business forums 	<ul style="list-style-type: none"> No provincial business forums planned for Q4 	<ul style="list-style-type: none"> N/A 	
<ul style="list-style-type: none"> Promotion of database to both the public and private sector through workshops / regular communicate (this will include the promotion of other SA Made Products as per the designated sectors). Measured in terms of how many public institutions reached that are using the database. 	<ul style="list-style-type: none"> Promotion of database to at least 1 business association 	<ul style="list-style-type: none"> No workshop with a business association planned for Q4 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A 	

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"> Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders) Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media tactical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through media breakfasts/lunches & media meetings hosted by the CEO, Chairperson, board or the PR Manager Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns Increase following on social media platforms and increase in publicity Major PR activation to increase awareness about the campaign and the "Buy Local" campaign 	<ul style="list-style-type: none"> Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders. Press releases At least 24 press releases per annum Media engagement At least 16x individual media engagements per annum At least 2 x Media meet & greet networking sessions per annum Social Media activities daily Increase following on all social media platforms by 10% per annum. Valentine's Day activation 1x per year on Valentine's day 	<ul style="list-style-type: none"> 100% of Daily monitoring through Newsclip of all coverage on Proudly SA. 6 press releases issued per quarter 4 media/editor's meetings per quarter No media meet & greet networking session planned for Q4 Daily updates on Twitter, Facebook and Instagram done Increase following on all social media platforms by 10% per quarter. This activation is scheduled to take place during Q4 (Feb '18) 	<ul style="list-style-type: none"> Monitoring done during the quarter, 100% of all coverage identified. Achieved & exceeded – Refer to Section 4.5.4 Achieved & exceeded – Refer to Section 4.5.5 Achieved & exceeded – Refer to Section 4.5.5 Daily updates done on Twitter and Facebook resulting in an increase in the number of followers on both platforms. The Proudly SA Twitter account now has 150,000 followers and Facebook has more than 14,000 followers – Refer to Section 4.5.6 Target achieved – Refer to Section 4.5.6. Activation held on 14 Feb'18 	<ul style="list-style-type: none"> Done together with our Media Monitoring – Newsclip.

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q4 target)	Actual Achievement (Q4)	Reason for Variance
Retention and Recruitment Members	Number of members recruited and retained	<ul style="list-style-type: none"> Recruit at least 200 new members for the year Retain at least 90% of all members due for renewal for the year 	<ul style="list-style-type: none"> 50 new members recruited during the quarter 90% of all members due for renewal renewed membership 	<ul style="list-style-type: none"> 65 new fully paid up members recruited. 72% of all members due for renewal, renewed their membership 	
Financial Management: Proper processing of all financial transactions on SAP and maintenance of records and supporting documents for audit purposes in compliance with relevant standards	Percentage of processing of all financial transactions done accurately and correctly at all times	100% accurate and correct processing of all financial transactions - unqualified opinion and clean audit reports for 2016/17 financial year end audit – Annual Financial Statements	<ul style="list-style-type: none"> 100% accurate and correct processing of all financial transactions during each quarter 	<ul style="list-style-type: none"> All financial transactions correctly and accurately processed during Q4 	
Human Resources Management: Organisational structure is always aligned to organisational strategy	<ul style="list-style-type: none"> Extent (Percentage) of alignment of the functional organogram with the approved strategy Percentage of critical positions filled 	<ul style="list-style-type: none"> Organogram with positions informed by the organisational strategy and aligned completely. All (100%) critical positions filled at all times 	<ul style="list-style-type: none"> 100% alignment of organogram to the strategy in every quarter All (100%) critical positions filled during the quarter 	<ul style="list-style-type: none"> Organogram fully aligned (100%) to the strategy in Q4 HR Officer vacancy was filled in January 2018, Bookkeeper resigned at end of January 2018, will be filled effective 1 April 2018 	

PFMA AND TREASURY REGULATIONS COMPLIANCE CHECKLIST

Corporate Management

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

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

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

Planning and Budgeting

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

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

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

	TR 30.1.3		<p>Does the strategic plan:</p> <ul style="list-style-type: none"> • cover a period of three years; • include objectives and outcomes as identified by the executive authority; • include multi-year projections of revenue and expenditure; • include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and • include the materiality/significant framework, referred to in Treasury Regulation 28.1.5. <p>Is the strategic plan updated on an annual basis?</p>	X			The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations

Management of Working Capital

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	38(1)(j)		Has the public entity submitted a written assurance to the transferring department to the effect that the entity has and maintains effective, efficient and transparent financial management and internal control systems?	X			A written assurance is submitted to the dti in the form of a letter confirming compliance with Section 38(1)(j) of the PFMA on a quarterly basis
	51(1)		<p>Does the public entity:</p> <ul style="list-style-type: none"> • have an appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective? • have a system for properly evaluating all major capital projects prior to a final decision on the project? • collect all revenue due? • Have mechanisms in place to prevent irregular and fruitless and wasteful expenditure? • Manage available working capital efficiently and economically? 	X		X	<p>The procurement system is in line with section 217 of the constitution, and is fair, equitable, transparent, competitive and cost-effective. The SCM policy has been revised to ensure full compliance with the PFMA and has been approved by the Board</p> <p>There are currently no major capital projects</p>

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.1.3 TR 29.1.6		<p>Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only)</p> <p>If a borrowing programme was submitted, did it include?</p> <ul style="list-style-type: none"> • The terms and conditions on which the money was borrowed? • Information on proposed domestic borrowing; • Information on proposed foreign borrowing (national entities) • Short and long term borrowing; • Borrowing in relation to a pre-approved corporate plan • The maturity profile of the debt; • The confirmation of compliance with existing and proposed loan covenants; • Debts guaranteed by the government; • Motivations for government guarantees, if required; and • The executive authority's approval of the borrowing programme, if required by the legislation in terms of which the entity was established. 			X	Proudly SA is not a Schedule 2, 3B or 3D entity and does not borrow any funds
	TR 32.1.1		<p>Did the public entity borrow money for bridging purposes? If yes:</p> <ul style="list-style-type: none"> • Was approval obtained from the Minister of Finance? • Was the debt repaid within 30 days from the end of the financial year? 		X	X X	No money borrowed by the campaign for any purposes, including for bridging purposes

Reporting

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
			<p>Does the public entity's annual report and financial statements fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?</p> <p>Does the annual report and financial statements include:</p> <ul style="list-style-type: none"> • Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; • Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; • Any losses recovered or written off; • Any financial assistance received from the state and commitments made by the state on its behalf; • The financial statements of subsidiaries. 	X			<p>The Annual Report and Annual Financial Statements fairly presents the information referred to herein</p> <p>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</p> <p>Proudly SA does not have any subsidiaries</p>
	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	<p>The Executive Authority is not obliged to table this as Proudly SA is not a public entity, however the Annual report is submitted to the dti to enable the Minister to table this if the need arises</p>
	TR 27.1.7		Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference	X			This disclosure was included in the Governance section in the Annual Report as the audit committee has an approved set of Terms of references
	TR 27.1.10		Did the audit committee comment on its evaluation of the public entity's financial statements?	X			The Audit committee does comment on the public entity's financial statements in the AFS contained in the Annual Report

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

Cash Management, Banking and Investment

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
			<ul style="list-style-type: none"> • Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level for efficient and effective programme delivery, and selling surplus or under- utilized assets; • Performing bank reconciliations at least weekly; • Making regular cash forecasts; and • Alignment of the approved budget with monthly cash flows; • Variance analyses of actual cash flow with the approved budget 	X			
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	<p>Does the public entity have an investment policy?</p> <p>If yes to the above, does the investment policy include the:</p> <ul style="list-style-type: none"> • selection of counter-parties through credit risk analyses; • establishment of investment limits per institution; • establishment of investment limits per investment instrument; • monitoring of investments against limits; • reassessment of investment policies on a regular basis; • reassessment of counter-party credit risk based on credit ratings; and • reassessment of investment instruments based on liquidity requirements. 			X	The 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 March 2018

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 25	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 13	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 16	Raising sponsorships Partnership with relevant institutions	Satisfactory	Medium 8	Improve sponsorship drive by developing current properties (offerings) to sponsors Secure fulltime broadcasting partners for the campaign Utilize other mediums such as social media platforms and other guerilla marketing tactics	MANCO	31 Mar 2018 (ongoing) 31 Mar 2018 31 Mar 2018

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk		Current controls	Perceived control effectiveness	Residual risk		Actions to improve management of the risk	Action Owner	Time Frame
3	To work with enforcement agencies to prevent illegal imports, dumping of unsafe products and illicit trade	Strategic Risk	Lack of legislative mandate and recognition of Proudly SA as a key player by the enforcement agencies.	High	25	Presentations 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	23	A request made to the Nedlac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products	MANCO	31-Mar-18
4	Increase uptake of Membership	Strategic Risk	Poor value proposition for existing and prospective members.	High	20	Value proposition based on the use of the Proudly SA logo and the Proudly SA activities and campaigns conceptualized for the Buy Local campaign. Membership fee restructured to make it more affordable	Weak	High	14	The Proudly SA membership value proposition needs to be improved to provide for items that impact on the bottom line of the member companies, including participation in foreign missions. Roll out more advertising campaigns. Communicate the Restructured membership fee	MANCO	31-Mar-18
5	To educate South Africans on the importance of 'Labels of origin' in order to promote fair and legal trade with other countries.	Strategic Risk	Lack of uptake of Proudly SA products and services by all spheres of governments including SOE's (Non-compliance with regulations on designation of sectors)	High	20	Procurement regulations revised and products designated for local procurement by all organs of the state	Weak	High	14	Roll out provincial public sector procurement forums - educational campaigns on PPPFA local content provisions (regulations) to all spheres of government in partnership with NT, SALGA, provincial ED and Finance departments as well as SOEPF	MANCO	31-Mar-18

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame		
6	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Lack of funding to undertake meaningful research to inform consumer education campaigns	High	16	Deep stick surveys undertaken after every event.	Weak	Medium	11	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 LPA supplier database	High	16	Developed a database of local products and services on the website	Weak	Medium	11	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 publicizing 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	16	Attempts to conclude partnerships with organisations that have databases in order to merge the databases have been made. i.e. SALGA, NT, SOEPF	Weak	Medium	11	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.	Payment made on invoice which do not comply with the VAT Act	In future, all invoices that do not comply with all the requirements of the VAT Act will be returned to the respective supplier/service provider for correction prior to making the payment. No payments will be effected on non-compliant supplier invoices.	Completed
2.	Operating lease asset understated	Management did not agree with the prior year calculation and prepared a schedule for the auditors review but inadvertently omitted to follow up with the auditors and process the entry. The AFS has since been amended	Completed
3.	Difference noted between EMP 201 and EMP 501 forms	The variances between the EMP201 and EMP501 were due to additional payments made later in the year and these were in respect of penalties/interest arising from the previous years. In some instances, they were due to PAYE payments for Board members which were made in arrears. With immediate effect only amounts declared would be paid over to SARS in each respective period	Completed - Has been resolved since May 2017
4.	Payments to employees without increment letters	The practice in the previous years was that the basis for payment of annual salary increments to all personnel would be based on the resolution by the Board which would have been presented and recommended by REMCO, and such resolution would be presented to auditors together with Staff Meeting Minutes reflecting confirmation to staff of the percentage increment they will get for that financial year. This practice was improved during 2017/18 financial year by issuing individual increment letters to every staff member who qualified for such increment. The auditor was presented with all this evidence.	Completed
5.	Accuracy of leave days	Deryn Graham joined the institution in November 2016 and did not have leave days at the time of the Annual Closure of Business as approved by the Board of Directors, and was therefore compelled to take leave, even though she did not have sufficient leave days during such recess. The initial Leave Provision given to Auditors was not accurate, and was later thoroughly reconciled and given to the auditors. Furthermore, the Closing Balances of 2015/16 for general staff will not necessarily be the same as Opening Balances of 2016/17 since the company Leave Policy do not allow general staff to carry over more than 5 working days. The Auditor were presented with this policy	Completed
6.	Useful lives of assets not reassessed	This was a management oversight and the useful lives of all assets would be re-assessed annually.	Planned for completion in April 2018 as part of the year-end process
7.	Issues on the Fixed Asset Register	1) There was a casting (formula) error in the calculation of the cost column but the accumulated depreciation and NBV columns were correct.	Completed

No.	Finding	Corrective Action (Plan)	Status
		2) The fully depreciated cell phone will be removed from the asset register, however the net effect of this is zero as the cost and accumulated depreciated were overstated by R6800. 3) The tag numbers of the assets listed above were erroneously deleted from the asset register.	
8.	Statutory information not updated on the CIPC	This update was registered with the CIPC together with all the other changes submitted following the AGM where the required resolution for Nexia SAB&T to remain as auditors of Proudly SA was approved	Completed
9.	Minutes of meetings were not signed by the chairman	This was a management oversight and in future all minutes adopted will be presented to the chairperson, at the meeting subsequent to the one where the minutes were approved, for his signature.	Completed
10.	Nomination and Social Ethics don't exist as per the requirements of the MOI	The Social and Ethics committee has been formed and the first meeting of this committee was held on 9 June 2017.	Completed
11.	No contracts exist between Proudly SA and Nestle	The deliverables and the agreement was for a sponsorship and membership commitment made by Nestle and it is for continued sponsorship of the Buy Local Summit and Expo from prior years. There is written communication between the two entities confirming the agreement and the commitment from Nestle to pay the amount due, as agreed. A draft sponsorship agreement has been forwarded to Nestle and follow up will be made to ensure that the agreement will be signed, as per the terms agreed upon between Proudly SA and Nestle. It is envisaged that the contract will be signed during the first week of July 2017 The draft contract between Proudly SA and Nestle will be signed in the first week of July 2017	Completed
12.	No provision for long outstanding debtors raised	Kasi Brewery and The Perfect Hair Africa Collective did not pay VAT, as they are current members, a concerted effort is being made to recover the shortfall. Trader's Friend is a valid trade exchange which can still be used, hence it is a valid debtor. Matcom Technologies only paid 50% of the membership fees, the outstanding amount needs to be written as irrecoverable as the member does not wish to remain a member. A duplicate invoice was erroneously raised for Grid Control Technologies.	Completed
13.	Difference between the staff loan schedule and the trial balance	Management oversight and erroneous submission of incorrect staff loans spreadsheet to auditors for audit purposes	Completed
14.	Cash and Cash equivalents – Difference between the trial balance and the bank statement	The approved Bank Reconciliation for 31 March was correct but the bookkeeper erroneously processed an April 2017 entry in the March 2017 accounting period after the Trial Balance was given to the auditors for audit purposes. The entry has been corrected and in the future the prior accounting period on SAP will be locked after the finalization of month-end and year end to ensure that similar errors do not occur again.	Completed
15.	Trade and other payables with debit balances	Management oversight, in some instances, as a result of pre-payments required by suppliers prior to delivery of the required services, as per their policies. Annual Financial Statements will be updated accordingly to correct the respective creditors accounts.	Completed

No.	Finding	Corrective Action (Plan)	Status
16.	No justification of the 40% tax withheld from directors' salaries	<p>The Board of Directors were previously not paid Meeting Fees, and when a resolution was passed to start remunerating them it was done manually with 40% tax withheld from their gross fees. With the migration of such manual payment method to VIP Payroll system, all monies withheld from the Board Directors was declared over to SARS and paid in August 2016 as part of Mid-Year Tax Reconciliation and submission to SARS. Since then, all withheld tax from Board Directors are based on individual tax tables and are paid over to SARS by the 7th of each month as required.</p> <p>Withheld Tax amounts from Board Directors were declared and paid over to SARS since 01 September 2016. This is now a standard practice and are as per individual tax tables. Comprehensive evidence of such rectification was presented to the Auditors.</p>	Completed
17.	Membership renewal forms not completed	<p>This is mostly, as a result of the choice made by renewing members to make payments to Proudly SA of the required fees, without submitting the required renewal forms. Efforts have been made to ensure that the renewing members submit all the required renewal forms and documentation, despite the difficulty in this regard. In order to correct this, the Board through its relevant committee has also approved a new process to ensure that this is dealt with as easily as possible in future, by requesting renewing members to submit and sign declarations indicating that they are still compliant with the campaign's membership criteria.</p> <p>Although, the required membership renewal forms were not completed in the above instances, there is supporting documentation on file to confirm evidence of follow up – the latter is available for the auditor's perusal. Membership renewal forms will be completed and duly signed off timeously in future, as per newly approved processes.</p> <p>The newly appointed Executive Manager: Membership, Compliance & Legal is in the process of tightening the controls around both new membership and renewal processes.</p>	Completed

FINANCIAL REPORT

expenditure vs budget (Quarter 4 – 1 January to 31 March 2018) Preliminary

Description of item	Budget for the quarter (Q4) Rands	Actual for the quarter (Q4) Rands	Variance for the quarters (Q4) Rands	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (31 March 2018) Rands	YTD Variance (31 March 2018) Rands
INCOME								
Membership Fees	750,000	1,032,244	282,244	38%	Inclusive of Trade exchanges	3,000,000	3,398,371	398,371
Grant – the dti	5,611,000	5,611,000	0	0%		29,611,000	29,611,000	0
Project based funding - UNOPS	950 000	0	(950 000)	(100%)	A Tranche was received in April 2018	950,000	844,008	(105,992)
Sponsorship	7,000,000	3 068,070	(3,931,930)	(56%)	Of the 2 headline sponsors originally 'earmarked', one reduced the level of sponsorship and the other withdrew.	13,000,000	8,696,008	(4,303,992)
Other Income	0	44,890	44,890	100%	Interest income & sale of promotional items	0	235,541	235,541
Total Income	14,311,000	9,756,204	(4,554,796)	(32%)		46,561,000	42,784,929	(3,776,071)
EXPENDITURE								
HR and Staffing costs	4,467,971	4,479,482	(11,511)	(0.3%)		18,816,885	18,738,239	78,646
Administrative costs	1,576,443	1,318,159	258,284	16%	Timing nature of certain cost elements	5,933,771	5,318,534	615,237
Membership costs	156,612	13,996	147,616	94%	Cost cutting exercise undertaken	626,450	264,675	361,775
Marketing costs	10,826,894	5,504,802	5,322,092	49%	Invoices in dispute have not been accounted for	19,991,894	18,637,830	1,354,064
Capital Expenditure & IT	159,000	111,090	47,910	30%	Timing nature of certain cost elements	1,192,000	881,605	310,395
Total Expenditure	17,186,920	11,427,529	5,759,390	34%		46,561,000	43,840,883	2,720,117