

PROUDLY
SOUTH AFRICAN



QUARTERLY REPORT

1 JULY - 30 SEP 2016

QUARTER 2 - 2016/17 FINANCIAL YEAR





Quarterly Report for Q2 (July to September 2016)

APPROVAL OF THE REPORT

Recommended by the CEO for Approval		Endorsed by the Accounting Approval	
Name: Mr. E. Mashimbye	Signature: _____	Name: Mr. H. Gabriels	Signature: _____
Rank: Acting CEO	Date: ____/____/2016	Rank: Chairperson	Date: ____/____/2016

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ACRONYMS

The following are definitions of the acronyms used in the report

Accord	The Local Procurement Accord (an agreement signed on 31 October 2011 by labour, government, business and community representatives to promote local procurement in South Africa, in support of the New Growth Path and government's aim to create 5 million jobs by 2020.
APP	Annual Performance Plan.
Brand SA	Brand South Africa, an agency of the government of the Republic of South Africa whose objective it is to market South Africa as a foreign investment destination.
CGCSA	Consumer Goods Council of South Africa
CPO	Chief Procurement Officer.
CIPC	Companies Intellectual Property Commission.
COTII	Council of Trade and Industry Institutions.
CSI	Corporate Social Investment
EDD	Economic Development Department, a national government department in the Republic of South Africa.
FMCG	Fast Moving Consumer Goods.
NCPC	National Cleaner Production Centre, a program of the dti, housed under the CSIR which focuses on assisting companies implement cleaner production and resource efficiency measures.

ACRONYMS

The following are definitions of the acronyms used in the report

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	Public Finance Management Act No. 1 of 1999.
SALGA	South African Local Government Association.
SAPBA	South African Premier Business Awards.
SAPS	South African Police Service.
SARS	South African Revenue Service.
SOEPF	State Owned Enterprise.
The dti	Department of Trade and Industry, a national government department in the Republic of South Africa.
The Summit	The Local Procurement Summit & Expo.
UN	United Nations.
UNISA	University of South Africa.

2. EXECUTIVE SUMMARY

This report covers the period 1 July – 30 September 2016 and focuses on various highlights during the period:



ECONOMIC OUTLOOK

In its latest World Economic Outlook (WEO) the International Monetary Fund (IMF) lowered the economy growth forecast for two of Africa's largest economies, including South Africa.

According to the IMF, policy uncertainty, weak investor confidence and low commodity prices are the key common factors which resulted in the lowering of both South Africa's and Nigeria's economic forecasts – whose combined GDP's make up more than half of sub-Saharan Africa's GDP – with an expectation for "mild recovery" only in 2017.

On 4 October 2016, the IMF announced that it expected South Africa's GDP growth to remain flat at 0.1% in 2016 with a 0.8% growth forecast

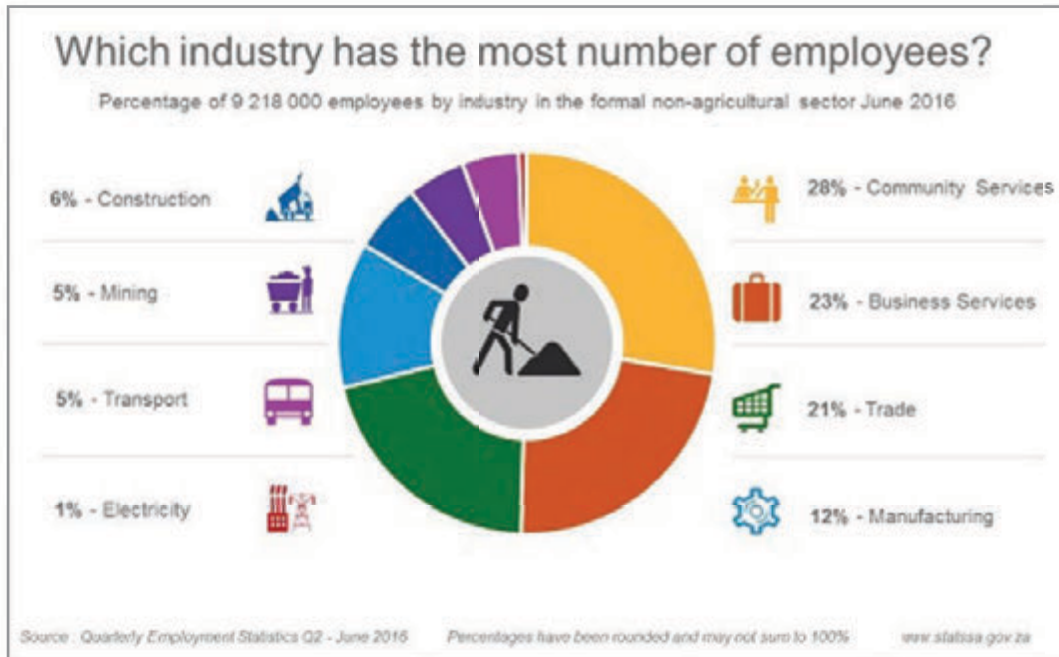
in 2017. This is significantly lower than the 1% growth initially logged in July 2016.

The collective global economy, however, is itself not doing exceptionally well either. "Taken as a whole, the world economy has moved sideways," said the IMF's Maurice Obstfeld.

Parallels can be drawn between the IMF's economic outlook and Statistics South Africa's (Stats SA) Quarterly Employment Statistics (QES) survey.

The survey revealed that the formal jobs in the country's formal employment sector shrank by 67 000 in the second quarter of 2016. Most industries observed job losses barring the construction and electricity industries.

Most of these job losses, the survey says, were in the community, social and personal services industry and are reflective of the temporary jobs created by the IEC during the recent government elections.



Annual employment comparisons, however, paint a slightly different picture.

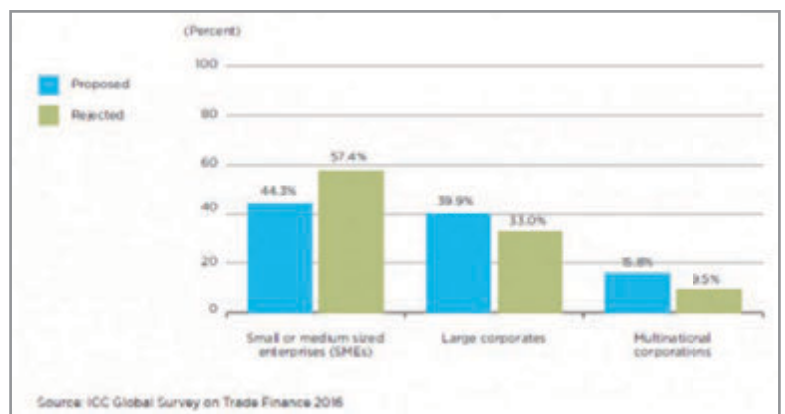
Furthermore, in the six years between 2009 and 2015 employment in South Africa went up by 1.5 million as revealed by Stats SA's Labour Market Dynamics report. It was noted, however, that the official 2015 unemployment rate of 25.3% is higher than that of 2009 by 1.6%.

While quarter on quarter statistics show a decrease in employment, annual figures show an increase of 30 000 jobs between the second quarters of 2015 and 2016.

SMALL BUSINESS

Meanwhile, small to medium sized enterprises (SMEs) continued to face challenges in the progression of their businesses. On 11 October 2016, Moneyweb reported that SMEs worldwide increasingly face barriers in the access to funding due to the strengthening of regulatory and compliance requirements in banks around the world.

According to the International Chamber of Commerce's latest Global Trade and Finance Survey, 58% of all trade finance proposals made by SMEs in 2015 were rejected. This is up from 53% in 2014. The graph below shows a comparison of proposed and rejected transactions per organisation segment:



“SMEs in developing countries are the most affected,” said Marc Auboin from the World Trade Organisation. “The estimated value of unmet demand was US\$120 bn in Africa,” he adds.

In South Africa, however, a special fund for SMEs was recently established by the government and the private sector. More details of this fund will be detailed further in this article.



IMPACT ON **CONSUMERS**

The slow growth of South Africa’s economy will, ultimately, also have an impact on consumers. Gwarega Mangozhe – chief executive at the Consumer Goods Council of SA – said the increase in fuel prices, which is directly linked to the weakening of the rand/dollar rate, will inevitably impact on all household goods that require any sort of transportation during the manufacturing process.

He was quoted on IOL as saying that consumer spending is subdued and some of the council’s members had “noticed a change in shopping habits as consumers search for bargains, while some [members] are prioritising their overall spend on groceries in light of tighter disposable incomes.”

In line with Mangozhe’s sentiments is the anticipated increase in meat prices in the last quarter of 2016. CNBC Africa reports that red meat prices are expected to trend higher by between nine and 15 percent by December 2016.

To cope with the most severe drought experienced this century, the farming industry saw a record number of slaughters and farmers are likely to hold back on meeting the country’s beef demands as they rebuild their herds.

The rebuilding of herds could take anything between three and four seasons to get back to normal levels according to CEO of SA Red Meat Producers Organisation, Gerhard Schutte.

SA ECONOMY

STILL ATTRACTIVE FOR INVESTMENT

There are, however, two sides to any story and this can be reflected through Stats SA's 3,3% quarter on quarter GDP growth recorded in September 2016, the fastest economic growth since the last quarter of 2014.

In their quarterly bulletin the South African Reserve Bank also revealed that the country's current account deficit shrunk to 3.1% of GDP (R134bn) from 5.3% (R221bn).

In September, Department of Trade and Industry Minister Dr. Rob Davies highlighted the country's efforts to create an investor-friendly environment, making special mention to InvestSA, a newly established investment division which will provide a service dedicated to investment promotion as well as the facilitation and aftercare of the country's investment opportunities. Minister Davies also hailed the R11 billion investment in an Eastern Cape vehicle manufacturing plant by China's Beijing Automobile International Corporation as Africa's biggest automotive in the last 40 years.

Danish valve manufacturers AVK Holdings were also lauded for the launch of their R200 million valve manufacturing facility in Alberton, Gauteng. AVK Southern Africa is one of the leading valves supplier for various industries on the continent. The company has also es-

tablished a training academy which will provide skills development to 1500 people.

Also in September, the Presidential CEO's Initiative – a public-private initiative initiated to foster economic growth in South Africa – established the SME Fund which will stimulate entrepreneurship and support the growth of small business. Led by the founder of Discovery, Adrian Gore, the CEO Initiative's SME work stream found that major challenges faced by small businesses include lack of equity funding for start-ups, insufficient risk appetite for venture capital funding, and highly skilled mentorship. The SME fund is designed to address these challenges.

Over 70% of the top 40 companies listed on the Johannesburg Stock Exchange (JSE) are supportive of the fund, which has already raised R1,5 billion. Both Gore and Public Investment Corporation (PIC) CEO Dan Matjila agree that supporting small businesses is key to unlocking South Africa's economic growth. "SME's are of a few entities that can create jobs at the quantum required," says Adrian Gore. "Entrepreneurs and businesses create jobs; and by assisting them, we are building the future," adds Dr. Matjila.

LET'S ALL BE
PROUDLY SOUTH AFRICAN
— AND LET'S —
BUY LOCAL
TO CREATE JOBS.

3. 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 Strategy Session

The Board convened its annual strategic session on 22 September, aimed at refining its strategy and developing a strategic plan which will focus on repositioning the campaign, in order to improve its impact.

The Board considered the following strategic and policy documents when developing the repositioned strategy:

- National Development Plan (2030);
- Industrial Policy Action Plan;
- Local Procurement Accord;
- The recently concluded MoA with the dti;
- Proudly SA's previous strategic plan and Annual Performance Plan.

At the end of the strategic session, the Board resolved to have a strategy with a focus on three key strategic areas only, which are for the proudly SA campaign to:

- Conduct consumer education campaigns on the economy wide benefits of buying locally manufactured products and services, targeting all spheres of the public sector, the private sector and consumers in general;
- Roll out awareness campaigns on Country of Origin labels;
- Compiling of a database of local products and services.

3.2. Board Meeting

The Proudly SA Board of Directors met on 26 August 2016 and considered the following:

- The results of the concluded Economic Impact Study on the impact and/or multiplier effect of improved local economic activity including Buying Local on the economy;
- The Annual Financial Statements for the period ending 31 March 2016;
- The Annual Report for the financial year ending 31 March 2016;
- Appointment of an Acting CEO for the organisation;
- The election of signatories for the organisations' bank accounts;
- Reports from standing committees of the Board;
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule.

3.3. Audit and Risk Committee

The members of the Audit and Risk committee held their meeting on 27 July 2016 and the meeting considered the following:

- External Audit Reports, including the Auditors Report and the management letter;
- Annual Financial Statements for the financial year ending 31 March 2016;
- Internal Audit Reports, which included reports on Corporate Governance, Finance as well as Membership and Compliance;
- The Internal Audit plan for the 3-year period (2016/17 to 2018/19);
- Risk Management quarterly report; and
- An In-committee discussion between the members of the committee, Internal and external auditors.

3.4. Finance and Procurement Committee

The members of the Finance and Procurement committee held their meeting on 22 August 2016 and the meeting considered the following:

- Annual Review of the Terms of Reference of the committee;
- Annual Financial Statements for the financial year ending 31 March 2016;
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule

3.5 Membership, Marketing and Communications Committee

The members of the Membership, Marketing and Communications Committee held their meeting on 22 August 2016 and the meeting considered the following:

- Annual Review of the Terms of Reference of the committee;
- The Local Procurement Accord and the need for Proudly SA to serve on the committee monitoring the implementation of the deliverables contained in the LPA by the social partners;
- The results of the concluded Economic Impact Study on the impact and/or multiplier effect of improved local economic activity – including Buying Local – on the economy;
- The Annual Report for the financial year ending 31 March 2016;
- The Membership Report for the period under review;
- A report on the 2016 Proudly SA Buy Local Summit and Expo;
- Marketing report on the events and activities for the period under review;
- PR, Media and Communications report for the period under review;
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule.

3.6. HR and Remunerations Committee

The members of the HR and Remunerations Committee held their meeting on 22 August 2016 and the meeting considered the following:

- Annual Review of the Terms of Reference of the committee and the proposed committee name change;
- Salary Benchmarking and Comparisons;
- Staff loans policy and the need to review the policy;
- Annual Inflationary adjustment to Directors Fees; and
- HR Reports on Staff movement, Performance Management, Staff training and Development and Staff Retention activities.

4. THE PERIOD 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 second quarter of the 2016/17 financial year.

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

- The Board held its strategic session during September, the result of which was a much more streamlined and focused strategic document with a clear focus on only three areas in line with the campaign's mandate – these will be the main focus areas in line with the intention to reposition the campaign in the market, in order to improve its impact;
- An Economic Impact Study aimed at determining the multiplier effect of local procurement, mainly in the Manufacturing, as well as the sub sectors of Agro-processing, Pharmaceuticals and Petrochemicals, was conducted and the results thereof were presented to the Board. These results will be shared with key stakeholders as a way of strengthening and highlighting the work and contribution of the Proudly SA campaign to the growth of South Africa's economy, with a specific focus on the creation of much needed jobs;
- In its quest to attract major retailers to become part of the Proudly SA campaign, a working partnership was concluded with EDCON for a project aimed at unearthing and supporting local designers whose work will end up on EDCON's main stores (manufactured locally through EDCON's local manufacturing bases);
- Proudly SA hosted a consumer education activation at the Gateway Mall in Durban, KZN at the beginning of the Durban July weekend, where consumers were educated on the economy wide benefits of buying locally manufactured products (and services);
- The ABSA and Transnet sponsored business forums (part of the annual Buy Back SA national roadshow) in three provinces, namely Eastern Cape (Port Elizabeth), Free State (Bloemfontein) and Northern Cape (Kimberley). The events were a success and business forums will have been held in all nine provinces by the end of the current financial year;
- Pikitup has been roped in to sponsor the Gauteng based sector specific forums during the current financial year and the first of these was held for the Franchising sector and the next set of these specific sector will be held for the ICT and construction sectors;
- The annual Cosatu Western Cape-led Proudly SA conference was held at CTICC on 30 September and this strategic platform was used to piggy back on the support from this labour federation to engage and educate three key sectors of society namely labour (shop stewards), businesses and the youth in Western Cape;
- Together with nine Proudly SA member companies, Proudly SA exhibited at the SA Innovation Summit, an expo celebrating innovative products. This platform was used by Proudly SA to showcase the local innovations from our member companies and to educate the delegates at the event on the great products manufactured by local companies as well as the impact their work has on the economy (including their contribution to the creation of jobs);

- Proudly SA participated and exhibited at the 21st annual NEDLAC Summit and showcased the offerings of the campaign to the representatives of the four NEDLAC Social partners. The event was well attended by high profile guests including the Deputy President of the Republic of South Africa, cabinet Ministers as well as captains of industry and leaders of civil society and the country's labour federations;
- Strategic discussions and partnerships were cemented with various organisations that will contribute to the repositioning of the campaign, including national government departments, business associations and labour federations;
- In celebration of local movie productions and to demonstrate its support of local productions, Proudly SA participated in and supported the premiere of a local movie titled "Noem My Skollie". This was also in line with the campaign's anti-piracy campaign aimed at getting South Africans to support, consume and buy local productions;
- Proudly SA supported and participated at the 2nd Annual Vita Basadi Awards in partnership with the Gauteng provincial legislature honouring women in business in Gauteng;
- The Annual Proudly SA Women in Business event was held under the theme "Women of Substance – Meet The Locals" event, where women in business were invited to participate in the Proudly SA campaign and were educated on the economic benefits of buying locally manufactured products;
- A total of 49 new members were successfully recruited and vetted for Proudly SA membership and have now joined the Buy Local Campaign;
- At least 87% of renewal membership fees due for the quarter, indicating a high retention rate of existing members during the period under review;
- Proudly SA's Twitter following has exceeded 128 000. Organically grown, the number of followers continues to grow. This PR platform enables Proudly SA to communicate its programmes and weigh in on relevant current topical issues;
- A total of 11 press releases were issued during the quarter on an array of issues including the call to South Africans to support local and to attend the Proudly SA Business Forums in Kimberley, Bloemfontein and Port Elizabeth, the promotion of foreign direct investment in SA as well as the call for a Buy Local Indaba following the uproar around the national team's Olympic Kit.

4. THE PERIOD UNDER REVIEW

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 second quarter of the 2016/17 financial year, and below are some of the areas where the campaign fell short:

- The Buy Back SA advertising (Above The Line) campaign will only commence later in the year through an integrated campaign, aimed at launching the “Meet The Locals” campaign ahead of the festive season, with the intention of getting South Africans to “Buy Local for the Festive Season”, therefore the campaign was not held during the second quarter;
- The Schools Consumer Education campaign was meant to have taken place in at least three schools during Quarter 2, however the schools campaign will take place later in the year as it is meant to coincide with the national consumer roadshows. This is done in order to minimise the travel costs involved in taking the consumer roadshow and schools campaign to different parts of the country;
- The planned university activations were scheduled to take place in all four of UJ’s campuses, however the activations were postponed to later in the year due to the interruption in the campuses as a result of the “Fees must Fall” campaign; and
- As a result of financial constraints and the continued search for partners to sponsor the prizes for the online/social media competitions, no monthly competitions were held during the period under review. Member companies with relevant attractive consumer targeted products will be approached to partner with the Proudly SA campaign in rolling out these competitions during the rest of the financial year.

The campaign has a plan on how to make up all these areas, as listed above, during the course of the financial year, in order to ensure that the annual targets as contained in the approved Annual Performance Plan are all met by the end of the 2016/17 financial year.

4. THE PERIOD UNDER REVIEW

4.3. HIGHLIGHTS FOR THE QUARTER

EVENTS AND ACTIVATIONS

4.3.1. KZN Gateway Mall Activation, Durban – 04 July 2016



One of the campaign's main (core) deliverables is the educating of consumers on the importance of buying local and the economic benefits thereof, and consumer activations are one of the forms in which the company is able to engage and educate consumers.

The Gateway Mall activation aimed to see interaction with consumers, stimulating awareness, attracting potential members to the campaign and boosting recognition of the Proudly South African brand, thus in turn, impacting on issues surrounding member retention and consumer education. The event was hosted by media personality – Mablehr, who is well-known in the area and who helped to attract interest to the activation.

Reach for this event: 5000 people

Target Audience: Consumers





4.4.5. Nelson Mandela Day - 18 July 2016

Proudly SA in partnership with the Al-Imdaad Foundation; Procter and Gamble, Mr. John Adams, GAME stores and MAQ volunteered their time and sponsored various items to the Helen Joseph Hospital on Monday 18 July 2016, where various activities took place. This included amongst others, activities such as cooking for hospital patients, handing out soup to out-patients, cleaning of the dining hall area, donation of blankets for the patients, supply of paint, toothbrushes and cleaning detergents to the hospital.

This was used as a platform to introduce the campaign to the hospital staff (consumer education) and a brief introduction was done on the campaign and the work it does.

Reach for this event: 500

Target Audience: Consumers (Staff from the hospital and from partnering institutions listed above)



4.3.2. Pikitup Business Forum, Gauteng - 04 August 2016

The Proudly SA business forums are aimed at educating consumers on the importance of buying locally manufactured products. The forums are also used for getting the business community to support the campaign's drive to stimulate local production and procurement in the Gauteng region, in order for more sustainable jobs to be created, attract business, serve as a platform to recruit companies to become part of the National Buy-Local movement and retain members.

Pikitup partnered with Proudly SA on this initiative and focused on the Franchising industry since their objectives are aligned with ours in this regard in that both entities seek to create awareness around the importance of waste management and the preservation of the environment.





The forum was hosted at the Radisson Blu Gautrain Hotel in Sandton and representatives from Pikitup, Proudly SA, The Franchise Association of SA, Consumer Goods Council – SA and the National Cleaner Production Centre – SA spoke on the offerings of their respective organisations.

Reach for this event: 105 people

Target Audience: Franchise, Waste, Green and related businesses, private business and government

4.3.4. Noem My Skollie - 29 August 2016

In support of the South African film industry, Proudly SA partnered with Max-D Productions for the promotion and support of local movie Noem My Skollie. The film industry is one of the priority sectors identified for support by the dti in terms of the Industrial Policy Action Plan (IPAP). Proudly SA used this platform as an opportunity to push the Buy Local message and the importance of supporting our local film industry, highlighting the talent we have in our country both in front of and behind the camera.

Reach for this event: 190 people

Target Audience: Consumers

4.3.5. The 2nd Annual Vita Basadi Awards in partnership with the Gauteng Provincial Legislature - 31 August 2016

The 2nd Annual Vita Basadi Awards took place on Wednesday 31 August 2016 at the Gauteng Legislature Johannesburg City Hall. These awards honor remarkable women (young and mature) who make positive impact in their communities without reward.

Proudly SA partnered with the Legislature by sponsoring the 18 winners with Proudly SA products. This is a consumer education platform used by Proudly SA to educate attendees (consumers and business representatives) on the economy wide benefits of buying local and to support government's drive to empower women to become entrepreneurs who will contribute to the creation of much needed jobs in their communities.

Reach for this event: 500

Target Audience: Government, Business and consumers



4.3.6. Women of Substance : Meet the Locals - 03 September 2016

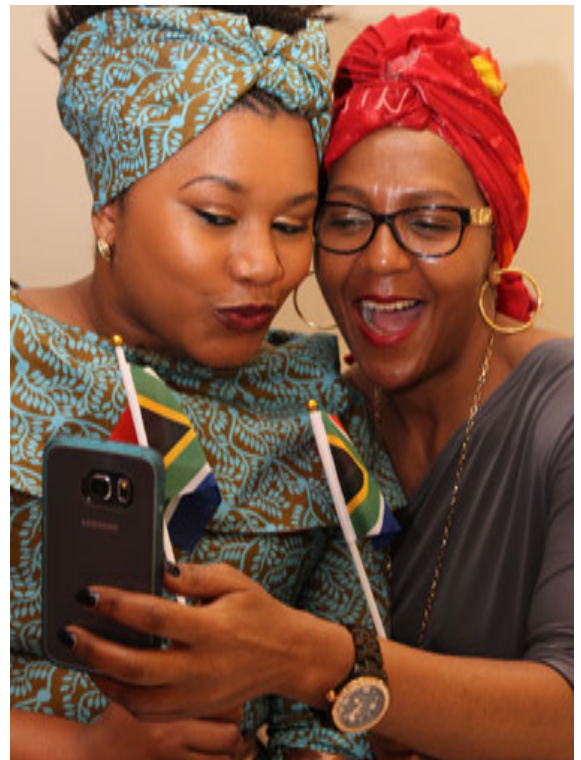


This forum in particular, served as a soft launch for the “Meet the Locals” campaign and it honored and paid tribute to remarkable South African women. The event was presented in the format of arrival refreshments, a breakfast with keynote speakers who sat on a panel, engaging the audience, celebrating women and discussing issues pertaining to women in business in South African. It also focused on the importance of supporting local business especially through procurement decisions aimed at improving local procurement (Buy Local).

Representatives from corporations, SOEs, small business as well as media and personalities were in attendance. An opportunity was also given to a few women-owned member companies and our staff to showcase the campaign and its members. The event was held at the Fairlawns Boutique Hotel and Spa in Morningside, Sandton. Some of the highlights included that this event garnered support from key influential women in business and media, who have a high following and have been successful as business people in their own right.

Reach for this event: 87 people

Target Audience: Women in Business



4.3.7. 21st National Economic Annual Summit 2016 - 09 September 2016

The 21st National Economic Annual Summit reviewed NEDLAC activities for the year 2015/2016, assess the socio-economic landscape and address key challenges facing the country while charting a way forward with particular reference to addressing the challenges of poverty, unemployment and inequality. This event was hosted at Birchwood Hotel, Ekurhuleni, Gauteng.

Deputy President Cyril Ramaphosa gave a keynote address at this event under the theme “Rapid Economic Growth to create Decent Jobs.” In this regard, the Summit was also addressed by Minister of Labour Mildred Oliphant, Jabu Mabuza representing the business sector, Laura Kganyago representing communities and Bheki Ntshalintshali representing organised labour.

The Summit took place against the background of numerous policy initiatives that the country has undertaken including the National Development Plan, New Growth Path, the Nine Point Plan and a number of social accords on skills, youth employment, green economy, local procurement and similar other initiatives.

The Summit also took place in the context of preparations for the Job Summit scheduled before the end of the year. Proudly SA exhibited at the event with an effort to push the message of Buy local and local procurement in the overall factor.



The Proudly SA Board Chairperson Mr. Howard Gabriel’s, other Board Members Michael Lawrence, and the Acting Proudly SA CEO Eustace Mashimbye were present at this event. It was also attended by top business, labour, government and community leaders.

Reach for this event: 200

Target Audience: Representative of all social partners (Labour, government, business and community organisations)



4.3.8. South Africa Innovation Summit 2016 - 23-24 September 2016

The SA Innovation Summit 2016 was an exciting and moving expo event that brought together a mixture of companies in the innovation space, to showcase their wide array of products and services. The Innovation Hub is a Proudly SA Member and provided Proudly SA with an opportunity for Proudly SA member companies to exhibit at the Proudly SA stand pavilion. This provided the companies and the exhibiting members with an opportunity to establish business leads and new business ventures. This event was hosted at Birchwood Hotel, Ekurhuleni, Gauteng.



The auspicious invite sent to local companies essentially shows the belief and pride Proudly SA has for these companies and exemplifies that small business are the backbone of the economy and they have power in absorbing a sizable number of unemployed South Africans. This is part of the value proposition which the campaign has put in place for its member companies and the invited members thanked Proudly SA for affording them the opportunity to gain access to markets that showed great interest in their actual products and services.



Scan Display assembled an exhibition stand for Proudly SA because is also critical for Proudly SA to exemplify the belief they have in the local procurement of products from members and this is the "local procurement synergy" that will be carried into the future.

Proudly SA Invited the following (9) SMME enterprises to exhibit with us at the summit where Proudly SA was the 10th company.

- Oil So Langa (handmade shoes company);
- Royal Mabundu Brands
- Khepri Innovations
- Prijap Biolife
- Makhamisa
- Circumfort
- Mathote Modular Building system
- Brigado
- Excellence Motor Trimmers
- Proudly South African



Reach for this event: 3 000

Target Audience: Private sector, Government and consumers

4.3.9. COSATU Western Cape Proudly SA Local Procurement conference - 30 September 2016

The COSATU Western Cape Proudly SA Local Procurement conference, took place on Friday 30 September 2016, at the Cape Town International Convention Centre. One of the aims of the conference was to ensure that various sectors of society that participated at the conference increase their uptake of local products and to ensure that there is an increase in local procurement in the Western Cape. This conference was used as a platform to educate all attendees on the importance of buying local and to urge consumers to make a clear conscious decision to buy local, in order to contribute to job creation.



The conference was divided into three separate sessions, with the first one focusing on the labour representatives from Cosatu Western Cape (shop stewards), the second one focused on school-going youth, whilst the third session focused on the business sector in Western Cape.

The Chairman of Proudly South African, Mr. Howard Gabriels, made presentations on the Buy Local campaign at all the sessions at the conference.

The concluding part of the daylong conference was a music concert aimed at promoting local music in the Western Cape, as part of contributing to growing the arts industry as a sector that creates jobs in the economy.

Reach for this event: 250

Target Audience: Labour, Business and consumers (youth)



4.3.10. Kimberley Business Forum, Northern Cape – 24 August 2016

The aim of this conference is part of the Proudly SA campaign's efforts to equip small to medium enterprises (SME) with information which will contribute to growth and sustainability in the Northern Cape. This effort was made more effective and results driven by bringing payers such as Transnet (Main Sponsor), Absa, Productivity SA, the dti and NCPC-SA, UNOPS, who all communicated their offerings (financial and non-financial) tailor made for businesses. This event was hosted at Protea Hotel Kimberley, Northern Cape.



The objective of the event is to create an opportunity for members and non-members to engage and network, this is a network environment that carries the ethos of local procurement and carries

messages that ultimately local companies must benefit from.

The forums are used to afford the campaign with an opportunity to engage the members (to keep in touch with their needs and expectations), maximizing value for members and to facilitating opportunities for local economic development, especially within their province.

The other important objective for Proudly SA at the forums is to recruit non-members to become Proudly South African members. This is also a platform to push the local procurement message to companies within the Northern Cape province. The event was also used for creating awareness on the UNOPS project which aims to create awareness and build capacity on eco-labelling for Proudly SA stakeholders in the agricultural sector.

Some of the major outcomes of this event, included the following:

- There was impressive media coverage at the event, including live TV transmission and local companies were featured and the CMO, Mrs. Happy Ngidi was interviewed on the SABC News channel;
- There was interaction of business owners at this networking session;
- There were a lot of Membership leads who are in the process of being converted into active members;
- The Proudly SA Business Forum was the Top trending topic in South Africa on 24 August 2016 – under the hashtag #KimBizForum

The Proudly South African Business forum – Kimberley leg was an instrumental event that ensured that the topic of Local procurement is brought to the forefront in the Northern Cape Government's agenda. This effort had more weight because the MEC of Finance, Economic Development and Tourism Mr. Mac Jack was invited to ensure that local procurement is brought into the core discussions of government and his keynote address focused on the results driven government efforts in this regard.

Reach for this event: 80

Target Audience: SMMEs and Government



4.3.11 Bloemfontein Business Forum, Free State - 25 August 2016

Business forums stimulate local production and procurement in the targeted region, in order for more sustainable jobs to be created, to attract business and serve as a platform to recruit companies to become part of the National Buy-Local movement and retain members.

Absa has partnered on this property with the aim of reaching out to small business and showcasing their offerings.

This forum was made more effective and results driven through partnering with institutions such as Transnet (Main Sponsor), Absa, Productivity SA, the dti and NCPC-SA and UNOPS.

This event was hosted at Protea Hotel Willowlake, Free state.

The objective of the event is to create an opportunity for Members and non-Members to engage and network, this is a network environment that carries the ethos of local procurement and carries message that ultimately local companies must benefit from.

The other important objective of the forum was to recruit non-members to become Proudly South African members in the Free State province and this was also a platform used to push the local procurement message to the companies within the Free State province.

The event was also used to promote the Proudly SA/UNOPS partnership which aims to create awareness and build capacity on eco-labelling for Proudly SA stakeholders in the agricultural sector.

Reach for this event: 110

Target Audience: SMME, Business and Government



4.3.12. Port Elizabeth Business Forum, Eastern Cape – 27 September 2016

Business forums stimulate local production and procurement in the targeted region, in order for more sustainable jobs to be created, to attract business and serve as a platform to recruit companies to become part of the National Buy-Local movement and retain members.

Absa has partnered on this property with the aim of reaching out to small business and showcasing their offerings.

The PE forum was hosted at the Radisson Blu Hotel in Summerstrand, PE. Representatives from Absa, the dti, Proudly SA, Productivity SA, and the National Cleaner Production Centre – SA spoke on the offerings of their respective organisations.

PE surprised us with a high response to the point where we considered having to turn attendees away due to venue capacity. This was an indication that businesses in PE need information and are eager to tap into forums that will help contribute to the growth of their businesses.

Reach for this event: 130

Target Audience: SMME, Business and Government



4.3.13. UCS Business Funding Expo - 30-31 August 2016

The 4th Annual UCS Business Funding Expo took place at the University of the Free State (UFS) in Bloemfontein and was hosted by UCS Business. The event focussed on the high unemployment rate, the slow economic growth that cannot be ignored as well as importance of the role that can be played by a thriving SME sector. Access to funding and local business opportunities were at the centre of the event's focus. Consumers were educated about the offering of companies within the SMME sector, including Proudly SA, SARS, NHBRC and TUHF. This therefore provided the campaign to educate consumers about the Buy Local campaign and to invite companies to join the Buy Local movement.

However, the event was not well attended on both days due to inaccessible venue that was not reachable for SMMEs.

Reach for this event: 50

Target Audience: SMME, Business and Government



4. THE PERIOD UNDER REVIEW

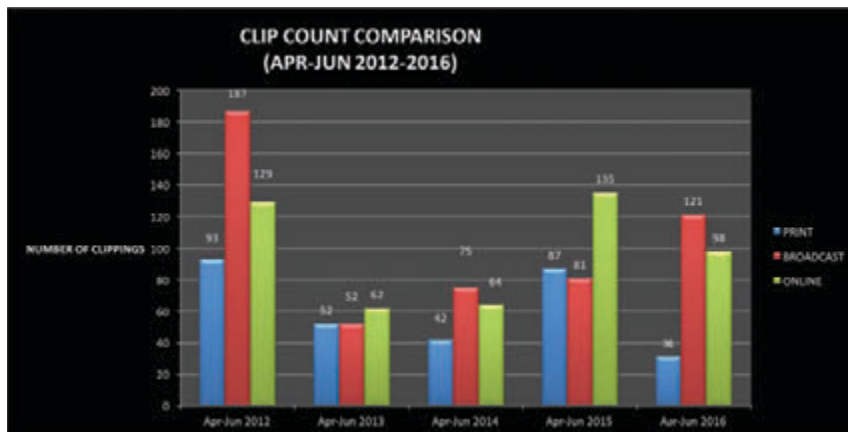
4.4 PR, COMMUNICATIONS & MEDIA

Summary – Media/Pr Report

Due to a two-month waiting period for all news clippings to be provided by Newsclip Monitoring Services (for any given month), the quarterly report for the period April to June 2016 is provided in this report. The July to September 2016 quarterly report will only be available at the end of November 2016 due to the news monitoring system and waiting period for news clippings.

4.4.1. CLIP COUNT ANALYSIS – 2012/2013/2014/2015/2016 QUARTERLY COMPARISON

The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (April - June 2016). Comparison is made with the same period in 2012, 2013 and 2014.

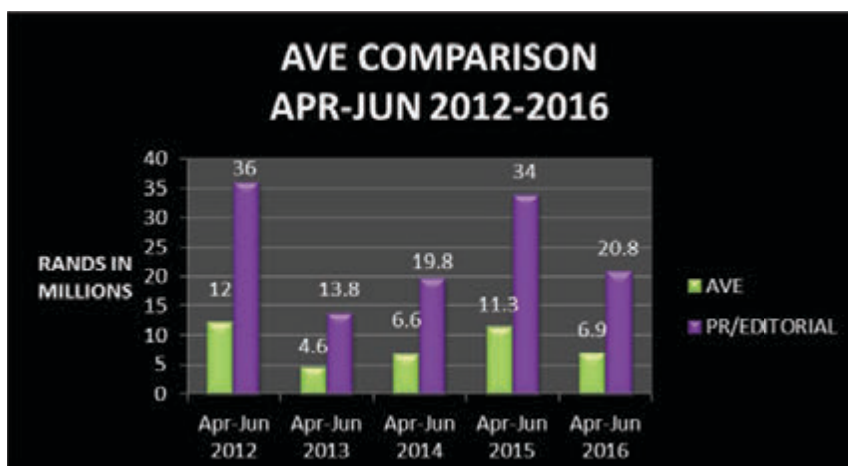


The analysis shows an increase in print coverage for 2016, compared to the previous year (for the period under review). There was a slight dip in broadcast and online coverage.

(Only clips relating specifically to Proudly SA and its activities are included in the clipcount analysis. The clipcount is extracted from daily notifications from Newsclip Media Monitoring Services relating to phrases/key words "Proudly South African").

4.4.2 AVE/PR VALUE COMPARISON – APR-JUN 2012/2013/2014/2015

The AVE/PR Value Comparison shows a decrease for the period April-June 2016 compared to the previous year.



4.4.3. HIGHLIGHTS FOR THE PERIOD UNDER REVIEW



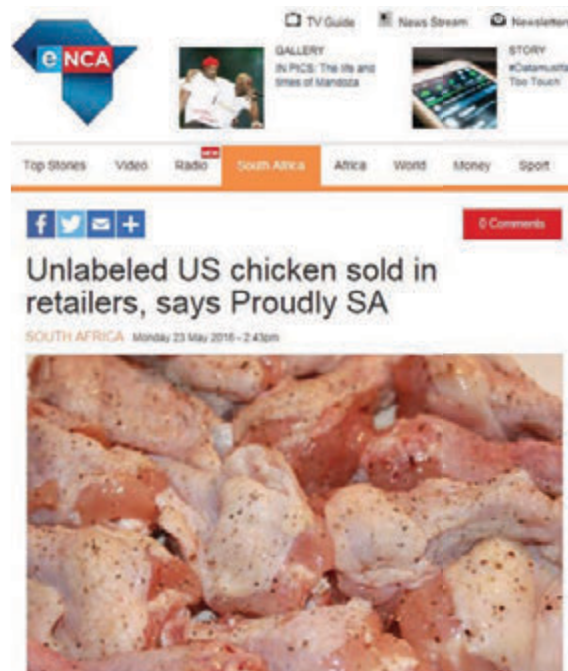
The CEO for Proudly SA continues to maintain media columns and provides an opportunity for him to communicate the Proudly SA ethos and messaging to the public through the media.

The CEO also continues to do regular media interviews (radio, television and print) regarding issues including local procurement, economic issues and issues around social cohesion, national pride and patriotism.

Other PR/Media highlights for the period under review included:

- Proudly SA received media coverage after it called for more support of local music, through a CEO opinion piece (see Sowetan clipping under CEO columns) and a media release. The SABC later announced a mandatory increase in the percentage of airplay for local music. Proudly SA issued a statement in this regard, congratulating the public broadcaster for implementing the move across all its radio stations.
- A special focus on the Automotive sector (as part of the MAP programme) during the period under review saw an opinion piece published regarding multi-national automotive manufacturers investing in SA.
- Proudly SA weighed in on the debate around the correct labelling of imported chicken, both in mainstream media and on social media.

- Nestlé South Africa – a strategic partner of Proudly South African – celebrated its centenary in the country and Proudly SA attended the celebrations which included the multi-national hosting a media event at its upgraded coffee plant in KZN. This afforded Proudly SA an opportunity to take part in media interviews arranged by Nestlé SA as well as Proudly SA in the province.



No US chicken, vows Nando's

FRESH whole birds that are homegrown – that's the promise from Nando's SA, which yesterday turned up its nose at American imports.

"Nando's is Proudly South African. The American poultry that has landed in South Africa does not find its way into your Nando's meal," said CEO Geoff Whyte.

His comments comes after a radio report quoted Trade and Industry Minister Rob Davies as saying Nando's made use of imported American chicken. "We'd like to set the record straight," Whyte said, adding the company only used fresh, whole chickens. US chicken came to South Africa frozen.

"The chickens at Nando's are grilled as fresh as possible. This cannot happen with imported chicken," he said.

On Tuesday Davies said black-owned companies would import at least 15% of the US chicken. — *TMG Digital*

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Consumer body pushes for unambiguous labels

THE South African National Consumer Union (Sancu) has slammed a loophole in legislation that allows retailers to mislead consumers on the origins of the meat they sell.

A Department of Agriculture regulation allows a retailer to label the country of origin as "and/or", such as "South Africa and/or Namibia".

"This just isn't good enough," the union's vice-chairwoman, Ina Wilken, said yesterday.

"We are aware that the container coming in from a foreign country should indicate the country of origin but the consumer does not see the container – what the consumer gets is the repackaged product on the shelf."

The regulation was applicable to single-ingredient agricultural commodities imported in bulk.

It allowed the retailer leeway on the wording used on the final pre-pack-

aged foodstuff.

"To have an ambiguous indication of origin is unacceptable to consumers for many reasons," Wilken said.

"It does not support Proudly South African, it creates leeway for abattoirs and retailers to mislead the consumers of South Africa, and it creates the illusion that the traceability aspect of the retail chain is not up to standard."

Sancu has urged the department to amend the rule to ensure accurate labelling for consumers to be able to make an "enlightened choice" when buying pre-packaged meat.

"This is one of our basic rights as consumers and is entrenched in the Consumer Protection Act ... in the meantime, consumers should support those retailers that choose not to use the 'and/or' labelling of origin," Wilken said. — *TMG Digital*

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- Proudly SA continues its agreement with the National Film and Video Foundation (NFVF) which involves supporting local film and local talent. Proudly SA continues to rally around new local film releases and assists in publicising the local productions through its PR and media platforms. Proudly SA supported the latest local movie to hit the big screen, Mrs. Right Guy, during the period under review.

- Other highlights for the period under review – through which Proudly SA benefited from a Media/PR perspective – included an event with partner, Pikitup; Proudly SA's issued a media release in relation to racism and the annual Generation Next Youth Conference. There was also substantial media coverage around reports that Proudly SA would seek a new CEO.

The drop in media coverage for the period under review (compared to the same period the previous year) could be ascribed to the fact that Proudly SA did not partner on the annual CEO Sleepout event. The previous year also saw Proudly SA engage with the media around the xenophobia issue and the SA Premier Business Awards were held during the period under review last year – the event has been postponed this year.

The screenshot shows the Polity website with a headline: "Proudly SA: Proudly SA backs latest local romcom and calls on South Africans to flood cinemas and support local firms". Below the headline is a photo of a man in a suit and a video player titled "Suttner's View". The main text discusses the importance of supporting local film production and mentions the National Film and Video Foundation (NFVF). It also promotes the Polity App and mentions a radio report about Nando's chicken.

The screenshot shows the SUPERMARKET & RETAILER website. The main headline is "Stockists must disclose if chicken is from SA or US, says Proudly South African". The article text reads: "Stockists of imported American poultry must disclose publicly where, and in what form, the chicken is being sold, says Proudly South African, the government initiative aimed at encouraging South Africans to buy locally produced goods." It also mentions that the government initiative is aimed at encouraging South Africans to buy locally produced goods and that the government is aware that consumers are not able to make informed choices.



4.3.24 PRESS RELEASES

The following Press Releases were issued during the quarter under review:

NO	DATE	HEADLINE
1	17 April	South Africa's automotive industry
2	April	Downgrade op ed for GCIS – placement
3	13 April	Proudly SA supports call for more local music representation
4	18 April	Business & government inclusion is crucial for social dialogue on community level (requested by Mr. Mthlale, Board member)
5	19 April	Proudly SA applauds Nestle SA for its century of investment in SA
6	16 May	Proudly SA applauds SABC for decision to prioritise local music
7	18 May	Proudly SA backs latest local rom com – calls on SA to flood cinemas and support local films
8	18 May	Proudly SA calls on private sector to “buy local”
9	23 May	Where is the American poultry? Proudly SA asks stockists
10	31 May	CEO op ed in The Sowetan: “Giving SA music a chance to thrive”
11	9 June	New and cool Proudly SA added to annual Generation Next Awards
12	10 June	SA Rugby Union pledges to support local goods and services
13	16 June	Proudly SA encourages the nation's youth to embrace constitution, social cohesion towards a non-racial and united country
14	23 June	Proudly SA helps small business grow in the North West & KZN
15	23 June	BET Awards: Proudly SA roots for “fab four” proudly flying SA flag on international stage
16	Sun, 7 Feb	Proudly SA calls for national boycott of racist establishments and custodial sentences for racists

4.4.5. MEDIA VISITS/ENGAGEMENTS

In order 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 with members of the media and/or advertising officials from the following media platforms (among others), during the period under review:

1. Business Report	9. Equinox
2. eNCA	10. SA Business Integrator
3. SABC News	11. Kaya FM
4. Ukhozi FM	12. Zee Entertainment
5. Isolezwe (KZN)	13. Cliff Central
6. Ilanga (KZN)	14. City Press
7. Gagasi FM (KZN)	15. Sunday Times
8. Sowetan	

4.4.6. CEO PRESENTATIONS

The Proudly SA CEO, Adv. Leslie Sedibe’s contract ended 2 months into the quarter (31 August 2016) and the current CFO, was appointed as the Acting CEO, and during the period under review, CEO-led presentations were made at various events and at various media interviews. The aim 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
4 August 2016	Pikitup Business Forum	Sandton
19 August 2016	5th Annual UNISA Student Re-search and Innovation Show-case	Pretoria
25 August 2016	Proudly SA Buy Local Summit and Expo	Bloemfontein
21 September 2016	APMP, SOEPF Event	Pretoria

4.4.7. PARTNERSHIP ENGAGEMENTS

As part of the repositioning strategy, ahead of and following the Board Strategy Session, the Acting Proudly SA CEO engaged various stakeholders as part of a drive aimed at ensuring that the campaign secures partnerships required to deliver on some of its key deliverables, especially where funding for such activities is not immediately available. Some of the partners engaged included entities with which the campaign has existing relationships and where the intention is to solidify the relationship.

Some of the entities engaged during this period, included, among others, the following organisations:

- Brand SA;
- DIRCO;
- Tourism SA;
- GCIS;
- the **dti** (Industrial Development division);
- Economic Development Department;
- SALGA;
- Nestle;
- Consumer Goods Council of SA;
- Aspen;
- National Clothing Retail Federation
- Multichoice
- Forward Foods (formerly known as Food Bank);
- Hisense;
- SACTWU
- Cosatu
- State Owned Enterprises Procurement Forum (SOEPF);
- Manufacturing Circle;
- University of Johannesburg

5. PERFORMANCE FOR THE PERIOD UNDER REVIEW

JULY TO SEPTEMBER 2016 - PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN TARGETS FOR THE QUARTER

Strategic objective/outcome	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing "Buy Local" purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: * Above-the-line campaign , i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA) activism campaign reaching at least 20 million consumers	*To reach 5 million consumers through the Buy Back SA campaign each quarter	*At least 3.5 million consumers reached through minimal advertising done on the Buy Back SA campaign in some billboards: - 30 billboards in taxi ranks and around shopping malls, all over the country.	An integrated campaign to be undertaken during the latter part of the financial year (ahead of the festive season (Q3 to Q4), due to limited resources which make it difficult to have a campaign that lasts throughout the financial year
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing "Buy Local" purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: * Below the line activities through Social Media, press releases and other PR related activities;	*PR & Below the Line Activities reaching at least 20 million consumers per annum;	*Reach 5 million consumers during each quarter	*In excess of 5 million consumers reached through PR activities (listed above in PR section)	
	*National Consumer Educational Road show through Mall Activations (Education Through Entertainment);	*Roadshows in at least 6 provinces annually	*Activations in 1 province during Quarter 2	*1 consumer activation held in KZN	
	*Schools consumer education campaign in secondary schools and FET colleges	*Roll out of schools campaign in at least 12 schools and/or FET colleges per annum	*Schools campaign in 3 schools during each quarter	*None	*Schools consumer education to start in Q3 as they are rolled out with the roadshow
	*University Activation Campaigns Campus Radio Adverts / Live Reads, Industrial theatre and Entertainment;	* 2x Universities per Annum;	*No activation in Quarter 2	*None	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	<p>*Proudly SA Events/Exhibitions/Expos/Villages at trade expos;</p> <p>* Proudly SA CSI projects</p>	<p>*Participation in at least 8 major trade expos or events per annum;</p> <p>*At least 2 CSI projects per annum</p>	<p>*At least 2 expos or events</p> <p>*At least 1 CSI activity for Q2</p>	<p>*Participated at 9 x expos/events – listed in events section above</p> <p>*1 CSI activity done on Nelson Mandela Day</p>	
Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade	Above-the Line Campaigns promoting the Proudly SA logo as the Country of Origin label. These include Radio Adverts, TV Blurbs, Print Banners, Street Posters, Social Media Campaigns, Proudly SA Website.	Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers;	*To reach 5 million consumers through the Buy Back SA campaign each quarter	<p>*At least 3.5 million consumers reached through minimal advertising done on the Buy Back SA campaign in some billboards:</p> <p>- 30 billboards in taxi ranks and around shopping malls, all over the country.</p>	An integrated campaign to be undertaken during the latter part of the financial year (ahead of the festive season (Q3 to Q4), due to limited resources which make it difficult to have a campaign that lasts throughout the financial year
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<p>Educational roadshows</p> <p>Increase buy-in and support for local procurement by the public sector (all state organs) through:</p> <p>*Presentation to SOEFF (State Owned Enterprises Procurement Forum) per annum</p> <p>*Partnership with National Treasury to drive Buy Local Message to procurement decision makers in all spheres of government and to monitor procurement within the public sector.</p> <p>*National, provincial and local departments visits – engagement with procurement officers</p>	<p>*At least 1 presentation to SOEFF per annum</p> <p>*Conducting of performance audits by AG's office to monitor compliance with local content preferential procurement regulations and designations by organs of the state</p> <p>To reach the following during the 2016/17 financial year:</p>	<p>*At least one presentation to SOEFF (per annum)</p> <p>*Engage AG and relevant authorities to support compliance with the PPPFA local content provisions</p>	<p>None (during this quarter)</p> <p>*Preliminary discussions finalised. AG to commence audits after discussion with dti</p>	<p>*SOEPF presentations scheduled for Q3 & Q4</p> <p>*dti to lead this process and Proudly SA to focus on education elements within the public sector as part of its campaigns (Below The Line)</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
		*8 national departments pla *2 provincial governments pla *2 metros per annum *20 district municipalities pla	*2 national departments; *2 provincial government per quarter; *1 Metro *5 SALGA district municipalities	*3 reached - the dtl, EDD and GCIS *3 provincial ED govt. depts. – NC and FS, plus GP legislature *1 Metro met – Joburg *None	
	*Presentation at SALGA	*1 presentation to SALGA	*1 Presentation and/or meeting with SALGA in Q3	*1 x meeting held with SALGA to negotiate Q3 presentation	*278 Municipalities reached at the SALGA national members assembly in Q1 *Presentation being planned for Q3
	*1-2 x day Buy Local Summit – focusing on all state organs and business procurement	*At least 1 summit to be held per annum	*Buy Local Summit scheduled for Q4 (March 2017)	*Buy Local Summit to take place in Q4 (23 March '17)	
	*1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – "Made in SA" Expo	*At least 1 Buy Local Expo held per annum	*Buy Local Expo scheduled for Q4 (March 2017)	*Buy Local Expo to take place in Q4 (23 March '17)	
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	National Educational road shows: Increased buy-in and support for local procurement by the private sector. Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products through:	*1 presentation to BUSA, BBC and BLSA per annum;	*No presentation to any of the targeted organizations	*None	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing "Buy Local" purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	* Briefing sessions/ one-on-one visits to/with retailers	*Briefing sessions with at least 2 major retailers per annum;	*1 Briefing session with at least one major retailer	*Edcon briefed and partnership concluded.	*Presentation slots not yet confirmed by the orgs.
	*1-2 x Day Buy Local Summit – focusing on all state organs and business procurement	*At least 1 summit to be held per annum;	*Buy Local Summit scheduled for Q4 (March '16)	*Buy Local Summit to take place in Q4 (23 Mar '17)	*OGCSA to assist with other retailers
	1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SOC – "Made in SA" Expo	*At least 1 Buy Local Expo held per annum;	*Buy Local Expo held for Q4 (March 2016)		
Brand Management	*Sector Specific Workshops/Business Forums	*8 x workshops/forums per annum	*At least 1 sector specific business forum/workshop to be held in Q4	*1 Sector specific forum, and 3 provincial Business forums held in EC, WC, and FS	
	*Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos	* Participation in at least 8 major trade expos, events, etc. per annum	*2 trade expos, events, etc. per quarter	*Participated at 7 x expos/events – listed in events section above	
	*SA Premier Business Awards (in partnership with the dti and Brand SA)	* Hosting 1X annual SA Premier Business Awards event (as a partner to the dti)	*Awards scheduled for Q3 (December 2016)	*Awards scheduled for Q3 (December 2016)	
Brand Management	* Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA) activism campaign reaching at least 20 million consumers	*To reach 5 million consumers through the Buy Back SA campaign each quarter	*At least 3.7 million consumers reached through minimal advertising done on the Buy Back SA campaign in some billboards: -30 billboards in taxi ranks and around shopping malls, all over the country; - print advertising (Equinox)	The main integrated Above-The-Line campaign to be undertaken during the latter part of the financial year (Q3 to Q4), due to budget constraints which resulted in planning delays
	Existence of a reliable monitoring and evaluation system – to measure uptake of local				

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Brand research - Development of a reliable monitoring and evaluation system	products and services and procurement by the public sector, private sector and consumers; Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	"Economic Impact Study on the impact of buying local on brand awareness and uptake of Proudly SA member products and services conducted – at least once per annum "At least 8 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	"Economic Impact Study completed during Q2	"Economic Impact Study completed and results released during Q2	
Brand Compliance and IP. Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	"Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods "Action letters of demand to irregular users of the Proudly SA logo "Regular compliance reviews of all members "Weekly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally	"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 "Monitoring of the use of logo and phrase done illegally	"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% "Monitoring done by Adams and Adams weekly – 100%	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Strengthening Media relations, PR and social media	<p>*Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof</p> <p>* Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)</p> <p>*Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media tactical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through media breakfasts/lunches & media meetings hosted by the CEO, Chairperson, board or the PR Manager</p> <p>*Daily communication on Twitter and Facebook</p> <p>*Increase following on social media platforms and increase in publicity</p>	<p>*Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders</p> <p>*Press releases At least 24 press releases per annum</p> <p>*Media engagement *At least 16x individual media meetings per annum</p> <p>* At least 2 x Media breakfast/lunch per annum</p> <p>* Social Media activities daily</p>	<p>*100% of Daily monitoring through Newscorp of all coverage on Proudly SA</p> <p>*6 press releases issued per quarter</p> <p>*4 media/ editor's meetings per quarter</p> <p>*At least 1 x media breakfast/lunch per quarter (Q2 and Q4)</p> <p>*Daily updates on Twitter and Facebook done</p>	<p>*Monitoring done during the quarter, 100% of all coverage identified</p> <p>*11 press releases issued during Q2</p> <p>*14 media meetings/visits held with SAFM, Mail and Guardian, EWN, SABC News, 702, Cauton, Herald, New Age, Soweto TV, Ukhozi, Lesedi, Diamond Fields Advertiser</p> <p>*None</p> <p>*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 129 000 followers and Facebook has more than 10 000 followers</p>	<p>*Media lunch/breakfasts scheduled for Q3 and Q4</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
		<p>"Social media competitions at least once a month (12 per annum);</p> <p>"Valentine's Day activation 1x per year on Valentine's day</p>	<p>"3 social media competitions per quarter (one a month)</p> <p>"This activation is scheduled to take place during Q4 (Feb '17)</p>	<p>"At least 5 x Social media competitions ran through business forums</p> <p>"This activation is scheduled to take place during Q4 (Feb '17)</p>	<p>* This activation is scheduled to take place during Q4 (Feb '17)</p>
Retention and Recruitment Members	Number of members recruited and retained	"Recruit at least 144 new members for the year	"36 new members recruited during the quarter	"49 new members recruited and approved during the quarter	
		"Retain at least 50% of all members due for renewal for the year	"50% of all members due for renewal renewed membership	"87% 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 2015/16 financial year end audit - Annual Financial Statements	"100% accurate and correct processing of all financial transactions during each quarter	"All financial transactions correctly and accurately processed during Q2	
Human Resources Management: Organisational structure is always aligned to organisational strategy	Extent (Percentage) of alignment of the functional organogram with the approved strategy "Percentage of critical positions filled	<p>"Organogram with positions informed by the organisational strategy and aligned completely</p> <p>"All (100%) critical positions filled at all times</p>	<p>"100% alignment of organogram to the strategy in every quarter</p> <p>"All (100%) critical positions filled during the quarter</p>	<p>"Organogram fully aligned (100%) to the strategy in Q2</p> <p>"1 critical position became vacant on the organogram during Q2 - CEO position and recruitment process underway to fill the position during Q3</p>	

6. PFMA AND TR COMPLIANCE CHECKLIST/ COMPLIANCE CALENDER

CORPORATE MANAGEMENT

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	45	Accounting Authority	In terms of section 45(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)(ii)	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)(iii)		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 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, coordination 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 Audits 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(e)		Does the audit committee report and make recommendations to the accounting authority?	X			The Audit committee does report and make recommendations to the Board on a quarterly basis
	TR 27.1.13		Does the audit committee meet annually with the Auditor-General or external auditor to ensure that there are no unresolved issues of concern?	X			The Audit committee meets with the external auditors prior to and after completion of external audits

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
5.	51(e)	Financial Misconduct	<p>Have effective and appropriate disciplinary steps been taken against any employee of the public entity who has:</p> <ul style="list-style-type: none"> • Contravened or failed to comply with a provision of the PFMA • Committed an act which undermined the financial management and internal control system of the public entity • Made or permitted irregular or fruitless and wasteful expenditure 		X		No employee has committed any of the offences listed herein
			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 subcommittees.

PFMA CHECKLIST FOR PUBLIC ENTITIES PLANNING AND BUDGETING

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

TR 29.2.		Does the public entity conclude a shareholder's compact with the executive authority on an annual basis? If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X X			A memorandum of Association (MoA) has been concluded and signed with the dti The draft MoA does detail the key performance measures and the indicators to be attained
2.	53(1)	Annual budgets by nonbusiness Schedule 3 public entities	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.

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	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>	<p>X X X X X X</p>		N/A	<p>The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations</p>

PFMA CHECKLIST FOR PUBLIC ENTITIES 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 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 is in the process of being revived to ensure full compliance with the PFMA</p> <p>There are currently no major capital projects</p>

<p>TR 29.1.3 TR 29.1.6</p>	<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. 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>Proudly SA is not a Schedule 2, 3B or 3D entity and does not borrow any funds</p>
<p>TR 32.1.1</p>	<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? 	<p>X</p> <p>X</p> <p>X</p>	<p>No money borrowed by the campaign for any purposes, including for bridging purposes</p>

PFMA CHECKLIST FOR PUBLIC ENTITIES REPORTING

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	TR 25.1.1	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 25.1.2		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 25.3.1 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 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		N/A	The Annual Report and Annual Financial Statements fairly presents the information required
65		<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>		X		X	No material losses incurred through criminal conduct and no irregular and fruitless expenditure during the previous financial year No criminal charges instituted as no such loss was incurred Proudly SA does not have any subsidiaries
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 Annual Report

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

PFMA CHECKLIST FOR PUBLIC ENTITIES

CASH MANAGEMENT, BANKING AND INVESTMENT

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 25.1.1		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 25.1.2		<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			<p>No commission, gain or profit sharing applicable</p> <p>No share options as there is no shareholding</p> <p>No other material benefits received by the directors and executive members</p>
	TR 25.1.3		Has your public entity adjusted its financial year in accordance with the table in TR 25.1.2?			X	Not applicable, as Proudly SA's financial year is in line already – 31 March
	TR 25.2.1		Does the annual report provide details of the material/significant framework applied during the financial year?	X			

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
2.	TR 31.2.1	Banking	<ul style="list-style-type: none"> • Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level for efficient and effective programme delivery, and selling surplus or under-utilized assets; • Performing bank reconciliations at least weekly; • Making regular cash forecasts; and • Alignment of the approved budget with monthly cash flows; • Variance analyses of actual cash flow with the approved budget 	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			
3.	TR 31.3.1 TR 31.3.2	Investment	<p>Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?</p> <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. 			<p>X</p> <p>X</p>	<p>The campaign submits its list of bank accounts to the dti as per the MoA</p> <p>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.</p>

7. PROGRESS ON ACTIONS IN THE RISK REGISTER AS AT 30 SEPTEMBER 2016

Risk No	Objective (Strategic-Operational)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action owner	Time Frame
1	Increase uptake of Membership	Strategic Risk	Lack of legislative mandate.	High	Presentations and submissions made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Procurement regulations revised and the dti has designated products for public procurement	Satisfactory	Medium	Proudly SA to leverage off the current PPPFA regulations in its consumer education efforts To develop a database of local products and promote this to the private and public sector.	MANCO	31-Mar-17
2	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Insufficient funding to ensure sustainability of the campaign.	High	Raising sponsorships Partnership with relevant institutions	Satisfactory	Medium	Improve sponsorship drive Secure fulltime broadcasting partner for the campaign Utilise other mediums such as social media platforms and other guerilla marketing tactics	MANCO	31 Mar 2017 (ongoing) 31 Mar 2017 31 Mar 2017
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 unsafes 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. Procurement regulations revised and the dti has designated products for public procurement	Unsatisfactory	High	23	A need for the enforcement and monitoring of the current public procurement regulations for designated products.	MANCO	31-Mar-17
4	Increase uptake of Membership	Strategic Risk	Poor value proposition for existing and prospective members.	High	20	Value proposition based on Proudly SA activities and campaigns	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 campaigns	MANCO	31-Mar-17
5	To educate South African 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 educational campaigns on PPPFA local content provisions (regulations) to all spheres of government in partnership with NT, SALGA, SOEPF and GCS	MANCO	31-Mar-17
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. To package case studies of member success stories for use in the market.	MAMCO	31-July-16
7	To compile a database of locally produced products and services.	Strategic Risk	Lack of comprehensive LPA supplier database	High	15	Self-registration by local companies on the LPA database of local products on the website	Weak	Medium	11	Requires 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 database	Executive Manager Marketing & Comms CFO	31-Mar-17
8	To compile a database of locally produced products and services.	Strategic Risk	Lack of funding to promote the LPA supplier database to consumers, business and government.	Medium	12	No funding allocated for promotion of LPA database, therefore database promoted at events, activations, etc.	Weak	Medium	8	Allocation of funds for a campaign aimed at popularizing the database. The increase of the use of the database by the public and the private sector will increase the profile of the database and the campaign	Executive Manager Marketing & Comms	31-Mar-17

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 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 6	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 of the Proudly SA database	MANCO	31-Mar-17
10	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 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-17

8. PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

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

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

9. FINANCIAL REPORT

EXPENDITURE VS. BUDGET (QUARTER 2 - JULY TO SEPTEMBER 2016)

Description of Item	Budget for the quarter (Q2)	Actual for the quarter (Q2)	Variance for the quarters (Q2)	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (30 September 2016) Rands	YTD Variance (30 September 2016) Rands
INCOME								
Membership Fees	750,000	238,841	(451,159)	(60%)		3,000,000	1,045,833	(1,953,167)
Grant – the dti	8,000,000	8,000,000	0	0%		31,868,000	16,000,000	(15,868,000)
Project based funding - UNOPS	0	0	0	0%		900,000	0	(900,000)
Sponsorship	0	200,000	200,000	100%		9,700,000	200,000	(9,500,000)
Other Income	0	85,454	85,454	100%		0	115,805	115,805
Total Income	8,750,000	8,584,295	(165,705)	%		45,468,000	17,363,638	(28,104,362)
EXPENDITURE								
HR and Staffing costs	4,381,290	4,274,637	(106,653)	(2%)		17,570,779	8,668,962	(8,901,817)
Administrative costs	1,951,693	3,287,544	1,335,851	68%	Performance bonus budget paid to former CEO in settlement of all his dues	7,044,771	4,347,453	(2,697,318)
Membership costs	167,613	46,408	(121,205)	(72%)	Cost cutting exercise undertaken	670,450	89,082	(581,368)
Marketing costs	3,188,167	1,811,506	(1,376,660)	(43%)	Above The Line campaign to be undertaken later in the financial year	18,756,000	2,549,587	(16,206,413)
Capital Expenditure	569,833	215,602	(349,231)	(61%)	Reduced spending in Q2 as expenditure was high in Q1	1,426,000	753,069	(672,931)
Total Expenditure	10,258,596	9,635,697	(617,898)	(6%)		45,468,000	16,408,153	(29,059,847)