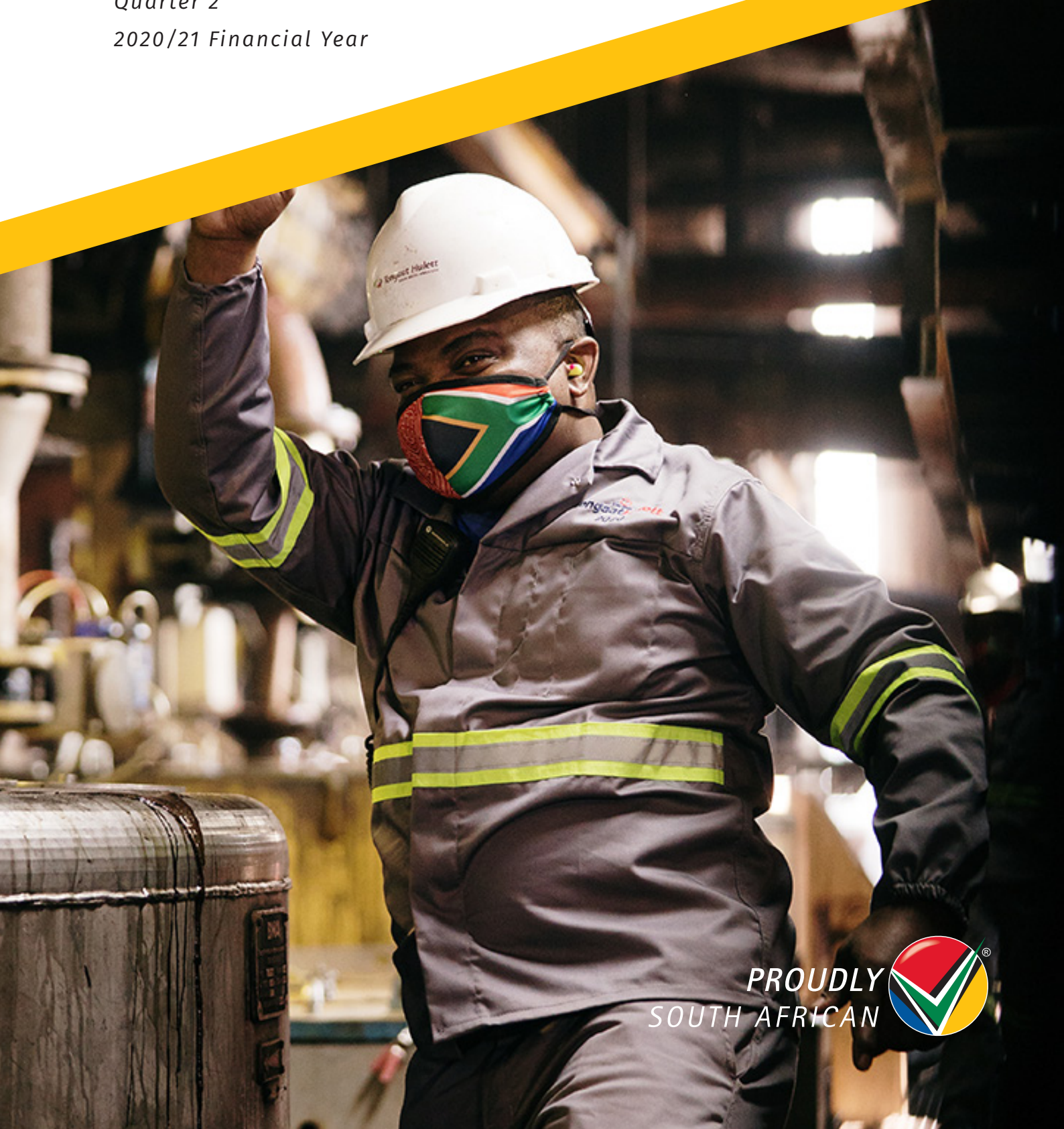


# QUARTERLY REPORT

1 JULY - 30 SEPTEMBER 2020

*Quarter 2*

*2020/21 Financial Year*



PROUDLY  
SOUTH AFRICAN





PROUDLY SOUTH AFRICAN  
Quarterly Report for Q2 (1 July to 30 September 2020)

**APPROVAL OF THE REPORT**

Recommended by the CEO for Approval		Endorsed by the Accounting Authority	
<b>Name:</b> Mr. E. Mashimbye	<b>Signature:</b> _____	<b>Name:</b> Mr. H. Gabriels	<b>Signature:</b> _____
<b>Rank:</b> CEO	<b>Date:</b> ___/___/2020	<b>Rank:</b> Chairperson	<b>Date:</b> ___/___/2020

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## ACRONYMS

*The following are definitions of the acronyms used in the report*

<b>Accord</b>	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.
<b>APP</b>	Annual Performance Plan.
<b>Brand SA</b>	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.
<b>CGCSA</b>	Consumer Goods Council of South Africa
<b>CPO</b>	Chief Procurement Officer.
<b>CIPC</b>	Companies Intellectual Property Commission.
<b>COTII</b>	Council of Trade and Industry Institutions.
<b>CSI</b>	Corporate Social Investment.
<b>EDD</b>	Economic Development Department, a national government department in the Republic of South Africa.
<b>FMCG</b>	Fast Moving Consumer Goods.
<b>IPAP</b>	Industrial Policy Action Plan
<b>NCPC</b>	The National Cleaner Production Centre, a programme of the dti, housed under the CSIR which focuses on assisting companies implement cleaner production and resource efficiency measures.
<b>NEDLAC</b>	National Economic Development and Labour Council, an entity of the Department of Labour.
<b>NT</b>	National Treasury.
<b>PFMA</b>	Public Finance Management Act No. 1 of 1999.
<b>Proudly SA</b>	Proudly South African, a not for profit company incorporated in terms of the Companies Act
<b>SALGA</b>	South African Local Government Association.
<b>SAPBA</b>	South African Premier Business Awards.
<b>SOEPF</b>	State Owned Enterprises Procurement Forum
<b>the dtic</b>	Department of Trade and Industry, a national government department in the Republic of South Africa.
<b>The Summit</b>	The Local Procurement Summit & Expo.
<b>TWC</b>	Technical Working Committee on localisation, made up of BUSA, BLSA, Manufacturing Circle, NBI and Proudly SA, whose objective is to mobilise the private sector to increase their levels of local procurement



## EXECUTIVE SUMMARY

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

During this period of lockdown and the quarter in review, Proudly South African was truly working at the heart of government and private sector efforts to keep the South African economy working, to optimise all the opportunities that the pandemic offered as well as to plug any of the gaps that it exposed.

The collaborative efforts of existing business entities including BUSA, the Manufacturing Circle, BLSA, and the BBC as well as newly formed B4SA have assisted in giving additional impetus to the buy local movement, as our collaborative efforts and focus have been on local procurement. We have been part of the weekly meetings whose strategy has been to gain local procurement commitments from 500 companies over a 12 month period in part as a follow up to the 2018 Jobs Summit and in part as a response to the dire economic circumstances caused by the coronavirus pandemic.

During the quarter in review Proudly SA was co-opted onto a governance panel chaired by Minister Patel's Economic Advisor, Mr Harold Harvey, which comprises business, labour as well as government, and whose objective is to build the country's manufacturing capacity, for all those products that are required as part of the response to the Covid-19 pandemic. A number of different workstreams have been set up in this regard and Proudly SA's Jeannine van Straaten chairs the workstream for hand sanitiser manufacturing. This and all the other workstreams (for gloves, testing, medical textiles, including masks, ventilators as well as an overall general manufacturing stream)

all report into the governance panel where we work to match supply and demand for these items. The panel estimates demand and is able to identify supply chains, and in this way, we aim to make the country self-sufficient in the production of essential items during this Covid-19 period and beyond. The panel also seeks to effect policy decisions which have to be responsive to the current economic situation.

Many of the companies on whose behalf the teams work are deriving enormous benefit from membership of the buy local movement, given the work we are doing, including assisting with the testing and accreditation of their products.

Proudly SA's own website is also the host to a number of COVID-19 related portals which carry local, accredited manufacturers of non-medical masks, hand sanitisers and surface detergents as well as face shields. The portals are non-transactional and only the manufacturers benefit from sales made via this database of local companies. B4SA's own original portal for medical grade masks and other medical items included imported as well as locally manufactured products, but we are now sifting through these and separating them, as well as separating suppliers from actual manufacturers. Only the latter will be housed on the Proudly SA site.

Using this source of locally manufactured medical supplies, our next phase of work will include embarking on a road show to private sector clinics and hospitals to secure commitments to procure only locally manufactured PPE.

In order to drive traffic to our non-medical portals, we undertook a massive campaign in the quarter in review to reach as many companies and entities as possible. As various sectors opened up for business, including the hospitality sector, we sent out in excess of 1000 individual letters to CEOs and decisions makers, over and above the letters sent to the membership bases of a number of industry bodies, and we estimate that over 1500 CEOs have seen our request for increased local procurement commitments.

One of the solutions for private companies who wish to make local procurement commitments but are uncertain of which manufacturers are truly local and what their capacity and credentials are, we have been working during this period on a Market Access Platform which is an enabler for local procurement commitments. It offers a listing of local manufacturers, and those companies who procure from them or utilise their services have the option of rating the product or service, thereby giving a quality assurance to other enterprises looking to procure the same product. We are working on a similar capacity for ratings on our own portal to assist the private sector in fulfilling their local procurement commitments. We have shared communications around our portal at apex level with business organisations which has been part of our focus on the private sector.

In the public sector, during the second quarter, we have been working to finalise our MOU with National Treasury to integrate the

Proudly SA database with their Central Supplier Database, which will offer an additional access to market opportunity for members wishing to do business with government. At the same time, the integration of our members will offer government a list of accredited, compliant local manufacturers of a wide range of products and services. We expect to trial the system at the end of this second quarter.

The production during the quarter in review of our new tv commercial, Game Time, featuring Dr John Kani, has put us very much back in touch with the mass consumer market. Through a negotiated agreement with the SABC in a three year MOU and with each of eTV and Multichoice over one year, we have secured favourable flighting schedules under Public Service Announcement terms for the commercial which has also been boosted with a social media and digital campaign.

In summary, working remotely during these difficult times has not in any way hampered the objectives or realisation of the work of Proudly South African. We have in fact doubled, and even tripled our efforts to mobilise all business and private communities to get individually and collectively behind the drive to kickstart the economy and to sustain the jobs that remain and to put as many of those who are unemployed back to work as soon as possible, in order to reach our objectives of alleviating poverty, inequality and unemployment.

## GOVERNANCE AND OVERSIGHT DURING THE QUARTER

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

### **3.1) Board Meeting**

The Proudly SA Board of Directors did not meet in this quarter, a meeting is scheduled for 27 October 2020.

### **3.2) Audit and Risk Committee**

The members of the Audit and Risk committee held their meeting on 10 September 2020 and the meeting considered the following:

- The Board Evaluation Matrix would be presented at the next meeting of the committee.
- The Committee noted the reports on Financial Disciplinary Review and Performance Information
- The Committee noted the External Audit Plan including the cost of R195 871.50.
- The Committee noted the Risk Register and the Risk Management Report.

### **3.3) Finance and Procurement Committee**

The members of the Finance and Procurement committee did not meet in this quarter, a meeting is scheduled for 16 October 2020.

### **3.4) Membership, Marketing and Communications Committee**

The members of the Membership, Marketing and Communications Committee did not meet in this quarter, a meeting took place on 9 October 2020.

### **3.6) HR and Remunerations Committee**

The members of the HR and Remunerations Committee did not meet in this quarter, a meeting is scheduled for 16 October 2020.

### **3.7) Social and Ethics Committee**

The Social and Ethics Committee meets 2 times a year, the next meeting will take place in December 2020.

## THE QUARTER UNDER REVIEW

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### 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 2020/21 financial year.

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

- Above the Line activities reached more than 4.5 million consumers through:
  - The launch of the Game Time Mzansi campaign which lived on several platforms including TV, Radio and digital platform. The advert was flighted on SABC (TV and Radio), eTV and Multichoice channels for a period of 2 months
- Below the Line activities reached more than 3 million consumers through:
  - the newly launched Game Time Mzansi campaign, where PR driven activities (17 TV and Radio interviews, incl. re-broadcasts), 7 opinion pieces, social media, digital platforms, radio and member platforms were used to create awareness of the campaign and intensify the buy local message
- Three (3) campaign conversations with radio stations were planned, but six were undertaken
- Two (2) campus consumer activations on campus radio stations were planned and these were undertaken with a station that targets tertiary students and youth
- Two (2) Proudly Heritage month activities were undertaken namely a Humthem hosted in partnership with Huletts and some of our members, as well as an online heritage media challenge in which a number of journalists/content producers participated.
- Proudly SA introduced and hosted seven (7) online Instagram live sessions for Local Fridays to drive consumer education utilising influential South Africans in different spheres;
- Proudly SA hosted five (5) online Webinars (instead of physical Business Forums) which focused on the following topics, respectively:
  - Packing your product: Price vs Value
  - Financial support and funding opportunities for businesses during COVID-19
  - Women in Leadership
  - Creating & sustaining a local brand
  - Thriving in a COVID world

- Proudly SA participated in the B4SA workstreams to increase local manufacturing capacity for PPE and other items required during this Covid-19 pandemic period;
- Three (3) industry targeted presentations were made to the Medical Devices Manufacturers of SA (including its members and associations) and to both the Clothing/Textile as well as Leather/Footwear industry forum meetings;
- The campaign managed to secure a new partnership/membership deal with the major manufacturer, Defy;
- Proudly SA hosted a Furniture Sector Specific Forum with dtic, SA Furniture Initiative and PG Bison
- Proudly SA presented to 10 industry bodies in SARS led Customs & Excise Industry Forums
- The consumer research undertaken by Massmart was finalised and results thereof indicate clear growth in the awareness of the logo of the campaign, the Buy Local Movement and in other elements that can be associated with the work of Proudly SA.
- Proudly SA continued with its tender monitoring system where tenders issued in the public sector for designated items are checked for compliance with local content provisions. 2 124 tenders/request for proposals were identified in Q2 whereas the target was 300.
- The average increase in following on the five (5) social media platforms is in excess of the targeted 2.0%.
- Thirteen (13) press releases were issued to mainstream media during the quarter, although only nine (9) were planned for the quarter.
- Ten (10) media engagements were planned but twenty-two (22) took place.
- The target of recruiting 55 new members was exceeded as 72 new members were recruited during the quarter under review.
- The database of locally made products and services grew by an additional 2 819 new products with the database now having 17 588 products and services.
- Three (3) dipstick surveys were planned but 5 were undertaken for each of the 5 online Webinars hosted by Proudly SA.



#### 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 2020/21 financial year, and below are some of the areas where the campaign fell short for the quarter:

- The target of 70% membership retention/renewal rate was not achieved as only 48% was achieved, mainly due to the fact that the renewal process remains a time bound one as various compliance documents are required. The process can take at least 3 months to complete in its entirety. With the tough economic climate exacerbated by Covid 19 pandemic, members are renewing at a much slower pace.
- No member companies have been integrated with National Treasury's CSD as development work is required in order for both the CSD and Proudly SA systems to synchronise. Once completed, a MoU will be finalised in Q3
- No industry localization commitments were obtained nor were any obtained from major corporates, but
  - The focus on local manufacturing for PPE with B4SA will yield commitments during Q3 and Q4
  - The Technical Working Committee (TWC) with BUSA, BLSA, NBI and Manufacturing Circle has resulted in meetings with industry bodies and commitments will follow in Q3 and Q4
- The planned local procurement workshop to present the developed database of buyers did not take place but a Localisation workshop with BUSA and B4SA is scheduled for Nov 2020.
- No Import Replacement project finalised in any set industry during Q2, however the TIPS study concluded during this period identified 5 sectors that are being pursued for Import Replacement in partnership with industry.





### 4.3) Membership report for Q2 2020/21

#### Overview

The Proudly SA membership base grew at a steady pace counting 72 new members in the first quarter. This achievement was largely due to the collaboration between Proudly SA, the Department of Small Business Development and Massmart's Supplier Development Programme in recognising the capability of manufacturers by awarding qualifying participants Proudly SA memberships.

Members acquired according to the classifications include the following: 66 SMMEs, three bronze and one silver. Defy Appliances (Pty) Ltd and eTV (Pty) Ltd have joined the Campaign as a part of the diamond classification.

Leads were generated predominantly from companies contacting the Campaign directly at 51 followed by referrals from stakeholders including members, sponsors of the Campaign and strategic partners at 21.

Most new members were acquired in Gauteng at 42 followed by KwaZulu-Natal at 14, the Western Cape at 10 and also the Eastern Cape, Limpopo, North West and the Free State.

Thirty seven companies in the manufacturing joined the Campaign followed by Professional Services at 11 and Food Products at 9. The membership base also grew in the following sectors: Information Technology and Telecommunication; Agriculture; Construction, Engineering and Architecture; Craft and Home Industries; Education, Development and Training; Healthcare; Industrial Manufacturing; Media, Marketing and Publishing; Representative Organisations; Tourism, Travel and Hospitality; and Transport and Logistics.

Proudly SA's local database of products and services exceeded the target of 125 new items by the addition of 2 819 local products and services.

The renewal target of 70% was not achieved as only 48% of the Campaign's membership base renewed timeously. This variance may be attributed to the timeous renewal process to ensure members' adherence to the strict compliance criteria for membership; delays were also experienced with renewing smaller entities that joined Proudly SA as part of enterprise development initiatives of large corporates, through which their initial membership fees were paid on their behalf, and where they have to assume responsibility for paying the required renewal fees themselves; and the current economic climate in light of the uncertainties presented by the novel Coronavirus, COVID-19, has placed companies under severe financial stress which is contributing to the lower renewal rate and/or the delays in renewals. Diamond members, Nestlé South Africa, Crickley Dairy and Lewis Stores, and platinum member, Bliss Brands renewed their memberships in the current quarter.

It is with regret that six member companies closed their businesses this last quarter and consequently had to cancel their Proudly SA memberships, with an additional company in the tourism, travel and hospitality sector exercising caution in their spending by choosing to cancel its membership.

The membership base currently stands at 1 840 member companies.

## Quarter 2 Highlights

New Members	
Target	55
Achievement	72
Renewal Rate (in percentage)	
Target	70%
Achievement	48%
Database of Local Products and Services	
Target	125
Achievement	2 819

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

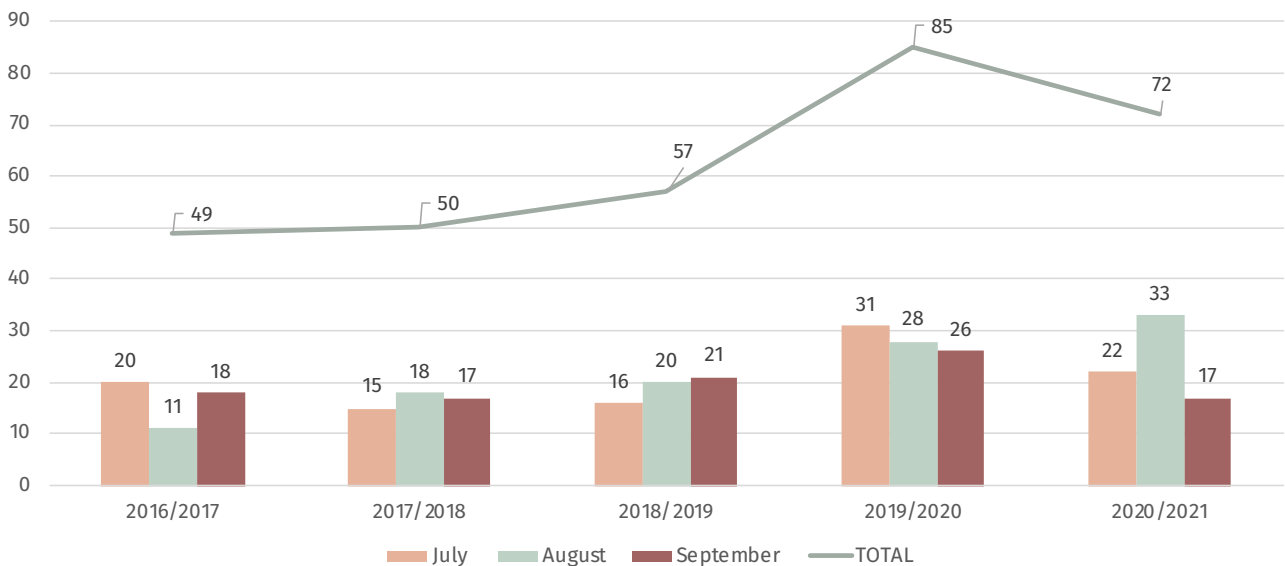
Classification of members		
Category	SMMEs Small, micro and medium enterprises turning over less than R5 million per annum and organisations including foundations, councils, associations, and not-for-profit institutions	Annual membership fee (excluding VAT) R500.00
	Bronze Organisations turning over between R5 million and R10 million per annum	R1,000.00
	Silver Companies turning over between R10 million and R30 million per annum	R10,000.00
	Gold Companies turning over between R30 million and R50 million per annum	R20,000.00
	Platinum Companies turning over between R50 million and R100 million per annum	R50,000.00
	Diamond Companies turning over R100 million or more per annum	R100,000.00
Other terms		
Affiliate of Diamond	A company or division that falls under a holding company that is classified a Diamond member (Proudly SA member company category)	
Beneficiary of Diamond	A company that forms part of a larger organisation's enterprise and/or supplier development programme. The larger organisation is classified a Diamond member (Proudly SA member company category)	
TE	A membership based on a Trade Exchange Agreement	
Lead	A company before it is converted into a member	
	Consultant-generated lead	A membership consultant who is chasing to convert a lead he/she has generated him/herself
	Direct	Enquiry received directly from an organisation interested in membership
	Event	Leads generated from Proudly SA's presence at events
	Lead origin	The platform from which a lead originates
	Referral	Referral of a company from an internal or external stakeholder

**2020/2021 Q2 Newly-recruited members**

*2020/2021 Q2 Year-on-year Comparisons by Month*

Month	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
July	20	15	16	31	22
August	11	18	20	28	33
September	18	17	21	26	17
<b>TOTAL</b>	<b>49</b>	<b>50</b>	<b>57</b>	<b>85</b>	<b>72</b>

**GRAPHICAL REPRESENTATION  
YEAR-ON-YEAR COMPARISONS BY MONTH  
2016/2017 TO 2020/2021**



**2020/2021 Q2 NEWLY-RECRUITED MEMBERS BY MONTH**

<b>Company</b>	<b>Sector</b>	<b>Province</b>	<b>Classification</b>	<b>Lead Origin</b>
<b>July</b>				
Bella Legacy (Pty) Ltd	Manufacturer	Free State	SMME	Direct
Bongi G (Pty) Ltd t/a Bongi Fresh Farming	Agriculture	North West	SMME	Direct
Botho Ubuntu Hygiene (Pty) Ltd	Professional Services	Gauteng	SMME	Direct
Brothers Lifestyle Company (Pty) Ltd t/a Brothers Beard	Manufacturer	Gauteng	SMME	Direct
Deltagrow (Pty) Ltd	Construction, Engineering & Architecture	Eastern Cape	SMME	Direct
e.tv (Pty) Ltd	Media, Marketing & Publishing	Gauteng	Diamond	Referral
Eastern Cape Milling Co-Operative Ltd	Food Products	Eastern Cape	SMME	Direct
e-Waste Africa (Pty) Ltd	Professional Services	KwaZulu-Natal	Bronze	Referral
Gordons Bay Sea Services (Pty) Ltd t/a Lode Fall Arrest Systems	Professional Services	Gauteng	Bronze	Direct
Grant Andrews Office Furniture	Professional Services	Gauteng	SMME	Direct
HQ Foods CC	Food Products	Western Cape	SMME	Referral
Incasa (Pty) Ltd	Food Products	KwaZulu-Natal	SMME	Referral
Innostate Ingredients (Pty) Ltd t/a Leofoods & Beverages	Food Products	Western Cape	SMME	Referral
Jesphiro Looks (Pty) Ltd	Manufacturer	Gauteng	SMME	Direct
Malée Natural Science (Pty) Ltd t/a Malée Cosmetics	Manufacturer	Gauteng	SMME	Direct
Ngarangara Properties (Pty) Ltd t/a Lindiwe Sanitary Pads	Manufacturer	Gauteng	SMME	Referral
Passionate Celebrations by Debbie (Pty) Ltd	Food Products	Gauteng	SMME	Direct
Sanath Trading CC	Professional Services	Gauteng	SMME	Direct
Smart Art Digital (Pty) Ltd	Manufacturer	Western Cape	SMME	Direct
South African Community Radio Foundation (SCRF)	Representative Organisations	Gauteng	SMME	Direct
Zawadi Gems & Curios CC	Manufacturer	Western Cape	SMME	Referral

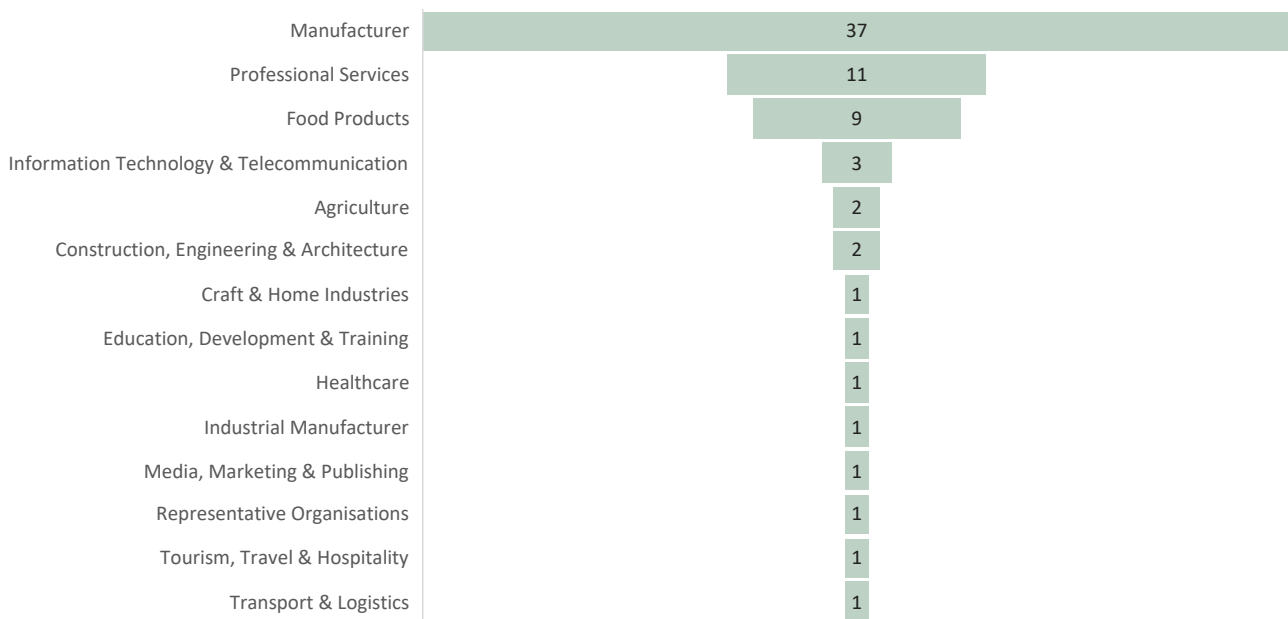


Company	Sector	Province	Classification	Lead Origin
<b>August</b>				
Absolutely Coffee (Pty) Ltd	Food Products	Gauteng	SMME	Direct
Activate Distribution Gauteng (Pty) Ltd t/a Easi Sanitiser	Manufacturer	KwaZulu-Natal	SMME	Direct
Addscapes (Pty) Ltd t/a Searchlight Services	Information Technology & Telecommunication	Gauteng	SMME	Referral
Bold X Brands (Pty) Ltd	Manufacturer	Gauteng	SMME	Direct
Candle Power (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Direct
Dra Oysen Traders CC t/a Guardian	Manufacturer	Gauteng	SMME	Direct
Dynamed Pharmaceuticals (Pty) Ltd	Healthcare	KwaZulu-Natal	Silver	Referral
Edu Snapper Foundation (NGO)	Education, Development & Training	Gauteng	SMME	Direct
Fresh & Clean Laundromat CC	Professional Services	Gauteng	SMME	Referral
Health Aquatic Beverages (Pty) Ltd	Food Products	Gauteng	SMME	Direct
Indlovu Idle Mithi Construction (Pty) Ltd	Construction, Engineering & Architecture	Limpopo	SMME	Direct
Inlink Holdings (Pty) Ltd t/a Inlink Brand Design & Communications	Information Technology & Telecommunication	Gauteng	SMME	Direct
Intimate Lushka (Pty) Ltd t/a Lushka	Manufacturer	Gauteng	SMME	Direct
Keddah CC t/a Awesome African Gifts	Craft & Home Industries	KwaZulu-Natal	SMME	Direct
Keen Ideas (Pty) Ltd t/a Mo'Milk	Manufacturer	Gauteng	SMME	Direct
Kidz Positive (Pty) Ltd	Manufacturer	Western Cape	SMME	Referral
Mega Yum (Pty) Ltd t/a Mega Yum Foods	Food Products	Gauteng	SMME	Direct
Miss TWY Original Sole Proprietorship	Manufacturer	Gauteng	SMME	Direct
Molaetsa Wa Botshelo (Pty) Ltd t/a Cre8work	Manufacturer	Gauteng	SMME	Direct
Motion Merchants (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Direct

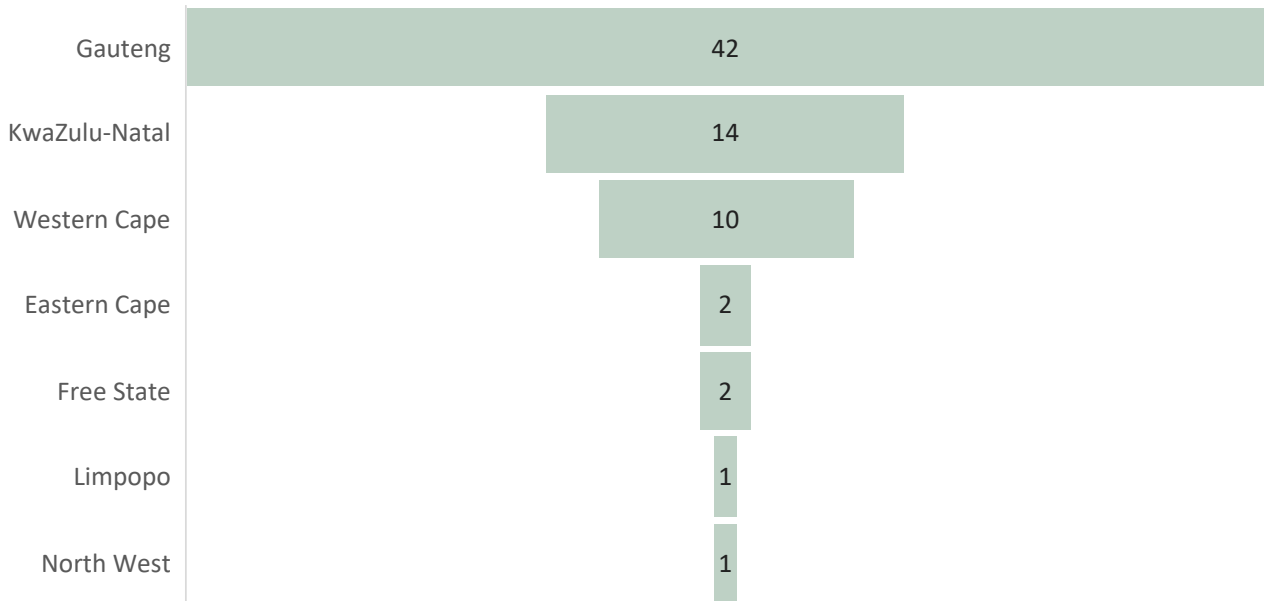
Company	Sector	Province	Classification	Lead Origin
<b>August continued...</b>				
Myrand Tissue Converting Company	Manufacturer	KwaZulu-Natal	SMME	Referral
Progressive Business Forum (an entity of the African National Congress)	Professional Services	Gauteng	SMME	Referral
SA Compliance & Certification (Pty) Ltd	Professional Services	Gauteng	SMME	Direct
Sope Saniware (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Direct
SS Renewable Energy (Pty) Ltd	Manufacturer	Gauteng	SMME	Referral
Swelihle Consultancy (Pty) Ltd	Professional Services	KwaZulu-Natal	SMME	Referral
TG' Durban T (Pty) Ltd t/a Two Guys & Co	Manufacturer	KwaZulu-Natal	SMME	Direct
The Connect Industries (Pty) Ltd	Transport & Logistics	Gauteng	SMME	Direct
There and Back (Pty) Ltd	Tourism, Travel & Hospitality	Gauteng	SMME	Direct
Touch & Klopper (Pty) Ltd	Manufacturer	Gauteng	Bronze	Direct
Tshela Thupa Designer (Pty) Ltd t/a Monate Seasoning Spice	Manufacturer	Free State	SMME	Referral
VGL Dimensions (Pty) Ltd	Professional Services	Gauteng	SMME	Direct
We Guard Security (Pty) Ltd	Professional Services	Gauteng	SMME	Direct
<b>September</b>				
Active Factory CC	Manufacturer	Gauteng	SMME	Referral
Angelina Natural Care (Pty) Ltd	Manufacturer	Gauteng	SMME	Direct
Azania Clothing Investment (Pty) Ltd	Manufacturer	Gauteng	SMME	Direct
Biochar Solutions (Pty) Ltd	Agriculture	Western Cape	SMME	Direct
Biokleer (Pty) Ltd	Manufacturer	Western Cape	SMME	Direct
C-19 RoomGuard Sole Proprietorship	Manufacturer	Western Cape	SMME	Direct
Codonomics (Pty) Ltd	Information Technology & Telecommunication	Gauteng	SMME	Referral
Kleana (Pty) Ltd t/a Cleana	Manufacturer	Gauteng	SMME	Direct

Company	Sector	Province	Classification	Lead Origin
<b>September continued...</b>				
Kurhula Paints and Chemicals CC	Manufacturer	Gauteng	SMME	Referral
LR13 Holding (Pty) Ltd t/a SPACESAVE	Manufacturer	Western Cape	SMME	Direct
Mzansi Sat (Pty) Ltd	Manufacturer	Gauteng	SMME	Direct
Ntenga Footwear (Pty) Ltd	Manufacturer	KwaZulu-Natal	SMME	Direct
Our Cosmetics (Pty) Ltd	Manufacturer	Western Cape	SMME	Direct
Polka Dot Coco (Pty) Ltd t/a polka.dot.coco	Manufacturer	KwaZulu-Natal	SMME	Direct
Redcap Products CC	Manufacturer	Gauteng	SMME	Referral
The Bread Box Bakery (Pty) Ltd	Food Products	Gauteng	SMME	Referral
Trifon Industries (Pty) Ltd	Industrial Manufacturing	Gauteng	SMME	Direct

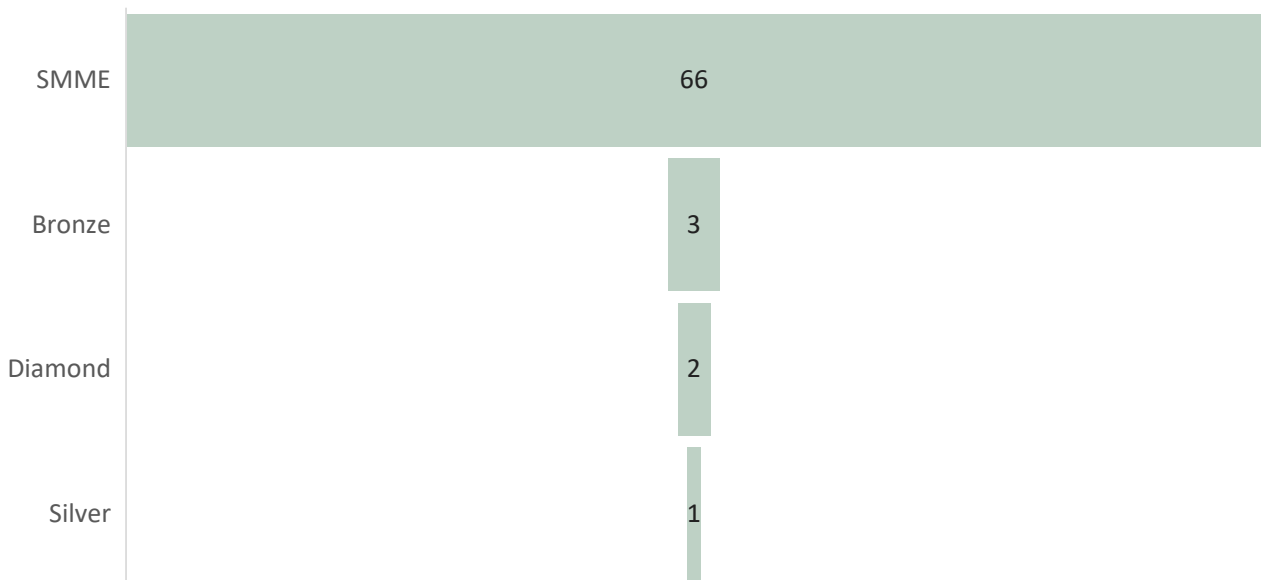
**2020/2021 Q2  
NEWLY-RECRUITED MEMBERS BY SECTOR**



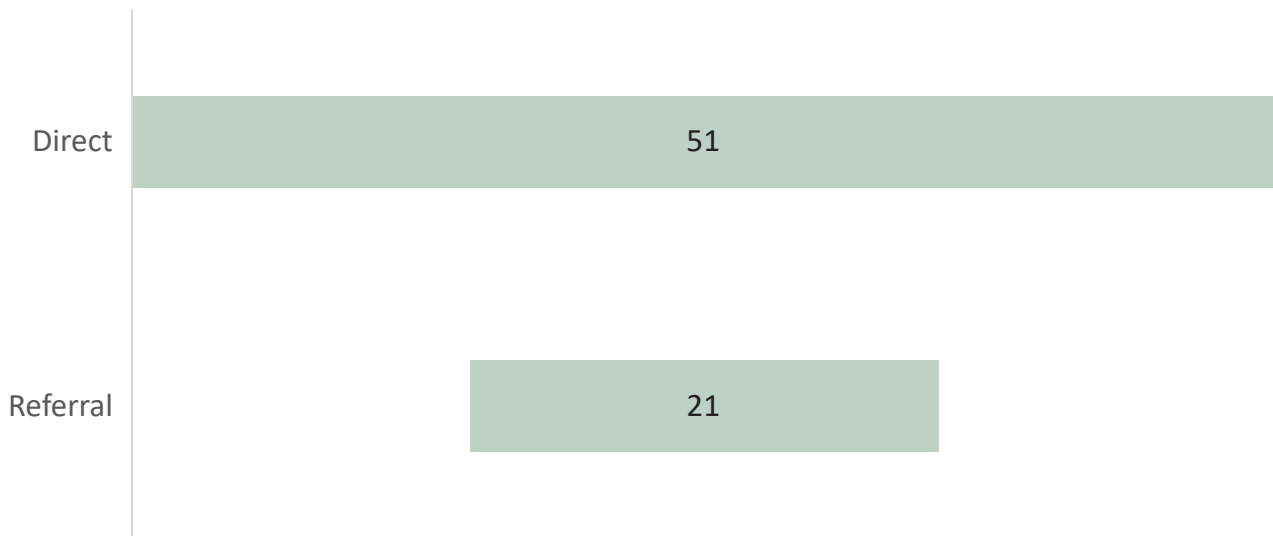
2020/2021 Q2  
NEWLY-RECRUITED MEMBERS BY PROVINCE



2020/2021 Q2  
NEWLY-RECRUITED MEMBERS BY CLASSIFICATION



**2020/2021 Q2  
NEWLY-RECRUITED MEMBERS BY LEAD ORIGIN**

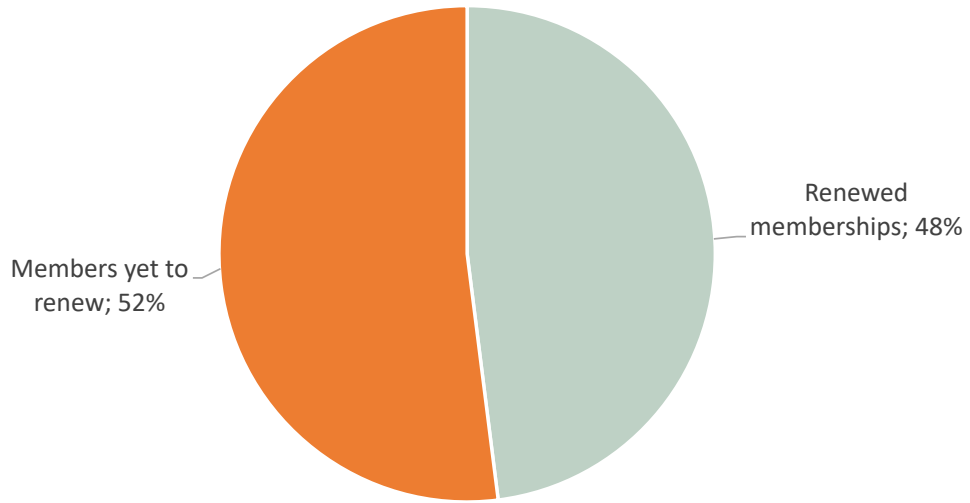


**2020/2021 Q2 RENEWAL REPORT**

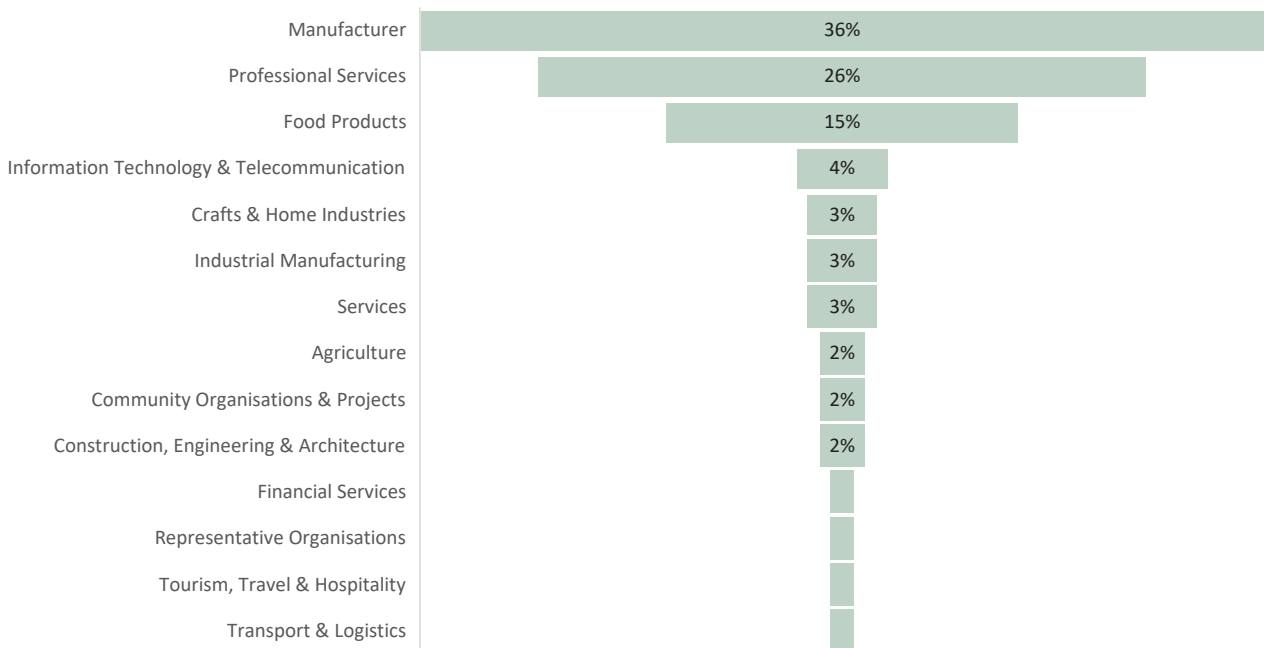
<b>RENEWAL REPORT</b>	
Target	70%
Renewal Rate	48%
<b>REASON FOR DEVIATION</b>	
<ul style="list-style-type: none"> <li>Members' renewals remain a timeous process which can take up to three months to complete.</li> <li>Delays experienced with renewing smaller entities that joined Proudly SA as part of enterprise development initiatives of large corporates, through which their initial membership fees were paid on their behalf, and where they have to assume responsibility for paying the required renewal fees themselves.</li> <li>The current economic climate in light of the uncertainties presented by the novel Coronavirus, COVID-19, is placing companies under severe financial stress which is contributing to the lower renewal rate and/or the delays in renewals.</li> </ul>	
<b>Number of cancelled memberships: 7 companies</b>	
<b>Reasons for the cancellations: Six members have closed their businesses and the seventh member (in the travel, tourism and hospitality sector) is cautious of spending.</b>	



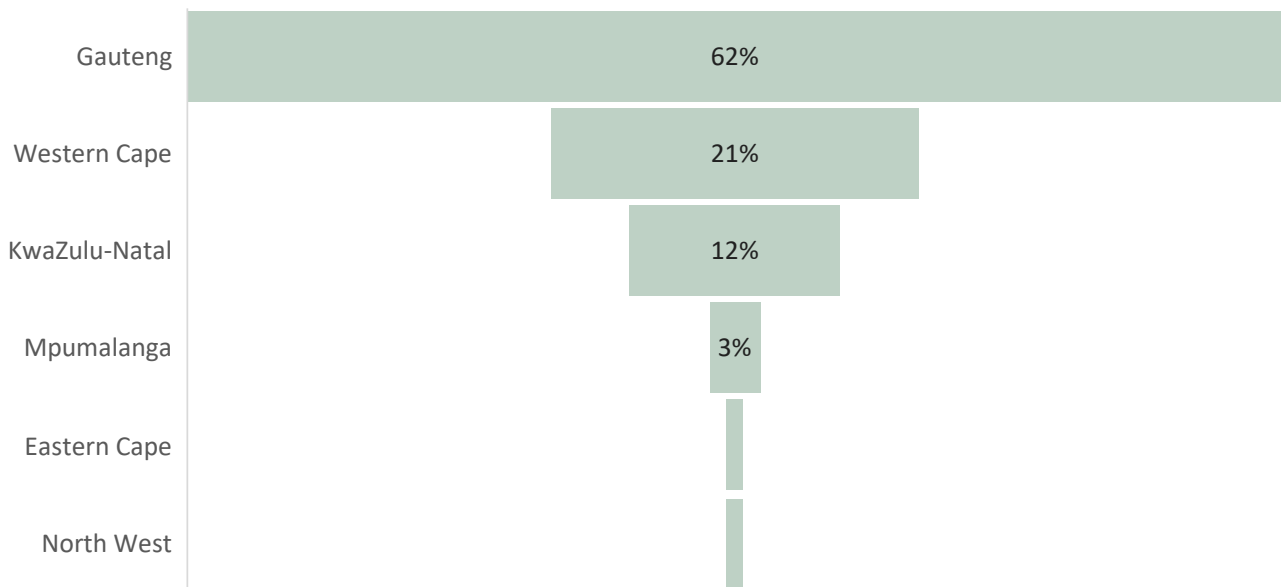
2020/2021 Q2  
RENEWED MEMBERSHIPS V YET TO RENEW



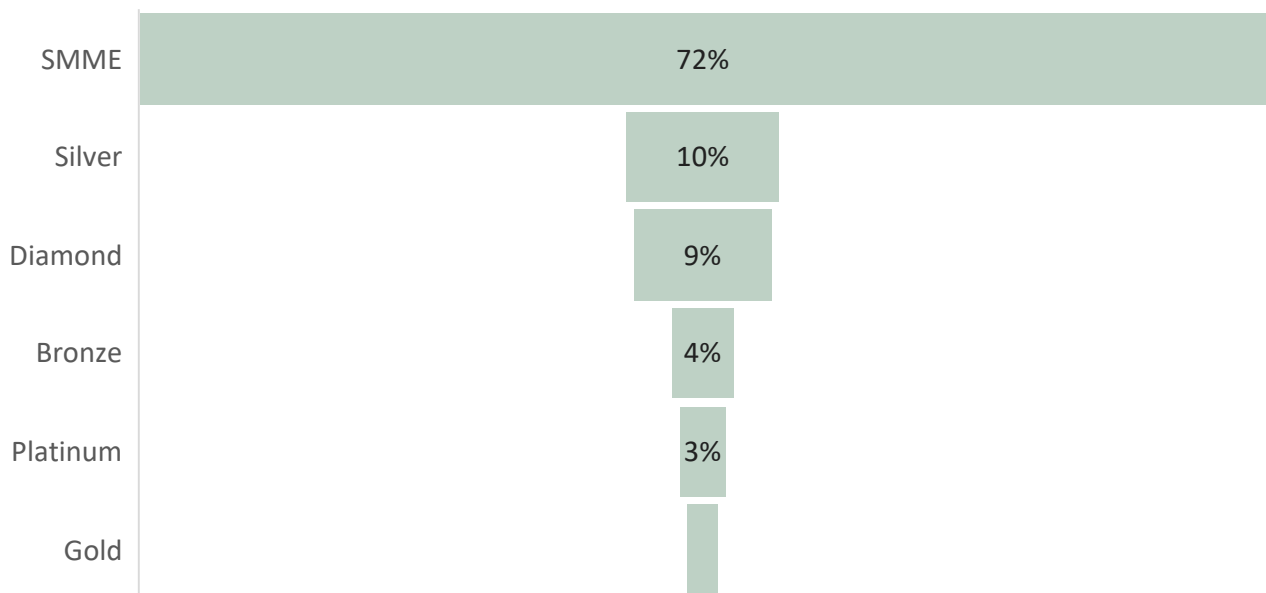
2020/2021 Q2  
RENEWING MEMBERSHIPS BY SECTOR



2020/2021 Q2  
RENEWING MEMBERSHIPS BY PROVINCE



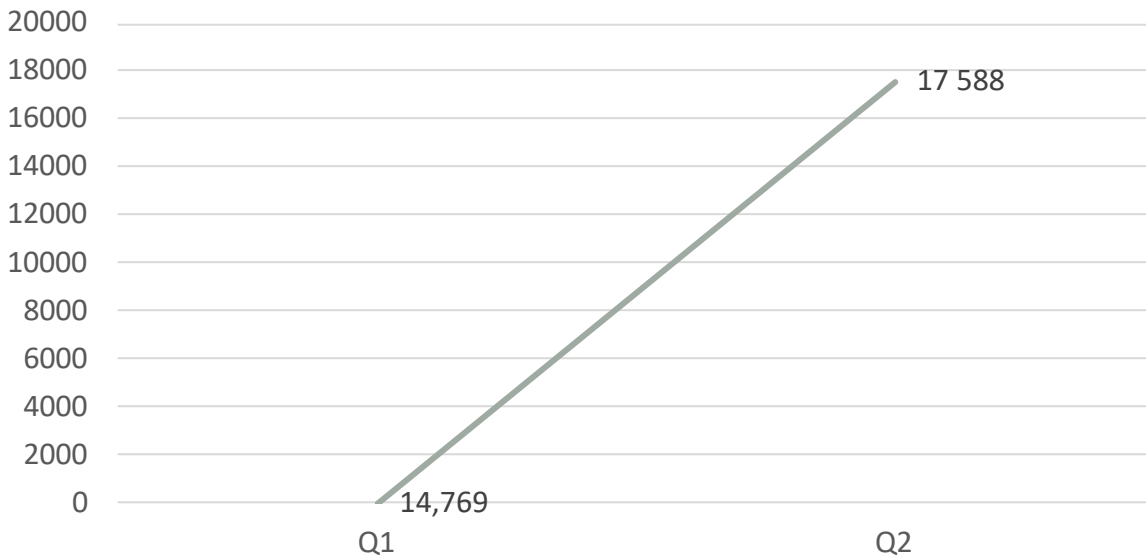
2020/2021 Q2  
RENEWING MEMBERSHIPS BY CLASSIFICATION



**2020/2021 Q2 DATABASE OF LOCAL PRODUCTS AND SERVICES**

<b>PROUDLY SOUTH AFRICAN DATABASE</b>	
<b>Period</b>	<b>Number of Products and Services</b>
Previous Quarter: 2020/2021 Q1	14,769
Current Quarter: 2020/2021 Q2	17 588
<b>2020/2021 Q2</b>	
Target	125
Number of Products and Services Added	2 819
<b>Target Exceeded: 2 255%</b>	

**2020/2021 Q2  
DATABASE OF LOCAL PRODUCTS AND SERVICES  
PREVIOUS QUARTER (Q1) V CURRENT QUARTER (Q2)**



## TENDER MONITORING FUNCTION

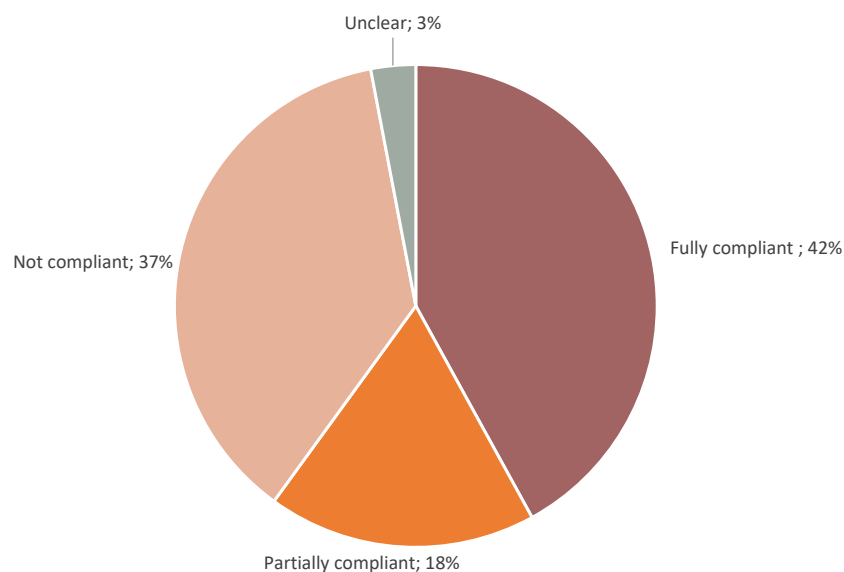
### Overview

To support the efforts to drive stricter adherence to local procurement legislation (within the public sector), Proudly SA launched the Tender Monitoring Function in April 2017 which now searches through over 840 government and SOE websites for tenders/requests for quotations (RFQs) related to the procurement of designated items that are required to stipulate an element of local procurement. As part of Proudly SA's value proposition for members, the identified tenders/RFQs are matched with companies that are able to fulfil the bids. The bids are also flagged and sent to the dtic to monitor compliance by the procuring state entities.

The table and chart below depict the bids that have been categorised in terms of their compliance to local content specifications, whether they are fully compliant, partially compliant, not compliant or whether the local content is unclear.

BIDS IDENTIFIED IN DESIGNATED SECTORS		
	PREVIOUS PERIOD 2019/2020 Q4 85 bids identified	CURRENT PERIOD 2020/2021 Q1 91 bids identified
Fully compliant	50 (59%)	38 (42%)
Partially compliant	18 (21%)	16 (18%)
Not compliant	7 (8%)	34 (37%)
Unclear	10 (12%)	3 (3%)

**2020/2021 Q1  
COMPLIANCE LEVELS FOR BIDS FOLLOWED UP  
FROM APRIL TO JUNE 2020**



#### 4.4) Highlights for the quarter

## EVENTS AND ACTIVATIONS

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### Proudly SA Game Time TVC campaign launch, 02 July 2020



Proudly South African launched its brand new buy local tv commercial, which is a call to everyone to play an active part in putting South Africa and South Africans back to work by supporting local businesses.

The commercial was beautifully shot and created under all the current lockdown regulations in the streets of Johannesburg.

The commercial went live on all SABC, DSTV & Multichoice channels on Friday 3rd July. The new campaign was a reminder of our current economic conditions as a country and has a strong call to action to all South Africans.

The virtual launch was hosted on PG Bison's Zoom platform and featured Dr John Kani, the voice of the commercial.

**Attendance: 50**

**Target Market: Proudly SA members, stakeholders, strategic partners & board members**

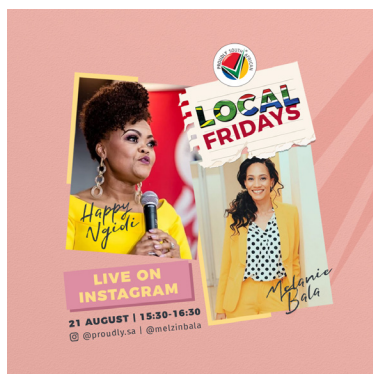
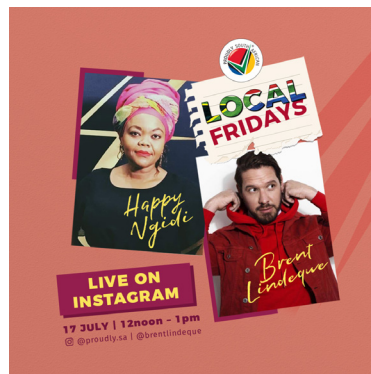




## Local Friday Conversations on Instagram, July - September 2020

Proudly SA's 'Local Friday' conversations first went live on our Instagram page on Friday 22 May and continued every alternate Friday. A series of exciting & interactive chats with well-known South Africans and friends of the campaign, the conversations are hosted either by Proudly SA CMO, Happy MaKhumalo Ngidi or CEO, Eustace Mashimbye.

1. Friday 3rd July - CEO with Iman Rappetti
2. Friday 17th July Happy MaKhumalo Ngidi with Brent Lindeque, The Good News Guy
3. Friday 31st July Eustace Mashimbye with Mi Casa's J Something
4. Friday 21st August Happy MaKhumalo Ngidi with broadcaster Melanie Bala
5. Friday 28th August Happy MaKhumalo Ngidi with Miss Earth activist Catherine Constantinides
6. Friday 11th September Eustace Mashimbye with Nelson Mandela Foundation CEO, Sello Hatang
7. Friday 25th September Happy MaKhumalo Ngidi with radio presenter David O'Sullivan



## ONLINE EVENTS IN PARTNERSHIP WITH EXTERNAL STAKEHOLDERS

#UnitedInPurpose  
**WEBINAR**

**Happy Ngidi**

**Ndileka Mandela**

**JOIN US AS WE CELEBRATE THE LIFE & LEGACY OF NELSON MANDELA!**

67 Minutes of reflection, inspiration & purposeful action

[CLICK TO JOIN](#)

United in Purpose Proudly South African

### Unilever Mandela Day webinar, 17 July 2020

Chief Marketing Officer, Happy Ngidi joined Unilever staff in acknowledgement of Mandela Day. She represented Proudly SA and participated as a Speaker in recognition of Mandela Day where she unpacked the Buy Local Narrative to the audience that attended the session.

**Audience: Internal Unilever event**

### PG Bison and Proudly South African Industry webinar, 23 July 2020

PG Bison and Proudly South African joined forces to discuss how being part of the buy local movement can benefit the furniture sector. The furniture sector is vulnerable to cheap imports but is also one which has enormous job creation potential, and the development of SMMEs.

CEO of Proudly South Mr. Eustace Mashimbye shared information on the Proudly SA campaign and how the partnership between Proudly SA & PG Bison was formed as well as statistics relating to job losses in the furniture industry.

Justin Berry Executive: Sales & Marketing at PG Bison, Ms. Tafadzwa Nyanzunda - Director: Resource Based Industries Agro-processing Chief Directorate at the Department of Trade Industry and Competition & Ms. Bernadette Isaacs – COO, SAFI shared the work they do to help stimulate and grow the South African economy and outlined some of the content of the sector Master Plan that seeks to propel the furniture industry to reach its full potential.

Bernadette Isaacs shared an overview of their market access programmes as SAFI through import replacement and increased sales of locally produced furniture to retailers and to the public sector.

In closing, all partners agreed to the continuation of getting local procurement commitments from the private sector through signing of the local procurement accord by decision makers in the sector.

**Attendance: 33**

**Target Market: Stakeholders, key industry decision makers, manufacturers & Proudly SA members**

**HOW BEING A PART OF THE BUY LOCAL MOVEMENT CAN BENEFIT THE FURNITURE SECTOR**



Join Proudly SA and PG Bison in a discussion to mark the launch of the new Buy Local campaign and to unpack our collective roles and responsibilities in responding to the current economic crisis.

You have been specifically selected for this exclusive invite based on your role in the industry. Reserve your space by clicking the link now.

Thursday, 23 July | 10h00-11h00

[RSVP HERE](#)

**COTTI COMMUNICATION & MARKETING FORUM**

# MASTERCLASS

The Department of Trade, Industry and Competition (the dtic) in partnership with Proudly South African and Vega School invites you to a special Communication and Marketing Forum Master Class.

**28 JULY 2020 | 10:00 - 11:30**

**Speakers:**

**Mr Darren Meltz - Vega School of Brand Leadership**  
How do we scale up communication and remain relevant

**Ms Mandisa Mathobela - The Institute for Stakeholder Relations Southern Africa**  
Managing key stakeholder's relationships in the time of crisis

**Mrs Happy Ngidi - Proudly South African**  
Staying ahead of the Pack - Case study of Proudly South African digitization approach and tools

[RSVP HERE](#)

## COTTI Communication & Marketing Forum Masterclass, 28 July 2020

Proudly SA hosted a COTTI forum masterclass on digital communications in partnership with the dtic and Vega School with speakers who specialise in the digital and marketing field. The panel consisted of Darren Meltz, lecturer on Digital Strategy & Copywriting, Vega School, Mandisa Mathobela, Deputy Chairperson at iSRSA- The Institute for Stakeholder Relations Southern Africa, and Happy Ngidi, Chief Marketing Officer, Proudly South African.

The masterclass focused on what can be done as communication practitioners in terms of digital communication. COVID-19 has brought about a change in the way we communicate, without face to face interaction and this session looked at finding new & innovative ways and channels to reach stakeholders.

**Target Market: Stakeholders, members, non-members & students**

## PROUDLY SA HOSTED WEBINARS

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In this new era of social distancing and #StayAtHome, the live events industry has ground to a halt. Organisations seeking to remain relevant during the Covid-19 pandemic and lockdown have switched their events calendars online.

Proudly SA has had to do the same and therefore put together a series of online events designed to assist mainly small to medium enterprise navigate the current situation.

Proudly SA will be focusing on a number of topics that will help assist South African businesses during and post the COVID-19 pandemic.

- Packaging your product: Price vs Value
- Where to find funding and financial relief during COVID-19
- Creating & sustaining a local brand and the need to support home grown businesses

All events were marketed via our member database, on all Proudly SA social media platforms as well as those of the presenters and facilitators and we were therefore able to pitch to all business sectors, all business sizes and all geographical areas without any numerical restrictions.

The graphic is a vertical rectangular poster for a webinar. At the top, it features a dark teal background with the text 'PRICE vs VALUE' in large, bold, yellow letters. Below this, in smaller white text, is 'WEBINAR ON PACKAGING YOUR PRODUCT' and 'Uncertain times of COVID-19'. A circular logo for 'PROUDLY SOUTH AFRICAN' is positioned to the right of the text. The main body of the graphic is white with a light teal shadow effect. It contains the following text: 'With the price of goods and services rising and falling in these uncertain times, please join us for a master class in packaging and pitching your product and offering the best value for better market penetration and sales.' Below this is a yellow banner with the text '4 AUGUST 2020 | 11H00AM'. Further down, it lists the presenter: 'Presenter: Karin Du Chenne, Chief Growth Officer, Africa Middle/East at Kantar' and mentions 'With case studies by Mobicel and PortiaM Skin Solutions'. A black button with white text says 'RSVP HERE'. At the bottom, there are two logos: 'Mobicel' in purple and 'PORTIAM' in green and blue.

### Price vs Value, 04 August 2020

This webinar was designed to assist businesses pitch their products and services at the right price point to the right audience and market. Marketing expert Karin Du Chenne facilitated with case studies on member companies Mobicel and PortiaM both of which offer great value for money.



## Proudly SA COVID-19 financial relief, 20 August 2020

Opened by Proudly SA CEO Mr Eustace Mashimbye who gave a presentation on how being a part of the buy local movement can assist businesses, this webinar nevertheless put the spotlight on financial packages and programmes designed to assist small to medium enterprises at this time.

Representing the commercial sector, Absa outlined the relief programmes that they have in place.

Other entities that spoke about their respective offerings were the dtic, IDC, SARS and DSBD.

The event had publicity via an interview on Kaya FM on 19 August 2020, which assisted with attendance figures.

**Attendance: 60**

## Proudly SA Women in Leadership, 25 August 2020

This year's online edition replaced our annual Women in Leadership event. The virtual version was held in partnership with Unilever's Joko tea brand and celebrated all women during this women's month.

Guests included Panellists Cindy Poluta, 947 Breakfast Team member and sports presenter on 702 and EWN, Ipeleng Mkhari CEO: Motseng Investment Holdings, Devi Sankaree Govender Investigative journalist and TV presenter and Shobna Persadh, Corporate Affairs & Sustainable Business Director at Unilever.

Conceptualized, Produced and Facilitated by Happy Ngidi, the discussion centred around how these working women have dealt with the covid-19 pandemic, managed being wives, mothers, teachers and businesswomen all within the confines of home.

By far one of the highlights of the quarter.

**Attendance: 190**

As businesses continue to feel the impact of the prolonged lockdown on their long term operations, we bring you an update on the financial support programmes and funding opportunities that are available to assist during these difficult times.

Join us in a discussion with Absa, SARS, The IDC and the Department of Small Business Development around where to apply and how to remain financially viable with a solvent, operating enterprise on the other side of this pandemic.

**20 AUGUST 2020 | 11:00-12:30**

[RSVP HERE](#)

Logos: dtic, small business development, absa, Proudly South African.

**WOMEN IN LEADERSHIP**  
*Celebrating Women's Month*

**25 AUGUST 2020 | 11AM-12:30PM**

SHOBNA PERSADH  
Corporate Affairs & Sustainable Business Director at Unilever

CINDY POLUTA  
947 Breakfast Team member and sports presenter on 702 and EWN

IPELENG MKHARI  
CEO: Motseng Investment Holdings

DEVI SANKAREE GOVENDER  
Investigative Journalist and TV Presenter

HAPPY MAKHUMALO NGIDI  
CEO: Proudly South African

Proudly South African has for the past few years hosted a celebration of Women in Business at some amazing Johannesburg venues.

Sadly, this year we cannot invite guests to join us for local bubbly, delicious food, great company and stimulating conversation but the advent of online events means we can invite more amazing women from all over the country to have a fun conversation about all things LOCAL!

We have put together a panel of women who will keep us laughing and maybe even crying as they relate their experiences of being wives, mothers, stand in teachers - all the time managing businesses and holding down jobs during this difficult time.

Join us and be part of this 2020 Covid-19/ lockdown / business unusual event

Logos: Unilever, Joko #END DOMESTIC SILENCE, Proudly South African, and a 'CLICK TO REGISTER' button.

## Creating and sustaining a local brand, 17 September 2020

Hosted on the Zoom platform, this webinar was facilitated by Rams Mabote. A number of Proudly South African member companies shared how they have stayed relevant through either repurposing their business operations (Plus-fab) or staying with their core competency (Lasher Tools), or a combination of both (Defy & Olympic Paints) during this COVID-19 pandemic.

The crucial message shared by our panel of speakers was maintaining customer relationships, quality, consistency, associations and most importantly innovation.

**Attendance: 50 on Zoom platform plus Proudly SA Facebook page**

## Thriving in a COVID world, 29 September 2020

Facilitator Andile Khumalo presented Eustace Mashimbye, CEO of Proudly South African who spoke about the Campaign and how to join the movement as a member company. Andile was then joined by Ntai Khojane, co-founder of Proudly South African's e-commerce and online shopping platform, RSA Made, who spoke about building an e-commerce strategy for your business and how to join the RSA Made platform. Musa Kalenga, CEO & Co-founder of Bridge Labs spoke on 'response strategies in uncertain times' and Andile Khumalo gave his own presentation of managing a company's finances and cashflow during constrained economic times.

**Attendance: 81**



The graphic features a woman smiling next to a sign that says "COME IN WE'RE OPEN". Below this is the Proudly South African logo. The main title is "Creating & sustaining a local brand and the need to support home grown businesses". The text describes the webinar's focus on educational and informative content, mentioning speakers from Defy, Lasher Tools, Plus-fab, and Olympic Paints. It includes the date and time: "17 SEPTEMBER 2020 | 11:00 - 12:45" and an "RSVP HERE" button.



The graphic features two men smiling. Below them is the Proudly South African logo. The main title is "Thank you for attending our webinar 'Thriving in a COVID world'". The text expresses appreciation for feedback and includes a link: "Click here to tell us more about your experience at our session". At the bottom, there are social media icons for LinkedIn, Facebook, Twitter, and Instagram, along with the website "www.proudlysa.co.za" and the handle "@ProudlySA".

## 4.5) PR, Communications & Media

### 4.5.1) Summary

The quarter in review marked a long, cold stretch of lockdown. The PR department worked to find relevant stories and platforms to keep Proudly SA and the buy local message top of mind.

During July, publicity revolved around the shooting of our brand new tv commercial, with the additional coup of securing Dr John Kani, who reprised his role as the conscience of the nation in the Game Time campaign. Interest in both the commercial and Dr Kani's role in it gained some media traction.

The quarter in review saw a return of the CEO's Business Report column, albeit sporadically. During August we maintained the slot with a focus on Women's Month, and once again invited three guest writers, with a final piece by our CMO to close the month.

Our strategic alliance with NAACAM for the publicising of their role in growing production of face shields for our COVID-19 portal also gained media space.

During September, comment was sought from Proudly SA around heritage issues as well as our opinion on tv and radio around the TreSemme shampoo debacle, as our relevance as the advocates for more local content in retail stores was recognised.

In September, we replaced our annual media tour with an online Media Challenge and were able to reach 200 media practitioners rather than only six. The challenge comprised an online quiz with 55 questions relating to the campaign and to many of our members from all across the country. The Quiz was open for 1 week and participants were able to answer, save and revisit the questionnaire at any time during the validity period (16-23 September). Those members that sponsored prizes (Hisense, Mobicel, Mara Phones and the Delicious Festival) were profiled on all related material. The competition concludes and winners will be announced into the Q3 reporting period.

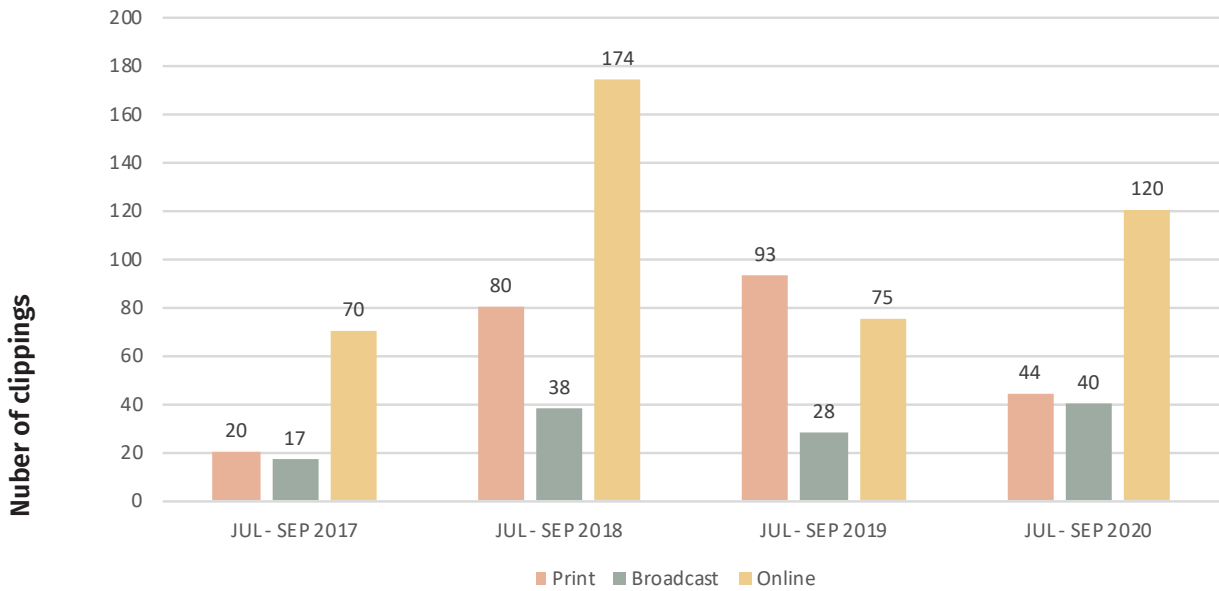
The continuation of our Local Friday conversations on our Instagram platform and extensive social media activity during the quarter in review resulted in some growth in following, although in order to achieve significant growth in our numbers, a cohesive and focussed approach to posts needs to be adopted per social media page.

All in all, our media coverage for the quarter in review increased from to R11.3 million in AVE value, up from R6.7 million during the first quarter of the fiscal.

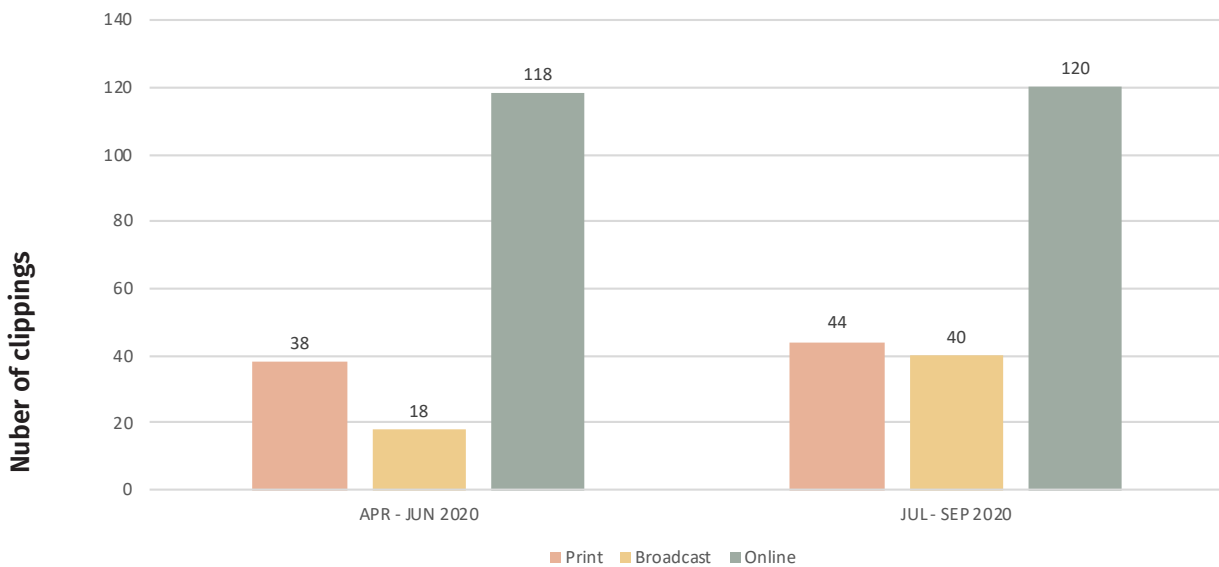
#### 4.5.2) CLIP COUNT ANALYSIS

The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (Jul – Sep 2020). Comparison is made with the same period in previous years, as well as with the rest of the current fiscal.

**CLIP COUNT COMPARISON**



**CLIP COUNT COMPARISON 2020/2021 FISCAL**

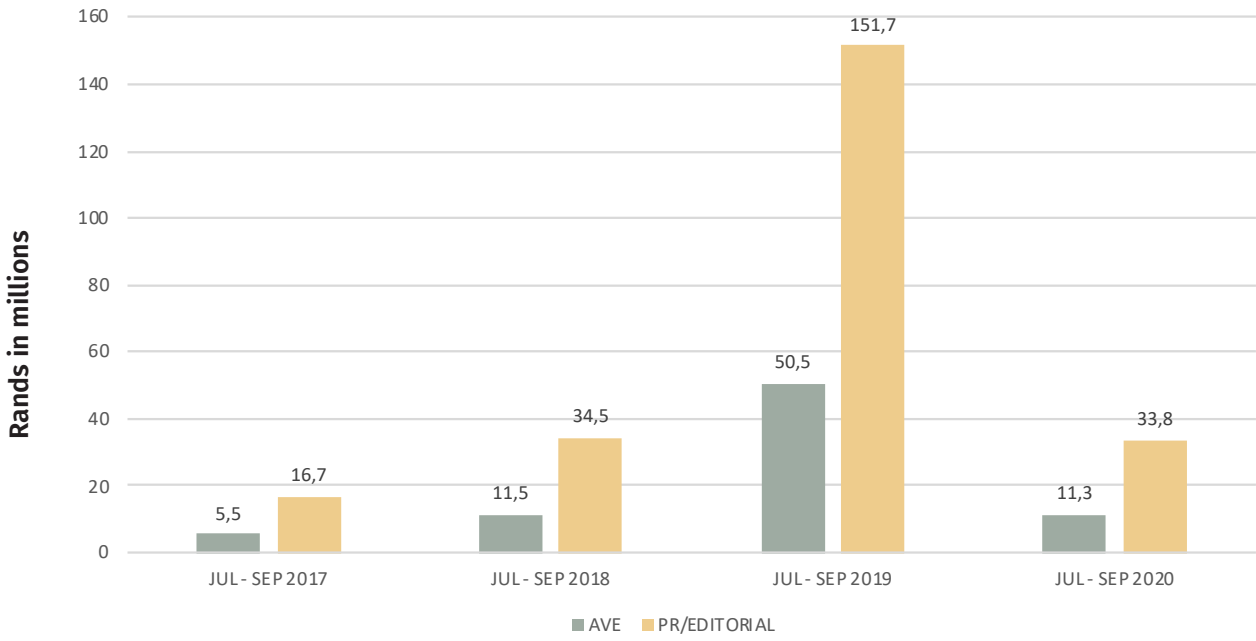




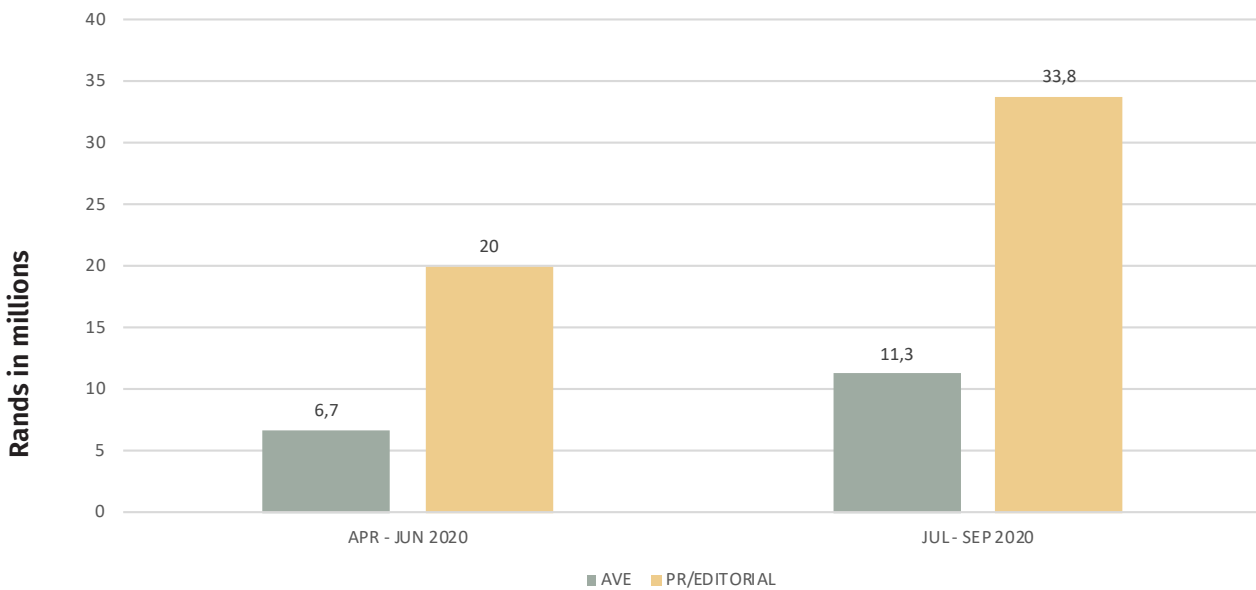
### 4.5.3) AVE/PR Values

The advertising value equivalency (AVE) is what editorial coverage would cost it were advertising space or time. PR/Editorial value is derived by multiplying the AVE by three. The total AVE value recorded between July and September 2020 is R11.3 million and the PR/editorial value translates to R33.8 million.

#### AVE ANALYSIS



#### AVE ANALYSIS 2020/2021 FISCAL



#### 4.5.4) Press Releases/Op Eds/Media Articles

The following were issued between July and September 2020. The emboldened words were used as filter phrases to sift through the quarter's media coverage

No.	Date	Release/Commission	Title	AVE
1	02 July 2020	Press release	Proudly SA launches new consumer campaign (Dr Kani commercial)	R1 388 752.80
2	03 July 2020	Business Report Column	Perceptions following youth month	R 687 884.80
3	14 July 2020	Press release	Game Time tv commercial starts flighting	R 1 086 263.77
4	30 July 2020	Press release	Automotive industry responds to demand for PPE	R 397 734.81
5	04 August 2020	Business Report Column	Women's Month Guest: Iman Rappetti	R 130 468.93
6	05 August 2020	Press release	Defy joins buy local movement	R 29 486.07
7	10 August 2020	Business Report Column	Women's Month Guest: Ouma Tema, Plus Fab	R 217 213.52
8	18 August 2020	Business Report Column	Women's Month Guest: Thandeka Mali, Creative on Game Time tv	R 129 796.48
9	25 August 2020	Business Report Column	Women's Month Guest: Happy Ngidi, CMO Proudly SA	R 71 857.50
10	16 September 2020	Business Report Column	How one company	R106 875.20
11	14 September 2020	Media Notice	Proudly SA Media Challenge launches	N/A
12	24 September	Commission	Q&A with CEO for GCIS	N/A
13	30 September	Business Report Column	Making the Sectoral Master Plans work (Poultry Industry)	R 112 003.07

#### 4.5.5) Media visits/engagements

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

- 702
- CapeTalk
- 947
- Bizcommunity
- Business Report
- Cape Argus
- Daily Dispatch
- eNCA
- Engineering News & Mining Weekly
- Good Things Guy
- IOL
- Kaya FM 95.9
- Media Xpose
- NAACAM
- Newzroom Afrika
- SAFM
- The Star
- Times Live
- Trans Africa Radio
- Tygerburger
- Via
- YFM

#### 4.5.6) Social Media

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

	No of followers 06 Jul 2020	No of followers 30 Sep 2020	Q-Q growth	Fiscal growth thus far
Facebook likes	17 257	17 797	540 (3.1%)	815 (4.8%)
Facebook follows	18 764	20 096	1 332 (7.1%)	2 322 (13.1%)
Instagram follows	5 039	5 417	378 (7.5%)	883 (19.5%)
LinkedIn	1 319	1 728	409 (31%)	706 (69.1%)
Twitter	171 175	174 372	3 197 (1.9%)	6 174 (3.7%)
YouTube	146	205	59 (40.4%)	N/A

It is worth noting that since January 2019, Twitter has outperformed all other platforms with regards to the number of new monthly followers. This achievement should also be acknowledged when considering the percentage growth.

#### 4.5.6 Presentations

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

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

DATE	EVENT	VENUE
2 July 2020	Buy Back SA Advert Launch	Virtual
16 July 2020	NEDLAC TIC Meeting	Virtual
22 July 2020	Top Empowerment Event	Virtual
22 July 2020	Medical Devices Manufacturers of SA (AGM)	Virtual
23 July 2020	Furniture Sector Webinar	Virtual
30 July 2020	Clothing industry stakeholders	Virtual
31 July 2020	Local Fridays	Virtual
4 August 2020	Packaging Your Product Webinar	Virtual
13 August 2020	Buy Social Mark	Virtual
20 August 2020	Financial Support and Funding Opportunities during Covid-19 Webinar	Virtual
24 August 2020	Footwear and Leather industry stakeholders	Virtual
24 August 2020	Speak Out Expert Interview for SABC 2	SABC 2
25 August 2020	Midrand Black-owned SMMEs Forum	Virtual
9 September 2020	R-CTFL Masterplan Executive Oversight Committee meeting (Chaired by Minister Patel)	Virtual
11 September 2020	Local Fridays	Virtual
15 September 2020	Bellville Webinar	Virtual
17 September 2020	Panel on opportunities for SMMEs on FMCG retailers' shelves (eNCA)	eNCA

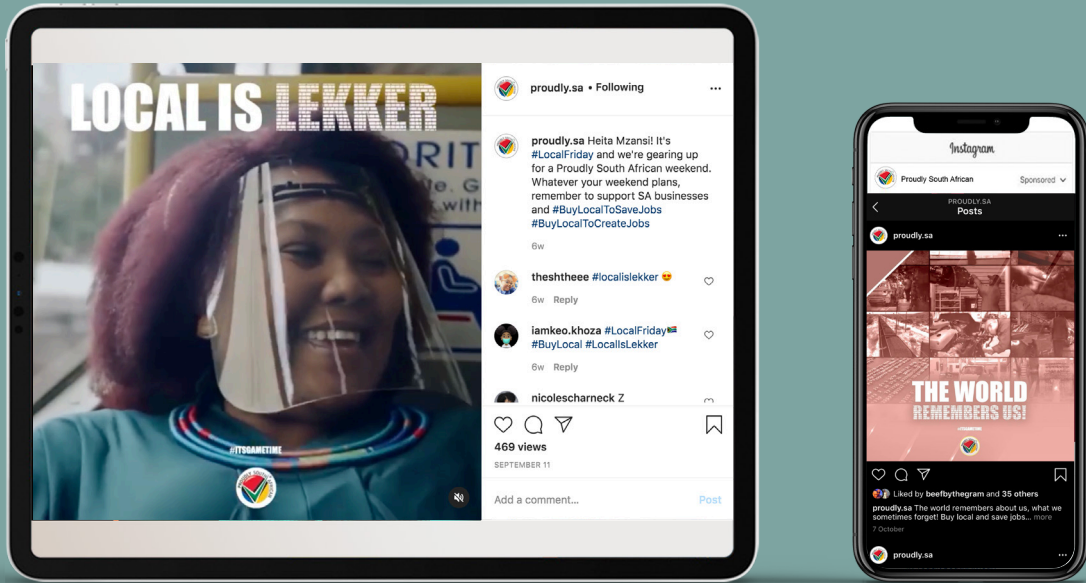
## ABOVE THE LINE CAMPAIGNS



### Hulett's Humthem

Humthem As part of their heritage month campaign Hulett's created the 'humthem' to promote their brand as well as unity within the national space. Leveraging Hulett's own Humthem campaign, Proudly SA invited member companies to submit their own footage which was compiled and edited by Hulett's agency and was flighted on all social media platforms on Heritage Day. This video aimed to encourage South Africans to be patriotic and support local brands. We ran our own promo for this campaign on Twitter, Instagram and Facebook to drive views to the video on the day.

## DIGITAL CAMPAIGN



We undertook a digital campaign in collaboration with the Good Group, the creative agency for the Game Time tvc in order to boost the ad and to drive more people to view it, as well as to promote the actual messaging of the Game Time TVC.

We also ran online digital campaigns with Beeld as well as the Future of Media event series with Arena.





## LOGO USE

We set out to encourage more members and their brands to use our logo in their marketing activities and to commit to the campaign and successfully added a number to those already displaying the logo on their goods, packaging and advertising and marketing, thereby achieving a greater consumer reach.



**sovereignfoods™**  
full of goodness

**Proudly South African**

We look forward to your visit on  
**Monday, 28th January at 11h00**

Kindly provide us with the following:

- jacket size
- boot size
- any special dietary requirements

For ease of reference, our address is:  
**9 Kruis River Road, Uitenhage**  
(please see map attached to this email)





Gluten Free  
Natural Colourants  
Egg Free  
Freeze Thaw Stable  
Made with Pea Protein  
World's No. 1 Mayonnaise Brand

supporting **farm2fork**

Unilever Food Solutions  
www.ufs.com  
Manufactured in South Africa  
Unilever South Africa (Pty) Ltd  
15 Houtwerf, Crescent, La Lucia,  
4051, South Africa  
Customer Care Lines 0860 31 41 51  
(calls charged at local South African rates)  
Consumer.Affairs-2@unilever.com

HELLMANN'S  
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VEGAN  
**CLASSIC**  
DRESSING

A balanced creamy  
flavour for sandwiches,  
burgers and dips.

10 kg

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www.ufs.com

STORAGE: STORE IN A COOL, DRY PLACE. ONCE OPENED, REFRIGERATE AND USE WITHIN 4 WEEKS. FOR BEST RESULTS, DATE SEE BACK.

Date Opened:

TYPICAL NUTRITIONAL INFORMATION (As Packaged)		Per 100g	Per 10g (100g/100ml)
Energy (kJ)		772	107
Protein (g)		0.5	0.1
Carbohydrate (g)		11	2
of which total sugar (g)		5.8	1.3
Total fat (g)		18.8	2.7
of which saturated fat (g)		1.8	0.3
Sodium (mg)		0.2	<0.1
Total Soluble (mg)		0.9	0.1

6 001087 387620

Unilever Food Solutions  
www.ufs.com

## PERFORMANCE FOR THE PERIOD UNDER REVIEW

Performance for the period under review (1 July to 30 September 2020) – Performance against the Annual Performance Plan targets for the quarter

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 behaviour	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through:  *Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA/Buy SA) activism campaign reaching at least 20 million consumers	*Reach 4.5 million consumers during Quarter 2	Reached in excess of 4.5 million consumers through the launch of the Game Time Mzansi campaign which lived on several platforms including TV, Radio and digital platforms. Flighted on SABC (TV and Radio), eTV and Multichoice stations for a period of 2 months.	
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through:  *PR and Below the line activities through Social Media, press releases, radio interviews and other PR related activities;	*PR & Below the Line Activities reaching at least 10 million consumers per annum;	*Reach 3 million consumers during Quarter 2	*Reached in excess of 3 million consumers through the newly launched Game Time Mzansi campaign, where PR driven activities (17 TV and Radio interviews, incl. re-broadcasts), 7 opinion pieces, social media, digital platforms, radio and member platforms. were used to intensify the buy local message  *N/A	
	*National Consumer Educational Road show through Consumer Activations (Education Through Edutainment);	*At least 3 Activations hosted annually	*No activations planned for Quarter 2		
	*Youth targeted Campaign, with radio stations of Tertiary institutions and/ or youth targeted commercial and community radio stations (programs)	*12 x Community and/or youth targeted Radio interviews/ competitions or advertising campaigns per annum	*3 Campaigns with radio stations planned per quarter	*6 x Radio interviews undertaken: • VIA TV • Kaya FM • Radio AI-Ansaar • Cape Talk • Mungwana Lonene • 702	Postponed to Q2 due to Covid-19 restrictions



Strategic objective /outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	<p>*Consumer education campaigns hosted in tertiary institutions (in partnership with Wear SA)</p> <p>*Proudly SA Events/Exhibitions/Expos/Villages at trade expos;</p> <p>*Increased awareness of the buy-local message in support of Heritage Month</p> <p>*Proudly SA CSI projects</p>	<p>*8x campus consumer education activations at tertiary institutions (converted to Campus Radio interviews)</p> <p>*Participation in at least 0 trade expos per annum;</p> <p>*Roll out of at least 1 major Heritage month activities per annum</p> <p>*At least 1 CSI projects per annum</p>	<p>*2 campus consumer education activations per quarter</p> <p>* No participation in any trade expos planned for the year</p> <p>*1 Proudly SA Heritage month activity planned for Q2</p> <p>* No CSI activity planned for Q2</p>	<p>*2 activations undertaken: VOW FM (x2 platforms to reach a different audience)</p> <p>*N/A</p> <p>*2 Activities undertaken: &gt;Humthem with some of our Member companies. &gt;Heritage Media Challenge</p> <p>*N/A</p>	
<p>Increase procurement of local products and services in the public sector through increased engagements with the public sector.</p>	<p><b>Educational roadshows</b> Increase buy-in and support for local procurement by the public sector (all state organs) through:</p> <p>*Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum</p> <p>*Partnership with the dtic, EDD, National Treasury and provincial government departments on education of procurement officials on the implementation of the public procurement regulations in support of local procurement for designated sectors in national, provincial &amp; local government departments and to monitor procurement within the public sector</p> <p>*National, provincial and local department visits – engagement with procurement officers</p>	<p>*At least 1 presentation to SOEPF per annum</p> <p>*Presentation at 1 government's SCM forum with Heads of procurement from various national government departments</p>	<p>*No presentation planned for Q2</p> <p>*No presentation planned for Q2</p> <p>* No Provincial Public Sector forum planned for Q2</p>	<p>*N/A</p> <p>*N/A</p> <p>*N/A</p>	

Strategic objective/ outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	<p>* Presentation to officials in metropolitan councils – engage with local government on localisation</p> <p>*Tender Monitoring – Number of tenders/RFPs identified by Proudly SA's system, issued for designated sectors/products by public sector entities</p>	<p>*Presentation to at least 0 metropolitan council procurement forums per annum</p> <p>*At least 1 200 tenders/RFPs for designated sectors/ products identified through the tender monitoring system per annum</p>	<p>*No presentation planned for Q2</p> <p>*300 Tenders/RFPs</p>	<p>*N/A</p> <p>* 2 124 tenders identified and monitored</p>	<p>* The tender monitoring function has been developed to also include keywords of the additional designated products with specific focus awarded to various Personal Protective Equipment.</p>
	<p>*CSD Integration – an integration of the Proudly SA database with National Treasury's CSD (Number of Proudly SA companies integrated with CSD)</p>	<p>*Launch of integration of CSD with Proudly SA database, with at least 100 companies registered in Year 1 (2020/21)</p>	<p>* 25 Proudly SA companies to be integrated with CSD per quarter</p>	<p>*No member companies have been integrated with CSD to date</p>	<p>*Development work is required in order for both the CSD and Proudly SA systems to synchronise. Once completed, a MoU will be finalised in Q3.</p>
	<p>*1-2 x day Buy Local Summit – focusing on all state organs and business procurement</p>	<p>*At least 1 Buy Local Summit to be held per annum (virtual or otherwise)</p>	<p>*Buy Local Summit planned for Q4</p>	<p>*N/A</p>	
	<p>*1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo</p>	<p>*At least 1 Buy Local Expo to be held per annum (virtual or otherwise)</p>	<p>*Buy Local Expo planned for Q4</p>	<p>*N/A</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual/Achievement (Q2)	Reason for Variance
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	<p><b>National Educational road shows:</b> Increased buy-in and support for local procurement by the private sector. Signing of Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products and services through:</p> <p>*Presentations to BUSA, BBC and BLSA members plus Business Chambers;</p>	<p>*1 presentation to each BUSA, BBC and BLSA per annum;</p> <p>Presentations to at least 8 business chambers, associations and/or industry events per annum</p> <p>*Partnerships with at least 2 <b>major retailers/manufacturers</b> per annum;</p> <p>*At least 1 Buy Local Summit to be held per annum (virtual or otherwise)</p>	<p>*1 presentation planned with any of the targeted organizations for Q2</p> <p>*2 presentations planned for each quarter</p> <p>*1 partnership planned for Q2</p> <p>*Buy Local Summit scheduled for Q4 (March '21)</p>	<p>* Proudly SA is a part of a localisation technical working committee established in Q4 of 2019/2020 whereby collaborative efforts &amp; focus on local procurement are underway with BUSA (including B4SA), Manufacturing Circle, BLSA, NBI &amp; BBC. Webinars and other localisation projects are planned for Q3.</p> <p>* 3 presentations made to the Medical Devices Manufacturers of SA and its members, and associations and members in both the Clothing/Textile as well as Leather/Footwear industries</p> <p>* Defy concluded partnership/membership with Proudly SA</p> <p>*N/A</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo	*At least 1 Buy Local Expo to be held per annum (virtual or otherwise)	*Buy Local Expo scheduled for Q4 (March '21)	N/A	
	*Sector Specific Workshops	*2 x sector specific forums per annum	*1 sector specific forum scheduled for Q2	*Furniture Forum with the dtic and PG Bison.	
	*Business Forums with dtic and other strategic partners	*9 business forums per annum	*3 business forum scheduled for Q2	*5 online Webinars were undertaken. Please refer to Section 4.4 above.	
	*Proudly SA Events/ Exhibitions / Expo's/ Villages at trade expos	* Participation in at least 0 major trade expos per annum	*No trade expos scheduled for the year	*N/A	
	*SA Premier Business Awards aimed at rewarding SA companies that achieve high levels of excellence in the course of doing business	* Co-hosting 1X annual SA Premier Business Awards event (as a partner to the dtic)	*Awards scheduled for Q4	*N/A	
	Soliciting and securing of localisation and/or local procurement commitments from the private sector – number of sectors and companies from which commitments are secured.	*Secure an industry commitment from at least one major sector per annum	*1 industry commitment planned for Q2	*No industry commitment secured. Focus on PPE	*The focus on local manufacturing for PPE with B4SA will yield commitments during Q3 and Q4
		*Secure new localisation commitments from at least 5 major corporates per annum	*2 new localization commitments from major corporates planned for Q2	*No commitments secured from corporates	The TWC with BUSA has resulted in meetings with industry bodies and commitments will follow in Q3 and Q4
		*Development of database of buyers and/or SCM officers for purposes of hosting at least one local procurement workshop	*1 local procurement workshop planned to present the developed database of buyers and/or SCM officers	*Workshop not held during Q2	Localisation workshop with BUSA and B4SA scheduled for Nov 2020.

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	Implementation of Import Replacement in key industries/products as per the highest imported items into the country, by value	*Implementation of Import Replacement in at least one key industry/product per annum	*1 import replacement industry/product planned for Q2	*No Import Replacement project finalised in any set industry during Q2	*TIPS study concluded during this period identified 5 sectors that are being pursued for Import Replacement in partnership with industry.
<b>Brand Management</b> Brand research - Development of a scientific basis for local procurement	Existence of an Economic Impact Study to contribute to the increase in the uptake of local products and services and procurement by the public sector, private sector and consumers;  Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	*Brand or Consumer Research to be undertaken at least once per annum  *At least 9 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	*A consumer research study planned for Q2  *3 dipstick survey planned for Q2	*Massmart research finalised and results thereof indicate clear growth in the awareness of the logo of the campaign, the Buy Local Movement and other relevant data.  *5 online Webinars were undertaken. Please refer to Webinars reported in Section 4.4 above.	
<b>Brand Compliance and IP.</b> Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	*Action /letters of demand to all (100%) irregular users of the Proudly SA logo identified  *Annual compliance review of all members  *Monthly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally	*100% of all identified illegal users sent letters  *100% (All) members checked for compliance  *Monitoring of the use of logo and phrase done illegally – 100% contact with all identified companies	*All identified irregular users were sent letters – 100%  *All members contacted as part of the new and renewals membership compliance process – 100%  *Monitoring done by Adams and Adams monthly – 100%	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Partnership with enforcement agencies	<p>*To prevent illegal imports, counterfeit products, dumping of unsafe products and under invoiced products through Below and Above the line Anti-piracy and illicit trading campaigns reaching 2 million people per annum;</p> <p>*Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders</p>	<p>*Participation in at least 24 Customs &amp; Excise industry stakeholder forums and national operations per annum hosted by SARS</p>	<p>*Participation in 6 Customs &amp; Excise industry stakeholder forums planned per quarter</p>	<p>* 10 Forums attended include industries: Alcohol, Footwear and Leather, Clothing and Textiles, Beverage, Plastics, Sugar, Scrap Metal, Downstream Steel, Furniture, Tyre</p>	
Growing the database of South African supplier products and services for local procurement	<p>*Grow the number of companies registering on the database.</p>	<p>*500 new products and/or services registered</p>	<p>*125 new products and/or services registered per quarter</p>	<p>* 2 819 new products and/or services registered</p>	
*Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products	<p>*Promotion of database to both the public and private sector through workshops / regular communicate (this will include the promotion of other SA Made Products as per the designated sectors). Measured in terms of how many public institutions reached that are using the database.</p>	<p>*Promotion of database to at least 0 provincial public-sector forums</p>	<p>*No provincial public-sector forums planned for the year</p>	<p>*N/A</p>	
		<p>*Promotion of database to at least 9 provincial business forums</p> <p>*Promotion of database to at least 8 business associations or chambers</p>	<p>*3 provincial business forums planned for Q2</p> <p>*2 workshops with business associations or chambers planned per quarter</p>	<p>* 5 online Webinars were undertaken. Please refer to Webinars reported in Section 4.4 above.</p> <p>*3 presentations made to the Medical Devices Manufacturers of SA and its members, and associations and members in both the Clothing/Textile as well as Leather/Footwear industries</p>	

Strategic objective /outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Strengthening <b>Media relations, PR and social media</b>	<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 <b>media breakfasts/lunches &amp; media meetings hosted by the CEO, Chairperson, board or the PR Manager</b></p> <p>*Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns</p>	<p><b>*Media Monitoring</b> Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders</p> <p><b>*Press releases</b> At least 36 press releases per annum</p> <p><b>*Media engagement</b> *At least 40x individual media engagements per annum</p> <p>* At least 3 x Media meet &amp; greet networking sessions per annum</p> <p>* Social Media activities daily</p>	<p>*100% of Daily monitoring through Newsclip of all coverage on Proudly SA</p> <p>*9 press releases issued per quarter</p> <p>*10 media/editor's meetings per quarter</p> <p>*1 media meet &amp; greet networking session planned for Q2</p> <p>*Daily updates on Twitter, Facebook and Instagram done</p>	<p>*Daily feed from media monitoring service - refer to breakdown in PR section in this report.</p> <p>*13 press releases were issued. Please refer to Media and Press releases section of this report.</p> <p>*22 media engagements were done. Please refer to media engagements section of this report.</p> <p>* Heritage Media Challenge hosted</p> <p>*Daily updates done on Twitter, Facebook &amp; Instagram resulting in an increase in the number of followers on all 3 platforms. The Proudly SA Twitter account now has 174,372 followers and Facebook has more than 20,096 followers &amp; Instagram has more than 5,417 followers</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	*Increase following on social media platforms and increase in publicity	*Increase following on all social media platforms by 2% per annum	Increase following on all social media platforms by 2% per quarter	*2.7% growth across all these platforms.	
	*Major PR activation to increase awareness about the campaign and the "Buy Local" campaign	*Valentine's Day activation 1 per year on Valentine's day	*This activation is scheduled to take place during Q4 (Feb '21)	*N/A	
Retention and Recruitment Members	Number of members recruited and retained	*Recruit at least 220 new members for the year  *Retain at least 70% of all members due for renewal for the year	*55 new members recruited during the quarter  *70% of all members due for renewal renewed membership	*72 new fully paid up members recruited  *48% of all members due for renewal, renewed their membership	Difficult economic climate exacerbated by the Covid-19 pandemic, members are renewing at a slower pace



Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
Financial Management: Proper processing of all financial transactions on SAP and maintenance of records and supporting documents for audit purposes in compliance with relevant standards	Percentage of processing of all financial transactions done accurately and correctly at all times	100% accurate and correct processing of all financial transactions - unqualified opinion and clean audit reports for 2018/19 financial year end audit – Annual Financial Statements	*100% accurate and correct processing of all financial transactions during each quarter	*All financial transactions correctly and accurately processed during Q2	
Risk Management	Approved annual strategic risk register and quarterly risk management reports	100% compliance	100% compliance	Risk Register finalized and updated for the quarter	
*Improvement of accessibility and uptake of locally made products (Official online shopping platform for Local Products, to be utilized by all online shoppers in SA and abroad wishing to buy locally made products)	*Grow the number of products registered on the online shopping platform (RSA Made) – percentage growth annually	*20 % growth in number of products and/or services registered on the platform per annum	5% growth per quarter	Awaiting info	
	*Growth in sales of products on the online shopping platform (RSA Made)	*50% growth in sales on the RSA Made platform year on year	12.5% growth per quarter.	49% growth quarter on quarter	
Human Resources Management: Organisational structure is always aligned to organisational strategy	Extent (Percentage) of alignment of the functional organogram with the approved strategy	*Organogram with positions informed by the organisational strategy and aligned completely	*100% alignment of organogram to the strategy in every quarter	*Organogram fully aligned (100%) to the strategy	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q2 target)	Actual Achievement (Q2)	Reason for Variance
	*Percentage of critical positions filled	*All (100%) critical positions filled at all times	*All (100%) critical positions filled during the quarter	*All critical positions filled during the quarter	HR and Support Manager recruitment and selection process finalised. Incumbent starting on 01 October 2020 Events and Exhibition Manager recruitment and selection finalised, Incumbent starting on 26th October 2020. Membership Manager recruitment and selection to be finalised by no later than 31 October 2020
Performance Management	Performance management system to set and evaluate performance targets and levels every 4 months	Performance Agreements signed and all personnel assessed every 4 months during a 12-months Performance Cycle that runs from August 2019 to July 2020. Performance across all departments is not lesser than 70%	100% compliance	100% of agreements signed and 80% of appraisals due completed. Delays due to remote working during Q1 and Q2	The balance of the performance appraisals scheduled for October 2020 (Q3)
Quality Management System in place	ISO 9001-based system in place and organisational activities in line with the system policies, processes and procedures	Migrate to ISO9001 of 2015 Standard and monitor continued compliance to the requirements	100% compliance	100% compliance	100% compliance
Compliance to Statutory Requirements	Comply with SARS, Employment Equity, and Occupational Health and Safety requirements	Make monthly, mid-term and annual submissions with relevant institutions to fully comply with SARS, Employment Equity, and Occupational Health and Safety requirements	100% compliance	Substantial compliance	Employment Equity report for the previous year not submitted following the resignation of the HR Manager in January 2020. The newly appointed HR and Support Manager is currently engaging Dol to ensure that state of affairs is rectified.

## PFMA AND TREASURY REGULATIONS CHECKLIST

Corporate Management

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	49	Accounting Authority	In terms of section 49(3) the relevant treasury, in exceptional circumstances, may approve that a functionary other than the board or CEO be the AA of the public entity. In this regard, has the Auditor-General been informed in writing of any such approval or instruction?			X	The Board is the Accounting Authority of Proudly SA
2.	TR 27.3.1	Chief Financial Officer	In the case of a 3A or 3C public entity, has a chief financial officer been appointed to head the finance division?	X			
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)(f)	Internal Control	Does the public entity have: an effective, efficient and transparent system of financial and risk management and internal control?	X			The policies and processes are in line with best practice and are being modified where required to fully comply with the PFMA
	51(1)(a)(ii)		A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77?	X			There is an outsourced internal audit organisation and it reports to the Audit committee and complies with the provisions of sections 76 and 77
	TR 27.1.1		Is the audit committee a sub-committee of the accounting authority?	X			The audit committee is a sub-committee of the Board
	77(a)		Does the audit committee consist of at least 3 persons?	X			The audit committee has at least 4 members
	77(b)		Does the audit committee meet at least twice a year?	X			The committee meets at least twice a year annually and met 3 times in the previous financial year
	TR 27.1.6		Does the audit committee operate in terms of written terms of reference?	X			There are approved terms of reference for the Audit and Risk committee
	TR 27.1.6		Are the terms of reference reviewed at least annually to ensure its relevance?	X			The terms of reference are reviewed by the Audit committee annually

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 27.2.1		<ul style="list-style-type: none"> <li>Are risk assessments conducted regularly to identify the public entity's emerging risks?</li> <li>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?</li> <li>If there is a risk management strategy, is it communicated to all employees?</li> </ul>	X			<ul style="list-style-type: none"> <li>Risk Assessment is done annually and the Risk Register is updated annually and reviewed quarterly</li> <li>The company has a Risk Management Strategy and this informs the Risk Management Register. There is an approved Fraud prevention plan and Whistleblowing policy</li> <li>All staff participate in the organisational Risk Management workshops</li> </ul>
	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?	X			The Internal Audit plan approved by the Audit committee is a rolling 3-year plan
			Does the internal audit function report to the audit committee detailing its performance against the plan?	X			All internal audit reports are tabled at the Audit Committee and the Auditor's 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"> <li>The information systems environment;</li> <li>The reliability and integrity of financial and operational information;</li> <li>The effectiveness of operations;</li> <li>Safeguarding of assets; and</li> <li>Compliance with laws, regulations and controls</li> </ul>	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"> <li>• Contravened or failed to comply with a provision of the PFMA</li> <li>• Committed an act which undermined the financial management and internal control system of the public entity</li> <li>• Made or permitted irregular or fruitless and wasteful expenditure</li> </ul>		X		No employee has committed any of the offences listed herein
	86(2)		<p>Has the accounting authority been found guilty of an offence or is there any investigation pending relating to the willful or negligent failure to comply with the provisions of sections 50, 51 or 55?</p>		X		
	TR 33.1.1		<p>Have any employees of the public entity committed financial misconduct?</p>		X		
	TR 33.1.2		<p>If so, was the investigation instituted within 30 days?</p>			X	
	TR 33.2.1		<p>Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct?</p>			X	If any criminal charges are instituted for financial misconduct, the Executive Authority will be advised accordingly
	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"> <li>• The outcome of any disciplinary hearings and/or criminal charges;</li> <li>• The names and ranks of employees involved; and</li> <li>• The sanctions and any further actions taken against these employees.</li> </ul>			X	The reports on any disciplinary hearings held are reported to the Accounting Authority through the relevant subcommittee (HR and Remunerations Committee).

PFMA for Public Entities: Planning and Budgeting

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	52	Annual budget, corporate plan and shareholder's compact by Schedule 2 public entities and government business	<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"> <li>• a projection of revenue, expenditure and borrowings for the financial year in the prescribed format; and</li> <li>• 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.</li> </ul>	<p style="text-align: center;">X</p> <p style="text-align: center;">X</p>			<ul style="list-style-type: none"> <li>• The budget and cash flow for the financial year were submitted to the dtic on time</li> <li>• The Board has approved the Strategic Plan and it was submitted to the dtic and a Business plan was developed based on the approved Strategic plan.</li> </ul>
	TR 29:1.1		<p>Does the corporate plan include the following:</p> <ul style="list-style-type: none"> <li>• strategic objectives and outcomes identified and agreed upon by the executive authority in the shareholder's compact;</li> <li>• strategic and business initiatives as embodied in business function strategies;</li> <li>• key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives;</li> <li>• a risk management plan;</li> <li>• a fraud prevention plan;</li> <li>• a materiality/significant framework, referred to in Treasury Regulation 28.1.5;</li> <li>• A financial plan addressing <ul style="list-style-type: none"> <li>▪ Revenue, expenditure and borrowings;</li> <li>▪ Asset and liability management cash flow projections;</li> <li>▪ Capital expenditure programmes; and</li> <li>▪ Dividend policies</li> </ul> </li> </ul>	<p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p> <p style="text-align: center;">X</p>			<ul style="list-style-type: none"> <li>• The approved strategic plan and business plan has been submitted to the dtic as the Executive Authority</li> <li>• This is built into the approved strategic plan</li> <li>• Risk Management plan exists</li> <li>• Fraud prevention plan approved</li> <li>• Materiality is determined prior to and during external audits</li> </ul>

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.2.		Does the public entity conclude a shareholder's compact with the executive authority on an annual basis?  If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X  X			A memorandum of Association (MoA) has been concluded and signed with the dtic  The draft MoA does detail the key performance measures and the indicators to be attained
2.	53(1)	Annual budgets by non-business Schedule 3 public entities	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority?  Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?	X  X			Specific to Schedule 3 non-business entities, however Proudly SA does submit its budget to the dtic as required as per the MoA  Specific to Schedule 3 non-business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dtic 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?  Was the final strategic plan submitted to the executive authority before 1 April?			X	Specific to Schedule 3 non-business entities and not applicable to Proudly SA, however a strategic plan was submitted as per the MoA  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"> <li>• cover a period of three years;</li> <li>• include objectives and outcomes as identified by the executive authority;</li> <li>• include multi-year projections of revenue and expenditure;</li> <li>• include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and</li> <li>• include the materiality/significant framework, referred to in Treasury Regulation 28.1.5.</li> </ul> <p>Is the strategic plan updated on an annual basis?</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>			<p>The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations</p>



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

**PFMA for Public Entities: Reporting**

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	TR 26.1.1	Quarterly Reporting	Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dtic as per the MoA (30 days from the end of each quarter)
	TR 26.1.2		Does the public entity report quarterly to the executive authority (via the designated accounting officer) on the extent of compliance with the PFMA and Treasury Regulations? (Schedule 3A and 3C public entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dtic
	TR 29.3.1 TR 30.2.1		Has the public entity established procedures to report quarterly to the executive authority in relation to progress made against achieving the targets set out in the strategic and corporate plan?	X			Proudly SA is required in the MoA to submit quarterly reports to the dtic, 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"> <li>An annual report on the activities of the public entity during that financial year;</li> <li>The financial statements for that financial year after the statements have been audited;</li> <li>The report of the auditors on those statements.</li> </ul>	X  X  X			The Annual Report, Annual Financial Statements and the Auditors report on the financial statements, are all submitted to the dtic on time, as required in the MoA (deadlines were extended for the 2019/20 financial year in terms of a Government Gazette issued by the Minister of Finance)

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"> <li>Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</li> <li>Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</li> <li>Any losses recovered or written off;</li> <li>Any financial assistance received from the state and commitments made by the state on its behalf;</li> <li>The financial statements of subsidiaries.</li> </ul>	X			The Annual Report and Annual Financial Statements fairly presents the information referred to herein
				X			No material losses incurred through criminal conduct and fruitless expenditure (penalties) incurred during the previous financial year reported as such
				X			No criminal charges instituted as no such loss was incurred
				X			Proudly SA does not have any subsidiaries
				X			
	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	The Executive Authority is not obliged to table this as Proudly SA is not a public entity, however the Annual report is submitted to the dtic to enable the Minister to table this if the need arises
	TR 27.1.7		<p>Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference</p>	X			This disclosure was included in the Governance section in the Annual Report as the audit committee has an approved set of Terms of references
	TR 27.1.10		<p>Did the audit committee comment on its evaluation of the public entity's financial statements?</p>	X			The Audit committee does comment on the public entity's financial statements in the AFS contained in the Annual Report

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

**PFMA for Public Entities: Cash Management, Banking and Investment**

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



NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
			<ul style="list-style-type: none"> <li>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;</li> <li>Performing bank reconciliations at least weekly;</li> <li>Making regular cash forecasts; and</li> <li>Alignment of the approved budget with monthly cash flows;</li> <li>Variance analyses of actual cash flow with the approved budget</li> </ul>	X  X X X X			
2.	TR 31.2.1	Banking	Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?			X	The campaign submits its list of bank accounts to the dtic as per the MoA
3.	TR 31.3.1 TR 31.3.2	Investment	Does the public entity have an investment policy?  If yes to the above, does the investment policy include the: <ul style="list-style-type: none"> <li>selection of counter-parties through credit risk analyses;</li> <li>establishment of investment limits per institution;</li> <li>establishment of investment limits per investment instrument;</li> <li>monitoring of investments against limits;</li> <li>reassessment of investment policies on a regular basis;</li> <li>reassessment of counter-party credit risk based on credit ratings; and</li> <li>reassessment of investment instruments based on liquidity requirements.</li> </ul>			X	The Proudly SA campaign does not have enough long-term cash reserves to enable it to invest. Any surplus funds are placed in Call accounts with the highest rate of returns, as negotiated with the banking institution where the funds are kept.

## PROGRESS ON ACTIONS IN THE RISK REGISTER - 30 SEPTEMBER 2020

Strategic Objectives affected	High level definition	Contributory Factor (s)		Consequences(s)	Inherent Risk Rating	Existing Controls	Residual Risk Rating	STRATEGIC RISK REGISTER		Risk Owner	Treatment Owner	Due Date
		Ref	Detailed Risk Description					Residual Risk Rating	Initiatives or planned strategies to enhance control adequacy			
<b>STRATEGIC RISKS</b>												
Sustainability of the campaign	Over-dependence on single funding source	1	A significant portion of revenue generated by Proudly South African is from the annual grant received from the Department of Trade and Industry (DTI), this poses a risk as there is no diverse income streams and thus reliance is placed on a single funder.	If the DTI were to decrease or stop funding Proudly South African altogether, this would pose business continuity risk and going concern risk and would significantly hamper the entity's ability to achieve its strategic objectives.	12	There is an existing agreement with DTI and an MTFR budget allocation for the next three years. Proudly South African Board has built relationships with both the political and administrative officials of the DTI in order to cement the inflow of funding. Strict meeting of deliberables in the M&U by Proudly SA	12	Benchmark Proudly South African against other similar organisations in key international markets (Proudly South African could partner with NPOs and request for pro-bono work and research in these markets. Proudly South African could also seek assistance from Brand SA and use their work and studies). Proudly South African should greatly explore other funding sources within public sector (e.g. agencies) Diversification of income streams (membership fees and partnerships/sponsorships)	CEO/CFO/CMO/ Strategy Exec	CEO/CFO/CMO/ Strategy Exec	31-Mar-21	
Educate consumers on the importance of buying local (Local Procurement Accord) and on country of origin labels – influencing "Buy Local" purchase behaviour	Resistance to change in buying behaviour	2	One of the key pillars of Proudly South African is to ensure that there is an increase in local production and sales of locally made products. In achieving this, the end users play a critical role as a total change in mindset is required in order to alter the buying behaviour.	This would result in Proudly South African not achieving the impact desired.	16	Public Sector: Tender Monitoring systems Public Sector Road shows Private Sector Participation at expos Buy-local expo Import replacement Localisation commitments Retailers Roadshow (FMCG) Consumer Education Campaigns	12	Public Sector: Inclusion of AG in the local procurement road shows targeting public sector procurement officials SDEP localisation programmes Integration with CSD Private Sector Sponsor and grow local procurement commitments Industry Identify road shows targeting purchasing decision makers and Captains of Industry Grow membership of the campaign and base of localisation driven companies Direct and clear demand through Masterclasses (various) Identify labour programmes (Steps towards involvement) Broaden the base of friends of the campaign	CEO	CEO	31-Mar-21	
Recruitment and Retention of Members	Lack of high value members especially with retailers & manufacturers	3	Insufficient products available to consumers at point of sale.	The relevance of the campaign might be affected negatively amongst consumers - message lost. Lost opportunity, which might not be easy to be regained which will result in Proudly South African not achieving the impact it desired.	16	Improve value proposition to attract high value members especially with retailers & manufacturers.	12	Roll out sector/industry specific strategies, especially for consumer facing products (FMCG, Furniture as well as CTF) to ensure that the value proposition offered by ProudlySA to companies in these sectors is strengthened Grow membership of companies in these sectors, and encourage use of logs (country of origin label) by members, especially on products). Strengthen import replacement initiatives to grow base of local products on retail shelves/ stores	CEO/ Executive Manager: Strategy, Stakeholder Relations & Legal	CEO/ Executive Manager: Strategy, Stakeholder Relations & Legal	31-Mar-21	
Brand research - Development of a scientific basis for local procurement	Lack of tools/resources to measure the impact of the work and programmes implemented by Proudly SA	4	The impact of work conducted can only be reliably measured if there are tools in place that can gauge whether Proudly South African is effective in achieving its mandate.	- Reputational damage. - Impaired stakeholder relations. - Strategy not informed and/or supported by real data	15	Annual consumer targeted research (Walmart) Dipstick surveys post most activities	12	Development of a monitoring and evaluation framework (inputs, activities, outputs, outcomes and impact). Conduct qualitative research.	CEO/CMO/ Strategy Exec	CEO/CMO/ Strategy Exec	31-Mar-21	
Growing the database of South African supplier products and services for local procurement	Perceived lack of brand value by some potential members and resultant shortage of products and suppliers.	5	Perceived lack of brand value by some potential members and resultant shortage of products and suppliers.	This would result in potential members not taking up subscriptions for membership at Proudly South African, thus reducing the impact the organisation would have in promoting local procurement and its ability to diversify its income streams.	20	- Reduction of membership fees - Improved value proposition - Focus on access to markets for members - Participation in industry master plans and hosting of industry forums	9	- Messaging unpacking the value of Proudly South African - Building partnerships to drive localisation message - Sustained brand visibility through partnerships - Linking of localisation to BEE Scorecard - Development of industry specific strategies and partnerships with industry bodies and other sector desks	CEO/CMO/ Strategy Exec	CEO/CMO/ Strategy Exec	31-Mar-21	
Financial Management and Business Continuity	High-level Operational Risks	6	Business Continuity.	- Loss of data. - Loss of income to replace assets.	12	- Backups of core systems and cloud storage of all company data. - Antivirus software and strengthened firewall protection. - 24 hour security with armed response. - Disaster Recovery Site scored at Nadlac	9	Strengthening of Control Environment, including Digitization of the organisation as well as enhancing Business Continuity plans	CEO/CFO	CEO/CFO	31-Mar-21	

## PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN - 2019/20

No.	Finding	Corrective Action (Plan)	Status
1.	Allocation of the income received in advance between current and non-current portions	AFS were adjusted accordingly.	Completed
2.	Payment on a deposit, incorrectly recognised as trade payable	AFS were adjusted accordingly Rent is now paid on the 1 <sup>st</sup> of the month in which it is due instead of last day of the previous month	Completed
3.	Inadequate disclosure in respect of the effect of Covid-19 on Proudly South African and financial statements	Note to the AFS and the Directors' Report were adjusted accordingly	Completed
4.	Supplier invoices not settled within 30 days	Where suppliers do not provide the mandatory documents – the invoice would be stamped once all mandatory documents have been received and payment will be effected within 30 days of receipt of the said documents.	Ongoing
5.	Overstatement of VAT receivable	Due to Covid-19 pandemic the Feb/Mar 2020 vat return was based on provisional financial records a revised submission will be made with the next vat return – Aug/Sep 2020	30 October 2020
6.	Completeness of the commitments note in the financial statements	Note to the AFS was adjusted accordingly	Completed
7.	Inconsistencies in the leave practices and the wording of the leave policy	The Leave Policy will be amended accordingly	30 October 2020
8.	Inconsistencies between the planned objectives and reported objectives	The inconsistencies in the wording between the APP and the consolidated APR were adjusted accordingly	Completed
9.	Inconsistencies between the planned performance indicators and reported performance indicators	The two incorrectly captured targets in the consolidated APR were rectified accordingly	Completed
10.	Inaccurate reporting of performance achievements	The incorrectly captured actual performance in the consolidated APR was rectified accordingly	Completed
11.	Incorrect SBD form being used for quotations.	The SCM Policy will be amended accordingly to be more specific	30 November 2020
12.	Assessment of budget availability not reviewed consistently	Staff will be reminded to use the correct template for the Purchase Requisition	Completed
13.	Inconsistency between supply chain management policy and operational practices for requests for quotations below the value of R30 000	The error in the SCM Policy will be rectified however the current practice is in line with PPPFA	30 November 2020
14.	No signed contract in place for Tharolla Software	Tharolla was appointed on an unsolicited bid to develop the PMT Model, which was covered by a Trade Exchange agreement. No contract was entered into for subsequent support to populate & provide training on the PMT Model. This arrangement has since been cancelled. Contracts/SLA's will be entered into with all service providers.	30 November 2020
15.	Requirements of documents required for quotations above R30,000.	Documents were misplaced/misfiled. It is standard practice to request the TCC, BBB-EE certificate and a declaration of interest form to perform the 80/20 preference point calculation.	Completed

## FINANCIAL REPORT

### 9. Financial report - expenditure vs budget (Quarter 2 – 1 July to 30 September 2020)

Description of item	Budget for the quarter (Q2) Rands	Actual for the quarter (Q2) Rands	Variance for the quarters (Q2) Rands	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (30 September 2020) Rands	YTD Variance (31 March 2021) Rands
<b>INCOME</b>								
Membership Fees	1,139,000	1,303,896	164,896	14%	Retention rate is higher with high value members	4,556,000	2,369,555	(2,186,445)
Grant – the dtic	20,475,000	20,475,000	0	0%		35,475,000	35,475,000	0
Project based funding - UNOPS	0	0	0	0%		0	0	0
Sponsorship	1,500,000	900,000	(600,000)	(40)%	Unable to secure sponsorship for Heritage Month activities due to the COVID-19 regulations	11,500,000	1,300,000	(10,200,000)
Other Income	0	168,008	168,008	100%	Interest income & sale of promotional items	0	293,318	293,318
<b>Total Income</b>	<b>23,114,000</b>	<b>22,846,904</b>	<b>(267,096)</b>	<b>(1)%</b>		<b>51,531,000</b>	<b>39,437,874</b>	<b>(12,093,126)</b>
<b>EXPENDITURE</b>								
HR and Staffing costs	5,419,898	4,735,100	684,798	13%	Budgeted salary increases were not approved	22,631,944	9,539,396	13,092,548
Administrative costs	1,470,479	1,166,197	304,282	21%	Cost savings due to COVID-19 regulations and timing nature of certain cost elements	6,614,662	2,033,571	4,581,091
Membership costs	114,224	28,467	85,756	75%	Cost saving due to COVID-19 regulations and cost cutting exercise undertaken,	456,895	51,306	405,590
Marketing costs	2,080,832	1,285,011	795,821	38%	Heritage month activities were substantially curtailed due to COVID-19 regulations	19,822,253	2,528,753	17,293,500
Capital Expenditure & IT	261,136	229,696	31,440	12%	Timing nature of certain cost elements	2,005,245	341,296	1,663,949
<b>Total Expenditure</b>	<b>9,346,569</b>	<b>7,444,471</b>	<b>1,902,098</b>	<b>20%</b>		<b>51,531,000</b>	<b>14,494,322</b>	<b>37,036,678</b>

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