



**PROUDLY**  
**SOUTH AFRICAN**



**QUARTERLY**REPORT

**1 OCTOBER - 31 DECEMBER 2015**

Quarter 3 - 2015/16 Financial Year



Quarterly Report for Q3 ( October to December 2015)

**Approval of the Report**

Recommended by the CEO for endorsement		Endorsed by the Accounting Authority	
<b>Name:</b> Adv. Leslie Sedibe	<b>Signature:</b> _____	<b>Name:</b> Mr. J. Maqhekeni	<b>Signature:</b> _____
<b>Rank:</b> CEO	<b>Date:</b> ___/___/2016	<b>Rank:</b> Chairperson	<b>Date:</b> ___/___/2016

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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>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>CCRD</b>	Consumer Commission Regulatory Division of the dti.
<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>COSATU</b>	the Congress of South African Trade Unions
<b>EBI</b>	Ekurhuleni Business Initiative
<b>EDD</b>	Economic Development Department, a national government department in the Republic of South Africa.

<b>IMF</b>	International Monetary Fund
<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>	Public Finance Management Act No. 1 of 1999.
<b>SALGA</b>	South African Local Government Association
<b>SAPBA</b>	South African Premier Business Awards
<b>The dti</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

# EXECUTIVE SUMMARY

This report covers the period 1 October-31 December and focuses on various highlights during the period:



## OVERVIEW

The past few months have been tough for South Africa's economy and the Rand has certainly not finished the year on a strong footing. South Africa has been handed an "increasingly weak" growth outlook.

During the period under review, the International Monetary Fund (IMF) lowered its 2015 growth outlook for the country, projecting that South Africa's economy would expand by only 1.4% in 2015 and 1.3% in 2016.

At the start of December 2015, rating agency, Fitch cut the country's grade to BBB- after S&P cut it to the equivalent level in June (2014).

In mid-December 2015, South Africa's credit rating outlook was also cut to negative by Moody's Investor Service, which said the country faces a "prolonged" period of slow growth.

To round off 2015, the Rand tumbled some 20 percent against the dollar, with some economists forecasting a tough year for South Africa's economy in 2016.

Some analysts believe the country could face a sub-investment grade rating from one agency by the end of 2016 for South African bonds, while projections into 2017 paint a gloomier outlook.

Although the economic outlook and projections point to turbulent times ahead, a practical approach to reviving South Africa's economy has been identified.

The McKinsey Global Institute recently released a report in Johannesburg which identifies five measures which could reignite South Africa's economy.

Dubbed the “big five”, implementation of these measures has the potential to add over one trillion Rand to the country’s annual GDP by 2030, create over 3.4 million jobs and transform the face of South African society.

The “big five” growth opportunities have been endorsed by Dr. Iraj Abedian, CEO: Pan-African Capital Holdings, as a practical approach in reviving South Africa’s Economy:

1. Creating a globally competitive hub in advanced manufacturing;
2. Making infrastructure investment more productive to enable growth across the economy;
3. Harnessing natural gas for power generation and industrial development;
4. Boosting exports of services to the rest of Africa and the world; and
5. Unlocking South Africa’s full agricultural production and processing potential.



Economists the world over agree that governments need to invest in self-sustaining solutions for long-term prosperity. There needs to be continued investment in infrastructure, local manufacturing, skills development, education and entrepreneurship.

Job creation and economic growth are at the heart of Proudly South African’s vision: Buying Local is a proven salve for ailing macro and micro economies worldwide.



Proudly SA believes a significant increase in the uptake of locally manufactured goods and services (by South African consumers, retailers as well as public and private sector procurement decision makers) will have a significant and positive impact on South Africa’s ailing economy, huge trade deficit and high unemployment rate.

As the country’s national Buy Local Campaign, Proudly South African promotes local procurement and also

believes in the importance of direct foreign investment. Balance is key to ensure that the country does not “export jobs” or become a “warehouse” for imported goods. Local brands and the local economy need to be given an opportunity to grow, so that jobs can be created and poverty can be eradicated.

***Be Proudly South African – Buy Local to Create Jobs!***

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Sources: Fin24; iol; Times Live; and EWN news sites

# GOVERNANCE AND OVERSIGHT DURING THE QUARTER

During the period under review, the following meetings took place:

## 3.1 Finance and Procurement Committee

The Finance and Procurement committee held its meeting on 26 October 2015 and the meeting considered the following:

- The revised Budget and reduced allocation from the dti for the 2015/16 financial year;
- The draft comprehensive Supply Chain Management Policy;
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule;

## 3.2 Audit and Risk Committee

The Audit and Risk committee held its meeting on 26 October 2015 and the meeting considered the following:

- The Risk Management Plan and Strategic Risk Register;
- The Internal Audit plan and fee for the 2015/16 financial year;
- The appointment of a new partner for Proudly SA for external auditors;
- The reports tabled by the External auditors for the financial year ending 31 March 2015, including the Management Letter and Audit Report; and
- The need for the CEO to engage the AG on the level of compliance by Government Departments and State Owned Companies with the designated sectors and the Local Procurement Accord.

## 3.3 Membership, Marketing and Communications committee

The Membership, Marketing and Communications committee held its meeting on 26 October 2015 and the meeting considered the following:

- An update on the process aimed at ensuring that the Economic Impact Study can be done, including the IDC report on the research they did on Local Content;
- The need for the organisation to appoint an Economist for Proudly SA and to include this position in the Organogram;
- An update on the engagement between the Pharmaceutical Industry and the DG of Health on ensuring that local procurement becomes part of their Agenda;
- The Marketing reports on all the previous activities that have taken place, including planned activities for the rest of the financial year;
- Media, PR and Social Media reports; and
- Membership Status reports;



### 3.4 Remuneration Committee

The Remuneration committee held its meeting on 28 August 2015 and the meeting considered the following:

- Performance Management report for the financial year;
- Staff Development Reports;
- A report on staff movements;
- Employee Assistance Programme including employee wellness activities;
- Payment of bonuses policy and recommendation for payment of bonuses for 2015/16 financial year to Executive Managers and staff;
- Annual closure of business for December 2015 holidays; and
- The need for a salary benchmarking exercise and comparative analysis on remuneration levels of staff by other similar organisations.

### 3.5 Board Meeting

The Proudly SA Board of Directors, met and considered the following:

- The need to finalise the FICA process for the organisation's Bank accounts;
- The Special Board meeting with the dti and the items to be discussed with the dti at that meeting;
- The revised budget and reduced allocation of funds from the dti for the 2015/16 financial year;
- The importance of Proudly SA presenting to the NEDLAC Manco and the Millennium Labour Council and the need to request slots to present at these forums;
- Board Evaluation process for the 2015/16 financial year;
- The importance of training of Board members, including a presentation by Judge Mervyn King as well as the circulation of all governance documents to members of the Board;
- The draft comprehensive Supply Chain Management Policy;
- The payment of performance bonus to staff, Executive Management and the CEO;
- Reports from the Standing Committees of the Board; and
- The financial reports as tabled for the period year to date, including Management Accounts and the Cash flow projection schedule

# THE PERIOD UNDER REVIEW

## 4.1 High level achievements for the quarter

During the period under review, the Proudly SA campaign was able to achieve most of its targets as contained in the Annual Performance Plan (APP) for the third quarter of the 2015/16 financial year.

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



- The national Proudly SA Buy Back SA roadshow, targeting business all over the country and supported by ABSA's Enterprise Development division, visited 3 provinces: namely Eastern Cape (East London), KZN (Durban) and the Western Cape (Cape Town) and in total, reached more than 200 delegates respectively, representing a mixture of both Proudly SA members as well as non-member companies;
- The provincial governments of both the Western Cape and KZN provinces, together with the Cape Town Metro, gave messages of support for the Proudly SA campaign and gave presentations on the efforts made by their respective organisations with regard to supporting local companies as well as improving their local procurement efforts;
- An above-the-line campaign was executed, focusing on the Buy Back SA campaign. Advertisements were placed on various outdoor media platforms including 12 branded trucks in Gauteng and Western Cape, 10 branded community walls in various townships across SA as well as 30 billboards in various prime spots (mostly taxi ranks in shopping malls) throughout the country;



- Proudly SA exhibited together with some of its members at various expos and events. The campaign participated in 5 different exhibitions and/or events which provided the campaign with a platform to educate consumers as well as both the private and public sector on the importance of buying local;
- Proudly SA's Twitter following exceeded 116 000. Organically grown, the number of followers continues to grow this PR platform, which enables Proudly SA to communicate its programmes and weigh in on relevant current topical issues. This growth indicates the campaign's relevance and appeal to the broader social media community;
- A total of 7 press releases were issued during the quarter on an array of topical issues, whereas a total of 8 media interaction/visits were held with representatives of different media houses;
- A total of 30 new members were successfully recruited and vetted for Proudly SA membership and have now joined the Buy Local Campaign; and
- Some 90% of members, scheduled to renew their membership with Proudly SA during the period under review, renewed their membership;



#### 4.2 Areas where targets were not met:

During the period under review, the Proudly SA campaign was able to achieve most of its targets as contained in the Annual Performance Plan (APP) for the third quarter of the 2015/16 financial year, however was not able to achieve the following targets:

- No meetings took place with any district municipalities during the period to market the campaign and educate them on: the importance of buying local and the LPA database of local products and services. Engagements took place with the SALGA team, in line with the agreement concluded between the two organisations, where it was agreed on the platforms to be used for Proudly SA to engage with all local and district municipalities at once, in the next quarter;
- The bi-annual meetings aimed at partnering with law enforcement agencies to deal with illegal imports, counterfeit products, under-invoiced products and dumping of unsafe products in SA did not take place during the quarter, as the secretariat for these meetings did not arrange the said meeting; and
- No competitions were run on any of our social media platforms, due to limited budget. However, the organic growth of the Twitter account to more than 116 000 followers, by tweeting on topical issues, has countered the lack of Proudly SA competitions on our social media platforms. As a result, there is no need for competitions at this stage as the purpose for which they had been earmarked is served through another economical and highly cost-effective way.

## 4.3 Highlights for the quarter

# PROUDLY SOUTH AFRICAN EVENTS

1 OCTOBER - 31 DECEMBER 2015

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### 4.3.1 CAPE TOWN BUSINESS FORUM - 20 OCTOBER 2015

This is a continuation of the 2015/16 edition of the Buy Back SA roadshow. Sponsored by ABSA, the forum is designed to bring Proudly SA closer to members and to introduce the campaign to potential members. It also aims to facilitate business to business networking and interaction between the Campaign and decision-makers and key stakeholders across the country. The stimulation of inter-member trade is another key objective of these sessions, which also provides member companies with an opportunity to profile their businesses. A mechanism developed to bring the Campaign closer to members, and non-members, it also aims to introduce Proudly SA to companies that are not members of the Campaign.

**Reach for this event:** 67 attendees

**Target Audience:** Business, government, member companies and non-member companies

### 4.3.2 Ebotse Captains of Industry launch - 22 October 2015

The Ebotse Captains of Industry breakfast launch was held on 22 October 2015 and its main objective was to enhance business development for the businesses in Ekurhuleni and to propel them into the global world. International and local government collaboration was the main focus of the event. The breakfast launch was sponsored by Grindrod Bank, McCarthy, Emperors Palace, Thompsons Travel and Ebotse Estate Agents.

**Reach for this event:** 45 Business people

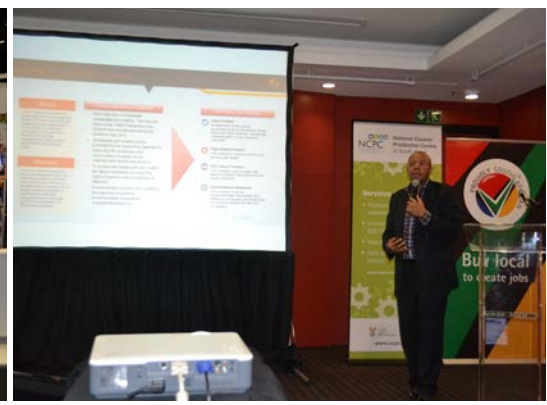
**Target Audience:** Established business people

### 4.3.3 EAST LONDON BUSINESS FORUM - 29 OCTOBER 2015

This is a continuation of the 2015/16 edition of the Buy Back SA roadshow. Sponsored by ABSA, the forum is designed to bring Proudly SA closer to members and to introduce the campaign to potential members. It also aims to facilitate business to business networking and interaction between the Campaign and decision-makers and key stakeholders across the country. The stimulation of inter-member trade is another key objective of these sessions, which also provides member companies with an opportunity to profile their businesses. A mechanism developed to bring the Campaign closer to members, and non-members, it also aims to introduce Proudly SA to companies that are not members of the Campaign.

**Reach for this event:** 45 Business people

**Target Audience:** Business, government, member companies and non-member companies



#### 4.3.4 COSATU PROUDLY SOUTH AFRICAN CHAMPIONS CONFERENCE - 3 NOVEMBER 2015

The event was organised in partnership with COSATU Western Cape and was aimed at ensuring the implementation of Buy Local principles and support for Proudly SA in the Western Cape. The conference also promotes the Local Procurement Accord and specifically interrogates measures to ensure its provincial implementation. The conference seeks to boost and increase the uptake and procurement of locally produced products and services, through discussions and commitments, which in turn will lead to greater levels of sustainable job creation.

The second part of the conference was in a form of a concert which brought together various communities with a view to galvanizing support on grassroots level and celebrating local talent.

**Reach for this event:** 1 600 attendees

**Target Audience:** Workers, small business, shop stewards, labour

The CEO delivered an address at this event on the Proudly SA campaign and on the economy wide benefits of Buying local.

#### 4.3.5 MANUFACTURING INDABA WESTERN CAPE - 6 NOVEMBER 2015

The aim of the event was to focus on the growth potential of 6 key industry sectors, as well as unpacking challenges and obstacles to find solutions for growth in each of these sectors, especially within the Western Cape Province. The manufacturing industry continues to face tremendous challenges. A shrinking manufacturing base, supply chain challenges, human capital challenges and the threat of other emerging economies and cheap labour continue to threaten the growth and prosperity of the South African manufacturing sector.

The aim of the Manufacturing Indaba is to bring together business owners, industry leaders, government officials, capital providers and professional experts to discuss challenges faced by industry and to brainstorm solutions. The success of the nation depends on a strong and innovative manufacturing base. The event also aimed to ensure that all role players continue to work together to promote prosperity through manufacturing, science and innovation.

**Reach for this event:** 486 delegates

**Target Audience:** Businesses, consumers, Government and the members of the community

The CEO delivered an address at this event on the Proudly SA campaign and on the economy wide benefits of Buying local.

### 4.3.6 GenNEXT 2016 LAUNCH AND YOUTH INSIGHTS BREAKFAST - 17 NOVEMBER 2015

This was the launch event for the next edition of the Generation Next conference and awards, scheduled for May 2016. Proudly SA is a strategic partner for both the awards and the conference and had a speaking and branding opportunity at this launch event. The event offered valuable eye-openers around the growing influence of Generation Z, and why most successful global youth marketing strategies are beginning to make the shift to these successors of millennial Generation Y.

**Reach for this event:** 200 guests including media reach

**Target Audience:** Youth, related organisations and media

The CEO delivered an address at this event on the Proudly SA campaign and on the economy wide benefits of Buying local.

### 4.3.7 DURBAN BUSINESS FORUM - 19 NOVEMBER 2015

This is a continuation of the 2015/16 edition of the Buy Back SA roadshow. Sponsored by ABSA, the forum is designed to bring Proudly SA closer to members and to introduce the campaign to potential members. It also aims to facilitate business to business networking and interaction between the Campaign and decision-makers and key stakeholders across the country. The stimulation of inter-member trade is another key objective of these sessions, which also provides member companies with an opportunity to profile their businesses. A mechanism developed to bring the Campaign closer to members, and non-members, it also aims to introduce Proudly SA to companies that are not members of the Campaign.

**Reach for this event:** 93 attendees

**Target Audience:** Business, government, member companies and non-member companies

### 4.3.8 SA AFRO MUSIC AWARDS - 28 NOVEMBER 2015

Proudly SA is a strategic partner of the newly introduced SA Afro Music Awards. This inaugural South African Afro Music Awards (SAAFMA) are designed to recognize excellence and promote the impact and importance of this genre. The big idea with this event is to keep the members of Afro Music growing, to recognize the custodians and those who continue to excel and propel it. SAAFMA's are established to commemorate and honour artists and role players in the Afro music genre.

The aim of the awards is to celebrate and keep the Afro Music genre relevant and to show appreciation and encourage the musicians. The partnership also seeks to forge an alliance with the music industry in the fight against music piracy.

**Reach for this event:** 200

**Target Audience:** Entertainment and Music, related organisations, including the media

The CEO delivered an address at this event on the Proudly SA campaign and on the economy wide benefits of Buying local.

### 4.3 Highlights for the quarter

## PR, COMMUNICATIONS & MEDIA

### 4.4 SUMMARY - MEDIA/PR REPORT

#### ....EXECUTIVE SUMMARY....

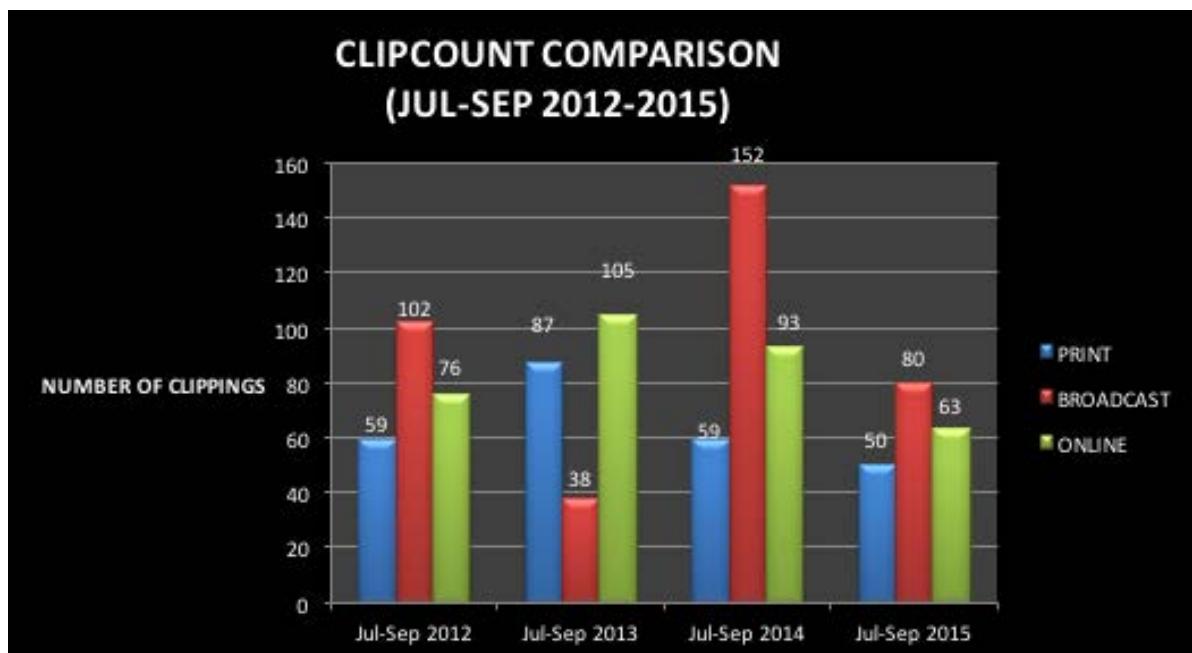
#### 4.4.1 CLIPCOUNT ANALYSIS - 2012/2013/2014/2015 QUARTERLY COMPARISON

The Clipcount 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 2015).

Comparison is made with the same period in 2012, 2013 and 2014. (Only clips relating specifically to Proudly SA and its activities are included in the clipcount analysis. The clipcount is extracted from daily notifications from Newsclip Media Monitoring Services relating to phrases/key words "Proudly South African").

#### 4.4.2 CLIPCOUNT ANALYSIS - INDIVIDUAL MONTHLY COMPARISONS

The individual monthly comparisons show the number of media clippings for each media platform i.e. print, broadcast and online for July, August and September 2012, 2013, 2014 and 2015 respectively.



#### 4.4.3 CLIPCOUNT ANALYSIS - MEDIA TYPES

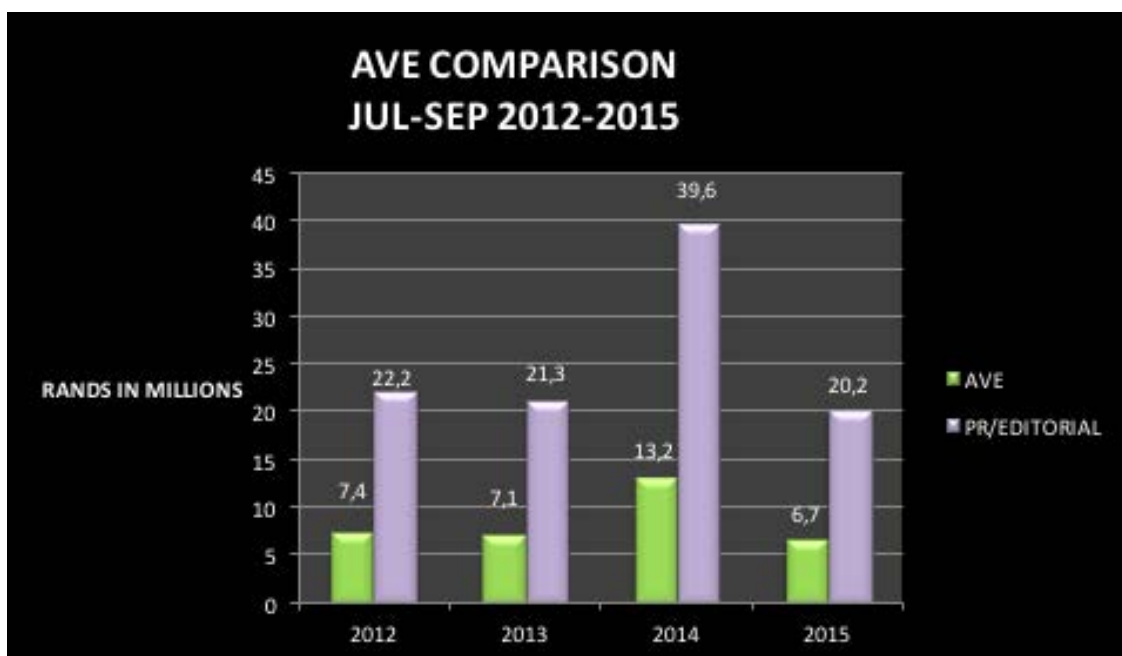
The media types show which online sites, print publications and television and radio stations carried stories and/or publicized Proudly South African and/or its activities for the period under review.

#### 4.4.4 AVE/PR VALUE - 2012/2013/2014/2015 JUL-SEP COMPARISON

The AVE/PR Value Comparison shows a decrease for the period July-September 2015 compared to the three previous years

#### 4.4.5 AVE/PR VALUE - INDIVIDUAL MONTHLY COMPARISONS

Exact values are given for each month in the period under review (compared to the same period the previous year).







Although there were no major events hosted by Proudly SA for the period under review, a few PR/Media highlights included:

- Proudly South African continued with its nationwide initiative to empower and equip small businesses and entrepreneurs for success and sustainability. This is with a view to ultimately stimulate the local economy and contribute towards an environment which is conducive for job creation. The Business Forums, sponsored by Absa and supported by the dti, forms part of Proudly SA's mandate to promote locally manufactured products and services and to educate procurers, enterprises and consumers about the economy-wide benefits of supporting and buying locally made goods

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## Proudly SA to assist small businesses

Proudly South African is once again embarking on a nationwide initiative to empower and equip small businesses and entrepreneurs for success and sustainability.

This is with a view to ultimately stimulate the local economy and contribute towards an environment which is conducive for job creation.

The initiative forms part of Proudly SA's mandate to promote locally manufactured products and services and to educate procurers, enterprises and consumers about the economy-wide benefits of supporting and buying locally made goods.

Supported by the Department of Trade and Industry and Absa Bank, the first event kicked off in Polokwane in Limpopo on Tuesday under the theme "Innovation and

Competitiveness".

"It has been proven worldwide that buying local remains a powerful measure to create jobs which, in turn, helps reduce the unacceptably high levels of poverty. Therefore it's important that all South Africans unite in a collaborative effort to support and promote local enterprises, entrepreneurs and manufacturers as well as the products they produce," said Proudly SA's Chief Executive Officer, Advocate Leslie Sedibe.

Local businesses, entrepreneurs, SMMEs and procurement officials are invited to attend the morning conference. There will be no cost for delegates to attend. "The government has already committed itself to stepping up local procurement through various interventions.

Proudly SA is also geared towards empowering small businesses and entrepreneurs with a view to stimulating local manufacturing, the local economy and job creation," added Adv. Sedibe.

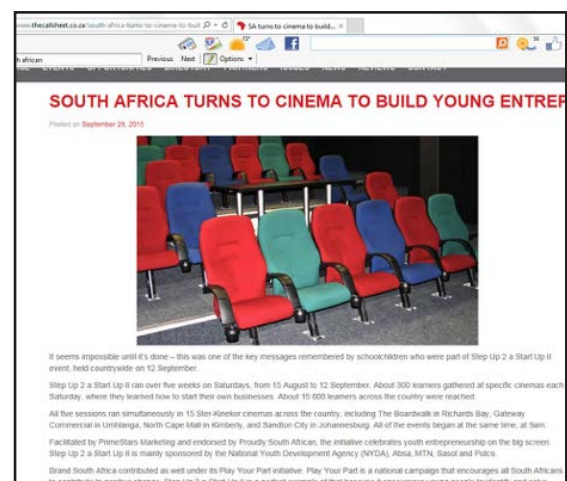
The Limpopo leg will include representatives from the Department of Trade and Industry, Productivity SA, Absa and the National Cleaner Production Centre. They will provide information and advice on their business offerings, incentives and funding for entrepreneurs and small businesses.

"It's also an opportunity for networking and creating partnerships which can contribute towards business growth, economic growth and sustainable job-creation," concluded Adv. Sedibe.

- Proudly South African officially endorsed STEP UP 2 A START UP, a youth development initiative by PrimeStars Marketing, which has seen vital entrepreneurship lessons reaching thousands of historically disadvantaged high school learners across the country.

Already launched in cinemas nationwide, this ground-breaking initiative aims to inspire a culture of entrepreneurship and wealth creation among youths.

The official media launch took place on Thursday, 27 August 2015, at Montecasino and the Minister of Small Business Development, Lindiwe Zulu, was the keynote speaker. Various South African celebrities were also introduced as ambassadors of the initiative.





- Proudly SA marked Heritage Day on 23 September by issuing a press release, calling on the nation to celebrate its cultural wealth and to embrace a greater sense of 'unity in diversity'.

The organization also took part in a Pretoria News Advertorial Feature, marking Heritage Day.



- Proudly SA also issued a press release during the period under review to mark the renewal of its strategic partnership with the CGF Research Institute.

Proudly SA and the CGF Research Institute have renewed a strategic partnership agreement, which will see a continuation of the long standing partnership between the two organisations.

“We highly value our ongoing partnership with the CGF Research Institute and are indeed proud of the association – it speaks to good corporate governance, business ethics and integrity when doing business,” said Proudly

SA’s CEO, Adv. Leslie Sedibe.

The CGF Research Institute is a Proudly South African organisation that specialises in conducting umbrella research on Corporate Governance, Risk and Compliance (GRC).

“As Proudly SA we believe in good corporate governance and compliance principles – and we ascribe to high ethical values to the benefit of our members, partners, associates and staff. It is what we pride ourselves upon. We are therefore pleased to be renewing our partnership with an organisation that promotes and practices our shared values,” added Adv. Sedibe.



#### 4.4.7 PRESS RELEASES

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

No.	Date	Headline
1	16 July	Proudly SA pays tribute to veteran journalist, ramatsiyi mohloa, following reports of his passing
2	28 July	Empowering small business & entrepreneurs through "buy local" drive - press release
3	28 July	Proudly SA- empowering small business & entrepreneurs through "buy local" drive - media advisory
4	28 July	Proudly SA pays tribute to legendary south african cricketer, clive rice
5	21 Aug	Proudly SA empowering mpumalanga local business
6	26 Aug	Proudly SA officially endorses youth entrepreneurship programme
7	28 Aug	(Pre-written) proudly south african and cgf research institute renew strategic partnership
8	23 Sep	(Pre-written) Heritage Day press release

#### 4.4.8 MEDIA VISITS / ENGAGEMENTS

In order to build and strengthen good working relationships with the media - and to promote good media coverage of Proudly SA and its activities - the PR Manager had both formal and informal meetings/networking sessions with members of the media and/or advertising officials from the following media platforms (among others), during the period under review:

1	SABC RADIO
2	ANN7
3	EWN
4	RECORD-WEST, NOWETO, CENTRAL
5	Classic FM
6	GOVERNMENT COMMUNICATIONS



#### 4.5 CEO PRESENTATIONS

The CEO presented at various events and took part in various media interviews during the period under review. The aim is to create awareness and to educate audiences about the Proudly South African Campaign and what it stands for. Businesses/enterprises are also invited to support and join the Proudly South African Buy Local Campaign. The CEO's presentations included, among others, the following:

Date	Event	Venue
1 October 2015	SA Council of Shopping Centres Annual Congress	Durban
5 October 2015	Miss SA Finalists	Sandton
8 October 2015	Nestle/CSIR Event	Pretoria
13 October 2015	Presentation to Tlokwe and Vaxjo Sweden	Tlokwe
13 October 2015	Golden Key Member Induction	Pretoria
20 October 2015	Cape Town Proudly SA Business Forum	Cape Town
22 October 2015	Ebotse Captains of Industry	Benoni
27 October 2015	State Diamond Trader Indaba	Sandton
29 October 2015	East London Proudly SA Business Forum	East London
3 November 2015	Cosatu Champions Conference and Festival	Cape Town
6 November 2015	Cape Town Manufacturing Indaba	Cape Town
10 November 2015	Youth Insights Breakfast	Sandton
19 November 2015	Durban Proudly SA Business Forum	Durban
20 November 2015	Laudium Child Welfare Event	Pretoria
1 December 2015	Step Up Awards	Sandton

# PERFORMANCE FOR THE PERIOD UNDER REVIEW

October to December 2015) - Performance against the Annual Performance Plan targets for the quarter

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	* Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA) activism campaign reaching at least 10 million consumers	*To reach 2,5 million consumers through the Buy Back SA campaign each quarter	*In excess of 2, 5 million consumers reached through the Buy Back SA campaign with advertising on: - 12 branded trucks; - 10 community township walls; - 30 billboards in taxi ranks and around shopping malls, all over the country.	
Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade	Above-the-line campaigns promoting the Proudly SA logo as the Country of Origin label. These include radio and TV adverts, TV blurbs, print banners, street posters, social media campaigns and the Proudly SA website.  The indicator is the number of people reached through these campaigns.	Above-the-line campaigns promoting the Proudly SA logo as the Country of Origin label reaching 10 million consumers per annum.	*To reach 2,5 million consumers through the Buy Back SA campaign each quarter	*In excess of 2, 5 million consumers reached through the Buy Back SA campaign with advertising on: - 12 branded trucks; - 10 community township walls; - 30 billboards in taxi ranks and around shopping malls, all over the country.	
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<b>Educational roadshows</b> Increase buy-in and support for local procurement by the public sector (all state organs) through:  *Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum  *Partnership with National Treasury to drive Buy Local Message to procurement decision makers in all spheres of government and to monitor procurement within the public sector:	*At least 1 presentation to SOEPF per annum	*At least one presentation to SOEPF (per annum)	None (during this quarter)	*SOEPF presentation not scheduled for Q3



Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	*National, provincial and local departments visits – engagement with procurement officers	*2 provincial governments p/a *2 metros per annum *20 district municipalities p/a;	*1 provincial government; * 1 Metro *SALGA district municipalities	*The dti is part of the national roadshow *2 provincial govt. - WC and KZN; *1 Metro met - Cape Town	
	*Presentation at MinMEC	*1 presentation to Minmec	*Activity to take place when Proudly SA is invited to Minmec	*No – municipalities reached. SALGA activities identified for this	* To participate in SALGA activities in Q4
	*Presentation at SALGA	*1 presentation to SALGA	*Presentation and/or meeting with SALGA per annum	*Activity to take place when Proudly SA is invited to Minmec	
	*1-2 x day Buy Local Summit – focusing on all state organs and business procurement	*At least 1 summit to be held per annum	*Buy Local Summit scheduled for Q4 (March 2016)	*2 x partnership meetings with SALGA took place	
	*1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – “Made in SA” Expo	*At least 1 Buy Local Expo held per annum	*Buy Local Expo scheduled for Q4 (March 2016)	*Buy Local Summit to take place in Q4 (30 March '16) *Buy Local Expo to take place in Q4 (30 March '16)	
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	<b>National Educational road shows:</b> Increased buy-in and support for local procurement by the private sector. Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products through:  * Presentations to BUSA, BBC and BLSA members;  * Briefing sessions/ one-on-one visits to/with retailers	*1 presentation to BUSA, BBC and BLSA per annum;  *Briefing sessions with at least 2 major retailers per annum;	*No presentation to any of the targeted organizations  **No briefing with at least 1 major retailer;	*None  *None	*Presentation slots not yet confirmed by the orgs.

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	<p>*1-2 x Day Buy Local Summit – focusing on all state organs and business procurement</p> <p>1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – "Made in SA" Expo</p> <p>*Sector Specific Workshops/Business Forums</p> <p>*SME &amp; Co-operatives workshops with dti, COTII's and other strategic partners</p> <p>*Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos</p> <p>*SA Premier Business Awards (in partnership with the dti and Brand SA)</p>	<p>*At least 1 summit to be held per annum;</p> <p>*At least 1 Buy Local Expo held per annum;</p> <p>*1 x workshops/forums per annum</p> <p>*4 workshops per annum</p> <p>* Participation in at least 8 trade expos, events, etc. per annum</p>	<p>*Buy Local Summit scheduled for Q4 (March '16)</p> <p>*Buy Local Expo scheduled for Q4 (March 2016)</p> <p>*At least 1 sector specific business forum/workshop to be held in Q4</p> <p>*1 workshop per quarter</p> <p>*2 trade expos, events, etc. per quarter</p>	<p>*Buy Local Summit to take place in Q4 (30 Mar '16)</p> <p>*Buy Local Expo to take place in Q4 (30 Mar '16)</p> <p>* No sector specific workshop scheduled for Q3</p> <p>*3 Business forums held with dti, ABSA, NCPD and Productivity SA</p> <p>*Participated in 5 x events (Ebolise Captains of Industry launch, COSATU Proudly SA champions conference, Manufacturing Indaba WC, GenNext 2016 Launch, SA Afro Music event</p> <p>*Awards scheduled for Q4 (March 2016)</p>	<p>*IT sector specific workshop scheduled for Q4</p> <p>*Business forums now serve same purpose as forums</p>
Partnership with enforcement agencies against illegal import, counterfeit products, under invoiced products and dumping of unsafe products	<p>*Below- and above-the-line anti-piracy and illicit trading campaigns reaching 2 million people per annum;</p> <p>*Develop partnerships with inter-governmental state enforcement agencies, i.e. SARS, CIPC,</p>	<p>*1 Above- and below-the-line campaign reaching 2 million people</p> <p>*Participation in the bi-annual meetings and raids as arranged by the enforcement team</p>	<p>*Above and Below the line campaigns reaching 500k people per quarter</p> <p>*Partnership meetings with relevant stakeholders</p>	<p>* Anti-piracy campaign postponed.</p> <p>*no bi-annual meetings took place during Q3 as they are</p>	<p>*Strategic partnerships for the campaign required as funds not available for this campaign</p> <p>*Proudly SA waiting for the bi-annual meetings to</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	Customs, SAPS, Hawks, and Adams & Adams etc. *Road shows to customs, ports, borders to educate staff on counterfeit products	*At least 2 roadshows per annum	*At least 1 roadshow in this quarter	still to be convened by the organisers * Roadshows to take place in the new financial year	be convened by the organisers *Roadshows to only commence in 2016/17
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	* <b>Above-the-line campaign</b> , i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA) activism campaign reaching at least 10 million consumers	*To reach 2.5 million consumers through the Buy Back SA campaign each quarter	*In excess of 2, 5 million consumers reached through the Buy Back SA campaign in taxi ranks, on trucks, on township walls all over the country.	
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behavior to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	* <b>PR and below-the-line</b> activities through social media, press releases and other PR related activities; *National consumer educational road show through mall activations (Education Through Edutainment)	*PR & below-the-line activities reaching at least 5 million consumers *Mall activations in at least 4 provinces annually	* 2.5m consumers reached through PR activities per quarter *Mall activations in at least 4 provinces	*More than 2.5 million consumers reached (based on RAMS/TAMS/circulation *Advertising in strategic positions at taxi ranks in 30 malls and shopping complexes	
	*Ubuntu Campaign in secondary schools and FET colleges	*Roll out of Ubuntu campaign in at least 8 school and/or FET colleges per annum	*Reach students in at least 2 schools in quarter 3	*Step up to start up awards reached students nationally in all 9 provinces	
	*University activation campaigns campus radio adverts / live reads, industrial theatre and edutainment *Proudly SA events/ exhibitions/ expo's/villages at trade expos	*During RAG 2 x Universities per annum. Campus radio throughout the year *Participation in at least 8 trade expos, events, etc. per annum	*These activations planned for quarter 4 *Participate in at least 2 trade expos, events, etc. per quarter	*Activations planned for Q4 *Participated in 5 x events (Eboise Captains of Industry launch, COSATU Proudly SA champions	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	* Proudly SA CSI projects	*At least 2 CSI projects per annum	*No CSI activity planned for Q3	conference, Manufacturing Indaba WC, GenNext 2016 Launch, SA Afro Music event  *No targets for Q3	*2 x CSI projects done for the year in Q1 and Q2
<b>Brand Management</b> Brand research - Development of a reliable monitoring and evaluation system	Existence of a reliable monitoring and evaluation system – to measure uptake of local products and services and procurement by the public sector, private sector and consumers;  Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	*Bi-annual research on brand awareness and uptake of Proudly SA member products and services conducted  *At least 2 x dipstick surveys per quarter conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website  *Qualitative & Quantitative Research – once per annum	*Bi-annual research to commence in Q4 (budget permitting)  *At least 2 dipstick surveys per quarter  *At least 1 research done in 2014/15 (budget permitting)	*Economic Impact Study to be secured during Q4  *3x dipstick surveys done during the quarter using the in-house Questback research software for provincial business forums  * No research undertaken during Q4 due to budget constraints	*Process underway to secure the Economic Impact Study during Q4  *Process underway to secure the Economic Impact Study during Q4
<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	*Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods  *Action/letters of demand to irregular users of the Proudly SA logo	*Weekly monitoring of the use of the logo in the market  *100% of all identified illegal users sent letters	*Weekly monitoring done  *All identified irregular users were sent letters – 100%	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
		<p>*Regular compliance reviews of all members</p> <p>*Weekly monitoring with Adams &amp; Adams of companies that are using the Phrase and logo illegally</p> <p><b>*Media Monitoring</b> Daily monitoring of media reports coverage on Proudly SA, its members and other stakeholders</p> <p>*Press releases At least 24 press releases per annum</p> <p>At least 4x media breakfast meeting per annum Individual meetings with Editors - 4 per annum</p> <p>* Social Media activities daily;</p>	<p>*100% (All) members checked for compliance</p> <p>*Monitoring of the use of logo and phrase done illegally</p> <p>*Daily monitoring through Newsclip</p> <p>*6 press releases issued per quarter</p> <p>*1 media breakfast or an editor's meeting per quarter</p> <p>*Daily updates on Twitter and Facebook done</p>	<p>*All members checked as part of the new and renewals membership process – 100%</p> <p>*Monitoring done by Adams and Adams weekly – 100%</p> <p>*Monitoring done during the quarter</p> <p>7 X press releases issued during Q3</p> <p>*12 media meetings/visits held during the quarter with TNA MEDIA (ANN7 &amp; NEW AGE); eTV SUNRISE, SABC TV (24 HOUR NEWS CHANNEL), EWN, GOV COMMS, CLASSIC FM, SABC RADIO and IOL – BUSINESS REPORT</p> <p>*Daily updates done on Twitter and Facebook resulting in an increase in the number of followers on both platforms. The Proudly SA Twitter account now has</p>	
Strengthening Media relations, PR and social media	<p>*Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof</p> <p>* Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)</p> <p>*Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media tactical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through <b>media breakfasts/lunches &amp; media meetings hosted by the CEO, Chairperson, board or the PR Manager</b></p> <p>*Daily communication on Twitter and Facebook</p> <p>*Increase following on social media platforms and increase in publicity</p>				

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	*Increased activities and competitions during Campaigns	*Weekly competitions once a month;  *Valentine's Day activation 1x per year on Valentine's day	*Weekly competitions during the quarter  *This activation is scheduled to take place during Q4 (Feb '16)	118 000 followers and Facebook has more than 10 000 followers  No competitions during the quarter  *This activation is scheduled to take place during Q4 (Feb '16)	*Competitions not ran due to budget constraints. Reliance placed on organic Twitter growth
Growing the database of South African supplier products and services for local procurement.	Promotion of database of local products and services to all government entities through workshops / regular communique (this will include the promotion of all other SA Made products and services as per the designated sectors).	*6 national departments reached per annum  *2 provincial governments reached per annum  *20 district municipalities reached per annum  *20 State owned entities and agencies  *1 000 businesses reached through these campaigns.	*1 National department per quarter  *1 Provincial government in quarter 3  *5 district municipalities and/or Metros per quarter  *5 State owned entities per quarter  *250 businesses reached per quarter	*The dti is part of the national roadshow  *2 provincial government departments – WC and KZN  *Presented to SALGA national members assembly with all 278 municipalities present  *No state entities engaged during Q3  *Approx. 250 x businesses reached through the events at which we hosted and approx. 4 000 entrepreneurs and aspiring ones reached through the WC Manufacturing Indaba	*State entities engaged for participation in the summit and to be reached in Q4 at the Buy Local Summit and Expo
Retention and Recruitment Members	Number of members recruited and retained	*Recruit at least 144 new members for the year  *Retain at least 50% of all members due for renewal for the year	*36 new members recruited during the quarter  *50% of all members due for renewal renewed membership	*30 new members approved and 22 paid the required membership fee  *90% of all members due for renewal, renewed their membership	

# PFMA AND TR COMPLIANCE CHECKLIST / COMPLIANCE CALENDER

## CORPORATE MANAGEMENT

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

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, coordination 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 X X X X X X X</p>			<p>The Audit Committee considers and approves the Audit plans of both Internal and External Audits which detail all the information referred to herein, as well as all the findings and recommendations of the auditors in respect of this</p>
	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
	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  X  X			<ul style="list-style-type: none"> <li>Risk Assessment is done annually and the Risk Register is updated annually</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 the required and applicable standards
	TR 27.2.7		<p>Has the internal audit function prepared a three year strategic internal audit plan based on the risks facing the public entity?</p> <p>Does the internal audit function report to the audit committee detailing its performance against the plan?</p>	X  X			<p>The internal Audit plan approved by the Audit committee and the Board is based on a rolling 3 year plan</p> <p>All internal audit reports are tabled at the Audit Committee and the Auditors report to the committee on all their work</p>
	TR 27.2.10		<p>Does the internal audit function evaluate the following:</p> <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 reporting done at the end of the financial year and in preparing the Annual Financial Statements, the Directors include a report on the evaluation they have done on the items identified.

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
			Has the accounting authority been found guilty of an offence or is there any investigation pending relating to the willful or negligent failure to comply with the provisions of sections 50, 51 or 55?		X		
			Have any employees of the public entity committed financial misconduct?		X		
			If so, was the investigation instituted within 30 days?			X	
			Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct?			X	If any criminal charges are instituted for financial misconduct, the Executive Authority will be advised accordingly
			Is the Executive Authority, Auditor-General and relevant treasury provided with a schedule detailing: <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.

# PFMA CHECKLIST FOR PUBLIC ENTITIES PLANNING AND BUDGETING

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	52	Annual budget, corporate plan and business enterprises public entities and government enterprises	<p>Did the accounting authority submit the following to the relevant authority for his or her approval 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>	X			<ul style="list-style-type: none"> <li>• The budget and cash flow for the financial year were submitted to the dti on time</li> <li>• The Board has approved the Strategic Plan and it was submitted to the dti and a business plan was developed based on the approved Strategic plan.</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><input type="checkbox"/> revenue, expenditure and borrowings;</li> <li><input type="checkbox"/> asset and liability management cash flow projections;</li> <li><input type="checkbox"/> capital expenditure programmes; and</li> <li><input type="checkbox"/> dividend policies</li> </ul> </li> </ul>	X			<ul style="list-style-type: none"> <li>• The Draft strategic plan and business plan has been submitted to the Executive Authority</li> <li>• This is built into the Draft 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> <p>This is part of the corporate plan submitted to the Executive Authority for approval after approval by the Board as the Accounting Authority</p>
	TR 29.2		<p>Does the public entity conclude a shareholder's compact with the executive authority on an annual basis?</p> <p>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?</p>	X			<p>A shareholders compact was previously concluded in the draft 2015/16 compact/MOU is still pending.</p> <p>The previous shareholders compact did not detail the key performance measures and the indicators</p>
2.	53(1)	Annual budgets by nonbusiness Schedule 3 public entities	<p>Did the accounting authority submit a budget to the executive authority for his or her approval at least one month before the start of the financial year of the department designated by the executive authority?</p>	X			<p>Specific to Schedule 3 non business entities however Proudly SA does submit its budget to the dti as per the previous Shareholders compact</p>
	53(2)		<p>Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?</p>	X			<p>Specific to Schedule 3 non business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dti as per the previous Shareholders compact</p>
	53(3)		<p>Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?</p>		X		<p>Specific to Schedule 3 non business entities and not applicable to Proudly SA however, the budget for 2015/16 does not have a deficit against it</p>
	TR 30.1.1		<p>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?</p>			X	<p>Specific to Schedule 3 non business entities and not applicable to Proudly SA, however a strategic plan was submitted as per the previous Shareholders compact</p>
	TR 30.1.2		<p>Was the final strategic plan submitted to the executive authority before 1 April?</p>			X	<p>Final strategic plan submitted as per previous Shareholders compact requirements</p>

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>	X X X X  X  X		N/A	The Strategic plan approved by the Board does cover the areas as required by the Treasury Regulations

PFMA CHECKLIST FOR PUBLIC ENTITIES  
MANAGEMENT OF WORKING CAPITAL

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

TR 29.1.3 TR 29.1.6	<p>Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only)</p> <p>If a borrowing programme was submitted, did it include?</p> <ul style="list-style-type: none"> <li>• The terms and conditions on which the money was borrowed?</li> <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>	<p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p>	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>	<p><b>X</b></p> <p><b>X</b></p> <p><b>X</b></p>	No money borrowed by the campaign for any purposes, including for bridging purposes

PFMA CHECKLIST FOR PUBLIC ENTITIES  
MANAGEMENT OF WORKING CAPITAL

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	TR 26.1.1	Quarterly Reporting	Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dti as per the Shareholders Compact (30 days from the end of each quarter)
	TR 26.1.2		Does the public entity report quarterly to the executive authority (via the designated accounting officer) on the extent of compliance with the PFMA and Treasury Regulations? (Schedule 3A and 3C public entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the dti
	TR 29.3.1 TR 30.2.1		Has the public entity established procedures to report quarterly to the executive authority in relation to progress made against achieving the targets set out in the strategic and corporate plan?	X			Proudly SA is required in the Shareholders Compact to submit quarterly reports to the dti, as per the previous Shareholders Compact. The quarterly reports details the progress made against achieving the set targets
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, AFS and the Auditors report have been submitted to the dti on time, as required in the Shareholders Compact

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 AFS fairly presents the information required
	65		<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>	X		X	<p>The Executive Authority is not obliged to table this as Proudly SA is not a public entity, however the Annual report is submitted to the dti to enable the Minister to table this if the need arises</p>
	TR 27.1.7		Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference	X			This disclosure was included in the Annual Report as the audit committee has approved terms of references
	TR 27.1.10		Did the audit committee comment on its evaluation of the public entity's financial statements?	X			The Audit committee does comment on the public entity's financial statements in the AFS and in turn 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 CHECKLIST FOR PUBLIC ENTITIES  
CASH MANAGEMENT, BANKING AND INVESTMENT

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	51(1)(b)(iii) TR 31.1	Cash Management	<p>Are systems, procedures and processes in place in the public entity to ensure efficient and effective banking and cash management, which includes?</p> <ul style="list-style-type: none"> <li>• Collecting and banking revenue promptly Making payment no earlier than necessary with due regard for efficient, effective and economical programme delivery and the public entity's normal terms for account payments;</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>	<p style="text-align: right;"><b>X</b></p> <p style="text-align: right;"><b>X</b></p> <p style="text-align: right;"><b>X</b></p> <p style="text-align: right;"><b>X</b></p> <p style="text-align: right;"><b>X</b></p> <p style="text-align: right;"><b>X</b></p> <p style="text-align: right;"><b>X</b></p>		N/A	Proudly SA is not a public entity but conforms to best practice as prescribed by the PFMA and Treasury Regulations for its banking and cash management

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
2.	TR 31.2.1	Banking	<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			
3.	TR 31.3.1 TR 31.3.2	Investment	<p>Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?</p> <p>Does the public entity have an investment policy?</p> <p>If yes to the above, does the investment policy include the:</p> <ul style="list-style-type: none"> <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  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

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action owner	Time Frame
1	Increase uptake of Membership	Strategic Risk	Lack of legislative mandate.	High	Presentations and submissions made to the Trade and Industry portfolio committee to have Buy Local legislated. Procurement regulations revised and the dti has designated products for public procurement	Satisfactory	Medium	A Proudly SA Buy Local Act to be developed and promulgated. A need for the enforcement and monitoring of the current public procurement regulations for designated products.	Board	31-Mar-16
2	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Insufficient funding to ensure sustainability of the campaign.	High	Raising sponsorships Partnership with relevant institutions	Satisfactory	Medium	Improve sponsorship drive Initiate process to secure legislative mandate. Secure fulltime broadcasting partner.	MANCO	30 Nov 2015 31 Mar 2016 31 Mar 2016

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
3	To work with enforcement agencies to prevent illegal imports, dumping of unsafe products and illicit trade	Strategic Risk	Lack of legislative mandate and recognition of Proudly SA as a key player by the enforcement agencies.	High 25	Presentations and submissions made to the Trade and Industry portfolio committee to have Buy Local Procurement regulations revised and the dti has designated products for public procurement	Unsatisfactory	High 23	A Proudly SA Buy Local Act to be developed and promulgated. A need for the enforcement and monitoring of the current public procurement regulations for designated products.	Board	31-Mar-16
4	Increase uptake of Membership	Strategic Risk	Poor value proposition for existing and prospective members.	High 20	Value proposition based on Proudly SA activities and campaigns	Weak	High 14	The value proposition needs to be improved to provide for items that impact on the bottom line of the member companies, including BEE points and/or tax benefits	Board	31-Mar-16
5	To educate South African on the importance of 'Labels of origin' in order to promote fair and legal trade with other countries.	Strategic Risk	Lack of uptake of Proudly SA products and services by all spheres of governments including SOE's (Non – compliance with regulations on designation of sectors)	High 20	Procurement regulations revised and products designated for local procurement by all organs of the state	Weak	High 14	Need for a monitoring mechanism to ensure that all organs of the state comply with these new procurement regulations - inclusion in AG audits and monitoring by NT and Proudly SA	(MANCO) through the Board	31-Mar-16

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
6	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Lack of funding to undertake meaningful research to inform consumer education campaigns	High	Deep stick surveys undertaken after every event.	Weak	Medium	Proudly SA to conduct an Economic impact study on Buy Local. To source and possibly partner with institutions that have carried out similar studies.	MANCO	31-Mar-16
7	To compile a database of locally produced products and services.	Strategic Risk	Lack of comprehensive LPA supplier database	High	Self-registration by local companies on the LPA database of local products on the website	Weak	Medium	Require a campaign to promote the database of local products and the use of the database by both the private and the public sector.  Identify strategic partners to assist with database	Executive Manager: Marketing & Comms  CFO	31-Mar-16
8	To compile a database of locally produced products and services.	Strategic Risk	Lack of funding to promote the LPA supplier database to consumers, business and government.	Medium	No funding allocated for promotion of LPA database, therefore database promoted at events, activations, etc.	Weak	Medium	Allocation of funds for a campaign aimed at popularizing the database. The increase of the use of the database by the public and the private sector will increase the profile of the database	Executive Manager: Marketing & Comms	31-Mar-16

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent Risk	Current Controls	Perceived control effectiveness	Residual Risk	Actions to improve management of the risk	Action Owner	Time Frame
9	To compile a database of locally produced products and services.	Strategic Risk	Existence of multiple databases in the market, including a proliferation of similar industry sector organisations with similar objectives to Proudly SA	High	Attempts to conclude partnership with organisations that have databases in order to merge the databases have been made. i.e. SALGA, NT, SOEPF	Weak	Medium	Efforts to merge databases to continue - require a legislative mandate for Proudly SA's database to be the preferred database. Promotion of database required to improve credibility of the Proudly SA database	Board	31-Mar-16
10	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Threat of counterfeit goods, dumping of illegal and toxic waste and unfair trade.	Medium	Proposed partnerships with law enforcement agencies to roll out anti-dumping and prevent illegal imports	Unsatisfactory	Medium	CEO appointed as Interpol ambassador. Partnerships with law enforcement agencies to be finalised. Roadshows at borders and customs to educate consumers and customs staff about illegal imports	Executive Manager: Membership and Compliance	31-Mar-16

# PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

No.	Finding	Corrective Action (Plan)	Status
1.	Membership renewal forms relating to some invoices for membership renewal were not provided.	Members are sent renewal forms at the time of renewal of membership and follow up is made regularly. Some members still do not submit renewal forms despite this process. This process will continue to be followed and this will also include regular follow up with all renewed members to get them to submit the required forms	Implemented (ongoing)
2.	There were some employees that had negative leave days at financial year end	The campaign has a strict policy with regards to leave administration, however the above relates to employees who had to be given leave during the December holiday period, despite not having sufficient leave days as the Proudly SA offices were closed at that time. In some instances it is because the employees in question were still new and had not accumulated enough leave days at the time or they had been forced to take other leave which meant they could not save enough leave days for the December holidays, as required. The current practice is that leave is never granted to any official unless they have accrued sufficient leave credits, including leave days for the December period, except under exceptional circumstances.	Completed
3.	Statutory deductions to the South African Revenue Services were not paid on time for the months of November and December 2013 and January and February 2015. It was noted that the EMP 201 payments were made after the cut-off date by SARS.	The Executive Manager: HR and Admin underwent surgery, was hospitalized and was off sick during the period when this return was due and as a result, this statutory return could not be filed in time, however provisions have now been made to ensure that all future statutory requirements will be complied with, including the submission and payment of the PAYE returns by the 7th of the next month (when they are due)..	Completed
4.	The company's listed directors are not updated on the CIPC database, as it still has the names of old directors. The current director details have not been updated by CIPC either.	The companies' updated information was lodged with the CIPC through their online platform following the AGM held on 27 November 2014, but despite several attempts, this was not successfully updated on the system. This was then followed up by actual physical visits and submissions to the CIPC office of the updated information, but despite this intervention, including communication with the Registrar responsible for this, the company's information continues to remain the same. There will be efforts made to continue to seek assistance from the CIPC to try and resolve this. - <b>The directors' details have now been updated.</b>	Completed

# FINANCIAL REPORT

## FINANCIAL TABLE REFLECTING EXPENDITURE VS. BUDGET

Description of item	Budget for the quarter (Q3)	Actual for the quarter (Q3)	Variance for the quarters (Q3) Rands	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (31 December 2015) Rands	YTD Variance (31 December 2015) Rands
<b>INCOME</b>								
Membership Fees	750,000	528, 810	(221,190)	(30%)		3,000,000	1,419,250	(1,580,750)
Grant – the dti	8,208,000	8,208,000	0	0%		32,208,000	24,208,000	(8,000,000)
Project based funding (dti for SAPBA)	0	0	0	0%		0	0	0
Sponsorship	0	1,364,646	1,364,646	100%		7,530,000	2,399,646	(5,130,354)
Other Income	0	104,206	104,206	100%		0	17,902	17,902
<b>Total Income</b>	<b>8,958,000</b>	<b>10,205,662</b>	<b>1,247,662</b>	<b>12%</b>		<b>42,738,000</b>	<b>28,284,823</b>	<b>(14,693,202)</b>
<b>EXPENDITURE</b>								
HR and Staffing costs	4,262,692	3,713,278	(549,414)	(13%)		17,076,689	11,596,803	(5,479,886)
Administrative costs	1,586,953	1,370,692	(216,261)	(14%)		6,985,811	5,497,468	(1,488,343)
Membership costs	90,000	42,846	(47,154)	(52%)	Cost reduction exercise undertaken due to budget reduction	399,500	109,358	(290,142)
Marketing costs	3,602,500	1,796,948	(1,805,552)	(50%)	Cost reduction exercise undertaken due to budget reduction	17,650,000	3,909,561	(13,740,439)
Capital Expenditure	80,000	9,475	(70,525)	(88%)	Budget for the financial year almost depleted	626,000	553,688	(72,312)
<b>Total Expenditure</b>	<b>11,160,000</b>	<b>6,933,239</b>	<b>(4,226,761)</b>	<b>(38%)</b>		<b>42,738,000</b>	<b>21,666,878</b>	<b>(21,071,122)</b>