

QUARTERLY REPORT

1 OCT - 31 DEC 2016

Quarter 3

2016/17 Financial Year

EVERY RAND SPENT LOCALLY **CREATES JOBS.** BUY LOCAL THIS FESTIVE SEASON

PROUDLY
SOUTH AFRICAN



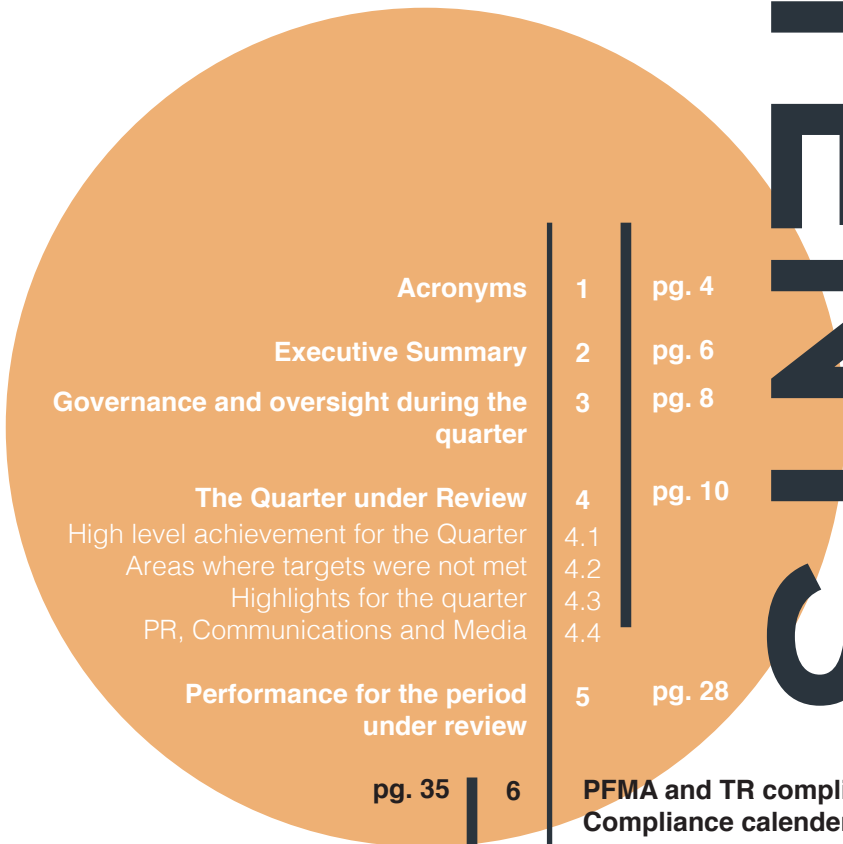


QUARTERLY REPORT FOR Q3 (OCTOBER TO DECEMBER 2016)

APPROVAL OF THE REPORT

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

TABLE OF CONTENTS



Acronyms	1	pg. 4
Executive Summary	2	pg. 6
Governance and oversight during the quarter	3	pg. 8
The Quarter under Review	4	pg. 10
High level achievement for the Quarter	4.1	
Areas where targets were not met	4.2	
Highlights for the quarter	4.3	
PR, Communications and Media	4.4	
Performance for the period under review	5	pg. 28
pg. 35	6	PFMA and TR compliance checklist / Compliance calendar
pg. 47	7	Progress on actions in the risk register
pg. 51	8	Progress on post-audit implementation plan
pg. 53	9	Financial Report

ACRONYMS

THE FOLLOWING ARE DEFINITIONS
OF THE ACRONYMS USED IN THE
REPORT

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

NEDLAC	National Economic Development and Labour Council, an entity of the Department of Labour.
NT	National Treasury.
PFMA	Public Finance Management Act No. 1 of 1999.
PROUDLY SA	Proudly South African, a not for profit company incorporated in terms of the Companies Act
SALGA	South African Local Government Association.
SAPBA	South African Premier Business Awards.
SAPS	South African Police Service.
SARS	South African Revenue Service.
SOEPF	State Owned Enterprises Procurement Forum
THE dti	Department of Trade and Industry, a national government department in the Republic of South Africa.
THE SUMMIT	The Local Procurement Summit & Expo.
UN	United Nations.

EXECUTIVE SUMMARY

THIS REPORT COVERS THE PERIOD 1 OCTOBER – 31
DECEMBER 2016 AND FOCUSES ON VARIOUS
HIGHLIGHTS DURING THE PERIOD:



ECONOMIC OUTLOOK

SA ECONOMIC OUTLOOK FOR QUARTERLY REPORT OCT-DEC 2016

In a demonstration of the overall resilience of the country's economy, despite a number of impediments to the growth of the economy, South Africa avoided further ratings agency downgrades in December 2016, as well as a full blown recession.

In the political arena, uncertainty and instability including factional issues within the ANC and the tripartite alliance, tensions between the Finance Minister and government, inside the Treasury itself and questions around certain activities within SARS continued to raise concerns. Reports of so called state capture and a looming leadership contest

within the ANC in 2017 added to investor uncertainty.

Retail sales contracted in the final quarter, with consumer prices rising 0.49% in October, the highest reading in 3 months. The ongoing drought in South Africa contributed significantly to the rise in food prices, although rainfall very late in the year saw a recovery in dam levels going into 2017.

In November the repo rate was left unchanged at 7% although a disappointing unemployment level of 27.1% was reported in the same month for the 3rd quarter of the year.

Reports of reduced manufacturing levels which fell by 2.7% compared to the same period of the previous year further depressed economic growth.

On the world stage, Brexit and then the election of Donald Trump as the 45th President of the USA in November did nothing to help world economics, as international investors continue to watch the eventual impact of these two unexpected poll results not only on emerging market economies, but on first world countries.

NOT ALL BAD NEWS

Factors which have contributed to the relative stability of South Africa's economy in the face of some bleak statistics include the announcement in November of a proposed minimum wage of R3 500 which is designed to boost the disposable income of the lowest paid workers, and confidence in the national electric grid whose output remained consistent in the latter part of the year.

By the end of 2016, year on year growth was only 0.6% but is projected to recover to 1.2% over 2017 and even further in 2018.

The SACCI Business Confidence Index
2015=100

Month	2010	2011	2012	2013	2014	2015	2016
January	110.8	119.4	112.4	108.8	104.5	103.4	92.6
February	113.2	118.0	115.2	107.7	106.4	107.4	92.7
March	113.5	120.6	110.8	104.7	107.3	103.2	94.0
April	114.8	118.7	109.2	106.9	107.2	104.1	95.5
May	111.8	117.2	107.4	104.7	102.9	100.6	91.8
June	115.7	118.5	109.9	104.4	103.8	97.9	95.1
July	115.0	114.6	105.2	105.0	101.8	101.8	96.0
August	119.5	114.2	110.0	104.8	103.0	97.6	92.9
September	119.8	113.9	106.2	105.8	103.3	94.5	90.3
October	117.2	112.9	106.5	105.5	102.8	102.3	93.0
November	118.7	112.8	106.2	105.1	105.1	95.1	93.9
December	119.5	114.7	107.7	106.4	102.2	92.2	93.8
Average	115.8	116.3	108.9	105.8	104.2	100.0	93.5

GOVERNANCE AND OVERSIGHT DURING THE QUARTER

DURING THE PERIOD UNDER REVIEW, THE BOARD AND/OR ITS SUB-COMMITTEES HELD THE FOLLOWING MEETINGS:

3.1. ANNUAL GENERAL MEETING

The Annual General Meeting of the Proudly SA Board was held on 22 November 2016 and considered the following:

- The Directors' Report detailing the activities and the achievements, including a progress report for the financial year ending 31 March 2016;
- Audited Annual Financial Statements for the financial year ending 31 March 2016;
- Appointment, re-appointment (where applicable) and confirmation of Directors of the Board of Proudly South African; and
- The process to appoint external auditors for the ensuing financial year, as the current auditors' contract is coming to an end.

3.2. BOARD MEETING

The Proudly SA Board of Directors met on 22 November 2016 and considered the following:

- The report detailing the outcomes of the Board's strategic planning session, held in September 2016;
- The quarterly report for the period July to September 2016;
- A report on the proposed resolution of the Buy Back SA legal matter and the proposed resurrection of that specific campaign;
- The Buy Local festive season consumer education campaign to be rolled out for the 2016 festive season period aimed at encouraging South Africans to buy local during this period of the year;
- Reports from standing committees of the Board;
- The appointment of Internal Auditors for the evaluation of the Board and its subcommittees;
- An update on the recruitment process for appointing a CEO for the organisation and the appointment of a new CEO;
- The financial reports as tabled for the period year to date, including management accounts and the cash flow projection schedule.

3.3. AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee held their meeting on 9 November 2016 and the meeting considered the following:

- Annual Review of the Terms of Reference of the committee;
- An updated policy on the management of the assets of the organisation;
- An RFP for the appointment of external auditors for the next 3 financial years;
- Annual Financial Statements for the financial year ending 31 March 2016;
- Internal Audit Reports, which included reports on Information Technology, Human Resources Management, Legal Management, Membership, Compliance and Brand Management;
- Risk Management quarterly report; and
- Training of Board members as part of their Continuous Development Programme

3.4. FINANCE AND PROCUREMENT COMMITTEE

The members of the Finance and Procurement Committee held their meeting on 11 November 2016 and the meeting considered the following:

- An exercise on rental vs ownership of the office premises of the campaign to determine the commercial viability of investing in office premises for the organisation;
- The Buy Local festive season consumer education campaign to be rolled out for the 2016 festive season period aimed at encouraging South Africans to buy local during this period of the year;
- An RFP for the appointment of external auditors for the next 3 financial years, as the contract of the current external auditors has ended;
- The need to submit an application for an organisational credit card for travel purposes to our bank;
- A revision of the membership fee structure to make it more attractive to both small and large corporates and to increase the campaign's revenue base;
- The financial reports as tabled for the period year to date, including management accounts and the cash flow projection schedule.

3.5. MEMBERSHIP, MARKETING AND COMMUNICATIONS COMMITTEE

The members of the Membership, Marketing and Communications Committee held their meeting on 8 November 2016 and the meeting considered the following:

- The need to extend the recently concluded Economic Impact Study on the impact and/or multiplier effect of improved local economic activity – including Buying Local – on the economy;
- A report on the proposed resolution of the Buy Back SA legal matter and the proposed resurrection of that specific advertising campaign;
- The report detailing the outcomes of the Board strategic planning session, held in September 2016, in so far as they impact on Membership, Marketing and Communications;
- The Membership Report for the period under review;
- Marketing report on the events and activities that took place during the period under review;
- PR, Media and Communications report for the period under review;
- A report on the progress made to date on implementation of Proudly SA's deliverables with regards to the Switch Africa Green project, in line with the funding received from UNOPS for this project.

3.6. HR AND REMUNERATIONS COMMITTEE

The members of the HR and Remunerations Committee held their meeting on 10 November 2016 and the meeting considered the following:

- The Salary Benchmarking and Comparisons exercise undertaken to improve the campaign's personnel retention strategy;
- Staff loans policy and the recommendation tabled to terminate the policy;
- Annual inflationary adjustment to Directors' fees;
- Performance based bonuses payable to staff for the period under review;
- Annual closure of business for the December holidays;
- The change in the name of the committee to HR and Remunerations Committee;
- An update on the process undertaken to recruit the CEO and consideration of the appointment recommendation from the task team responsible for this process.
- HR Reports on staff movement, performance management, staff training and development and staff retention activities;

THE QUARTER UNDER REVIEW

4.1. HIGH LEVEL ACHIEVEMENTS FOR THE QUARTER

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

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

- A Buy Local Festive Season Campaign was undertaken during the period November to December 2016. This campaign aimed at getting South Africans to buy locally manufactured products and services during the festive season period, and educating them on the economy wide benefits of buying local, was made up of elements that included amongst others, an Above-The-Line campaign, a Below-The Line campaign and a strong social media presence;
- As part of the above-mentioned campaign, there were consumer activations in 4 high traffic shopping malls namely Waterfall Mall (Rustenburg), Menlyn Mall (Tshwane), Riverside Mall (Nelspruit) and in Maponya Mall (Soweto, Johannesburg);
- In addition to these festive season consumer activations, a separate consumer activation was held at Gugulethu Square shopping centre in Cape Town;
- For the festive season consumer education campaign, advertising featured in 15 shopping malls around the country, in 3 different provinces. This campaign comprised advertising on escalators, hanging banners, parking lots, lifts and other advertising platforms in the malls.
- Billboard advertising was also taken out in various townships, located adjacent to high consumer traffic taxi ranks & shopping centres;
- The ABSA and Transnet sponsored business forums (part of the annual Buy Back SA national roadshow) in three provinces, namely Western Cape (Cape Town), Mpumalanga (Nelspruit) and Gauteng (Johannesburg). These final forums for the financial year were a success, and were a part of the series of business forums which have been held in all nine provinces for the current financial year;
- Proudly SA introduced sector specific forums during the current financial year and during the quarter under review, two of these were hosted for the IT sector and sponsored by Sizwe IT, a Proudly SA IT member company. The second one was hosted for the construction sector in Johannesburg and was sponsored by Pikitup, a strategic partner of Proudly SA;
- Pan African Research Advisory Services was appointed to conduct an extended study of the recently concluded Economic Impact Study aimed at determining the multiplier effect of local procurement, mainly in the Manufacturing, Agro-processing and Pharmaceuticals sectors.
- A Cosatu Western Cape-led Proudly SA consumer education campaign was conducted during the period under review, where shop-stewards and general consumers based in the Western Cape were educated on the importance of buying locally manufactured products and services;
- Strategic discussions and partnerships were cemented with various organisations that will contribute to the repositioning of the campaign, including national government departments, business associations and labour federations;

- The 4th edition of the annual SA Premier Business Awards was held on 6 December 2016, as hosted by the dti, in partnership with Proudly SA and Brand SA;
- A total of 44 new members were successfully recruited and vetted for Proudly SA membership and have now joined the Buy Local Campaign;
- At least 70% of renewal membership fees due for the quarter, indicating an above average retention rate of existing members during the period under review;
- Proudly SA's Twitter following has exceeded 131 000. Organically grown, the number of followers continues to increase. This social media/PR platform enables Proudly SA to communicate its programmes and weigh in on relevant current topical issues; and
- A total of 6 press releases were issued during the quarter on an array of issues including the call to South Africans to support local, a call to attend the Proudly SA Business Forums falling in this quarter, messaging around the importance of supporting small businesses in creating jobs and growing the economy, the Buy Local festive season campaign, and one on the SA Premier Business Awards.

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

- The Schools Consumer Education campaign should have taken place in at least three schools during Quarter 3 however, the campaign opted instead to participate in the Step Up To a Start Up schools project, which targets schools all over the country, giving the campaign a wider reach to more school going students;
- The 4th quarter of the calendar year is always a difficult time for conducting university activations as year-end exams are underway during this quarter. This was further exacerbated by the interruption on campuses as a result of the "Fees must Fall" campaign. Consequently, no university targeted activations were conducted during this quarter. Alternative targeted plans are being made to reach university students during the 4th Quarter.
- The campaign managed to participate in only one major expo (The Annual Diplomatic Fair), as opposed to the target of at least 2 in each quarter. The campaign has already far exceeded its annual target (participate in 8 major expos/events per annum) in this regard, and opted to direct its efforts and resources during this quarter on Proudly SA-initiated business forums, and sector specific forums;
- Despite the strategic partnership that exists between the campaign and SALGA, Proudly SA could not participate in the SALGA conference which took place in November 2016, due to the costs involved. A discussion to re-ignite the working relationship between the 2 organisations is planned, to avoid similar occurrences in the future;
- No presentations to any of the major business associations listed in the APP took place during quarter 3. The campaign has however started discussions with all the associations and interactions with them will take place during the next few months, including at the planned presentation by Proudly SA to the Nedlac Trade and Industry Chamber, where all these associations are represented.

As detailed in each of the above points, the campaign has a plan on how to remediate these short falls during the course of the last quarter of the financial year, in order to ensure that the annual targets as contained in the approved Annual Performance Plan are all met by the end of the 2016/17 financial year.

4.3. HIGHLIGHTS FOR THE QUARTER - EVENTS AND ACTIVATIONS

CAPE TOWN MALL ACTIVATION

1 OCTOBER 2016

The Cape Town Mall activation took place on Saturday 01 October 2016 at Gugulethu Square shopping centre. As these activations focus on consumer education around the importance of supporting and buying local products, it is also a fun way of introducing Proudly SA to consumer who are unaware of who we are and what we do as a campaign. The activation served as a valuable mechanism to present the campaign's messages to consumers.

Reach for this event: 500 people

Target Audience: Consumers



CAPE TOWN BUSINESS FORUM, WESTERN CAPE

03 OCTOBER 2016

The Cape Town Business Forum which was hosted at the African Pride 15 on Orange Hotel in Cape Town, aimed to reach out to regionally based businesses with the prospect of not only recruiting new members but also to spread the Buy Local message; garner support from the business sector and targeted authorities operating within the area as well as to explore possible opportunities. The turnout wasn't not as high as anticipated, but it was attended by a higher than normal number of entrepreneurs.

The lesson here was that drop out numbers should never be underestimated especially in areas that are exposed to a high numbers of similar events; events should be advertised via all platforms per area well in advance. The delegates enjoyed discussions with Mr. Ruiters, Regional Manager at the National Cleaner Production Centre – SA, Mr. Archillies, Customer Care Chief Directorate, Incentive Development and Admin Division at the dti and Proudly SA's Mrs. Ngidi. Through the delegate survey, the campaign learnt that businesses benefitted from the opportunity overall.

The forum was an efficient vehicle which served as a platform for business within the Cape Town vicinity to network and explore possible partnerships, while concurrently stimulating local production and procurement in order for more sustainable jobs to be created.

Reach for this event: 60 delegates

Target Audience: Business, government and labour



IT SECTOR SPECIFIC BUSINESS FORUM WITH SIZWE IT, GAUTENG
05 OCTOBER 2016

The Business Forum aimed to bring key decision makers in the IT sector into one space. Developing and increasing focus in this sector is important as it plays a significant role in the local procurement of IT material and software, which has brought about a major shift in reindustrializing and growing the industry to the benefit of employment and training. Nine exhibitors showcased their products and services and six speakers, namely Sizwe IT, Sizwe Connect, SEDA ICT, Technology Innovation Agency and Proudly South African participated. The event took place at The Venue - Melrose Arch and gave the organisation a platform to collaborate with one of our members, Sizwe IT, to promote sector specific buy-local messaging.

Reach for this event: 80 delegates
Target Audience: SMME, government and business

CONSTRUCTION BUSINESS FORUM IN PARTNERSHIP WITH PIKITUP

13 OCTOBER 2016

Proudly South African, in partnership with Pikitup, hosted a forum which aimed to educate consumers and companies within the construction sector about the negative impact on the earth's natural environment caused by the building and manufacturing of structures and products that are ironically meant to improve our quality of living. Pikitup educated consumers about waste management in the construction sector, while Proudly South African indicated the importance of buying local to strengthen the economy and create jobs. Other speakers that participated in the event were the Construction Industry Development Board (CIDB) and Green Building Council, informing consumers and companies about their offerings within the construction industry. The event was held at the Crowne Plaza, Rosebank and achieved its strategic goals as outlined above.

Reach for this event: 80 delegates
Target Audience: SMME, government and business





THE ANNUAL DIPLOMATIC FAIR 2016
29 OCTOBER 2016

The Department of International Relations and Cooperation (DIRCO), through the Branch: Public Diplomacy, hosted the Diplomatic Fair at the Union Buildings lawns, Pretoria, under the theme: “OR Tambo Lives! Celebrating the Life and Legacy of OR Tambo”. Hosted annually, the event serves as a key platform to educate the general public about diplomacy and South Africa’s foreign policy objectives and brings together embassies accredited to South Africa to showcase and promote cultural diplomacy through creative expressions such as art, music and global cuisine.

As a key partner, Proudly South African was afforded exhibition space along with Proudly SA member companies which included Excellence Motor Trimmers and Yamama Gemmer ginger beer. This was an ideal opportunity to interact with international markets and embassies from around the world. The event was also a great platform to showcase South Africa’s Buy Local campaign to the international community. Other activities included exhibitions, cultural performances, a kiddies’ fun corner, food-tastings and entertainment by leading South African artists.

Reach for this event: 2000 people
Target Audience: SMME and government



FESTIVE SEASON CAMPAIGN MEDIA LUNCH
17 NOVEMBER 2016

An intimate media meet-and-greet event was hosted in partnership with the Gauteng Tourism Authority at the Agog Gallery and restaurant within the Maboneng precinct, an area prioritized by the Authority for rejuvenation with the aim of promoting it as a tourist destination. The event focused on bringing key media role players under one roof to introduce them to Proudly South Africa’s campaign plans for the festive season. It served as an opportunity for Proudly SA to strengthen relationships with various media houses and to also get ideas, suggestions and feedback from them on previous campaigns, while lobbying for their support in the Festive Season 2016 campaign.

This partnership with Gauteng Tourism achieved the goal of creating synergies between the two organisations, with Gauteng Tourism offering the use of their roadshow bus to Proudly SA, and requesting to be more involved with the campaign’s activities going forward.

Reach for this event: 30 guests
Target Audience: Media

MPUMALANGA BUSINESS FORUM

24 NOVEMBER 2016

The aim of this conference was to equip small to medium enterprises (SME) for growth and sustainability within Mpumalanga. Hosted by Proudly South African, this business forum was made possible by bringing together essential role-players such as Absa (the main sponsors), Productivity SA, the dti and NCPC-SA. The forum was hosted at the Protea Hotel Nelspruit, Mpumalanga. Other objectives of this forum were to create opportunities for Proudly SA member companies and non-member companies to network with Proudly SA and amongst themselves by creating a conducive environment that carried the ethos of local procurement.

The critical plan was to invite key organizations such as Mpumalanga Provincial Government, SEDA Mpumalanga, Megro Learning, Lowveld Media and MITV. The other important mission achieved, was to recruit non-members to become Proudly South African members, and this was also an opportunity to push the local procurement message of the companies within Mpumalanga.

The event also hosted UNOPS as a partner, which aimed to create awareness and build capacity on eco-labelling for Proudly SA stakeholders in the agricultural sector.

Reach for this event: 80

Target Audience: SMME and government





4TH ANNUAL SA PREMIER BUSINESS AWARDS

6 DECEMBER 2016

Held at the Sandton Convention Centre, the South African Premier Business Awards is an annual ceremony hosted by the Department of Trade and Industry (the dti) in partnership with Proudly South African and Brand South Africa. The awards recognise business excellence and honour enterprises that promote the spirit of success and innovation as well as job creation, good business ethics and quality. These awards bring together all single sector awards, among others, technology, manufacturing and women in business. Proudly SA, as a partner, contributed to the overall event and planning activities both strategically and in respect of operations.

Reach for this event: 1000

Target Audience: Government & business



GAUTENG BUSINESS FORUM

27 OCTOBER 2016

Proudly SA Buy Back SA roadshows give small and medium companies an opportunity to grow by linking them with our strategic partners such as Transnet, Absa, the dti, Productivity SA and NCPG-SA who can showcase the offerings they have which can assist such businesses. It also gives small business an opportunity to engage with these larger, more established organisations one on one. The forum took place on Thursday 27 October 2016, at the CSIR International Convention Centre, Pretoria. It is apparent that there is a need and a demand for these platforms, especially for start up businesses which are hungry for information and assistance.

The venue was not user friendly and accessibility for those making use of public transport was difficult, and this negatively impacted attendance. The forum managed however, to reach the desired outcomes of delivering information to the audience, forging business connections between delegates and recruiting new members into the movement.

Reach for this event: 80

Target Audience: Government, SMMEs, business



FESTIVE SEASON MALL ACTIVATIONS

The Proudly SA Festive Season campaign kicked off with a bang in the month of October 2016. As the festive season approached, Proudly SA made use of the opportunity to interact with consumers about the importance of buying local for gifts and holiday groceries, using dance, music and interaction with well known SA personalities, and a great MC in a number of malls around the country.

Consumers had the opportunity to win prizes, while learning about the importance of buying locally manufactured products, that either displayed the Proudly SA logo or the country of origin, namely 'Made in South Africa' or 'Products of South Africa'

- **Waterfall Mall, Rustenburg** – 12 November 2016

Reach for this event: 500
Target Audience: Consumers

- **Menlyn Mall, Tshwane** – 19 November 2016

Reach for this event: 500
Target Audience: Consumers

- **Riverside Mall, Nelspruit** – 26 November 2016

Reach for this event: 500
Target Audience: Consumers

- **Maponya Mall, Soweto** – 03 December 2016

Reach for this event: 500
Target Audience: Consumers

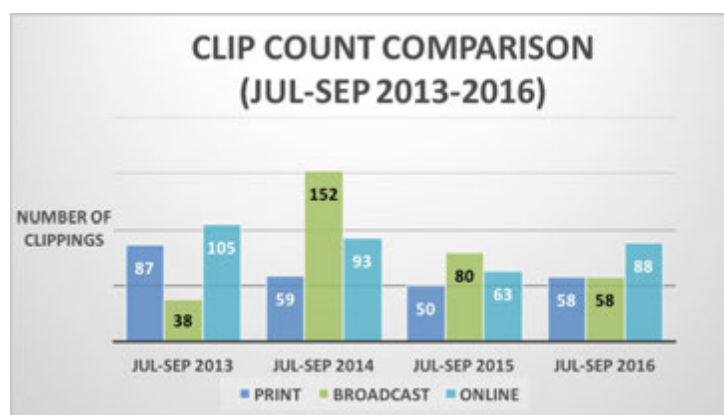
4.4. PR, COMMUNICATIONS AND MEDIA

4.4.1. SUMMARY

Due to a two-month waiting period for the delivery of news clippings which are provided by Newsclip Monitoring Services (for any given month), the quarterly report for the period July to September 2016 is provided in this report. The October to December 2016 quarterly report will only be available at the end of February 2017.

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

The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (July – September 2016). Comparison is made with the same period in 2013, 2014 and 2015.

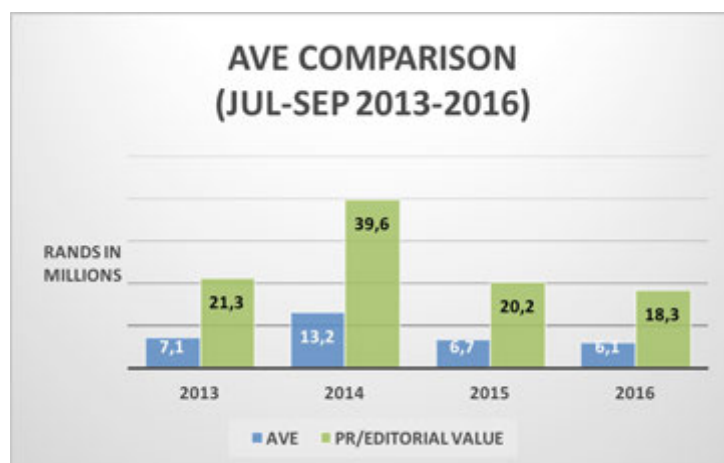


The analysis shows an increase in online coverage and a decrease in broadcast coverage for 2016 compared to the previous year (for the period under review). Print coverage shows to be relatively stable.

(Clippings relating specifically to Proudly SA and its activities are included in the clip count analysis. The clip count is extracted from daily notifications from Newsclip Media Monitoring Services relating to phrases/key words “Proudly South African”).

4.4.3 AVE/PR VALUE ANALYSIS – 2013/2014/2015/2016 QUARTERLY COMPARISON

The AVE/PR Value Comparison shows a slight dip for the period July to September 2016 compared to the previous year



4.4.4. HIGHLIGHTS FOR THE PERIOD UNDER REVIEW



- Ahead of Mandela Day, Proudly South African issued a press release urging citizens to play their part and to get involved by serving their communities on Mandela Day and beyond. Proudly SA staff members as well as some of Proudly SA's member companies brought their resources together and spent Mandela Day at Helen Joseph Hospital in Johannesburg, taking part in an array of activities including renovations, donations, cooking and spending time with hospital staff and patients.

- As people from across the globe took part in various activities for Mandela Day, South Africans and the motorsport fraternity were rocked by the sudden passing away of motorsport driver and adventurer, Gugu Zulu, in his attempt to conquer Mount Kilimanjaro. Proudly South African interrupted their Mandela Day proceedings and had a moment of silence in his memory. Our post on social media was referred to in a number of articles about his untimely passing.



- Proudly South African continues to support the local film industry and put its weight behind the country's official entry into the 2017 Academy Awards, Noem My Skollie (Call Me Thief). The film industry is one of the priority sectors identified for support by the dti in terms of the Industrial Policy Action Plan (IPAP). Proudly SA used this platform as an opportunity to highlight the importance of supporting our local film industry comprising talent we have both in front of and behind the camera.



- Proudly South African was disappointed to learn during the 2016 Rio Olympics that the kit for the South African athletic team was once again not made in South Africa. The campaign issued a media statement which gained much traction, condemning the actions of SASCOC and called for an indaba on supporting locally manufactured products.

- With more than 26 million people registered to vote, the 2016 Municipal Elections were described as the most significant elections in democratic South Africa. During election week, Proudly South African's Public Relations unit was working from the IEC's Results Operation Centre (ROC) based at the Tshwane Events Centre, and worked with the various media outlets in an effort to strengthen media relations.



- Entries to the 4th Annual South African Premier Business Awards (SAPBA) that were held in December 2016 opened in September. The deadline for submissions was extended and media statements were issued in both instances. The awards, hosted by the Department of Trade and Industry in partnership with Proudly South African and Brand South Africa, recognise business excellence and honour enterprises that promote the spirit of success, innovation and job creation.



- Other highlights for the period under review – through which Proudly SA received media coverage – included three provincial Business Networking Forums in the Free State, Eastern Cape and Northern Cape, the resignation of Adv. Sedibe as Proudly SA's CEO, as well as a local procurement conference hosted by COSATU Western Cape.



4.4.5. PRESS RELEASES

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

NO	DATE	HEADLINE
1	Sun, 17 Jul	Proudly SA calls on the nation to be a force for good on mandela day and beyond
2	Mon, 8 Aug	Opinion Piece for SANCO's Mr. Dumisani Mthlale (also Overall Convener: Nedlac and Proudly SA Board Member) HAS THE AFRICAN NATIONAL CONGRESS LOST THE PLOT
3	Fri, 12 Aug	Proudly SA endorses latest local film production – predicts major box office success
4	Fri, 12 Aug	Proudly SA on mission to catapult small business to new heights
5	Tue, 16 Aug	Press Release for Bloemfontein business forum PROUDLY SA ON MISSION TO CATAPULT SMALL BUSINESS TO NEW HEIGHTS
6	Tue, 16 Aug	Press release for Kimberley business forum PROUDLY SA ON MISSION TO CATAPULT SMALL BUSINESS TO NEW HEIGHTS
7	Wed, 17 Aug	Joint press release Step Up 2 A Start Up Bootcamp and Awards Ceremony
8	Thu, 18 Aug	Proudly SA to call public indaba on supporting local, following olympic kit uproar
9	Mon, 22 Aug	Time To Pass On The Baton - Proudly SA CEO
10	Mon, 22 Aug	Press release for Proudly SA member company, Empowaworx SA'S MOST SUCCESSFUL WOMEN CONVERGE TO SHARE KNOWLEDGE
11	Wed, 14 Sep	Eastern Cape small businesses next target for development forum
12	Fri, 16 Sep	Press release for the SA Premier Business Awards BUSINESS INVITED TO SUBMIT ENTRIES FOR THE 4th ANNUAL PREMIER BUSINESS AWARDS
13	Mon, 19 Sep	Proudly South African applauds direct foreign investment in SA
14	Mon, 29 Sep	Press release for Western Cape Business Forum in October CAPE TOWN SMALL BUSINESSES INVITED TO ATTEND DEVELOPMENT FORUM



4.4.5. MEDIA VISITS/ENGAGEMENTS

In order to build and strengthen good working relationships with the media – and to promote good media coverage of Proudly SA and its activities – between July & September the PR Manager and the PR officer had both formal and informal meetings, networking sessions and other interactions with members of the media and advertising officials from the following media platforms:

Business Report	eNCA
SABC News	Ukhozi FM (KZN)
Isolezwe (KZN)	Ilanga (KZN)
Gagasi FM (KZN)	Radio 2000
Red Zone	Equinox
SA Business Integrator	Kaya FM
Zee Entertainment	Cliff Central
City Press	Sunday Times
Sowetan	The Herald Newspaper
SA Fashion Handbook	Daily Dispatch
Umhlobo Wenene	Northern Cape Times
Mail & Guardian	SA FM
Cape Community FM	JSE Magazine
The New Age	Tru FM
Diamond Fields Advertiser	SABC News

4.4.7 PRESS RELEASES/OP EDS

The following were issued / published between October and December 2016:

NO	DATE	HEADLINE
1	Mon, 29 Sep 2016	Press release for Western Cape Business Forum in October CAPE TOWN SMALL BUSINESSES INVITED TO ATTEND DEVELOPMENT FORUM
2	Wed, 19 Oct 2016	Press release for Gauteng Business Forum PROUDLY SA ON MISSION TO CATAPULT SMALL BUSINESS TO NEW HEIGHTS
3	Fri, 4 Nov 2016	Press release for event by member company, EmpowaWorx SEASONED LEADERS UNITE TO ADDRESS SA'S TRIPLE CHALLENGE
4	Fri, 4 Nov 2016	Press release to launch festive season campaign PROUDLY SA URGES CONSUMERS TO INVEST IN SOUTH AFRICA THIS FESTIVE SEASON
5	Thu, 17 Nov 2016	Press release for Mpumalanga Business Forum ROUDLY SA's MISSION TO CATAPULT SMALL BUSINESS TO NEW HEIGHTS CONTINUES
6	Wed, 30 Nov 2016	Old Mutual and Tsogo Sun to sponsor 4th Annual South African Premier Business Awards

4.4.8. MEDIA VISITS/ENGAGEMENTS

OCTOBER TO DECEMBER 2016

In order to build and strengthen good working relationships with the media – and to promote good media coverage of Proudly SA and its activities – the PR Manager and the PR officer had both formal and informal meetings and networking sessions with members of the media and/or advertising officials from the following media platforms (among others), between October and December 2016:

- Smile FM
- CapeTalk
- 702
- Sowetan
- Lowveld Media
- MiTV
- ANN 7
- CNBC
- MP Mirror
- Sawubona
- Equinox
- Juice
- etv Sunrise
- Cliff Central
- SABC News
- Radio 2000
- ANN7
- Ukhozi FM
- SABC 3 Espresso
- Kaya FM
- SABC Morning Live SABC 2
- Ligwalagwala FM
- North West FM
- Unisa Radio
- YFM
- SABC Online
- Sunday World
- Now Media
- Gauteng News
- Move! Magazine
- Radio Teemaneng

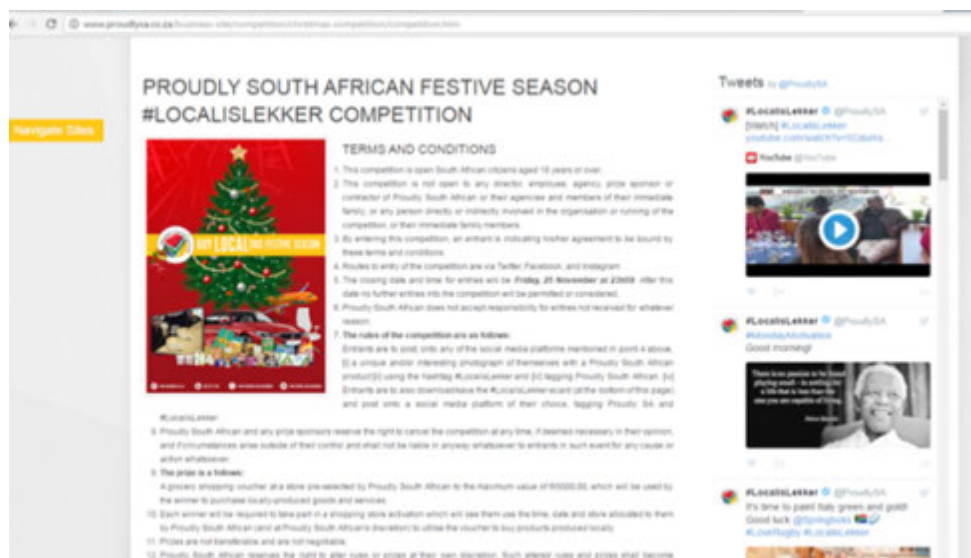


4.4.9. SOCIAL MEDIA CAMPAIGN - #LOCAL IS LEKKER FESTIVE SEASON CAMPAIGN

Ahead of the 2016 festive season, Proudly South African ran their multifaceted #LocalisLekker Festive Season campaign, which urged businesses, corporates and consumers in South Africa to invest in their country by supporting and buying locally manufactured goods and services as they stocked up on festive season gifts and other goods throughout the holidays.

The #LocalisLekker social media competition gained a lot of traction on Instagram, Twitter and Facebook, as followers and users of each platform had the opportunity to win a R5000 shopping voucher to spend on locally manufactured products if they posted a winning picture of themselves with a local product, while promoting the #LocalisLekker hashtag. The three winners of the competition were spread around the country – Lebowakgomo, Limpopo; Rustenburg, North West; and Tshwane, Gauteng.

Other elements of the #LocalisLekker Festive Season campaign included face-to-face consumer interaction and mall activations, advertising in malls and mainstream media as well securing interviews and coverage across an array of media outlets, including Morning Live, etv Sunrise and ANN



4.5. PRESENTATIONS

The Proudly SA CEO, Eustace Mashimbye made CEO-led presentations at various events and conducted a number of 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
13 September 2016	Smart Procurement Round Table	Gallagher Estate
21 September 2016	APMP SOEPF Event	Sandton
5 October 2016	Proudly SA Business Forum	Melrose Arch
13 October 2016	Construction Waste Management Forum	Rosebank
18 October 2016	DIRCO Heads of Missions Conference (Presentation done by the Board Chairperson)	Pretoria (DIRCO)
20 October 2016	Presentation to Inter-Ministerial committee on Communications	Parliament
27 October 2016	CSIR Business Forum	Pretoria
8 November 2016	Manufacturing Indaba	Cape Town
16 November 2016	Editors Meet and Greet (launch of Festive Season campaign)	Maboneng District Johannesburg
24 November 2016	Proudly SA Business Forum	Mpumalanga
28 November 2016	Buy Botswana	Botswana

4.6. PARTNERSHIP ENGAGEMENTS

As part of the repositioning strategy, the Proudly SA CEO, Mr. Eustace Mashimbye engaged various stakeholders with the objective of ensuring that the campaign secures partnerships required to deliver on some of its key deliverables, especially where funding for such activities is not immediately available.

Some of the partners engaged included entities with which the campaign has existing relationships where the intention was to solidify the relationship. These included, amongst others:

- State Owned Enterprises Procurement Forum (SOEPF)
- Consumer Goods Council of SA;
- SA Tourism;
- SALGA;
- GCIS;
- the dti (Industrial Development division);
- Economic Development Department;
- SALGA;
- Manufacturing Circle;
- Commerce Edge - Smart Procurement Conference organisers;
- Sponsors and member companies such as Mango, Sasol
- The dti Pharmaceuticals Sector Desk
- Multichoice
- Siyenza – Manufacturing Indaba organisers;
- Medical Devices Manufacturers Association of SA;
- Black Pharmaceuticals Industry Association (BPIA);

4.7. ABOVE THE LINE CAMPAIGNS

OCTOBER TO DECEMBER 2016

FESTIVE SEASON CAMPAIGN

The Festive season campaign was created to drive the buy local message in the run up to the December holidays. As consumer spending increases, and year end bonuses are paid, the aim was to direct that spend towards local products and services.

The initiative was tailor made to achieve the objective of educating consumers on the Buy Local and Country of Origin campaigns as required in the Local Procurement Accord.

The tag for the campaign became widely used on social media and in all press material - Buy local this festive season, #localIsLekker.

CAMPAIGN OBJECTIVES

- Build Proudly SA Brand and create brand awareness
- Promote Festive Season Campaign
- Educate consumers on the importance of buying local
- Promote the Country of Origin label to improve sales of local products.



FESTIVE SEASON CAMPAIGN	
Campaign	“Festive Season Campaign” “Buy local this festive season”
Objectives	Calls to Action: Promote buying local goods and services Promote the Meet the Locals Campaign as part of the overall marketing strategy
Elements	Mall Activation, Mall advertising , street pole adverts, Print, PR activities
Activity	• 4 Mall Activations • Mall advertising, Digital MAPP pods & hanging banners • Radio & TV interviews • Street pole adverts • Print advert
Period	1 November 2016 – 15 January 2017
Target Market	South African Consumers (Buying public)



MALL ADVERTISING

Period: 15 November 2016 – 15 January 2017

Elements:

- Digital Mall Portal Maps
- Hanging Banners
- Escalators
- Lift Doors
- Interior Billboards
- Exterior Mall Billboards
- Glass Wall
- Glass Entrance
- Parkade Branding
- Digital Interior billboards

Regions: Gauteng, Western Cape, Kwa-Zulu Natal

Malls: Canal Walk, Cavendish ,Cresta, Eastgate, Gateway, Golden Acre, Lakeside,Liberty Promenade, Menlyn, Sandton, Southgate, The Pavillion, The Zone, V&A Waterfront, Wonderpark



OUTDOOR ADVERTISING: TOWNSHIP ADVERTISING

Media: Billboards & Rank TV

Regions:

Gauteng, Kwazulu Natal, Western Cape

Reach: Gauteng - 12,272,263
KwaZulu- Natal - 10,267,300
Western Cape - 5,822,734

PRINT ADVERTISING:

Media: Equinox Magazine

The above the line campaign was supplemented by the below the line activities such as social media presence on Twitter, Facebook and Instagram. Mall activations and consumer engagement were also an important element of the campaign.



PERFORMANCE FOR THE PERIOD UNDER REVIEW

(OCTOBER TO DECEMBER 2016)
 PERFORMANCE AGAINST THE ANNUAL PERFORMANCE
 PLAN TARGETS FOR THE QUARTER

Strategic objective/outcome	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 Account) – Influencing 'Buy Local' purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: * Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns	*Above-the-line – Buy Local (Buy Back SA) activism campaign reaching at least 20 million consumers.	*To reach 5 million consumers through the Buy Back SA campaign each quarter	*More than 10 million consumers reached through the Buy Local Festive Season advertising campaign done as follows: - 20 major shopping centres all over the country; - 20 township malls all over the country; - print advertising	
Educate consumers on the importance of buying local (Local Procurement Account) – Influencing 'Buy Local' purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: *Below the line activities through Social Media, press releases and other PR related activities; *National Consumer Educational Road show through Mall Activations (Education Through Entertainment); *Schools consumer education campaign in secondary schools and FET colleges	*PR & Below the Line Activities reaching at least 20 million consumers per annum; *Roadshows in at least 6 provinces annually *Roll out of schools campaign in at least 12 schools and/or FET colleges per annum *2x Universities per Annum;	*Reach 5 million consumers during each quarter *Activations in 1 province during Quarter 2 *Schools campaign in 3 schools during each quarter	*In excess of 5 million consumers reached through PR activities (listed above in PR section) *4 consumer mall activations held in 4 provinces *None – Step up to a Start Up project helped reach students in approx. 100 schools *None	*Schools consumer education rolled out through the Step Up to a Start up schools programme *The university activations are scheduled for Quarter 4
University Activation Campaigns Campus Radio Adverts / Live Reads, Industrial theatre and Entertainment.					

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	<p>*Proudly SA Events/Exhibitions/Expos/Villages at trade expos;</p> <p>* Proudly SA CSI projects</p>	<p>*Participation in at least 8 major trade expos or events per annum;</p> <p>*At least 2 CSI projects per annum</p>	<p>*At least 2 expos or events</p> <p>*No CSI activity planned for Q3</p>	<p>*Participated at 1 x major expo – Annual Diplomatic Fair</p>	<p>*Annual target met and exceeded in Q1 and Q2</p>
Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade	<p>Above-the Line Campaigns promoting the Proudly SA logo as the Country of Origin label. These include radio adverts, TV blurbs, print banners, street posters, social media campaigns, Proudly SA Website.</p>	<p>Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers;</p>	<p>*To reach 5 million consumers through the Buy Back SA campaign each quarter</p>	<p>*More than 10 million consumers reached through the Buy Local Festive Season advertising campaign done as follows: - 15 major shopping centres in 3 provinces. - 9 township billboards in 3 provinces. - print advertising on Egnor Magazine</p>	
Increase procurement of local products and services in the public sector through increased engagements	<p>Educational roadshows 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 National Treasury to drive Buy Local message to procurement decision makers in all spheres of government and to monitor procurement within the public sector.</p> <p>*National, provincial and local department visits – engagement with procurement officers</p>	<p>*At least 1 presentation to SOEPF per annum</p> <p>*Conducting of performance audits by AG's office to monitor compliance with local content preferential procurement regulations and designations by organs of the state</p>	<p>*At least one presentation to SOEPF (per annum)</p> <p>*Engage AG and relevant authorities to support compliance with the PPPFA local content provisions</p>	<p>*Met with the leadership of SOEPF</p> <p>*Preliminary discussions finalised with AG to commence audits after discussion with dti</p>	<p>*SOEPF presentation scheduled for Q4</p> <p>*dti to lead this process and Proudly SA to focus on educational elements within the public sector as part of its campaigns (Below The Line)</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
		To reach the following during the 2016/17 financial year: *8 national departments p/a *2 provincial governments p/a *2 metros per annum *20 district municipalities p/a *Presentation to SALGA	*2 national departments per quarter *2 provincial government per quarter *1 Metro *5 SALGA district municipalities *1 Presentation and/or meeting with SALGA in Q3	*4 reached - the dti, EDO, Presidency and GCIS (later reached through the IMC) *2 provincial ED govt. depts. - WIC and GP (participated at the business forums) *1 Metro met - Joburg *None *1 x meeting held with SALGA to negotiate the participation at the SALGA summit *Buy Local Summit to take place in Q4 (23 March '17) *Buy Local Expo to take place in Q4 (23 March '17)	*278 Municipalities (incl. Metros) reached at the SALGA national members assembly in Q1 *Participation at the SALGA summit cancelled due to high costs involved
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	National Educational road shows: Increased buy-in and support for local procurement by the private sector. Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products through:	*1-2 x Day Buy Local Summit - focusing on all state organs and business procurement *1-2 x Day Buy Local Expo - of all SA companies focusing on the priority Sectors - Gallagher Estate - "Made in SA" Expo	*Buy Local Summit scheduled for Q4 (March 2017) *Buy Local Expo scheduled for Q4 (March 2017)		

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	<ul style="list-style-type: none"> * Presentations to BUSA, BBC and BLSA members; * Briefing sessions/ one-on-one visits to/with retailers * 1-2 x Day Buy Local Summit – focusing on all state organs and business procurement 1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo *Sector Specific Workshops/Business Forums 	<ul style="list-style-type: none"> * 1 presentation to BUSA, BBC and BLSA per annum; * Briefing sessions with at least 2 major retailers per annum; *At least 1 summit to be held per annum; *At least 1 Buy Local Expo held per annum; * 8 x workshops/forums per annum 	<ul style="list-style-type: none"> *No presentation to any of the targeted organizations *1 Briefing session with at least one major retailer *Buy Local Summit scheduled for Q4 (March '17) *Buy Local Expo scheduled for Q4 (March 2017) *At least 1 sector specific business forum/workshop to be held in Q4 	<ul style="list-style-type: none"> *None *Edcon briefed and partnership concluded. *Buy Local Summit to take place in Q4 (23 Mar '17) *Buy Local Expo to take place in Q4 (23 Mar '17) *5 business forums held (2 Sector specific forums – IT and Construction) and 3 provincial Business forums held in WC, MP and GP 	<ul style="list-style-type: none"> *Presentation slots not yet confirmed by the orgs. Letters sent to all organisations *OGCSA to assist with other retailers.
	<ul style="list-style-type: none"> * Proudly SA Events/ Exhibitions/ Expos/ Villages at trade expos *SA Premier Business Awards (in partnership with the dti and Brand SA) 	<ul style="list-style-type: none"> * Participation in at least 8 major trade expos, events, etc. per annum * Hosting 1x annual SA Premier Business Awards event (as a partner to the dti) 	<ul style="list-style-type: none"> * 2 trade expos, events, etc. per quarter *Awards scheduled for Q3 (December 2016) 	<ul style="list-style-type: none"> *Participated at 1 x major expo – Annual Diplomatic Fair *SA Premier Business Awards held on 6 December 2016 	<ul style="list-style-type: none"> * Annual target met and exceeded in Q1 and Q2
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour to	<ul style="list-style-type: none"> * Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns. 	<ul style="list-style-type: none"> * Above-the-line – Buy Local (Buy Back SA) activism campaign reaching at least 20 million consumers 	<ul style="list-style-type: none"> *To reach 5 million consumers through the Buy Back SA campaign each quarter 	<ul style="list-style-type: none"> *More than 10 million consumers reached through the Buy Local Festive Season advertising campaign during the latter part of the financial 	<ul style="list-style-type: none"> The main integrated Above-The-Line campaign to be undertaken during the latter part of the financial

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
Increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products				- 15 major shopping centres in 3 provinces. - 9 township billboards in 3 provinces. - print advertising in Equinox Magazine with a national distribution	year (Q3 to Q4), due to budget constraints which resulted in planning delays
Brand Management Brand research - Development of a reliable monitoring and evaluation system	Existence of a reliable monitoring and evaluation system – to measure uptake of local products and services and procurement by the public sector, private sector and consumers; Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	"Economic Impact Study on the impact of buying local, on brand awareness and uptake of Proudly SA member products and services conducted – at least once per annum "At least 8 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	"Economic Impact Study completed during Q3	"Economic Impact Study completed and results released during Q2. Service provider appointed to conduct extended economic impact study during Q4 "5 x dipstick surveys done during the quarter using the in-house Questback research software for provincial business forums	
Brand Compliance and IP. Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	"Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods "Action/letters of demand to irregular users of the Proudly SA logo "Regular compliance reviews of all members	"Weekly monitoring of the use of the logo in the market "100% of all identified illegal users sent letters "100% (All) members checked for compliance	"Weekly monitoring done "All identified irregular users were sent letters – 100% "All members contacted as part of the new and	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
		<p>*Weekly monitoring with Adams & Adams of companies that are using the phrase and logo illegally</p>	<p>*Monitoring of the use of logo and phrase done illegally</p>	<p>renewals membership compliance process – 100% *Monitoring done by Adams and Adams weekly – 100%</p>	
Strengthening Media relations, PR and social media	*Daily, weekly, monthly monitoring and analysis of media coverage on the campaign	<p>*Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders</p>	<p>*100% of Daily monitoring through Newsclip of all coverage on Proudly SA</p>	<p>*Monitoring done during the quarter, 100% of all coverage identified</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>*Press releases At least 24 press releases per annum</p>	<p>*6 press releases issued per quarter</p>	<p>*6 press releases issued during Q3 (see PR section above)</p>	
	*Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media tactical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through media breakfasts/lunches & media meetings hosted by the CEO, Chairperson, board or the PR Manager	<p>*Media engagement *At least 16x individual media meetings per annum</p>	<p>*4 media/editor meetings per quarter</p>	<p>*35 media meetings/visits held with various media houses (See list in PR section above)</p>	
	*Daily communication on Twitter and Facebook *Increase following on social media platforms and increase in publicity	<p>* At least 2 x Media breakfast/ lunch per annum * Social Media activities daily</p>	<p>*At least 1 x media breakfast/ lunch per quarter (Q2 and Q4) *Daily updates on Twitter and Facebook done</p>	<p>*None planned for Q3 *Daily updates done on Twitter and Facebook resulting in an increase in the number of followers on</p>	<p>*Media lunch/breakfasts scheduled for Q4</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
		<p>"Social media competitions at least once a month (12 per annum);</p> <p>"Valentine's Day activation 1x per year on Valentine's day</p>	<p>"3 social media competitions per quarter (one a month)</p> <p>"This activation is scheduled to take place during Q4 (Feb '17)</p>	<p>both platforms. The Proudly SA Twitter account now has 129 000 followers and Facebook has more than 10 000 followers</p> <p>"A major Social media competition ran for the Festive Season campaign</p> <p>"This activation is scheduled to take place during Q4 (Feb '17)</p> <p>* This activation is scheduled to take place during Q4 (Feb '17)</p>	
Retention and Recruitment Members	Number of members recruited and retained	"Recruit at least 144 new members for the year	"36 new members recruited during the quarter	"44 new members recruited and approved during the quarter	
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	"Retain at least 50% of all members due for renewal for the year	"50% of all members due for renewal renewed membership	"70% of all members due for renewal, renewed their membership	
Human Resources Management:	Extent (Percentage) of alignment of the functional organogram with the approved strategy	100% accurate and correct processing of all financial transactions - unqualified opinion and clean audit reports for 2015/16 financial year end audit – Annual Financial Statements	"100% accurate and correct processing of all financial transactions during each quarter	"All financial transactions correctly and accurately processed during Q3	
Organisational structure is always aligned to organisational strategy	"Percentage of critical positions filled	"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 in Q3	
		"All (100%) critical positions filled at all times	"All (100%) critical positions filled during the quarter	"2 critical vacant positions on the organogram filled during Q3 – CEO and PR Manager. 2 positions (CFO and Executive Membership and Legal became vacant during Q3 and will be filled during Q4	

PFMA AND TR COMPLIANCE CHECKLIST / COMPLIANCE CALENDER

CORPORATE MANAGEMENT

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

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

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
5.	51(e)	Financial Misconduct	<p>Have effective and appropriate disciplinary steps been taken against any employee of the public entity who has:</p> <ul style="list-style-type: none"> • Contravened or failed to comply with a provision of the PFMA • Committed an act which undermined the financial management and internal control system of the public entity • Made or permitted irregular or fruitless and wasteful expenditure 	X			No employee has committed any of the offences listed herein
	66(2)		Has the accounting authority been found guilty of an offence or is there any investigation pending relating to the willful or negligent failure to comply with the provisions of sections 50, 51 or 53?	X			
	TR 33.1.1		Have any employees of the public entity committed financial misconduct?	X			
	TR 33.1.2		If so, was the investigation instituted within 30 days?		X		
	TR 33.2.1		Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct?		X		If any criminal charges are instituted for financial misconduct, the Executive Authority will be advised accordingly
	TR 33.3.1		Is the Executive Authority, Auditor-General and relevant treasury provided with a schedule detailing: <ul style="list-style-type: none"> • The outcome of any disciplinary hearings and/or criminal charges; • The names and ranks of employees involved; and • The sanctions and any further actions taken against these employees. 		X		The reports on any disciplinary hearings held are reported to the Accounting Authority through the relevant subcommittee (HR and Remunerations Committee).

PFMA CHECKLIST FOR PUBLIC ENTITIES PLANNING AND BUDGETING

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

TR 29.2.	Does the public entity conclude a shareholder's compact with the executive authority on an annual basis? If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X X			A memorandum of Association (MoA) has been concluded and signed with the dti The draft MoA does detail the key performance measures and the indicators to be attained
2.	Annual budgets by non-business Schedule 3 public entities	X			Specific to Schedule 3 non business entities, however Proudly SA does submit its budget to the dti as required as per the MoA
53(1)	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dti as per the MoA
53(2)	Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities and not applicable to Proudly SA however, Proudly SA does not budget for a deficit
53(3)	Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?		X		Specific to Schedule 3 non business entities and not applicable to Proudly SA however, Proudly SA does not budget for a deficit
TR 30.1.1	Did the accounting authority submit a proposed strategic plan to the executive authority for his or her approval at least six months before the start of the financial year of the department designated by the executive authority?			X	Specific to Schedule 3 non business entities and not applicable to Proudly SA, however a strategic plan was submitted as per the MoA
TR 30.1.2	Was the final strategic plan submitted to the executive authority before 1 April?			X	Final strategic plan submitted as per requirements contained in the MoA

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 30.1.3		<p>Does the strategic plan:</p> <ul style="list-style-type: none"> cover a period of three years; include objectives and outcomes as identified by the executive authority; include multi-year projections of revenue and expenditure; include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and include the materiality/significant framework, referred to in Treasury Regulation 28.1.5. <p>Is the strategic plan updated on an annual basis?</p>	X X X X X X			The Strategic plan approved by the Board does cover all the areas as required by the Treasury Regulations

PFMA CHECKLIST FOR PUBLIC ENTITIES MANAGEMENT OF WORKING CAPITAL

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	38(1)(j)		Has the public entity submitted a written assurance to the transferring department to the effect that the entity has and maintains efficient, effective and transparent financial management and internal control systems?	X			A written assurance is submitted to the dti in the form of a letter confirming compliance with Section 38(1)(j) of the PFMA on a quarterly basis
	54(1)		Does the public entity: <ul style="list-style-type: none"> • have an appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective? • have a system for properly evaluating all major capital projects prior to a final decision on the project? • collect all revenue due? • have mechanisms in place to prevent irregular and fruitless and wasteful expenditure? • Manage available working capital efficiently and economically? 	X		X	The procurement system is in line with section 217 of the constitution, and is fair, equitable, transparent, competitive and cost-effective. The SCM policy has been revised to ensure full compliance with the PFMA and has been approved by the Board There are currently no major capital projects
	TR 29 1.3 TR 29 1.6		Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only) If a borrowing programme was submitted, did it include? <ul style="list-style-type: none"> • The terms and conditions on which the money was borrowed? • Information on proposed domestic borrowing. • Information on proposed foreign borrowing (national entities) • Short and long term borrowing. • Borrowing in relation to a pre-approved corporate plan • The maturity profile of the debt. • The confirmation of compliance with existing and proposed loan covenants. • Debts guaranteed by the government. • Motivations for government guarantees, if required, and • The executive authority's approval of the borrowing programme, if required by the legislation in terms of which the entity was established. 	X		X	Proudly SA is not a Schedule 2, 3B or 3D entity and does not borrow any funds
	TR 32 1.1		Did the public entity borrow money for bridging purposes? If yes. <ul style="list-style-type: none"> • Was approval obtained from the Minister of Finance? • Was the debt repaid within 30 days from the end of the financial year? 		X		No money borrowed by the campaign for any purposes, including for bridging purposes

PFMA CHECKLIST FOR PUBLIC ENTITIES REPORTING

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
			<p>Does the public entity's annual report and financial statements fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?</p> <p>Does the annual report and financial statements include:</p> <ul style="list-style-type: none"> Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; Any losses recovered or written off; Any financial assistance received from the state and commitments made by the state on its behalf; The financial statements of subsidiaries. 	X			The Annual Report and Annual Financial Statements fairly presents the information referred to herein
65		<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>		X		X	No material losses incurred through criminal conduct and fruitless expenditure (penalties) incurred during the previous financial year reported as such No criminal charges instituted as no such loss was incurred Proudly SA does not have any subsidiaries
TR 27.1.7		Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference		X			This disclosure was included in the Governance section in the Annual Report as the audit committee has an approved set of Terms of references
TR 27.1.10		Did the audit committee comment on its evaluation of the public entity's financial statements?		X			The Audit committee does comment on the public entity's financial statements in the AFS contained in the Annual Report

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

PFMA CHECKLIST FOR PUBLIC ENTITIES CASH MANAGEMENT, BANKING AND INVESTMENT

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	51(1)(b)(iii) TR 31.1	Cash Management	<p>Are systems, procedures and processes in place in the public entity to ensure efficient and effective banking and cash management, which includes?</p> <ul style="list-style-type: none"> • Collecting and banking revenue promptly Making payment no earlier than necessary with due regard for efficient, effective and economical programme delivery and the public entity's normal terms for account payments; • Avoiding prepayments for goods and services unless required by the contractual arrangements with the supplier; • Accepting discounts to effect early settlement; • Pursuing debtors with appropriate sensitivity and vigor to ensure that amounts receivable by the public entity are collected and banked promptly; • Accurately forecasting the public entity's cash flow requirements; • Timing the in and out flow of cash; • Recognizing the time value of money, i.e. economically, efficiently, and effectively managing cash; 	<p style="margin-left: 100px;">X</p> <p style="margin-left: 100px;">X</p> <p style="margin-left: 100px;">X</p> <p style="margin-left: 100px;">X</p> <p style="margin-left: 100px;">X</p> <p style="margin-left: 100px;">X</p> <p style="margin-left: 100px;">X</p>			<p>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</p>

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
2.	TR 31.2.1	Banking	<ul style="list-style-type: none"> • Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level for efficient and effective programme delivery, and selling surplus or under-utilized assets; • Performing bank reconciliations at least weekly; • Making regular cash forecasts; and • Alignment of the approved budget with monthly cash flows; • Variance analyses of actual cash flow with the approved budget 	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"> • selection of counter-parties through credit risk analyses; • establishment of investment limits per institution; • establishment of investment limits per investment instrument; • monitoring of investments against limits; • reassessment of investment policies on a regular basis; • reassessment of counter-party credit risk based on credit ratings; and • reassessment of investment instruments based on liquidity requirements. 			X X	<p>The campaign submits its list of bank accounts to the dti as per the MoA</p> <p>The Proudly SA campaign does not have enough long term cash reserves to enable it to invest. Any surplus funds are placed in Call accounts with the highest rate of returns, as negotiated with the banking institution where the funds are kept.</p>

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

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action owner	Time Frame
1	Increase uptake of Membership	Strategic Risk	Lack of legislative mandate.	High 25	Presentations and submissions made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Procurement regulations revised and the dti has designated products for public procurement	Satisfactory	Medium 13	Proudly SA to leverage off the current PPPFA regulations in its consumer education efforts. To develop a database of local products and to promote this database to the private and public sector.	MANCO	31-Mar-17
2	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Insufficient funding to ensure sustainability of the campaign.	High 16	Raising sponsorships Partnership with relevant institutions	Satisfactory	Medium 8	Improve sponsorship drive Secure fulltime broadcasting partner for the campaign Utilise other mediums such as social media platforms and other guerilla marketing tactics	MANCO	31 Mar 2017 (ongoing) 31 Mar 2017 31 Mar 2017

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
3	To work with enforcement agencies to prevent illegal imports, dumping of unsafe products and illicit trade	Strategic Risk	Lack of legislative mandate and recognition of Proudly SA as a key player by the enforcement agencies.	High 25	Presentations and submissions made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Procurement regulations revised and the dti has designated products for public procurement	Unsatisfactory	High 23	A request made to the Nediac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products	MANCO	31-Mar-17
4	Increase uptake of Membership	Strategic Risk	Poor value proposition for existing and prospective members.	High 20	Value proposition based on Proudly SA activities and campaigns	Weak	High 14	The Proudly SA membership value proposition needs to be improved to provide for items that impact on the bottom line of the member companies, including participation in foreign missions. Roll out more campaigns. Restructured membership fee	MANCO	31-Mar-17
5	To educate South Africans on the importance of 'Labels of origin' in order to promote fair and legal trade with other countries.	Strategic Risk	Lack of uptake of Proudly SA products and services by all spheres of government including SOEs (Non-compliance with regulations on designation of sectors)	High 20	Procurement regulations revised and products designated for local procurement by all organs of the state	Weak	High 14	Roll out educational campaigns on PPPFA local content provisions (regulations) to all spheres of government in partnership with NT, SALGA, provincial ED departments and SOEPF	MANCO	31-Mar-17

Risk No	Objective (Strategic Operations)	Risk Category	Risk Description	Inherent risk	Current controls	Perceived control effectiveness	Residual risk	Actions to improve management of the risk	Action Owner	Time Frame
6	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Lack of funding to undertake meaningful research to inform consumer education campaigns	High 16	Deep stick surveys undertaken after every event.	Weak	Medium 11	An economic impact study on Buy Local done by Pan African Research and results finalised. To utilize this data to strengthen the campaign's case in the market – study to be extended. To package case studies of member success stories for use in the market.	MANCO	31-July-16
7	To compile a database of locally produced products and services.	Strategic Risk	Lack of comprehensive LPA supplier database	High 16	Self-registration by local companies on the LPA database of local products on the website	Weak	Medium 11	Require a campaign to promote the database of local products and the use of the database by both the private and the public sector. Identify strategic partners to assist with database	Executive Manager: Marketing & Comms CFO	31-Mar-17
8	To compile a database of locally produced products and services.	Strategic Risk	Lack of funding to promote the LPA supplier database to consumers, business and government.	Medium 12	No funding allocated for promotion of LPA database; therefore database promoted at events, activations, etc.	Weak	Medium 8	Allocation of funds for a campaign aimed at popularizing the database. The increase of the use of the database by the public and the private sector will increase the profile of the database and the campaign	Executive Manager: Marketing & Comms	31-Mar-17

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent Risk	Current Controls	Perceived control effectiveness	Residual Risk	Actions to improve management of the risk	Action Owner
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 1 6	Attempts to conclude partnerships with organisations that have databases in order to merge the databases have been made. i.e. SALGA, NT, SOEPF	Weak	Medium 11	Partner with NT on the integration of Proudly SA onto government's Central Supplier Database Promotion of database required to improve credibility and use of the Proudly SA database	MANCO
10	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Threat of counterfeit goods, dumping of illegal and toxic waste and unfair trade.	Medium 9	Proposed partnerships with law enforcement agencies to roll out anti-dumping and prevent illegal imports	Unsatisfactory	Medium 8	Roadshows at borders and customs to educate consumers and customs staff about illegal imports A request made to the Nedlac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products Proudly SA to participate in the dti's random searches for pirate or dumped products at the ports. Request to be made to the Minister	MANCO BOARD

PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

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

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

FINANCIAL REPORT

EXPENDITURE VS. BUDGET
(QUARTER 3 - OCTOBER TO DECEMBER 2016)

Description of item	Budget for the quarter (Q3)	Actual for the quarter (Q3)	Variance for the quarters (Q3)	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (31 December 2016) Rands	YTD Variance (31 December 2016) Rands
INCOME								
Membership Fees	750,000	611,044	(138,956)	(19%)		3,000,000	1,657,877	(1,342,123)
Grant – the dti	8,000,000	8,000,000	0	0%		31,868,000	24,000,000	(7,868,000)
Project based funding - UNOPS	0	0	0	0%		900,000	0	(900,000)
Sponsorship	0	200,000	200,000	100%		9,700,000	400,000	(9,300,000)
Other Income	0	56,822	56,822	100%		0	173,627	173,627
Total Income	8,750,000	8,867,866	(117,866)	1%		45,468,000	26,231,504	(19,236,496)
EXPENDITURE								
HR and Staffing costs	5,031,290	4,307,491	(723,799)	(14%)		19,170,779	14,576,449	(4,594,330)
Administrative costs	2,001,693	1,190,707	(810,986)	(40%)		5,444,771	3,938,161	(1,506,611)
Membership costs	167,613	38,953	(128,660)	(76%)	Cost cutting exercise undertaken	670,450	128,035	(542,415)
Marketing costs	5,196,499	1,798,283	(3,398,216)	(65%)	Most activities, including Summit and Advertising campaign planned for Q4	18,756,000	4,347,869	(14,408,131)
Capital Expenditure	376,500	265,880	(105,619)	(28%)	Reduced spending in Q3 as expenditure was high in Q1 and Q2	1,426,000	1,018,949	(407,051)
Total Expenditure	12,773,594	7,601,314	(5,167,280)	(40%)		45,468,000	24,009,467	(21,458,533)