



# QUARTERLY REPORT

**1 OCTOBER - 31 DECEMBER 2017**

Quarter 3

2017/18 Financial Year

**PROUDLY  
SOUTH AFRICAN**





Quarterly Report for Q3 (October to December 2017)

## APPROVAL OF THE REPORT

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

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# ACRONYMS

The following are definitions of the acronyms used in the report

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

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



## EXECUTIVE SUMMARY

This report covers the period 1 October – 31 December 2017 and focuses on various highlights during the period:



The overall picture through the 3-month period under review showed little change in unemployment figures, which remained in the +/- 27% range. Youth unemployment remains an even bigger issue with a figure of 37%, with 32% of 15-24 year olds who are neither part of any education or training programme, nor in employment.

Despite this major cause for concern, the economy grew by 2% in Q3, with a particularly strong performance in the agricultural sector. The mining sector contributed 0.5% to growth of the GDP, and there was a significant increase in investment in machinery and equipment. In addition, household expenditure increased by 2.6% in Q3, which contributed to total growth figures.

Economists expect the country's economy to grow by 1.3% in 2018, but this figure seems to be contingent

on the large fiscal gap being plugged, land reform issues and the 'free higher education for the poor' promise made by President Zuma mid-December, all finding a workable financial resolution.

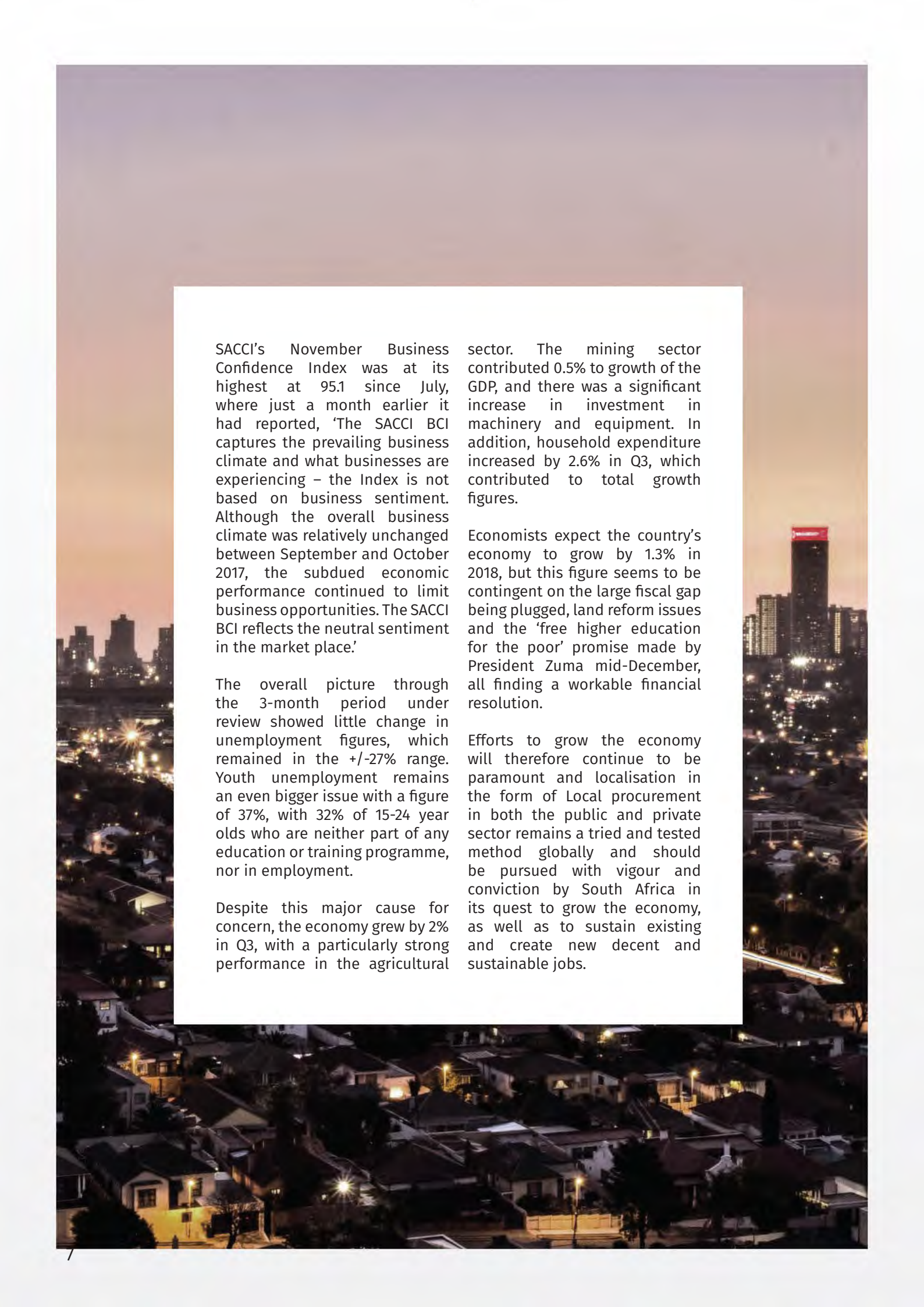
Efforts to grow the economy will therefore continue to be paramount and localisation in the form of Local procurement in both the public and private sector remains a tried and tested method globally and should be pursued with vigour and conviction by South Africa in its quest to grow the economy, as well as to sustain existing and create new decent and sustainable jobs.

As the country exited its technical recession, the final calendar quarter of 2017 was one of watching and waiting, as all economic eyes were on the 25 October Medium Term Budget & Policy Statement delivered by the Minister of Finance, followed

by the December 16-20 ANC Elective Conference, with the expectation of a change of party leadership.

Cyril Ramaphosa's accession to party president at the Conference saw the Rand, which during the preceding months had a volatile roller coaster ride against global currencies, rallying as optimism for a change in government direction and policy became a real possibility.

By December, the major credit rating agencies had made their final assessment of the country for the year, stopping short of putting South Africa at below investment level, leaving as SACCI said in their November report, '...a window of opportunity for South Africa to resolve its challenges ahead of the February 2018 Budget'.

An aerial night photograph of a city, likely Johannesburg, South Africa, showing a mix of residential houses and high-rise buildings. A white rectangular text box is centered over the image. The sky is a deep twilight purple and blue. The city lights are visible, including a prominent skyscraper with a red top section on the right side.

SACCI's November Business Confidence Index was at its highest at 95.1 since July, where just a month earlier it had reported, 'The SACCI BCI captures the prevailing business climate and what businesses are experiencing – the Index is not based on business sentiment. Although the overall business climate was relatively unchanged between September and October 2017, the subdued economic performance continued to limit business opportunities. The SACCI BCI reflects the neutral sentiment in the market place.'

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# GOVERNANCE AND OVERSIGHT DURING THE QUARTER

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

## 3.1) Board meeting

The Proudly SA Board of Directors met on 05 December 2017 and considered the following:

- The Chairman reported on strategic organisational sustainability meetings held with the Director General of Trade and Industry as well as a meeting with the Department of Labour.
- The CEO reported on the outcomes of the Board Strategy Session held in October 2017.
- On the recommendation from the Membership, Marketing and Communication Committee the Board considered the opinion pieces developed on Revitalising the Manufacturing in South Africa.
- The Board considered and approved the Quarterly Report for the period ending September 2017.
- Board Members were requested to assist with recruitment of high value members and were presented with a membership hit list.
- The Board received an update and lauded the success of the Tender Monitoring System.
- The Festive Season Campaign was presented by management and approved by the Board.
- The plans for the 2018 Buy Local Summit and Expo were presented.
- The Board received reports from the Chairperson(s) of the various sub-committee meetings held during the quarter.
- The Management Accounts and Cash flow were presented by the CFO.

## 3.1) Audit and Risk Committee

The members of the Audit and Risk committee held their meeting on 22 November 2017 and the meeting considered the following:

- The internal audit reports as presented by the Internal Auditors. The Committee noted their dissatisfaction on recurrent findings regarding leave administration.
- The Committee received an update on the status of implementation of corrective recommendations emanating from the 2016/17 external audit findings.
- Following the Risk Management Workshop, it was agreed to present the Audit and Risk Committee with a final list of the strategic risks for the 2018/19 financial year at the next Audit and Risk Committee Meeting.

## 3.3) Finance and Procurement Committee

The members of the Finance and Procurement committee held their meeting on 23 November 2017 and the meeting considered the following:

- The Committee approved the RFP for the supplier of stands for the 2018 Buy Local Summit and Expo.
- The Committee requested that management enter into negotiations with the current landlord and also begin looking for new premises and that the current rental amounts be benchmarked with similar properties.
- The Committee reviewed and agreed to recommend the revised SCM Policy to the Board for approval.
- The Committee reviewed the RFP for Travel Services.
- The Committee considered the financial reports tabled made up of the Management Accounts and the Cash Flow projections schedule.



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

The members of the Membership, Marketing and Communications Committee held their meeting on 22 November 2017 and the meeting considered the following:

- The Committee noted the improvement in membership recruitment and in particular the success with large corporates such as Massmart, Twizza and Rooibos.
- The Committee recommended targeting Industry Bodies and recruiting their members.
- The Committee recommended looking at ways to drive compliance and increased awareness in the public sector for procurement officials and how to extend this to the private sector.
- The Committee received and recommended that the Buy Local Summit and Festive Season Campaign plans be tabled at the Board for its consideration.
- The Committee reviewed and recommended the Tender Monitoring System Report for inclusion in the Board Pack.

### **3.5) HR and Remunerations Committee**

The members of the HR and Remunerations Committee held their meeting on 23 November 2017 and the meeting considered the following:

- The Committee recommended exploring the effect of tax regulations on Board Fees.
- The Committee agreed to recommend a performance based bonus for qualifying staff to the Board.

### **3.6) Social and Ethics Committee**

- There was no meeting of the committee in the quarter as there were changes or updates to the checklist.

# 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 third quarter of the 2017/18 financial year.

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

- The Dstv Delicious International Food & Music Festival took place in October 2017 at Kyalami. Proudly SA participated in this event for the first time and this enabled the campaign to promote member offerings and roll out consumer education programmes to the estimated 40 000 people that attended the festival over the 2-day period.
- As part of the Festive Season consumer campaign, 2 Mall Activations were held at the Maponya Mall 2-3 December 2017, as well as at the Green Acres mall in Port Elizabeth from 8-9 December 2017;
- A total of 4 Proudly SA Business Forums were held in 4 provinces, namely Kimberley (Northern Cape), Bloemfontein (Free State), East London (Eastern Cape) and Johannesburg (Gauteng) during Quarter 3
- The Proudly SA Local Procurement COSATU Conference took place in Cape Town during November 2017 where COSATU shop stewards from the Western Cape were in attendance.
- In support of government's localisation drive as contained in the preferential procurement regulations, Proudly SA participated and presented at the provincial Supply Chain Management conference hosted by the Eastern Cape Treasury department for all the provincial and municipal procurement officials in the province during December 2017. In addition to this, Proudly SA hosted its provincial Public Sector Preferential Procurement Forum in East London on November 2017.
- A delegation from the Buy Zimbabwe campaign visited Proudly SA during December 2017 and the visit was aimed at assisting Buy Zimbabwe with their campaign.
- The Proudly SA database of local products and services grew by 329 items, exceeding the target of 150





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

- No dipstick surveys were done after each of the forums to determine the levels of customer satisfaction as required in the APP. This was as a result of management oversight, however the total required number of dipstick surveys as listed in the APP will have been undertaken by the end of the financial year;
- The actual membership retention rate for members due for renewal during the quarter was 78% against a target of 90%. A dedicated official has been assigned to focus on the renewals side of the business and it is clear that this intervention coupled with the improved repositioning strategy will yield the desired outcomes;
- It was anticipated that a briefing to at least one SALGA forum would take place during the quarter under review, where the campaign would reach procurement officials from municipalities across the country, however this did not happen as a result of budgetary constraints emanating from the high participation/sponsorship cost required by SALGA. Plans are in place to meet the SALGA CEO during quarter 4 to renew the MoU between Proudly SA and SALGA, as this will enable the campaign to participate at similar forums in the future;
- The planned sector specific forums were not held during the period under review, as a decision was taken to move these forums to quarter 4, as a result of human resource constraints during quarter 3, as the campaign focused on wrapping up the provincial business forums as well as the public sector preferential procurement forums during this period. Sector specific forums for the Pharmaceuticals, the Poultry as well as the Clothing and Textiles industries are scheduled for February and March 2018.
- The SA Premier Business Awards, which Proudly SA co-hosts with the dti and Brand SA were not held during December 2017 as planned but have been rescheduled to January 2018, due to the unavailability of the dti's political principals on the original date;
- Proudly SA is meant to participate in the NEDLAC Task Team on Anti-piracy and dumping and the meetings which were initially planned for quarter 3 will only commence during quarter 4 as the Task team was still wrapping its work on other economic matters prior to commencing with this specific work.

## 4.3) Membership Report for Q3 2017/18

### Overview

The third quarter of 2017/2018 saw an uptake of 49 new fully paid-up members (where a total of 54 companies were approved for membership). The actual recruitment number fell just short of the Membership Department's target of 50 per quarter. The conversion rate of potential members to actual paying members has improved significantly since quarter two, where previously, 72 members were approved, but only 50 had paid for their membership activations.

Of the 49 newly-recruited members, 17 new memberships were activated (21 were approved) in October; in November, 26 new members were activated (28 were approved); and at the end of December, 6 companies' memberships were activated (whereas 5 companies were approved for membership).

The best performing sector remains Manufacturing with 14 new recruits, followed by Agriculture and Food Products at nine each, Professional Services at seven, and Financial Services and Healthcare at two each.

The number of members recruited in Gauteng remains the highest at 26; followed by the Free State at 10, the Western Cape at six, North West at two, and single member companies were recruited in the Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and the Northern Cape, respectively. The Membership base this third quarter has increased in every province of the country.

The Proudly South African database of local products and services grew by 329 items, exceeding the target of 150 new products and services for the third quarter by over 219%. The total number of products and services now totals 8,190 as at 31 December 2017.

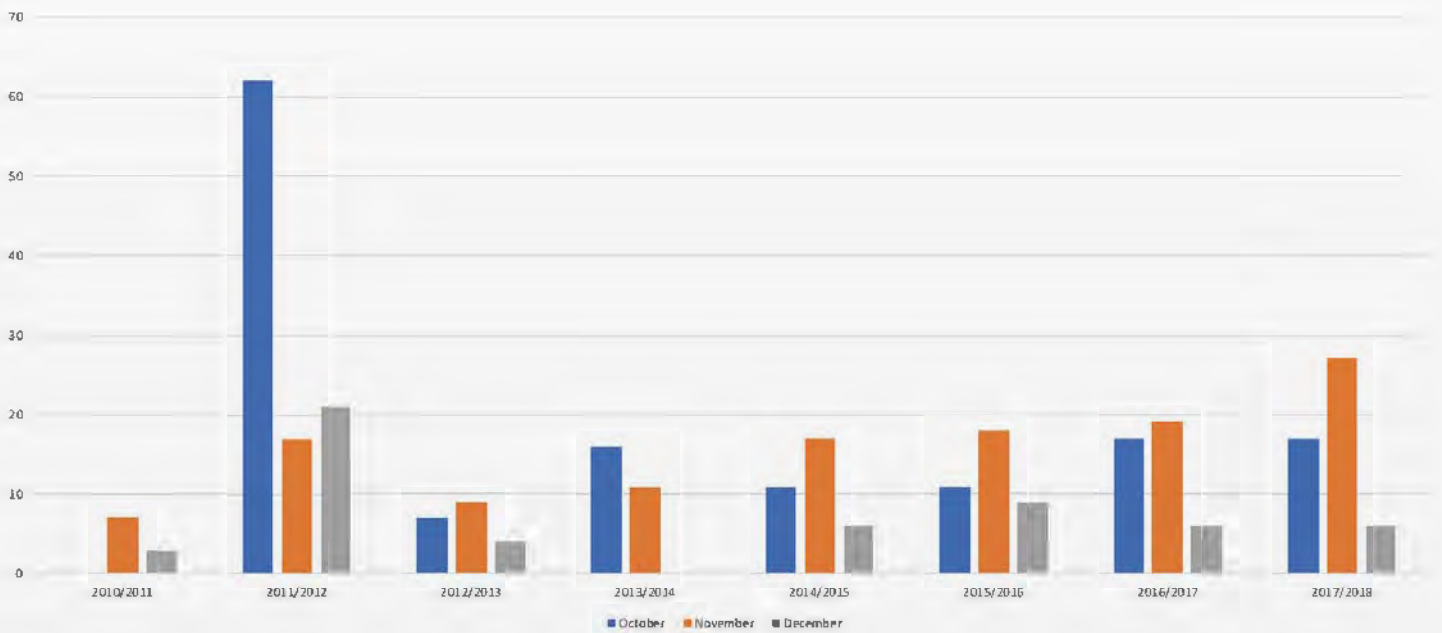
Members are retained at a monthly average of 78% for the first three quarters, collectively. With the Buy Local Summit and Expo approaching in quarter four, the trend historically shows that member companies renew just in time to be included in Proudly South African's flagship annual event at the end of quarter four – accounting for the shortfall of 12% in the renewal average (where the target is 90%).

The membership team continues to target companies with withdrawn memberships, as well as new members in retail and manufacturing in the Fast-moving Consumer Goods space. The membership department is positive that the ever-expanding value proposition for member companies will rapidly increase the Proudly South African membership base in the last quarter of the 2017/2018 financial year.

**2017/2018 Q3 NEWLY-RECRUITED MEMBERS**  
 Year-on-year Comparisons: 2010/2011 to 2017/2018

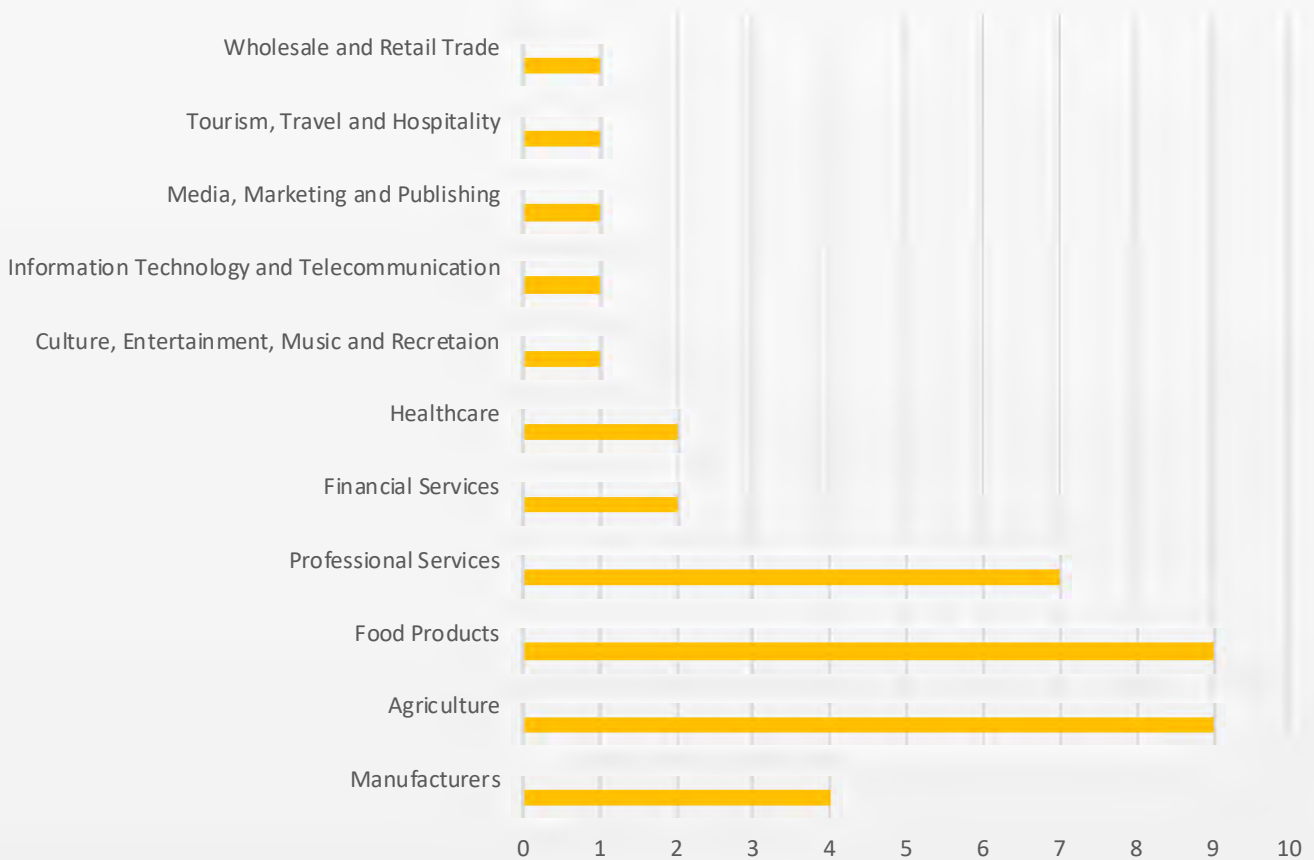
MONTH	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018 (total number approved numbers)
October	0	62	7	16	11	11	17	17 (21)
November	7	17	9	11	17	18	19	26 (28)
December	3	21	4	0	6	9	6	6 (5)
<b>TOTAL</b>	<b>10</b>	<b>100</b>	<b>20</b>	<b>27</b>	<b>34</b>	<b>38</b>	<b>42</b>	<b>49 (54)</b>

**Graphical Representation**  
 Q3 Year-on-year Comparison  
 2010/2011-2017/2018



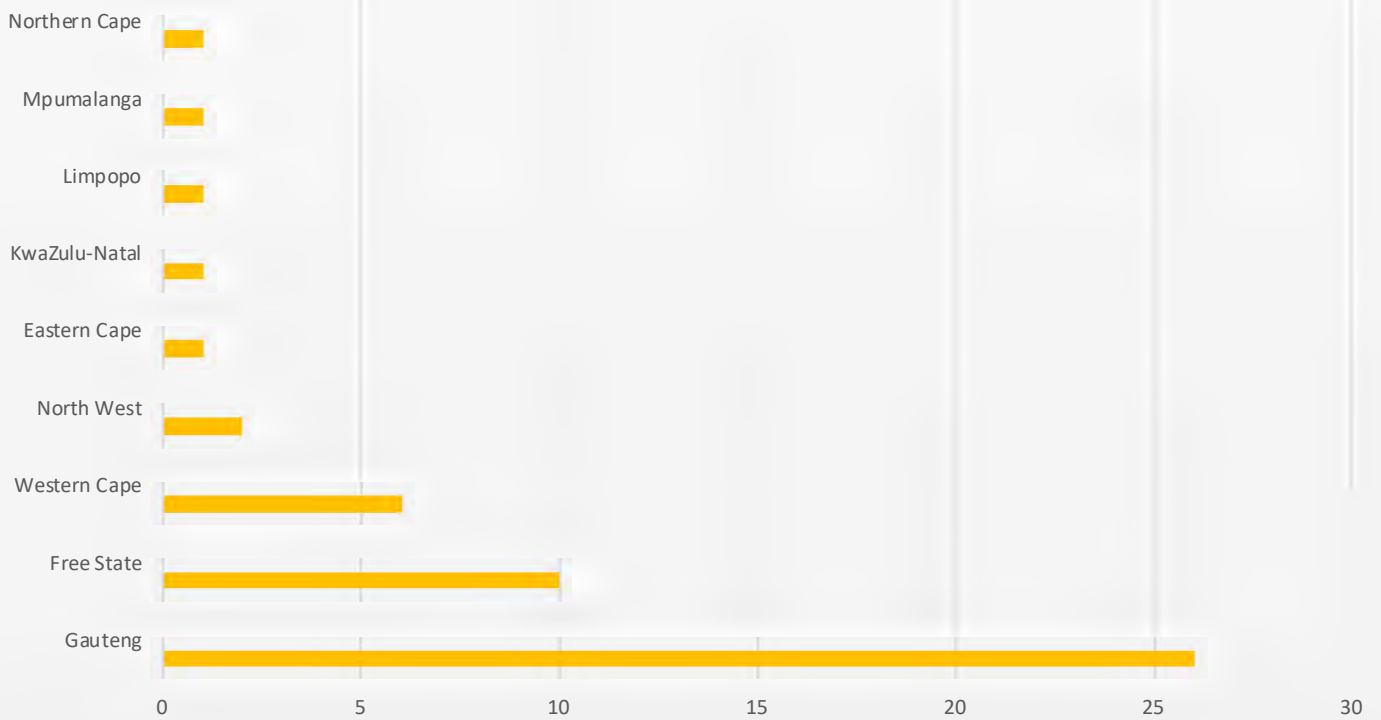
**2017/2018 Q3  
NEWLY-RECRUITED MEMBERS BY SECTOR**

SECTOR	NUMBER OF NEWLY-RECRUITED MEMBERS
Manufacturers	14
Agriculture	9
Food Products	9
Professional Services	7
Financial Services	2
Healthcare	2
Culture, Entertainment, Music and Recreation	1
Health and Lifestyle Services	1
Information Technology and Telecommunication	1
Media Marketing and Publishing	1
Tourism, Travel and Hospitality	1
Wholesale and Retail Trade	1



**2017/2018 Q3  
NEWLY-RECRUITED MEMBERS BY PROVINCE**

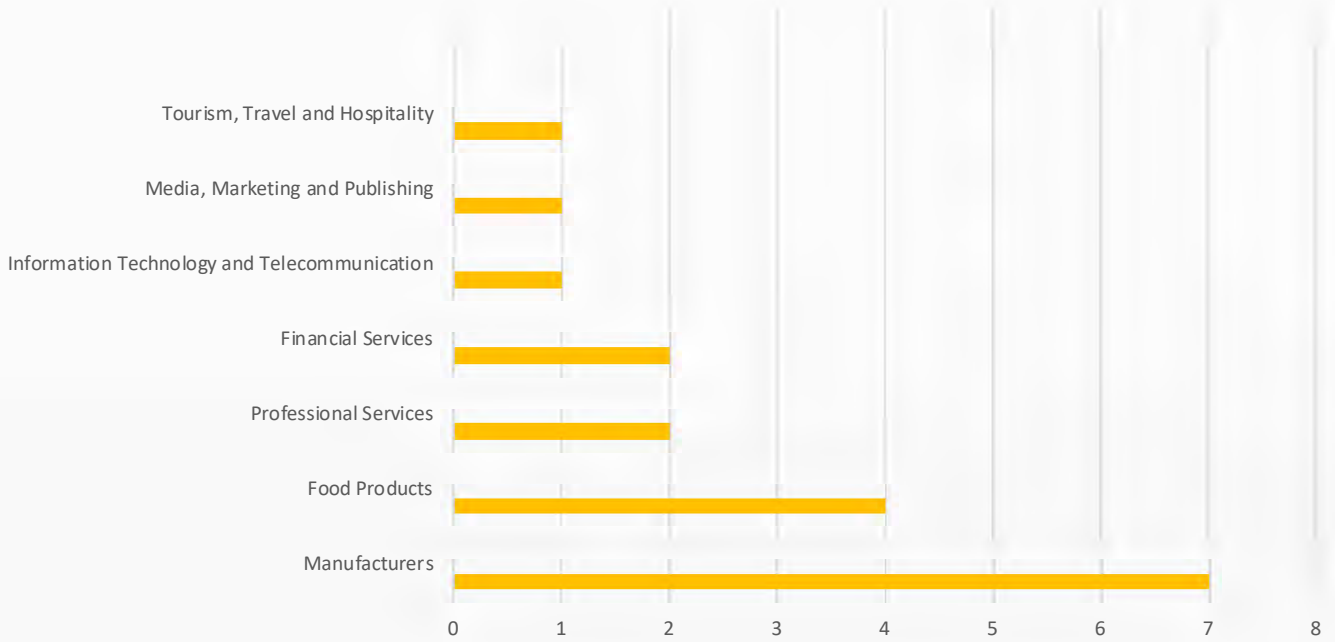
PROVINCE	NUMBER OF NEWLY-RECRUITED MEMBERS
Gauteng	26
Free State	10
Western Cape	6
North West	2
Eastern Cape	1
KwaZulu-Natal	1
Limpopo	1
Mpumalanga	1
Northern Cape	1



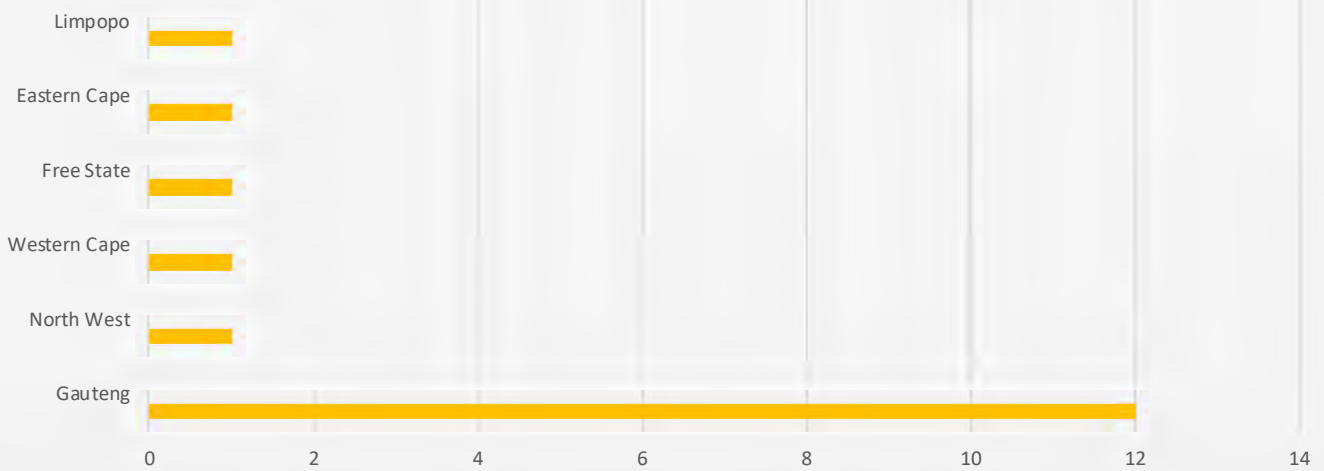
2017/2018 Q3 NEW RECRUITS: OCTOBER		
COMPANY	SECTOR	PROVINCE
African Bank	Financial Services	Gauteng
Brave Mountain Security	Professional Services	Gauteng
Brite Communications	Media Marketing and Publishing	Gauteng
Demutol Chemicals & Projects	Manufacturers	Gauteng
Dice Shuttles	Tourism, Travel and Hospitality	Gauteng
Elvema Nutrition (Pty) Ltd	Food Products	North West
Fire Fly Biofuel	Manufacturers	Western Cape
Gimtrac	Manufacturers	Gauteng
IV Liquid Fillers (Pty) Ltd	Manufacturers	Gauteng
Mashabela Attorneys	Professional Services	Gauteng
Protexsa Accessory Holdings (Pty) Ltd	Manufacturers	Gauteng
RSA DOT COM	Manufacturers	Free State
Slush Dolls	Food Products	Gauteng
Syntegricom Solutions (Pty) Ltd	Information Technology and Telecommunication	Gauteng
Twizza Pty (Ltd)	Food Products	Eastern Cape
Venteco (Pty) Ltd	Food Products	Limpopo
VM Bottle Printer & Fillers	Manufacturers	Gauteng
<b>TOTAL</b>		<b>17</b>



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



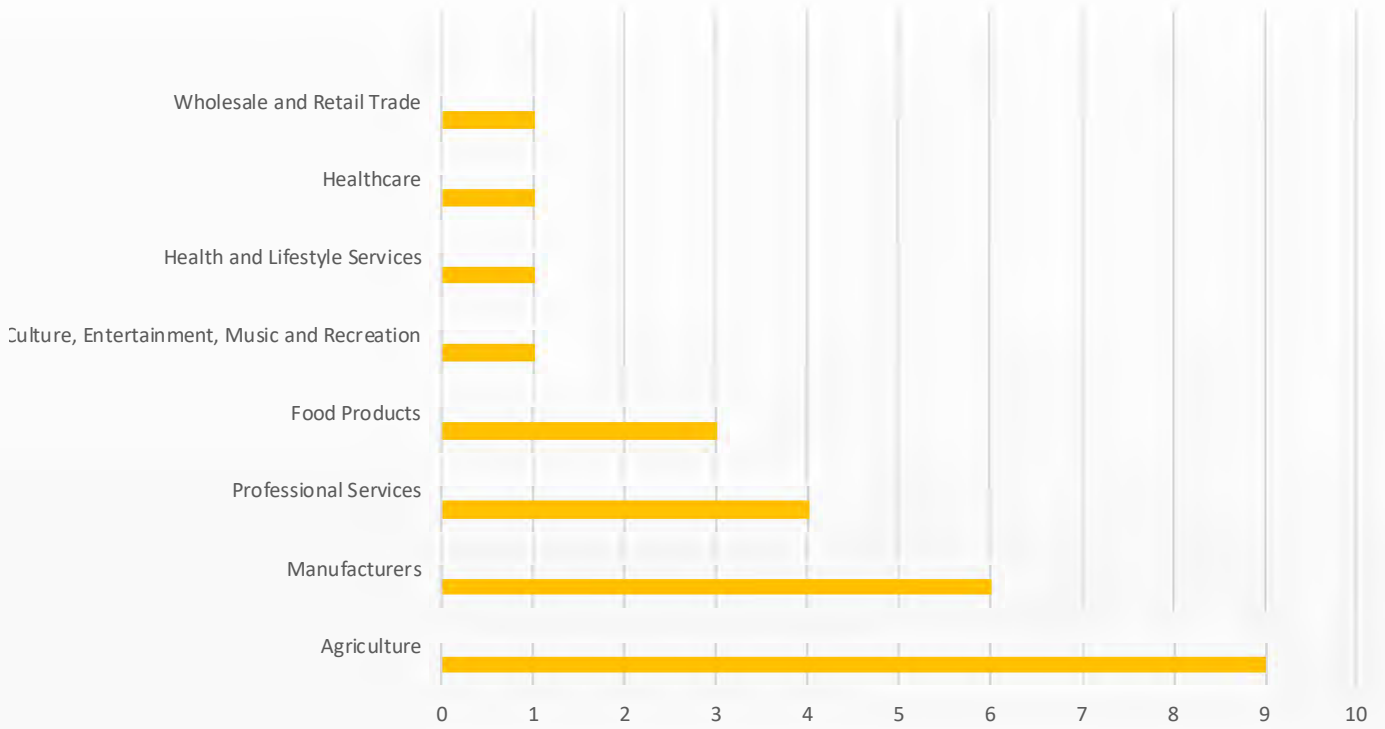
**2017/2018 OCTOBER  
NEWLY-RECRUITED MEMBERS BY PROVINCE**



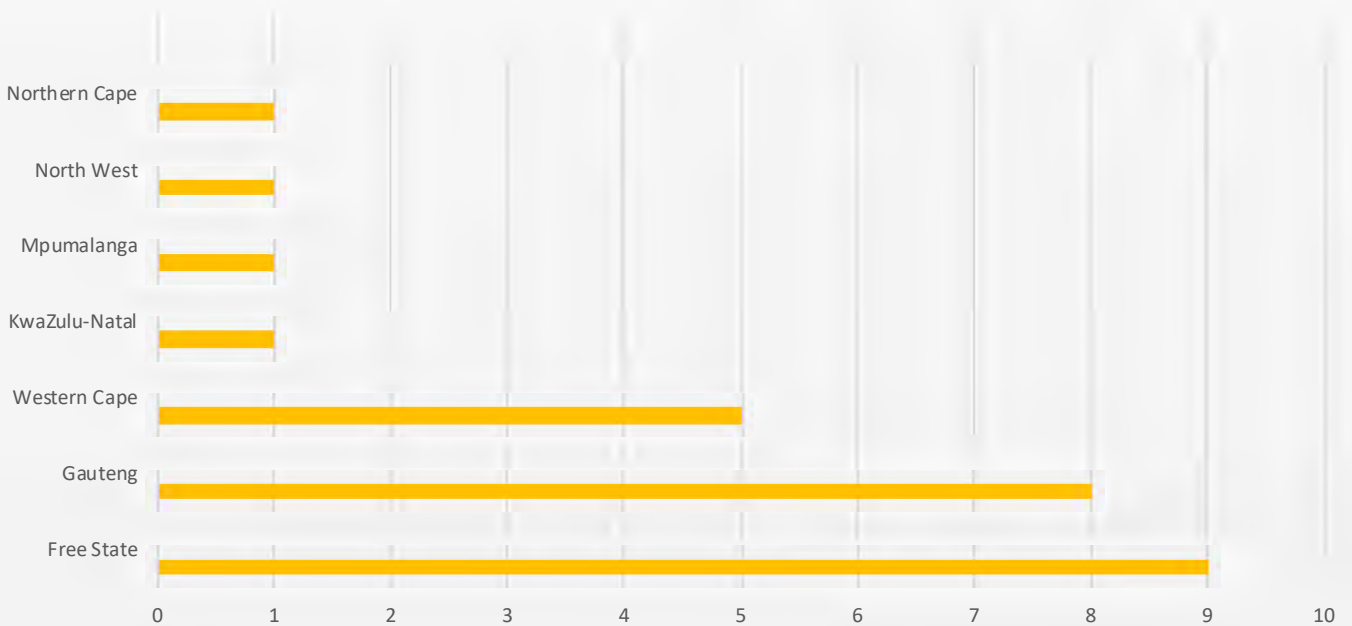
**2017/2018 Q3 NEW RECRUITS: NOVEMBER**

<b>COMPANY</b>	<b>SECTOR</b>	<b>PROVINCE</b>
CS Cavendish (Pty) Ltd	Wholesale and Retail Trade	Western Cape
Food Safety Management Systems	Professional Services	Gauteng
Free State Oil	Agriculture	Free State
Grain Field Chickens (Pty) Ltd	Agriculture	Free State
Greatlinking Management Services	Culture, Entertainment, Music and Recreation	Mpumalanga
Havillah Beauty	Professional Services	Gauteng
Health and Heels	Health and Lifestyle Services	Gauteng
High Rollers Trading & Projects CC	Healthcare	Gauteng
Jenni Dezigns (Pty) Ltd	Manufacturers	Western Cape
Medfood (Pty) Ltd	Food Products	Western Cape
Moabi Lwazi (Pty) Ltd	Manufacturers	North West
National Security & Fire (Chubb Security Services)	Professional Services	Gauteng
NTK-Venda Rolling Mills	Agriculture	Free State
Nu-Pro Feeds	Agriculture	Free State
OHSA Health and Safety Consultants	Professional Services	Northern Cape
Plus - Fab	Manufacturers	Gauteng
Redline Breathalysers (Pty) Ltd	Manufacturers	Western Cape
Rooibos Ltd	Food Products	Western Cape
The Chocolatiers	Food Products	Gauteng
Tilepro Technologies	Manufacturers	Gauteng
Triple V Animal Feeds	Agriculture	Free State
VKB Bakery KZN	Agriculture	Free State
VKB Flour Mills	Agriculture	Free State
VKB Homegrown Bakery	Agriculture	Free State
VKB Milling	Agriculture	Free State
WOA Fuels and Oils	Manufacturers	KwaZulu-Natal
<b>TOTAL</b>		<b>26</b>

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

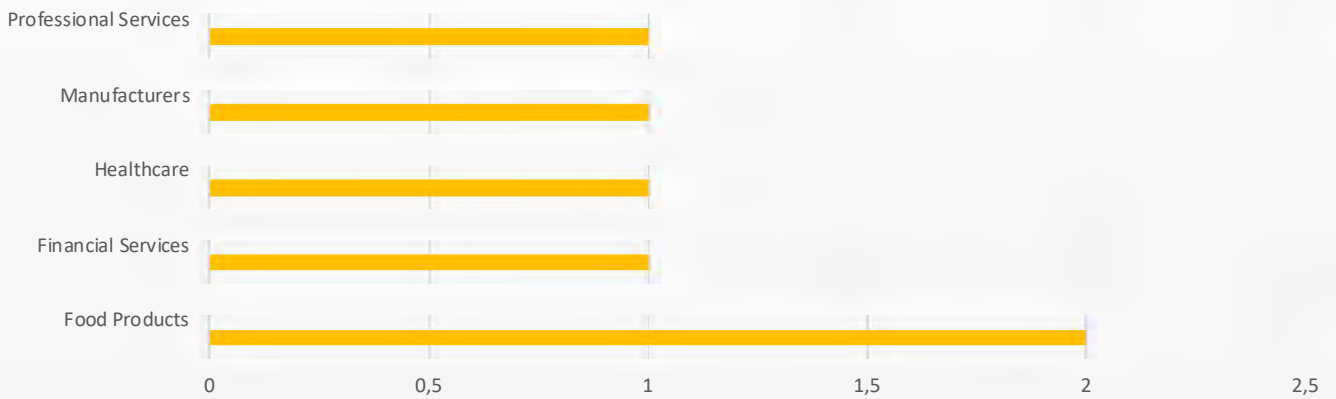


**2017/2018 NOVEMBER  
NEWLY-RECRUITED MEMBERS BY PROVINCE**



2017/2018 Q3 NEW RECRUITS: DECEMBER		
COMPANY	SECTOR	PROVINCE
Delicia Foods Industries (Pty) Ltd	Food Products	Gauteng
JEN-TIL Touch	Healthcare	Gauteng
Brite Communications	Professional Services	Gauteng
Mamashela Consulting & Projects CC	Food Products	Gauteng
Red Top Projects (Pty) Ltd	Manufacturers	Gauteng
Republic Metal Works (Pty) Ltd	Financial Services	Gauteng
<b>TOTAL</b>		<b>6</b>

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



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



## 4.4) Highlights for the quarter

# EVENTS & ACTIVATIONS

### The Consumer Goods Council of South Africa (CGCSA) Summit – 4-5 October 2017

This two-day exhibition was held at Vodacom world in Midrand. The Consumer Goods Council Summit is the most empowering industry conference, where retail industry leaders, aspiring leaders and experts shared knowledge and debated best solutions in Digital Ecosystems. Carefully selected speakers from a wide range of FMCG leaders, experts and other related organisations motivated and inspired delegates with stories of change, transformation and innovative approaches to business models in an evolving and increasingly digital age. Proudly SA used this summit as a consumer education platform and as a platform to attract potential member companies.

**Reach for this event:** 400

**Target Audience:** Consumers, Sector CEO's, Supply chain, commercial and integrated sustainability executives and management, brand executives, SMME suppliers/manufacturers, merchandisers and buyers, sales and marketing executives.





**DSTV Delicious International Food & Music Festival  
7 – 8 October 2017, Kyalami Race Track**

The biggest and most influential lifestyle event in South Africa and DSTV’s flagship lifestyle property. This festival enjoys millions of Rands worth of exposure across DSTV platforms in South Africa and many African territories. Both the event and the media/marketing opportunities surrounding the event have grown exponentially over the last 5 years. Main activities included international and local artists on a main stage, international and local chefs featured in various pop up restaurants and cooking theatres, channel activations, brand activations, an interactive kids zone, SA’s biggest gourmet street food market and a world class dance arena. All of this takes place annually at the prestigious Kyalami International Grand Prix Circuit in Johannesburg, South Africa.

The festival formed the concluding leg of the larger Heritage week campaign. Proudly SA undertook to showcase members in the food and beverage industry and encouraged member retention via the provision of this lucrative and high impact platform while demonstrating job creating elements, as well as the economic impact these sectors have. We also hosted strategic stakeholders for networking and business opportunity exploration purposes and educated the audience on the offerings of the campaign.

**Reach for this event:** 40 000  
**Target Audience:** Consumers

**10th Social Media Conference - 18 October 2017**

The Chief Marketing Officer, Ms. Happy Ngidi was invited to present to the conference on how The Campaign uses social media to assist in the achievement of its goals. A new slide presentation was created in house to speak to the topic which was well received by the audience. The platform was a great opportunity which came without any costs to present to a new audience. The conference was held at Emperors Palace.

**Reach for this event:** 60 Businesses  
**Target Audience:** Consumers

## Trade and Industrial Policy Strategies (TIPS) Development Dialogue Colloquium

24 October 2017

The colloquium shared research undertaken on the impact of supermarkets, their linkages to the manufacturing sector and supplier development as well as exploring the pro's and cons of a code of conduct for the retail sector. Proudly SA CEO, Mr. Eustace Mashimbye, gave a presentation on Proudly SA efforts in the retail sector and our Board Member, Mr. Martin Lawrence was one of the delegates that attended.

The objective of the event was to give an account of what Proudly SA has done in the retail sector. A special mention was made about the partnership with both Massmart and Nestle. The event was held at the TIPS Boardroom, Nieuw Muckleneuk, PTA

**Reach for this event:** 40

**Target Audience:** Policy makers, retailers and researchers

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## Launch of Commonwealth Business Women Africa

25 October

The launch of the Commonwealth Business Women Africa network and forum was held in Sandton and was attended by around 60 female business owners. The keynote address was given by Makaziwe Mandela whose company manufactures bespoke jewellery. It was a great networking opportunity for Proudly SA PR, hosted at the Theatre on the Square, Sandton

**Reach for this event:** 60

**Target Audience:** Female owned companies /South African women in business

## Proudly SA Kimberley Business Forum - 25 October 2017

The Proudly SA Northern Cape edition of our Business Forum was held at the Garden Court in Kimberley. Keynote speakers included Proudly SA CEO, Mr. Eustace Mashimbye and Mr. Colin Fortune - Board Chairperson of the Northern Cape Tourism Board. Representatives from SEDA, the dti, SEFA and Productivity SA participated in the panel discussion. This session allowed for productive interaction between delegates and panellists.

Delegates were educated on the importance of buying local and business owners and decision makers were equipped with insights into local procurement, business funding information and developing their enterprises through the various offerings available to SMEs.

We hope that obtaining the buy-in of the Northern Cape Tourism Board significantly to increase their local procurement efforts will result in increased job opportunities in a region where they are much needed.

The event also gave us a number of media opportunities - Chief Marketing Officer, Mrs. Happy MaKhumalo Ngidi, was interviewed on the Kimberley local radio station (Radio Teemaneng) and Mr. Eustace Mashimbye was interviewed on the day of the event in The New Age newspaper and on Revival FM. He was also interviewed by Maruping Media Productions, who agreed to share the interview on their different media platforms.

**Reach for this event:** 80

**Target Audience:** Business, government, consumers, SMME's, Bloemfontein based member companies





**Proudly SA Bloemfontein Business Forum**  
26 October 2017

The Free State leg of our provincial Business Forums was held in The President Hotel, Bloemfontein and attracted delegates from business, entrepreneurs, SMMEs and procurement officials from the Free State government. A panel discussion addressing the challenges facing business in the Free State and included representatives from Productivity SA, SARS, the dti, SEDA, NCPD-SA and a representative from the office of the Economic Development, Tourism and Environmental Affairs of the Free State.

**Reach for this event:** 60

**Target Audience:** Business, government, consumers, SMME's, Bloemfontein based member companies



**Proudly SA East London Public Sector Preferential Procurement Forum – 07 November 2017**

The newly introduced Public Sector Preferential Procurement Forums are aimed at educating procurement officials and those tasked with buying in the public sector on local content procurement provisions, as contained in the revised PPPFA, as well as any revised regulations applicable to provincial and municipal government.

The Eastern Cape, East London leg of the Public Sector Preferential Procurement Forums took place at Blue Lagoon Hotel and Conference Centre, Blue Bend, East London.

**Reach for this event:** 38

**Target Audience:** Procurement officers, Government officials, Buyers, SMMEs



**Proudly SA East London Business Forum**  
8 November 2017

Proudly SA's Eastern Cape edition of our Provincial Business Forum was held in East London, hosted at the Blue Lagoon Hotel & Conference Centre. Local businesses were given a platform to engage with representatives from NCPD-SA, SEFA & Treasury and was an opportunity to discuss the challenges they were facing as small companies.

**Reach for this event:** 60

**Target Audience:** Business stakeholders, industry leaders, entrepreneurs, SMMEs, procurement officials and representatives from the Department of Trade and Industry, among others.



## The Proudly South African Local Procurement COSATU Conference – 9 November 2017

The purpose of the conference was to ensure broader implementation and support of the Proudly SA campaign in the Western Cape. Union members were encouraged to increase the uptake of locally produced products and services in their respective factories to assist to grow job creation levels and alleviate poverty and opportunities within local and provincial government to stimulate local procurement and access to funding were identified.

Hosted at the Cape Town International Convention Centre, Western Cape the event wrapped up with local acts based in the Western Cape, showcasing their talents at the Proudly SA local concert.

**Reach for this event:** 1000



## Proudly SA Johannesburg Business Forum 15 November 2017

The Gauteng Business Forum offered local business owners and decision makers insights into different funding opportunities and tax relief programmes available to them as well as into the benefits of local procurement. The event was hosted at The Capital Empire in Johannesburg, Sandton on 15 November 2017.

Proudly SA CEO, Mr. Eustace Mashimbye, delivered a keynote address and the Acting Chief Executive Officer of GEP, Ms. Leah Manenzhe, delivered a speech that was based on the Gauteng Enterprise Propeller's (GEP), local procurement efforts and future plans.

Representatives from Productivity SA, The DTI, NCPD-SA, SARS, SEDA and SEFA also presented at the Forum.

**Reach for this event:** 90

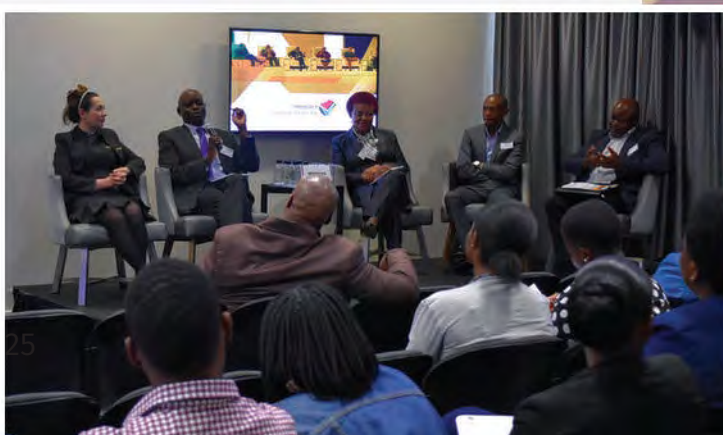
**Target Audience:** SMME, Proudly SA Members and Non-Members

## SA Chamber of Commerce & Industry Conference - 9 November 2017

SACCI's 2017 AGM and conference was held at the Hilton Hotel in Sandton and was attended by around 120 member companies and stakeholders. Proudly SA PR attended the afternoon conference which was addressed by Gauteng Premier David Makhura and the keynote speech was delivered by Minister Lindiwe Zulu

**Reach for this event:** 120

**Targeted Audience:** SACCI members and other businesses





**Proudly SA Public Sector Preferential Procurement Forum, Free State, Bloemfontein**  
28 November 2017

The newly introduced Public Preferential Procurement Act (PPPFA) sector Forums focus on engaging government officials in different government departments and their public entities to ensure they adhere to PPPFA legislation.

Supported by the Department of Trade and Industry (the dti) and Tsogo Sun, the Proudly SA Business Forum took place in Bloemfontein on Tuesday 28 November 2017, at the President Hotel & Conference Venue, Bloemfontein.

**Reach for this event:** 60  
**Targeted Audience:** Public Sector Procurement and Finance officials in the Free State’s provincial government

**Proudly SA Business Forum Mpumalanga**  
25 November 2017

Held at the Protea Hotel, Nelspruit, the Mpumalanga Business Forum was an opportunity for members and non-members to engage and network.

CEO of Proudly SA, Mr. Eustace Mashimbye and Acting Chief Director, Immy Serakalala, from the Department of Economic Development and Tourism delivered speeches on the topic “Local procurement”. The event hosted key representatives from Productivity SA, The DTI, NCP-C-SA, SARS, SEDA, SEFA and DSBD.

**Reach for this event:** 111  
**Target Audience:** SMMEs, Proudly SA Members and Non-Members

**The Festive Season Campaign Mall Activation, Maponya Mall, Soweto**  
2-3 December 2018

Captivating local audiences at the onset of the festive period in a drive to educate consumers and encourage the uptake of local products and services, the Mall Activation conveyed our messaging by creating an energetic atmosphere complete with local music and dance-offs. We involved shoppers on the stand interacting with them on the contents of their shopping trolleys and their knowledge of local products.

**Reach for this event:** 1500  
**Targeted Audience:** Consumers, General public



**Festive Season Campaign Mall Activations, Eastern Cape, Port Elizabeth**  
8-9 December 2017

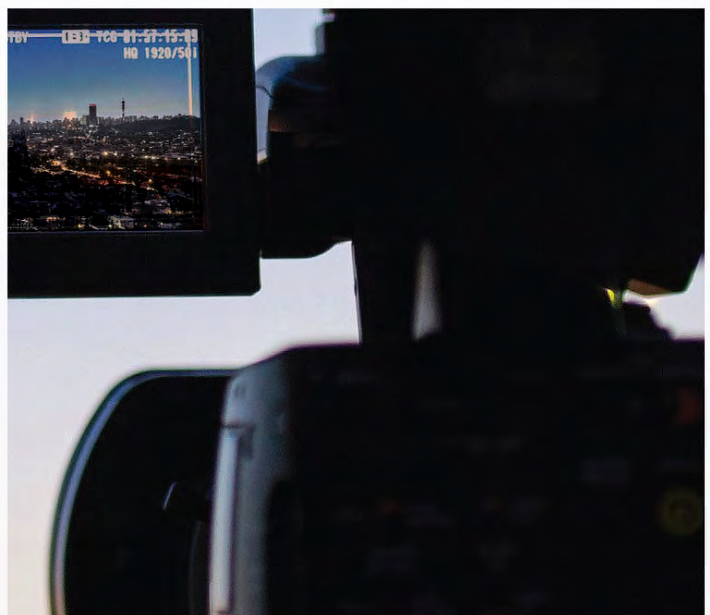
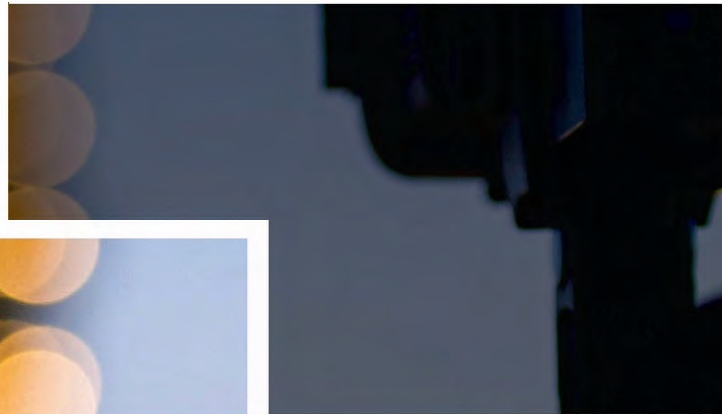
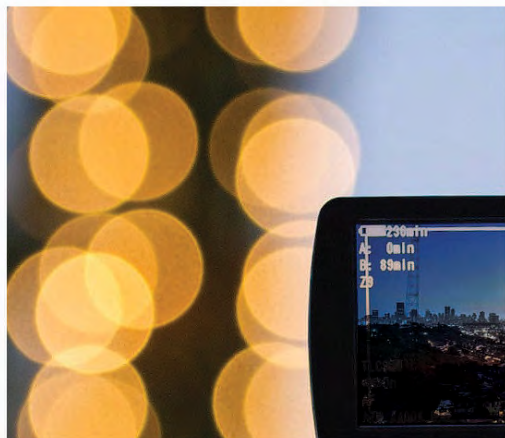
Mall activations focus on consumer education and the importance of supporting and buying local products in different regions, it is also a fun way of introducing Proudly SA to those who aren't aware of who we are and what it is we do as a campaign.

Through music, dance and interaction, consumers got to know what the Proudly SA logo signifies and the important role it plays in the economy. This element is best known as "edutainment".

The P.E mall activation took place on Friday 08 & Saturday 09 December 2017 at Green Acres shopping mall.

**Reach for this event:** 200  
**Targeted Audience:** Consumers





#### 4.5) PR Communications & Media

The 3rd Quarter started with our participation in the high profile DStv Delicious International Food & Music Festival on 7 and 8 October where we had a Proudly South African village with over a dozen member companies in the food services sector. Proudly SA featured large on the sound stage big screens and we had good PR traction leading up to the event.

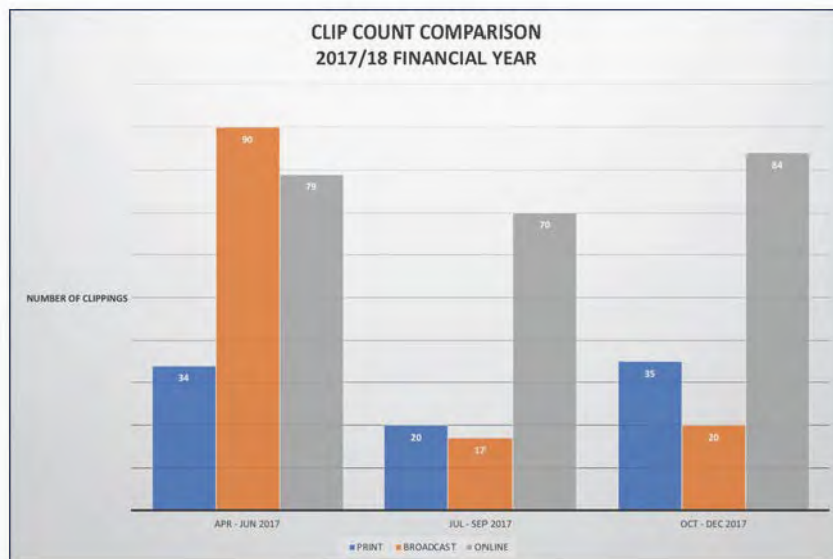
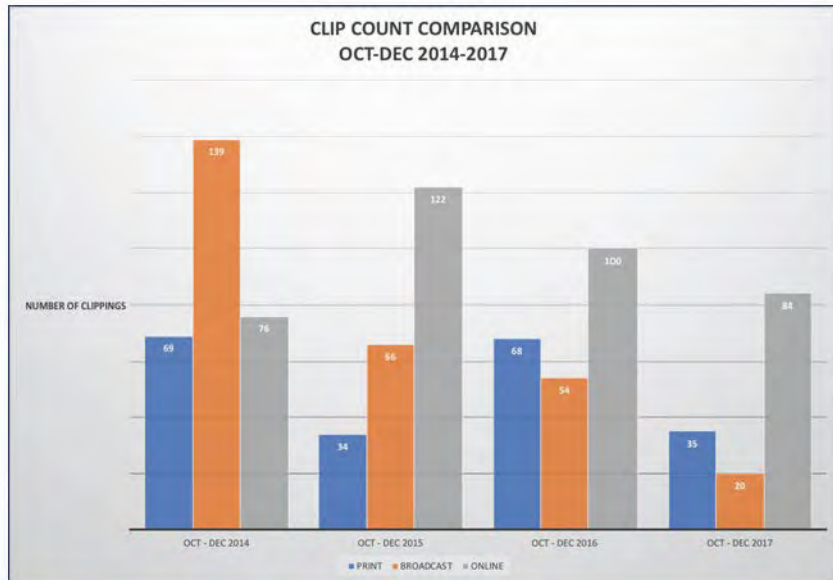
While also wrapping up this year's provincial business networking forums, Proudly SA was invited to exhibit and give presentations at two township rejuvenation business seminars alongside two of our member companies. The Ebonoko Foundation hosted their regular #BackToKasi seminar in Protea South, and the IAF's Bulelani Balabala hosted a free-to-attend business networking function – with Minister Jeff Radebe as keynote speaker – in the heart of Tembisa.

Preparatory work for the South African Premier Business Awards (SAPBAs) continued during the quarter under review, although the Department of Trade and Industry later postponed the event to January 2018. The media launch nevertheless went ahead as planned on 20 November and we got a small amount of media coverage as a result. The postponement of the actual Awards ceremony did, however impact on media reporting in 2017 vs 2016 for the same period.

We once again ran with the #LocalisLekker festive season campaign, reminding consumers to do the right thing and make buy local choices when shopping for gifts and additional seasonal groceries during December. The campaign was supported by media interviews on radio as well as national television and by a social media competition with total prize money of R15 000 over 3 platforms for submission of a winning video featuring ProudlySA.

#### 4.5.2 ) CLIP COUNT ANALYSIS

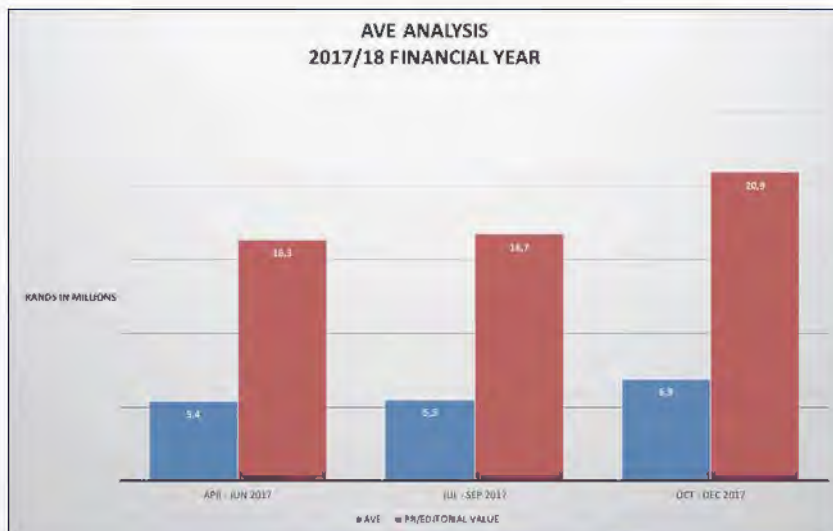
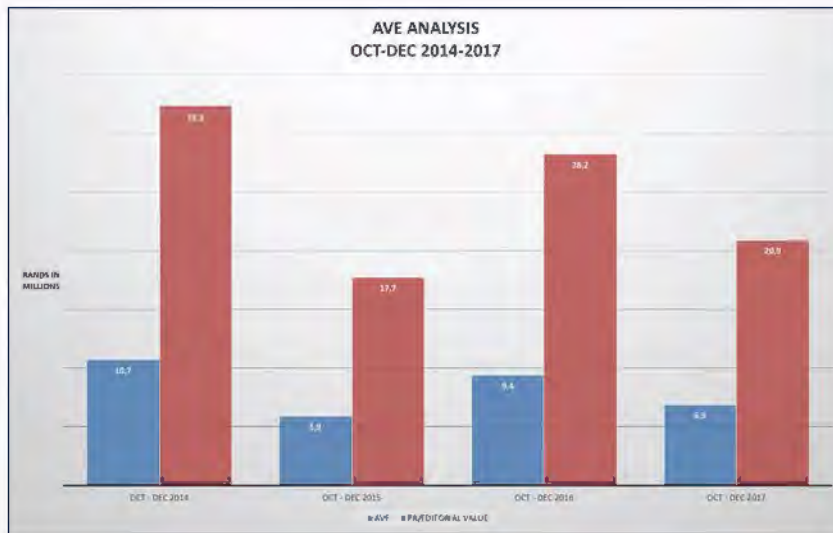
The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (October – December 2017). Comparison is made with the same period in 2014, 2015 and 2016.



The analysis shows a decrease in the total clip count as compared to the same period previous years. The main reason for this slight decline is attributed to the recent refining of the settings of Proudly SA's media monitoring service in December 2016, assisting the organisation in capturing only relevant media mentions which can be attributed to the efforts of the Campaign. However, one can see an increase from Quarter 2 of the 2017/18 financial year.

### 4.5.3) AVE/PR VALUE

The Advertising Value Equivalency (AVE) is what editorial coverage would cost if it were advertising space (or time). PR/Editorial value is derived by multiplying the AVE by three, as per industry norms. The total AVE value between October and December 2017 is R6,9 million. The PR value for the same period amounts to R20,9 million. One can see a gradual increase in the PR value from the beginning of the 2017/2018 financial year.



#### 4.5.4) Press Releases

The following were issued / published between October and December 2017:

No	Date	Release/Commission	Title
1	2 October	Press Release	Proudly South African creates an authentic Food Village at DStv Delicious International Food & Music Festival on 7/8 October
2	19 October	Press Release (SAPBA)	Wits Business School to be Exclusive Academic Partner for the SAPBA
3	24 October	Press release	Massmart & Proudly SA enter into Supplier Development Programme
4	01 November	Press Release	Research summary into the revitalisation of SA's manufacturing sector
5	22 November	Press Release	Iconic tea brand becomes Proudly South African
6	30 November	Press Release and media gift bag drop	Dear Santa, Please bring me a gift made in South Africa this Christmas
7	November	Commissioned piece for Municipal Focus	Proudly SA develops tender monitoring system
9	November	Article	Q&A with CEO in FASA publication

#### 4.5.5) Media Visits/Engagements

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

Lead SA	Sandton Chronicle
Bloemfontein Courant	Sunday Times
The Herald	The Citizen
CNBC Africa	The New Age
The Franchising Association of South Africa	VOW FM
Metro FM	Unisa Radio
Kaya FM	SABC 2
SABC News	

In the run up to the DStv Delicious International Food & Music Festival, Proudly SA co opted with DSTV in a media drop box where 55 boxes to media and influencers were distributed. The contents included a number of member companies' products, and the gesture was well covered on social media.

For the launch of the Festive Season Campaign we undertook a similar exercise, delivering 55 goodie bags with press releases to selected media. Personalised deliveries included to 947 and 702, MetroFM, KayaFM, Media 24 and Tiso Black Star.

#### 4.6) Presentations

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

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

DATE	EVENT	VENUE
13 October 2017	Centa Conference	Durban
23 October 2017	Massmart Supplier Development Programme	Johannesburg
24 October 2017	Retail Sector Colloquium	Pretoria
25 October 2017	Business Forum	Kimberley
26 October 2017	Business Forum	Free State
7 November 2017	Public Sector Forum	East London
8 November 2017	SAB Compliance Summit	Johannesburg
9 November 2017	COSATU Western Cape Buy Local Summit	Cape Town
15 November 2017	Business Forum	Sandton
28 November 2017	Business Forum	Bloemfontein
30 November 2017	Clothing Sector Bargaining Council AGM	Cape Town
8 December 2017	Eastern Cape Provincial SCM	King Williams Town
17 December 2017	Buy Zimbabwe	Harare Zimbabwe





#### 4.7) Above the Line Campaigns

During the quarter in review we co-branded with partners on a number of different events. Our above the line messaging included endorsement of the DStv Delicious International Food & Music Festival as well as the SA Premier Business Awards. Our message for the quarter was 'Made in SA' and we ran this on a number of platforms.

The advertising in this quarter was aimed at getting consumers to seek and choose the products that bear the Proudly SA logo :

Delicious Festival: this ad campaign allowed us to brand build by associating the Proudly South African brand with a Proudly South African lifestyle festival. Consumers were exposed to local food and beverage brands and local music and make the connection between being proudly South African and and consuming Proudly South African.

SA Premier Business Awards: These Awards celebrate local businesses and the campaign around them plays in the business space to increase the prestige of our own brand at the same time as that of the event.

Made in SA campaign: An emotionally impactful message which connects and resonates with consumers, the Made in SA campaign underscores reasons to support local, forcing consumers to think about the consequences of each their purchase decision.

Buy Back SA: A continuously running campaign, Buy Back SA educates the public about the positive impact on the economy of buying local.





- **DStv Delicious International Food & Music Festival**

This ad campaign allowed us to brand build and associate the Proudly South African Brand with a Proudly South African Festival. Consumers got to see Proudly South African as a lifestyle brand with the association to local music & food.

The event provides 2 days of family entertainment, but it is the business end of the Festival that is impressive for us as a buy local movement. The event represents millions of Rands in local procurement and is a significant creator of jobs both directly and indirectly. In 2016 there were 900 crew members working for 10 days, with an additional 3 500 workers taken on for the duration of the festival. We believe that this event has an impact on SMMEs, the Gauteng economy and jobs that goes far beyond the 2 days that the general public experiences. It is a perfect fit with our campaign. In addition, we were able to offer a great value proposition to 14 member companies who showcased and sold their food and drink products at the event. Our Proudly SA Village and Hospitality Pavilion had great prominence in front of the 40 000 visitors the event attracts.

Brand exposure included:

- Outdoor billboards
- Television advert
- Digital adverts
- Radio slots

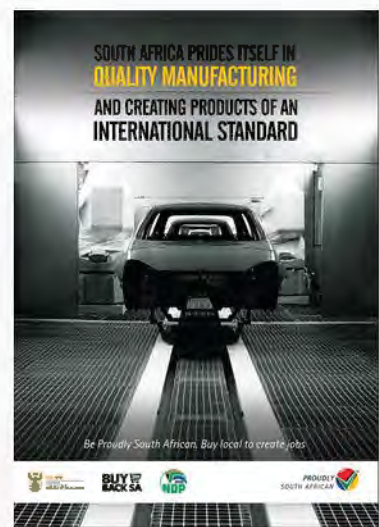
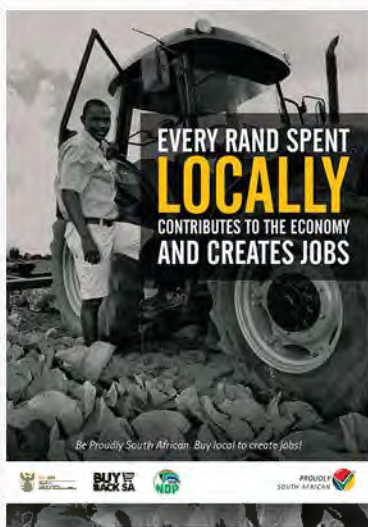


- **Buy Back SA campaign**

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

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

a 4 million rand campaign television campaign was run for a period of 1 month on SABC television as well as radio adverts running across the two platforms. these platforms chosen have a national reach and reached LSM across the board. the SABC has a large foot print reaching all 9 provinces.



- **Made in SA Ad Campaign**

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

Brand exposure included:

Print Advert : Woolworths Taste magazine



• SA Premier Business Awards

Proudly South African's mandate to promote the Buy Local message fits perfectly with the business objectives of the SA Premier Business Awards which are presented annually in a partnership between us, Brand SA and the dti.

The Awards celebrate local companies that are making a difference to our economy, and to job creation and who are championing everything South African that represents quality, innovation, and commitment to the growth and elevation of the country.

Brand exposure included:

- Television advert
- Digital adverts
- Radio
- Print advert

**5th ANNUAL SA PREMIER BUSINESS AWARDS 2017**

**CALL FOR ENTRIES**  
CLOSING DATE: 13 OCTOBER 2017

It is with great excitement that we once again call for entries to the 5th Annual South African Premier Business Awards. The event is hosted by the Department of Trade and Industry (the dti), in partnership with Brand South Africa and Proudly South African. The Awards recognise business excellence and honour enterprises that promote innovation, job creation and sound business ethics.

All eligible companies are invited to enter in the applicable categories.

For more information, please visit:  
[www.sapremierbusinessawards.co.za](http://www.sapremierbusinessawards.co.za)

Logos: the dti, PROUDLY SOUTH AFRICAN, South Africa

**5th ANNUAL SA PREMIER BUSINESS AWARDS 2017**

**CALL FOR ENTRIES HAS BEEN EXTENDED**  
CLOSING DATE: 27 OCTOBER 2017

please visit: [www.sapremierbusinessawards.co.za](http://www.sapremierbusinessawards.co.za)

Logos: the dti, PROUDLY SOUTH AFRICAN, South Africa



## FESTIVE SEASON CAMPAIGN

### Campaign Objectives

- Build Proudly SA Brand and Create Brand Awareness
- Influencing purchasing decisions
- 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	Call to Actions: 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	<ul style="list-style-type: none"> <li>• 3 Mall Activations</li> <li>• Radio &amp; TV interviews</li> <li>• Billboards</li> <li>• Digital Advertising</li> </ul>
Period	25 November 2017 – 15 January 2018
Target Market	South African Consumers ( Buying public)
Budget:	R2 000 000 (incl. production costs)

## Mall Activations

DATE	VENUE	PROVINCE	REACH
01 - 02 December 2017	Maponya Mall	JHB, Gauteng	
08 - 09 December 2017	Green Acres mall	PE, Eastern Cape	
12 - 13 January 2018	The Pavilion Shopping centre	Durban, KZN	



## Digital Advertising

- E-mail Signatures
- Website Banner
- Mail Merge
- Facebook & Twitter Banners



Festive Season Billboards



## PERFORMANCE FOR THE PERIOD UNDER REVIEW

(October to December 2017) - Performance against the Annual Performance Plan targets for the quarter

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through:  * <b>Above-the-line campaign</b> , i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers	*Reach 5 million consumers during each quarter	*Buy Back SA Advert flighted on SABC Platforms from mid-December, ie. SABC1,2,3 – as well as SABC Radio Platforms, ie. MetroFM (4million), 5FM (2million) and UkhoziFM (3.5million)	
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour	To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through:  * <b>PR and Below the line</b> activities through Social Media, press releases, radio interviews and other PR related activities;  *National Consumer Educational Road show through Mall Activations (Education Through Edutainment);  *Schools campaign in secondary schools and FET colleges (consumer education)  *Youth targeted Campaign, incl. university radio stations and other youth targeted initiatives	*PR & Below the Line Activities reaching at least 20 million consumers per annum;  *Roadshows in at least 6 provinces annually  *Roll out of schools campaign in at least 6 schools and/or FET colleges per annum  *Participation in youth targeted activities reaching at least 500k youth	*Reach 5 million consumers during each quarter  *3 Activations planned for Quarter 3  *2 Schools campaigns planned during quarter 3  *Reach 250k youth for Q3	*DSTV Delicious Festival, where we reached 20 million consumers  *2 Festive Season Mall Activations, COSATU shop steward engagements & Mall in CPT  *Step Up To A Start Up *NDP Ambassadors  *Back-To-Kasi (150k pax) *TEA – Township Entrepreneurs Alliance (450k pax) *Consumer Goods Council *Delicious Festival	



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/Expo's/Villages at trade expos;</p> <p>*Increased awareness of the buy-local message in support of Heritage Day/Week/Month</p> <p>*Proudly SA CSI projects</p>	<p>*8 x Campus Radio interviews/competitions or advertising campaigns per annum</p> <p>*Participation in at least 8 mini trade expos or events per annum;</p> <p>*Roll out of at least one Proudly SA week per annum</p> <p>*At least 2 CSI projects per annum</p>	<p>*2 campaigns per quarter</p> <p>*At least 2 expos or events per quarter</p> <p>*No Proudly SA week activity planned for Q3</p> <p>*1 CSI activity planned for Q3</p>	<p>*Unisa Radio interview. *Voice of Wits Radio</p> <p>* TEA (Tembisa) * Back To Kasi</p> <p>*N/A</p> <p>*Thabo Tona School Project</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 Blurps, Print Banners, Street Posters, Social Media Campaigns, Proudly SA Website.</p> <p>*Introduction of Eco-labelling in specific sectors (partnership with UNOPS)</p>	<p>Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers;</p> <p>*Promotion of Eco-labelled local products in the agricultural sector in 4 provinces</p>	<p>*Reach 5 million consumers during each quarter</p> <p>At least one province per quarter</p>	<p>*Buy Back SA advert flighted on SABC Platforms – SABC1,2,3 as well as SABC Radio Platforms</p> <p>*North West Province – unprocessed meat production - traceability</p>	
Increase procurement of local products and services in the public sector through increased engagements with the public sector.	<p><b>Educational roadshows</b> Increase buy-in and support for local procurement by the public sector (all state organs) through:</p> <p>*Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum</p> <p>*Partnership with the dti, EDD, National Treasury and provincial government departments on education of procurement officials on the</p>	<p>*At least 1 presentation to SOEPF per annum</p> <p>* Presentation at 1 government's SCM forum with Heads of procurement from various national government departments</p>	<p>*No activity planned for Q3</p> <p>*1 presentation at 1 government SCM forum planned for Q3</p>	<p>*N/A</p> <p>*Free State &amp; E/Cape.</p>	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	<p>implementation of the public procurement regulations in support of local procurement for designated sectors in national, provincial &amp; local government departments and to monitor procurement within the public sector</p> <p>*National, provincial and local departments visits – engagement with procurement officers</p> <p>*Presentation at SALGA</p> <p>*1-2 x day Buy Local Summit – focusing on all state organs and business procurement</p> <p>*1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – “Made in SA” Expo</p>	<p>* Provincial Public Sector forums in at least 5 provinces</p> <p>*Presentation at least 1x SALGA member’s forum and/or event;</p> <p>*At least 1 summit to be held per annum</p> <p>*At least 1 Buy Local Expo held per annum</p>	<p>* Provincial Public Sector forum in at least 2 provinces</p> <p>*1 presentation planned for Q3</p> <p>*No activity planned for Q3</p> <p>*No activity planned for Q3</p>	<p>*Mpumalanga &amp; Free State</p> <p>*Target not met</p> <p>*N/A</p> <p>*N/A</p>	<p>This did not take place due to the fact that we ran into challenges trying to put a SLA in place with SALGA.</p>
Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA)	<p><b>National Educational road shows:</b> Increased buy-in and support for local procurement by <b>the private sector</b>. Signing of Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products and services through:</p>				

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	* Presentations to BUSA, BBC and BLSA members plus Business Chambers;	*1 presentation to BUSA, BBC and BLSA per annum;	*1 presentation planned to any of the targeted organizations for Q3	*Presented to Nedlac TIC where all 3 organizations were present	
	* Local Procurement Partnerships with large <b>retailers and /or manufacturers</b> ;	*Partnerships with at least 3 <b>major retailers/manufacturers</b> per annum;	*Partnership with at least 1 major retailer/manufacturer for Q3	*N/A	
	*1-2 x Day Buy Local Summit – focusing on all state organs and business procurement	*At least 1 summit to be held per annum;	*Buy Local Summit scheduled for Q4 (March '18)	*N/A	
	1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo	*At least 1 Buy Local Expo held per annum;	*Buy Local Expo scheduled for Q4 (March 2018)	*N/A	
	*Sector Specific Workshops	*3 x sector specific workshops/forums per annum	*1 sector specific forum/workshop scheduled for Q3	*Plans underway for this to happen in Q4, ie. Poultry, Pharmaceutical & Clothing and Textile.	Due to resource & capacity constraints, it was resolved to implement in Q4
	*Business Forums with dti and other strategic partners	*9 business forums per annum	*2 business forums scheduled for Q3	*5 Business Forums – Kimberley, Bloemfontein, East London, JHB, Mpumalanga	
	*Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos	* Participation in at least 8 major trade expos, events, etc. per annum	*2 trade expos, events, etc. scheduled per quarter	*Back to Kasi *TEA *Consumer Goods Council *Delicious Festival	
	*SA Premier Business Awards (in partnership with the dti and Brand SA)		*Awards scheduled for Q3	* Target not achieved	*The Awards were postponed due to the unavailability of

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
		* Hosting 1X annual SA Premier Business Awards event (as a partner to the dti)			Ministers. The ceremony will take place in Q4.
Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products	* <b>Above-the-line campaign</b> , i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached;	*Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers	*Reach 5 million consumers during each quarter	*Buy Back SA Advert flighted on SABC platforms as well as SABC Radio Platforms	
<b>Brand Management</b> Brand research - Development of a scientific basis for local procurement	Existence of an Economic Impact Study to contribute to the increase in the uptake of local products and services and procurement by the public sector, private sector and consumers;  Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes;	*Economic Impact Study conducted and results published – at least once per annum  *At least 8 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website	*No activity planned for Q3  *At least 2 dipstick surveys per quarter	*N/A  *target not achieved	*Management oversight We have rescheduled for Q4.
<b>Brand Compliance and IP.</b> Effective management of Proudly SA intellectual property	Percentage of successfully executed letters of demand and court actions against identified transgressors	*Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods  *Action/letters of demand to all (100%) irregular users of the Proudly SA logo identified	*Weekly monitoring of the use of the logo in the market  *100% of all identified illegal users sent letters	*Weekly monitoring done  *All identified irregular users were sent letters – 100%	

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
		<p>*Regular compliance reviews of all members</p> <p>*Weekly monitoring with Adams &amp; Adams of companies that are using the Phrase and logo illegally</p>	<p>*100% (All) members checked for compliance</p> <p>*Monitoring of the use of logo and phrase done illegally – 100% contact with all identified companies</p>	<p>*All members contacted as part of the new and renewals membership compliance process – 100%</p> <p>*Monitoring done by Adams and Adams weekly – 100%</p>	
<p>Partnership with enforcement agencies</p> <p>Growing the database of South African supplier products and services for local procurement</p> <p>*Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products</p>	<p>*To prevent illegal imports, counterfeit products, dumping of unsafe products and under invoiced products through Below and Above the line Anti - piracy and illicit trading campaigns reaching 2 million people per annum;</p> <p>*Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders</p> <p>*Promotion of Database - NATIONAL CAMPAIGN to grow the number of companies registering on the database.</p> <p>*Call to Action campaigns (Above and Below the line campaigns) reaching businesses.</p> <p>*Promotion of database to both the public and private sector through workshops / regular communique (this will include the promotion of other SA Made Products as per the designated sectors). Measured in terms of how many public institutions reached that are using the database.</p>	<p>Participation in the Nedlac Task team on Anti-piracy at least once per annum</p> <p>*500 new products and/or services registered</p> <p>*Promotion of database to at least 5 provincial public sector forums</p> <p>*Promotion of database to at least 9 provincial business forums</p> <p>*Promotion of database to at least 1 business association</p>	<p>Participation in the Nedlac Task team originally planned for Q3</p> <p>150 new products and/or services registered</p> <p>1 provincial public sector forums planned</p> <p>3 provincial business forums planned</p> <p>1 workshop with a business association planned for Q3</p>	<p>Target not met</p> <p>*329 new products and/or services registered</p> <p>*Free State</p> <p>* 5 Provinces, JHB, Kimberley, East London, Bloemfontein &amp; Mpumalanga</p> <p>* Presented to Nedlac TIC where all 3 organizations were present</p>	<p>*First Task Team meeting planned for Q4</p>

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
Strengthening <b>Media relations, PR and social media</b>	<p>*Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof</p> <p>* Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders)</p> <p>*Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media tactical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through <b>media breakfasts/lunches &amp; media meetings hosted by the CEO, Chairperson, board or the PR Manager</b></p> <p>*Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns</p>	<p><b>*Media Monitoring</b> Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders</p> <p><b>*Press releases</b> At least 24 press releases per annum</p> <p><b>*Media engagement</b> *At least 16x individual media engagements per annum</p> <p>* At least 2 x Media meet &amp; greet networking sessions per annum</p> <p>* Social Media activities daily</p>	<p>*100% of Daily monitoring through Newsclip of all coverage on Proudly SA</p> <p>*6 press releases issued per quarter</p> <p>*4 media/editor's meetings per quarter</p> <p>1 media meet &amp; greet networking session planned for Q3</p> <p>*Daily updates on Twitter, Facebook and Instagram done</p>	<p>*Monitoring done during the quarter, 100% of all coverage identified</p> <p>*9 press releases</p> <p>*Media Drops at Radio Stations, Publications totalling to 55. *Delicious Festival Media Meet-And-Greet</p> <p>*9 Meet &amp; Greets were done</p> <p>*Daily updates done on Twitter and Facebook resulting in an increase in the number of followers on both platforms. The Proudly SA Twitter account now has 145,000 followers and Facebook has more than 12,000 followers</p>	Done together with our Media Monitoring – Newsclip.

Strategic objective/outcome					
Output	Performance Measure or Indicator	Annual Target	Quarterly Milestone (Q3 target)	Actual Achievement (Q3)	Reason for Variance
	<p>*Increase following on social media platforms and increase in publicity</p> <p>*Major PR activation to increase awareness about the campaign and the "Buy Local" campaign</p>	<p>*Increase following on all social media platforms by 10% per annum</p> <p>*Valentine's Day activation 1x per year on Valentine's day</p>	<p>Increase following on all social media platforms by 10% per quarter</p> <p>*This activation is scheduled to take place during Q4 (Feb '18)</p>	<p>*growth of 244 (1,9%) on Facebook, 5654 (4%) on Twitter, 295 (24.5%) on Instagram &amp; 21 (15.6%) on LinkedIn</p> <p>*N/A</p>	
Retention and Recruitment Members	Number of members recruited and retained	<p>*Recruit at least 200 new members for the year</p> <p>*Retain at least 90% of all members due for renewal for the year</p>	<p>*50 new members recruited during the quarter</p> <p>*90% of all members due for renewal renewed membership</p>	<p>*49 new fully paid up members recruited (Total of 54 members recruited)</p> <p>*78% of all members due for renewal, renewed their membership</p>	
Financial Management: Proper processing of all financial transactions on SAP and maintenance of records and supporting documents for audit purposes in compliance with relevant standards	Percentage of processing of all financial transactions done accurately and correctly at all times	100% accurate and correct processing of all financial transactions - unqualified opinion and clean audit reports for 2016/17 financial year end audit – Annual Financial Statements	*100% accurate and correct processing of all financial transactions during each quarter	*All financial transactions correctly and accurately processed during Q3	
Human Resources Management: Organisational structure is always aligned to organisational strategy	Extent (Percentage) of alignment of the functional organogram with the approved strategy	*Organogram with positions informed by the organisational strategy and aligned completely	*100% alignment of organogram to the strategy in every quarter	*Organogram fully aligned (100%) to the strategy in Q3	
	*Percentage of critical positions filled	*All (100%) critical positions filled at all times	*All (100%) critical positions filled during the quarter	*All critical positions filled during the quarter except for HR Officer position which will be filled in January 2018	

## PFMA AND TREASURY REGULATIONS CHECKLIST

Corporate Management

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



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

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

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

PFMA for Public Entities: Planning and Budgeting

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

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
	TR 29.2.		Does the public entity conclude a shareholder's compact with the executive authority on an annual basis?  If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?	X  X			A memorandum of Association (MoA) has been concluded and signed with the dti  The draft MoA does detail the key performance measures and the indicators to be attained
2.	53(1)	Annual budgets by non-business Schedule 3 public entities	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities, however Proudly SA does submit its budget to the dti as required as per the MoA
	53(2)		Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?	X			Specific to Schedule 3 non business entities and not applicable to Proudly SA, however Proudly SA does submit its budget to the dti as per the MoA
	53(3)		Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?		X		Specific to Schedule 3 non business entities and not applicable to Proudly SA however, Proudly SA does not budget for a deficit
	TR 30.1.1		Did the accounting authority submit a proposed strategic plan to the executive authority for his or her approval at least six months before the start of the financial year of the department designated by the executive authority?			X	Specific to Schedule 3 non business entities and not applicable to Proudly SA, however a strategic plan was submitted as per the MoA
	TR 30.1.2		Was the final strategic plan submitted to the executive authority before 1 April?			X	Final strategic plan submitted as per requirements contained in the MoA
	TR 30.1.3		Does the strategic plan: <ul style="list-style-type: none"> <li>• cover a period of three years;</li> <li>• include objectives and outcomes as identified by the executive authority;</li> <li>• include multi-year projections of revenue and expenditure;</li> <li>• include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and</li> <li>• include the materiality/significant framework, referred to in Treasury Regulation 28.1.5.</li> </ul> Is the strategic plan updated on an annual basis?	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 for Public Entities: Management of Working Capital

	SECTION	DESCRIPTION	ACTUAL	PLANNED	COMPLIANCE	REMARKS
1.	38(1)(j)		Has the public entity submitted a written assurance to the transferring department to the effect that the entity has and maintains effective, efficient and transparent financial management and internal control systems?	X		A written assurance is submitted to the dti in the form of a letter confirming compliance with Section 38(1)(j) of the PFMA on a quarterly basis
	51(1)		Does the public entity: <ul style="list-style-type: none"> <li>• have an appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective?</li> <li>• have a system for properly evaluating all major capital projects prior to a final decision on the project?</li> <li>• collect all revenue due?</li> <li>• Have mechanisms in place to prevent irregular and fruitless and wasteful expenditure?</li> <li>• Manage available working capital efficiently and economically?</li> </ul>	X    X X X	X	The procurement system is in line with section 217 of the constitution, and is fair, equitable, transparent, competitive and cost-effective. The SCM policy has been revised to ensure full compliance with the PFMA 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"> <li>- The terms and conditions on which the money was borrowed?</li> <li>• Information on proposed domestic borrowing;</li> <li>• Information on proposed foreign borrowing (national entities)</li> <li>• Short and long term borrowing;</li> <li>• Borrowing in relation to a pre-approved corporate plan</li> <li>• The maturity profile of the debt;</li> <li>• The confirmation of compliance with existing and proposed loan covenants;</li> <li>• Debts guaranteed by the government;</li> <li>• Motivations for government guarantees, if required; and</li> <li>• The executive authority's approval of the borrowing programme, if required by the legislation in terms of which the entity was established.</li> </ul>		X	Proudly SA is not a Schedule 2, 3B or 3D entity and does not borrow any funds  X X X X X X X X
	TR 32.1.1		Did the public entity borrow money for bridging purposes? If yes. <ul style="list-style-type: none"> <li>• Was approval obtained from the Minister of Finance?</li> <li>• Was the debt repaid within 30 days from the end of the financial year?</li> </ul>		X	No money borrowed by the campaign for any purposes, including for bridging purposes  X X

PFMA for Public Entities: Reporting

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	COMMENTS
1.	TR 26.1.1	Quarterly Reporting	Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)	X			Proudly SA is not a Schedule 3A or 3C entity, but does submit quarterly reports with the required information to the 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"> <li>An annual report on the activities of the public entity during that financial year;</li> <li>The financial statements for that financial year after the statements have been audited;</li> <li>The report of the auditors on those statements.</li> </ul>	X X X			The Annual Report, Annual Financial Statements and the Auditors report on the financial statements, are all submitted to the 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"> <li>Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</li> <li>Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</li> <li>Any losses recovered or written off;</li> <li>Any financial assistance received from the state and commitments made by the state on its behalf;</li> <li>The financial statements of subsidiaries.</li> </ul>	X			<p>The Annual Report and Annual Financial Statements fairly presents the information referred to herein</p> <p>No material losses incurred through criminal conduct and fruitless expenditure (penalties) incurred during the previous financial year reported as such No criminal charges instituted as no such loss was incurred</p> <p>Proudly SA does not have any subsidiaries</p>
	65		<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>			X	<p>The Executive Authority is not obliged to table this as Proudly SA is not a public entity, however the Annual report is submitted to the dti to enable the Minister to table this if the need arises</p>
	TR 27.1.7		Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference	X			This disclosure was included in the Governance section in the Annual Report as the audit committee has an approved set of Terms of references
	TR 27.1.10		Did the audit committee comment on its evaluation of the public entity's financial statements?	X			The Audit committee does comment on the public entity's financial statements in the AFS contained in the Annual Report



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

PFMA for Public Entities: Cash Management, Banking and Investment

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

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

## PROGRESS ON ACTIONS IN THE RISK REGISTER

As at 31 December 2017

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	<b>Increase uptake of Membership</b>	Strategic Risk	Lack of legislative mandate.	High	25	Presentations and submissions made to the Trade and Industry portfolio committee to have the Buy Local campaign legislated. Procurement regulations revised and the dti has designated products for public procurement	Satisfactory	Medium	13	Proudly SA to leverage off the current PPPFA regulations in its consumer education efforts. To develop a database of local products and to promote this database to the private and public sector.	MANCO	31-Mar-18
2	<b>To drive a national awareness campaign on the benefits of Buying Local.</b>	Strategic Risk	Insufficient funding to ensure sustainability of the campaign.	High	16	Raising sponsorships  Partnership with relevant institutions	Satisfactory	Medium	8	Improve sponsorship drive by developing current properties (offerings) to sponsors  Secure fulltime broadcasting partners for the campaign  Utilize other mediums such as social media platforms and other guerilla marketing tactics	MANCO	31 Mar 2018 (ongoing)  31 Mar 2018  31 Mar 2018

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

Risk No	Objective (Strategic/Operations)	Risk Category	Risk Description	Inherent risk		Current controls	Perceived control effectiveness	Residual risk		Actions to improve management of the risk	Action Owner	Time Frame
6	<b>To drive a national awareness campaign on the benefits of Buying Local.</b>	Strategic Risk	Lack of funding to undertake meaningful research to inform consumer education campaigns	High	16	Deep stick surveys undertaken after every event.	Weak	Medium	11	An Economic impact study on Buy Local done by Pan African Research and results finalised. To utilize this data to strengthen the campaign's case in the market – study to be extended. To package case studies of member success stories for use in the market.	MANCO	31-July-17
7	<b>To compile a database of locally produced products and services.</b>	Strategic Risk	Lack of comprehensive LPA supplier database	High	16	Developed a database of local products and services on the website	Weak	Medium	11	Require a campaign to promote the database of local products and the use of the database by both the private and the public sector.  Identify strategic partners to assist with growing and publicizing the database	Executive Manager: Marketing & Comms  CFO	31-Mar-18
8	<b>To compile a database of locally produced products and services</b>	Strategic Risk	Existence of multiple databases in the market, including a proliferation of similar industry sector organisations with similar objectives to Proudly SA	High	16	Attempts to conclude partnerships with organisations that have databases in order to merge the databases have been made. i.e. SALGA, NT, SOEPF	Weak	Medium	11	Partner with NT on the integration of Proudly SA onto government's Central Supplier Database  Promotion of database required to improve credibility and use of the Proudly SA database	MANCO	31-Mar-18

Risk No	Objective (Strategic/Operational)	Risk Category	Risk Description	Inherent Risk		Current Controls	Perceived control effectiveness	Residual Risk		Actions to improve management of the risk	Action Owner	Time Frame
9	To drive a national awareness campaign on the benefits of Buying Local.	Strategic Risk	Threat of counterfeit goods, dumping of illegal and toxic waste and unfair trade.	Medium	9	Proposed partnerships with law enforcement agencies to roll out anti-dumping and prevent illegal imports	Unsatisfactory	Medium	8	Roadshows at borders and customs to educate consumers and customs staff about illegal imports  A request made to the Nedlac TIC for Proudly SA to participate in the Task Team on illegal imports and dumping of unsafe products  Proudly SA to participate in the dti's random searches for pirate or dumped products at the ports. Request to be made to the Minister	MANCO  BOARD	31-Mar-18

## PROGRESS AGAINST POST-AUDIT IMPLEMENTATION PLAN

No.	Finding	Corrective Action (Plan)	Status
1.	Payment made on invoice which do not comply with the VAT Act	In future, all invoices that do not comply with all the requirements of the VAT Act will be returned to the respective supplier/service provider for correction prior to making the payment. No payments will be effected on non-compliant supplier invoices.	Completed
2.	Operating lease asset understated	Management did not agree with the prior year calculation and prepared a schedule for the auditors review but inadvertently omitted to follow up with the auditors and process the entry. The AFS has since been amended	Completed
3.	Difference noted between EMP 201 and EMP 501 forms	The variances between the EMP201 and EMP501 were due to additional payments made later in the year and these were in respect of penalties/interest arising from the previous years. In some instances, they were due to PAYE payments for Board members which were made in arrears. With immediate effect only amounts declared would be paid over to SARS in each respective period	Completed - Has been resolved since May 2017
4.	Payments to employees without increment letters	The practice in the previous years was that the basis for payment of annual salary increments to all personnel would be based on the resolution by the Board which would have been presented and recommended by REMCO, and such resolution would be presented to auditors together with Staff Meeting Minutes reflecting confirmation to staff of the percentage increment they will get for that financial year. This practice was improved during 2017/18 financial year by issuing individual increment letters to every staff member who qualified for such increment. The auditor was presented with all this evidence.	Completed
5.	Accuracy of leave days	Deryn Graham joined the institution in November 2016 and did not have leave days at the time of the Annual Closure of Business as approved by the Board of Directors, and was therefore compelled to take leave, even though she did not have sufficient leave days during such recess.  The initial Leave Provision given to Auditors was not accurate, and was later thoroughly reconciled and given to the auditors. Furthermore, the Closing Balances of 2015/16 for general staff will not necessarily be the same as Opening Balances of 2016/17 since the company Leave Policy do not allow general staff to carry over more than 5 working days. The Auditor were presented with this policy	Completed
6.	Useful lives of assets not reassessed	This was a management oversight and the useful lives of all assets would be re-assessed annually.	Planned for completion in February 2018
7.	Issues on the Fixed Asset Register	1) There was a casting (formula) error in the calculation of the cost column but the accumulated depreciation and NBV columns were correct.	Completed



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

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

## FINANCIAL REPORT

expenditure vs budget (Quarter 3 – 1 October to 31 December 2017)

Description of item	Budget for the quarter (Q3) Rands	Actual for the quarter (Q3) Rands	Variance for the quarters (Q3) Rands	% Variance	Reason for Variance	Annual Budget Rands	YTD Actual (30 December 2017) Rands	YTD Variance (31 December 2017) Rands
<b>INCOME</b>								
Membership Fees	750,000	904,663	154,663	21%	Inclusive of Trade exchanges	3,000,000	2,366,127	(633,873)
Grant – the dti	8,000,000	8,000,000	0	0%		29,611,000	24,000,000	(5,611 000)
Project based funding - UNOPS	0	0	0	0%		950,000	844,008	(105,992)
Sponsorship	3,000,000	4 902,938	1,902,938	64%	Received R4.0mil from Dti iro of the Buy Back SA Campaign	13,000,000	5,627,938	(7,372,062)
Other Income	0	81,340	81,340	100%	Interest income & sale of promotional items	0	190,652	190,652
<b>Total Income</b>	<b>11,750,000</b>	<b>13,888,941</b>	<b>2,138,941</b>	<b>18%</b>		<b>46,561,000</b>	<b>33,028,725</b>	<b>(13,532,275)</b>
<b>EXPENDITURE</b>								
HR and Staffing costs	5,412,971	5,244,477	168,495	3%	Timing nature of certain cost elements & delayed appointment of Senior HR Officer	18,816,885	14,258,757	(4,558,128)
Administrative costs	1,470,943	1,469,867	1,076	(0.1%)	Timing nature of certain cost elements	5,933,771	4,000,375	(1,933,396)
Membership costs	156,612	108,822	47,790	31%	Cost cutting exercise undertaken	626,450	250,678	(375,772)
Marketing costs	4,855,000	6,492,496	(1,637,496)	(34%)	Timing nature of certain cost elements	19,991,894	13,133,028	(6,858,866)
Capital Expenditure & IT	159,000	307,081	(148,081)	(93%)	Timing nature of certain cost elements	1,192,000	770,515	(421,485)
<b>Total Expenditure</b>	<b>12,054,526</b>	<b>13,622,743</b>	<b>(1,568,217)</b>	<b>(13%)</b>		<b>46,561,000</b>	<b>32,413,354</b>	<b>(14,147,646)</b>