Report of the Portfolio Committee on Communications on the 2021/22 Third and Fourth Quarter Performance and Expenditure Report of the Department of Communications and Digital Technologies, dated 6 September 2022

The Portfolio Committee on Communications (the Committee), having considered the 2021/22 Third and Fourth Quarter Performance and Expenditure Report of the Department of Communications and Digital Technologies (DCDT), here referred to as "the Department", reports as follows:

1. Introduction

The Committee considered the 2021/22 Third and Fourth Quarter Performance Report of the Department and its entities in virtual meeting on 23 August 2022. This report gives an overview of the presentation made by the Department to the Committee, focusing mainly on its achievements, outputs in respect of the performance indicators, targets set and related financial performance for the 2021/22 financial year. The report also provides the Committee's key deliberations and recommendations in relation to the performance presentation by the Department and its entities.

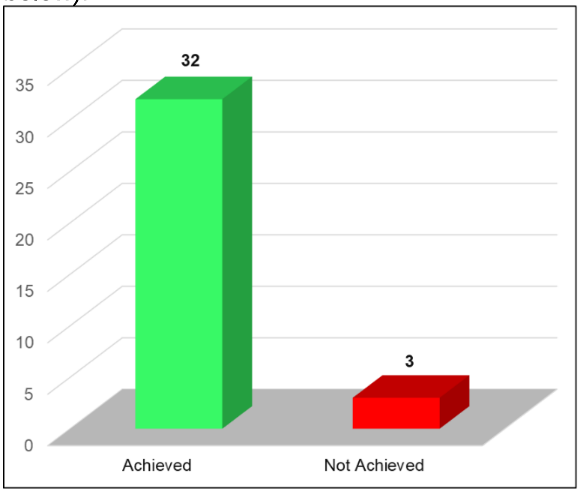
2. Organisational Environment

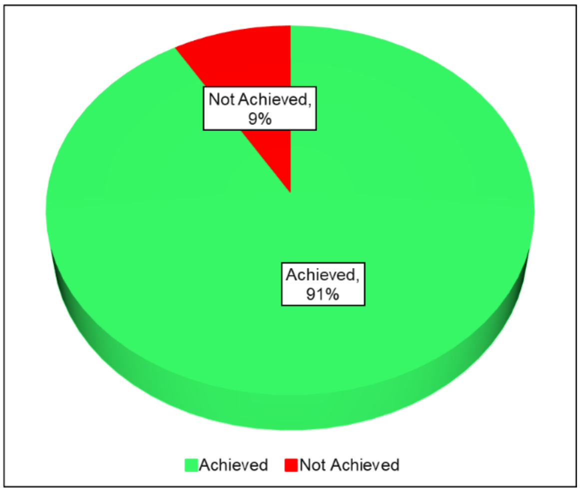
The Department is mandated to create a vibrant ICT sector that ensures that all South Africans have access to robust, reliable, affordable and secure ICT services in order to advance socio-economic development goals and support the African agenda and contribute to building a better world. This contributes to the development of an inclusive information society in which information and ICT tools are key drivers of accelerated and sustained shared economic growth and societal development.

The Department is comprised of various public entities, namely the South African Post Office (SAPO), SENTECH, Universal Service Access Agency of South Africa (USAASA), Universal Service Access Fund (USAF), Broadband Infraco (BBI), National Electronic and Media Institute of South Africa (NEMISA), State Information Technology Agency (SITA), and. ZADNA, the South African Broadcasting Corporation (SABC), Film and Publication Board (FPB) and the Independent Communications Authority of South Africa (ICASA).

3. Fourth Quarter Performance Overview

The Department committed to achieving 35 (thirty-five) Annual Performance Plan (APP) quarterly targets by the end of quarter 4 (01 January 2022 - 31 March 2022) of the 2021/22 financial year. This is a total number of quarter 4 APP targets of all six (6) Programmes of the DCDT. Overall, the Department has achieved 32 (91%) of the APP targets, and 3 (9%) were not achieved, (see Charts below):





3.1 Fourth Quarter Achievements

The Department realised significant achievements against the planned Quarter 4 targets. Indicated below are selected performance targets:

Provision of broadband services: Broadband services to 970 connected sites were monitored and sustained.

Revised SA Connect Phase 2 model approved: The revised SA Connect Phase 2 model was developed and approved.
Workplace Skills Plan (WSP): WSP Training Evaluation and Impact Assessment Report for the 1st Semester 2021/22 was developed. WSP Training Implementation Report for the period 1 April to 28 February 2022 was developed.
Digital Transformation within DCDT: Final phase of collaboration platform roll-out plan was implemented and monitored.
100% of invoices paid within 30 days: All valid invoices received from suppliers were paid within 30 days from date of receipt.
2021/22 Annual Communications Plan: The 2021/22 Communications Plan was coordinated and monitored.
Country Positions to support the National ICT priorities: Report on key outcomes of International engagements on WTDC-21 was developed.
International Relations and Engagement Strategy: Implementation of International Relations and Engagement Strategy Monitoring Report was developed.
BRICS Institute for Future Networks (BIFN-S) priority Programme: Report of the BIFN-S focusing on priority areas was developed and approved.
ICT investment initiatives developed to contribute to SA Investment Conference: ICT Investment initiatives was advanced, and Outcomes Report of the Investment Conference developed.
Partnership programmes to support the Digital Economy: Implementation of Identified partnership programmes was coordinated.
Draft South African Post Office SOC Ltd Amendment Bill: SAPO Amendment Bill submitted to Cabinet and approved by Cabinet for public consultations.
Data and Cloud Policy: Draft Amended Data and Cloud Policy was developed.
Digital Economy Programmes: An integrated report on Digital Economy programmes has been developed.
Revised ICT SMME Strategy: Revised ICT SMME Strategy has been developed.
White Paper on the Audio- and Audio-Visual Content Services Policy: The Draft White Paper has been revised with stakeholder inputs.
Electronic Communications Amendment Bill: Electronic Communications Amendment Bill submitted to Minister.
PC4IR Strategic Implementation Plan: PC4IR Strategic Implementation Plan was finalised.
Rapid Deployment Policy: Final draft of Rapid Deployment Policy.

3.2 Fourth Quarter Areas of Under-Achievement

The Department did not achieve 3 of its 35 planned quarterly targets as reflected below:
Switch-off of SABC analogue television transmitters: SABC Analogue Television Transmitters switched off in four provinces, namely, Limpopo, KwaZulu Natal, Mpumalanga and Gauteng. The Eastern Cape was coordinated but could not be concluded as planned.
Framework on Digital Transformation and Digital Inclusion: Implementation Plan on Digital Transformation and Digital Inclusion was developed in consultation with SOCs but could not be finalised for approval.
DCDT integrated plan of action in support of the implementation of National Strategic Plan (NSP) on gender-based violence: The GBV Action Plan could not be finalised on time due to delays with inputs from relevant stakeholders.

4. Third and Fourth Quarter Budget Overview and Expenditure Analysis Per Programme

DCDT has a total adjusted budget appropriation of R3.9 billion for the 2021/22 financial year. At the end of the third quarter, the Department spent R2.6 billion or 65.8 per cent of the total adjusted budget.
Programme 5: ICT Infrastructure Development and Support spent R486 million or 84.4 percent higher than projected due to the transfer made to the USAF for subsidies related to broadcasting digital migration made in December 2021, rather than January 2022 as projected.
As at end of March 2022, the Department spent R3.567 billion, of which is 92 per cent of the Annual Budget, see tables below:

MONTHLY EXPENDITURE REVIEW AS AT 31 DECEMBER 2021						
PROGRAMME FINANCIAL PERFORMANCE	**ADJUSTED BUDGET**	**BUDGET IN %**	**PROJECTION AS AT 31 DECEMBER 2021**	**EXPENDITURE AS AT 31 DECEMBER 2021**	**OVER/UNDER SPENDING AGAINST PROJECTION**	**% SPENT AGAINST ADJUSTED BUDGET**
Administration	272 974	7%	208 285	162 667	45 618	58%
International Affairs and Trade	56 499	1%	58 308	48 133	10 175	74%
ICT Policy Development and Research	51 173	1%	42 581	21 845	20 736	38%
ICT Enterprise Development and Public Entities Oversight	1 663 539	43%	1 233 723	1 225 133	8 590	74%
ICT Infrastructure Support	1 760 443	45%	1 136 125	1 061 567	74 558	68%
ICT Information Society and Capacity Development	79 828	2%	54 124	34 762	19 362	47%
TOTAL	**3 884 456**	**100%**	**2 733 146**	**2 554 107**	**179 039**	**69%**

MONTHLY EXPENDITURE REVIEW AS AT 31 MARCH 2022					
PROGRAMME FINANCIAL PERFORMANCE	**ADJUSTED BUDGET**	**BUDGET IN %**	**EXPENDITURE AS AT 31 MARCH 2022**	**VARIANCE**	**% SPENT AGAINST ADJUSTED BUDGET**
Administration	257 431	7%	228 371	29 060	84%
International Affairs and Trade	58 884	2%	54 565	4 319	97%
ICT Policy Development and Research	49 973	1%	29 586	20 387	58%
ICT Enterprise Development and Public Entities Oversight	1 683 194	43%	1 678 860	4 334	101%
ICT Infrastructure Support	1 760 446	45%	1 512 955	247 491	86%
ICT Information Society and Capacity Development	74 528	2%	65 127	9 401	82%
TOTAL	**3 884 456**	**100%**	**3 569 464**	**314 992**	**92%**

The Department has a total adjusted budget of R295.8 million for compensation of employees in the 2021/22 financial year. At the end of March 2022, the Department had spent R271.5 million, which is lower than the allocated budget by R24.3 million or 8.2 per cent.
The underspending is due to vacancies not yet filled since the merger due to the structure of the Department not being finalised yet. The Minister has issued a moratorium on the filling of posts until the new structure of the Department has been completed.
Underspending under goods and services is mainly due to R200 million appropriated during adjustment estimates for Presidential Employment Stimulus not spent as the process to appoint BBI as a designated fund manager for the Broadband Access Fund for which the funds have been allocated, has not yet been concluded, a roll over request has been submitted in this regard.
Underspending under Payment for Capital Assets, mainly under software is because the Integrated Workflow management system was not procured due to reasons stated by SITA for requirement to deviate from IFSM project.

Virements

At the end of the third quarter, R15 million was approved as a virement to increase transfers to the South African Post Office to deal with its operational challenges. At the end of the fourth quarter, approval was granted by National Treasury to increase transfers and subsidies to the South African Post Office by R23.5 million in Programme 4: ICT Enterprise and SOC oversight, to assist with the payment of creditors.

4.1 Programme 1: Administration

The purpose of the programme is to provide strategic leadership, management and support services to the Department. At the end of the third quarter, **Administration** spent R162.7 million against a projection of R176.7 million. Spending is R14 million or 7.9 per cent lower than projected due to unfilled posts within the department as the process of developing the organisational structure is still in progress, as well as the cost-of-living salary adjustment for senior managers that has not been implemented. Lower than projected spending on goods and services relate to slow spending on travel and the expected cancellation of the access control project.

At the end of the fourth quarter, **Administration** spent R228.4 million against an allocation of R259 million. Preliminary underspending is R30.6 million or 11.8 per cent due to unfilled posts within the department as the process of developing the organisational structure is still in progress. Travel and subsistence as well as training and development were underspent as these now take place virtually. The preliminary underspending under payments for capital assets is mainly under software as the integrated workflow management system was not procured. According to SITA, this is due to the need to deviate from Integrated Financial Management System (IFMS) for this project.

4.2 Programme 2: ICT International Relations and Affairs

The purpose of the programme is to ensure alignment between South Africa's foreign policy and international activities in the field of ICT. At the end of the third quarter, **ICT International Relations and Affairs** spent R48.1 million against a projection of R48.9 million. Spending is R800,000 or 1.6 per cent lower than projected due to slow spending in goods and services: travel and subsistence due to lower than expected travel.

At the end of the fourth quarter, **ICT International Relations and Affairs** spent R54.6 million against an allocation of R56.5 million. Preliminary underspending is R1.9 million or 3.4 per cent due to slow spending in goods and services: travel and subsistence as meetings now take place virtually.

4.3 Programme 3: ICT Policy Development and Research

The purpose of the programme is to develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for accelerated and shared economic growth. Develop strategies that increase the adoption and use of ICT by the majority of South Africans to bridge the digital divide.

At the end of the third quarter, **ICT Policy, Development and Research** spent R21.8 million against a projection of R27.2 million. Spending is R5.4 million or 19.8 per cent lower than projected due to vacancies that are not yet filled as the organisational structure is still being finalised, and the cost of living salary adjustments for senior managers has not been implemented. There was also lower than expected spending on travel and subsistence due to the slow-down of activities and the work from home policy.

At the end of the fourth quarter, **ICT Policy, Development and Research** spent R29.6 million against an allocation of R50.0 million. Preliminary underspending is R20.4 million or 40.8 per cent due to vacancies that are not yet filled as the organisational structure is still being finalised. Underspending on goods and services was influenced by the work from home strategy, which caused a slow spending on travel and subsistence and advertising costs.

Allocations on consultants for the cost to communicate strategy were not spent due to the project not being sequenced correctly with the work being done on the ECA amendment bill, not being aligned with the Minister's priorities, and the procurement was halted as the bid adjudication committee raising various matters of compliance.

4.4 Programme 4: ICT Enterprise and Public Entity Oversight

The purpose of the programme is to oversee and manage government's shareholding interest in the ICT public entities and state-owned companies. Facilitate the growth and development of small, medium and micro enterprises in the ICT sector.

At the end of the third quarter, **ICT Enterprise and Public Entity Oversight** spent R1.22 billion against a projection of R1.2 billion. Spending is R28.9 million or 2.4 per cent higher than projected. This is mainly due to the operational transfer for the Universal Service and Access Fund (USAF) that was made in December 2021, and not January 2022 as projected.

At the end of the fourth quarter, **ICT Enterprise and Public Entity Oversight** spent R1.67 billion against an allocation of R1.68 billion. Preliminary underspending is R6.7 million, or 0.1 per cent, due to vacant posts that are not yet filled pending the finalisation of the organisational structure.

4.5 Programme 5: ICT Infrastructure Development and Support

The purpose of the programme is to promote investment in robust, reliable, secure and affordable ICT infrastructure that supports the provision of a multiplicity of applications and services. At the end of the third quarter, **ICT Infrastructure Development and Support** spent R1.1 billion against a projection of R575.6 million. Spending is R486 million or 84.4 per cent higher than projected due to the transfer made to the USAF for subsidies related to broadcasting digital migration made in December 2021, rather than January 2022 as projected.

At the end of the fourth quarter, **ICT Infrastructure Development and Support** spent R1.5 billion against an allocation of R1.8 billion. Preliminary underspending is R245.9 million or 14 per cent mostly on the broadband project in the Presidential Employment Stimulus. This was not spent as the process to appoint Broadband Infraco as a designated fund manager for the Broadband Access Fund has not yet been concluded. The Department is yet to formalise the appointment in line with due governance process. A further R34 million unspent under the SA Connect project due to the delays in submission of invoices for the SA connect project by the service provider (SITA). The underspending on consultants is due to the expiry of the Memorandum of Agreement (MoA) that governs the relationship between DCDT and the CSIR. However, an updated MoA has been signed by the CSIR after approval was granted to appoint the CSIR through a strategic appointment process.

4.6 Programme 6: ICT Information Society and Capacity Development

The purpose of the programme is to develop and implement strategies to build capabilities to bridge the digital divide. At the end of the third quarter, **ICT Information Society and Capacity Development** spent R34.8 million against a projection of R46.7 million. Spending is R11.9 million or 25.6 per cent lower than projected due to unfilled posts within the department pending the finalisation of the organisational structure as well cost of living salary adjustment for senior managers that has not been implemented to date. Slow spending on goods and services is due to delays in the procurement process of appointing a service provider to assist with the development of the district digital enablement plans.

At the end of the fourth quarter, **ICT Information Society and Capacity Development** spent R65.1 million against a projection of R74.5 million. Underspending is R9.4 million or 12.6 per cent due to unfilled posts within the department pending the finalisation of the organisational structure. There was also underspending on goods and services is due to outstanding invoices for the National e-Government Portal. Regarding capital expenditure, no request for procurement of laptops was received from officials during the previous months, resulting in underspending on this item.

Covid-19 spending

At the end of the third quarter, spending on Covid-19 related items is R1.5 million up to the end of the 3rd quarter. This is for expenditure incurred for the decontamination/fumigation/fogging of buildings whenever there are COVID-19 cases reported in the department. It also involves the costs of communication for providing data to officials to enable them to work from home during COVID-19 restrictions.

At the end of the fourth quarter, spending on Covid-19 related items was R1.8 million up to the end of the financial year. As indicated this expenditure incurred for the decontamination/fumigation/fogging of buildings whenever there are COVID-19 cases reported in the Department. It also involves the costs of communication for providing data to officials to enable them to work from home during COVID-19 restrictions.

4.7 Issues for the committee to note

Broadcasting Digital Migration project: The department has obtained Cabinet approval for the integrated rollout plan. As outlined in the plan, the Analogue Switch-Off (ASO) is scheduled to be completed by March 2022, with the Department assuming responsibility for the management of the project. SAPO will still play a role concerning registrations and while funding of this project will still be done through allocations on USAF. R505 million was transferred to USAF for subsidies for the broadcasting digital migration project in December 2021.

Presidential Employment Stimulus: The Department has not spent the R200 million appropriated during the adjustment estimates for Presidential Employment Stimulus, which is to be used for the Broadband Access Fund. It was indicated that the process to appoint Broadband Infraco as a designated fund manager for the Broadband Access Fund has not yet been concluded. The Department is yet to formalise the appointment in line with due governance process.

5. Committee Observations and Recommendations

5.1 The Department

Having considered the 2021/22 the 3rd and 4th Quarter Performance and Expenditure Reports of the Department, the Committee noted:

(i) its appreciation for the presentation made by the Department;
(ii) its appreciation for the update on Broadcasting Digital Migration (BDM);
(iii) commended the Department for its good performance in excess of 91 per cent;
(iv) that the Department did not achieve 3 of its 35 targets in the period under review;
(v) that the targets not achieved included switch-off of SABC analogue transmitters, Digital Transformation Plan was not submitted and the GBV Action Plan was not submitted; and
(vi) with concern that the Department has been under-spending mainly due to number of vacancies which are yet to be filled;
(vii) serious concern that the vacancy of the Director-General position has yet to be filled; and
(viii) with appreciation that the proposed SABC Bill would be tabled to Parliament.

5.2 SAPO

On SAPO, the Committee noted:

(i) its appreciation for the presentation made by the SAPO;
(ii) with concern that the financial position of SAPO remains critical and that a net loss of R830 million in 4th Quarter was identified;
(iii) with concern that SAPO's year-to-date net loss amounts R2.457 billion despite government intervention;
(iv) with greater concern that SAPO was operating under severe cash flow shortages and persistent threats of possible collapse;
(v) that the department submitted a request to National Treasury to cover funding of about R1 billion to SAPO during the upcoming Mid-Term Review Process.
(vi) that SAPO was allowed by National Treasury to draw R500 000 from the Universal Access Service Fund.
(vii) that SAPO's requests for funding should be supported in order to mitigate against the collapse of the entity;
(viii) with concern that without the financial assistance SAPO cannot survive and will continue to experience losses;
(ix) with concern that there is no synergy between budget spent versus achievement of targets, money is spent yet targets are not achieved;
(x) that on 1 April 2023, SAPO profits and losses will be decentralised across all SAPO branches in all provinces; and
(xi) with serious concern that while medical aid contributions are being deducted from staff, there is non-payment of SAPO's contribution to medical aid schemes and this will have an adverse impact on staff and medical aid benefits.

5.3 USAASA

The Committee noted

(i) that USAASA/USAF did not achieve 2 targets namely, reduction of wasteful and fruitless expenditure and irregular expenditure.
(ii) with more concern that capacity constraints contributed to the non-achievement;
(iii) with concern that the vacancy of the CFO position has not been filled; and
(iv) that the Acting CFO is doing a good job.

5.4 SENTECH

The Committee noted:

(i) that Sentech generated a total revenue of R1,374 million for 4th Quarter;
(ii) that operating expenditure was 11 per cent below budget (R145m);
(iii) that Sentech is doing well although there was a sharp decline in performance; and
(iv) that Sentech's performance has declined because of the challenges of the last two financial years; however, will endeavour to improve its performance.

5.5 SITA

The Committee noted:

(i) that SITA achieved 11 of the 17 targets which bring the performance for the Quarter 3 to 64.71 per cent and a slight decrease of 63.16 per cent in the 4th Quarter;
(ii) that the solvency and liquidity indicate that SITA is in a good and healthy financial position as it can cover both its long-term and short-term liabilities respectively; and
(iii) that the Auditor General audit report indicates to 151 findings for the 4th Quarter.

5.6 BBI

The Committee noted:

(i) that for the 4th Quarter, 15 of the 19 performance targets were achieved;
(ii) that its revenue was 5 per cent lower when compared to the same period in the previous financial year and was 52 per cent below budget by end of the 4th Quarter;
(iii) that BBI maintained a positive Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of R37 million by end of the 4th Quarter;
(iv) that BBI suffered an operational loss of R43 million compared to the R34 million in the previous quarter;
(v) with concern that the operating loss of BBI is a reflection of futile efforts by the government;
(vi) that BBI was in a healthy financial position to cover its long-term liabilities;
(vii) that BBI has a total of 8 audit findings, 4 have been addressed, 1 is partially addressed and 3 are not yet addressed.
(viii) that the going concern finding by the AG was still not resolved due to the company not being able to raise funding;
(ix) that BBI underperformance and loss is historical as it relates to funding; and
(x) that the process of merging BBI and Sentech be expedited because it creates uncertainty on the part of employees of both organisations.

5.7 NEMISA

The Committee noted:

(i) that NEMISA achieved 15 of its 18 targets for the period under review;
(ii) that NEMISA increased its digital skills spending during 3rd Quarter and 4th Quarter for the year under review;
(iii) that this is as a result of the implementation of a catchup plan in the rollout of digital skills training programmes, which fell short in 1st and 2nd Quarters;
(iv) that the utilisation of the unspent funds from 1st and 2nd Quarters was fully utilised in the 4th Quarter;
(v) and that some of the unspent funds from the previous financial year were utilised;
(vi) that NEMISA exceeded all the training targets for the year; and
(vii) that the 112 people who attended training in the 3rd Quarter were targeted government officials involved with digital migration.

5.8 ICASA

The Committee noted:

(i) and welcomed the digital migration report by ICASA;
(ii) with concern that there was low reporting in relation to the research analysis by ICASA;
(iii) that overall performance in 4th Quarter improved by 15 per cent when compared to the 3rd Quarter;
(iv) that major areas of non-performance were under the Administration, Policy & Research analysis and Engineering & Technology programmes;
(v) that there is a vacancy rate of 2.8 per cent;
(vi) that ICASA had completed 90 per cent of action plans to address AGSA findings;
(vii) that ICASA has successfully concluded the spectrum auction process;
(viii) that ICASA remained in a healthy liquidity and financial position.

5.9 SABC

The Committee noted:

(i) that the SABC was on track for the continued improvement in performance;
(ii) appreciate all targets achieved;
(iii) that poor advertising revenue generation, capacity constraints, poor marketing and lack of key local content properties in key slots contributed to poor performance;
(iv) that the declining audience share and commercial revenue performance continued to threaten the financial sustainability of the SABC;
(v) that the entity spent R2.3 billion against R3.2 billion bailout funds resulting in a balance of R917 million by the end of 4th Quarter;
(vi) that SABC Board was approaching the end of its term of office;
(vii) with that concern that the SABC lacks fresh content; and

(viii) with concern that there is no synergy between budget spent versus achievement of targets, money is spent yet targets are not achieved.

5.10 FPB

The Committee noted:

(i) with concern that vacancies are not yet filled at the FPB;
(ii) that the Department was finalising the appointment of the Appeals Tribunal;
(iii) that the FPB Amendment Act was signed into law in 2019 and sought to transform the FPB into a fully-fledged content regulator in the new online environment;
(iv) that in the 3rd Quarter the FPB had revised its strategic focus in pursuit of implementing the Amendment Act;
(v) that underspending in 3rd Quarter was driven by lower than anticipated expenditure on operational activities and vacant posts;
(vi) that with concern the high vacancy rate of 14 per cent in the 4th Quarter which impacts negatively on service delivery;
(vii) that the poor performance in the 4th Quarter was due to the lack of adequate capacity and procurement delays;
(viii) that the FPB was in the process of appointing members of the Enforcement Committee; and
(ix) that FPB recorded a healthy liquidity position and implemented an Audit Action Plan.

5.11. ZADNA

The Committee noted:

(i) that**. ZADNA** achieved twelve (12) out of the thirteen (13) targets planned for the 4th Quarter and that this translates to 92 per cent achievement;
(ii) that the target that was not achieved relates to the domain names registrations through the Companies and Intellectual Property Commission (CIPC) platform; and
(iii) that the non-achievement was as the result of system failures that occurred during the 4th Quarter.

6. Recommendations

6.1 The Department

The Committee recommends that the Minister should ensure that:

(i) processes are in place to resolve all areas of underachievement and report back to the Committee during the presentation of annual financial statements;
(ii) there is consistency in the presentation of reasons for non-performance by Entities including corrective measures to circumvent non-performance;
(iii) the Department eliminates all under-expenditure;
(iv) the new organisational structure be finalised and all vacant positions filled;
(v) the Department fill all outstanding vacancies, in particular, that of the Director General;
(vi) all vacancies and capacity challenges in the portfolio are resolved;
  a. the Department should give feedback on the corrective measures taken by all Entities when it appears for its annual report;
(vii) all Entities improve business models and address the issues of financial losses;
(viii) there is a comprehensive action plan in place to meet the timelines in respect of the BDM project;
  a. the BDM project complies with the court order;
  b. continues to engage the Free-to-Air players to ensure simultaneous and coordinated switch-off of analogue transmitters;
(ix) there are adequate research interventions to support the migration process;
(x) the Department implements processes to improve the overall financial performance of its Entities;
(xi) Entities utilise budget allocations in accordance with set targets;
(xii) all Auditor General's findings of the Department and its Entities are resolved;
(xiii) government bailouts of entities should be avoided at all times;
(xiv) the funding model of the SABC to separate public from commercial activities is finalised;
(xv) the Broadcasting Amendment Bill is expedited; and
(xvi) the rationalisation of regulatory entities is finalised.

6.2 SITA

The Committee recommends that the Minister should ensure that:

(i) processes are in place to address the findings of the Auditor General; and
(ii) SITA addresses the 151 findings by the Auditor General.

6.3 NEMISA

The Committee recommends that the Minister should ensure that:

(i) NEMISA presents a Plan of Action to address areas of under-achievement; and
(ii) NEMISA addresses all outstanding not achieved targets.

6.4 ICASA

The Committee recommends that the Minister should ensure that:

(i) ICASA continuously updates the Committee on the auctioning of the remainder of spectrum;
(ii) ICASA ensure the prioritisation and benefit of small players during the auctioning of the remainder of the spectrum;
(iii) ICASA promote and complete research analysis work; and
(iv) ICASA ensure that it implements process to achieve all targets.

6.5 SABC

The Committee recommends that the Minister should ensure that:

(i) the SABC's public mandate is adequately funded;
(ii) the SABC addresses its issues of losses incurred;
(iii) presents to the Committee plans to monetise the sports, education and health channels;
(iv) there is alignment between budget spent versus achievement of targets;
(v) the SABC improves on its audience ratings;
(vi) puts plans in place to acquire compelling content as means to improve the financial status; and
(vii) because the SABC Board was approaching the end of its term of office, all processes are in place to meet all targets as dictated by the Turn-Around Plan and that the handover transition to a new Board is well-managed.

The Committee will, for its part, ensure the successful recommendation of new Board Members to the President.

6.6 SAPO

The Committee recommends that the Minister should ensure that:

(i) SAPO receives the required support;
(ii) that post the decentralising of SAPO profits and losses across all provinces, the Board presents an audit of the status of SAPO outlets across the country;
(iii) there is alignment between budget spent versus achievement of targets; and
(iv) there are plans in place at SAPO to improve and maintain all areas of concern in order for the SAPO of Tomorrow Strategy to work.

The Committee will conduct an oversight to SAPO branches together with the Minister. Furthermore, the Committee will arrange a special meeting with National Treasurer to engage on SAPO.

6.7 FPB

The Committee recommends that the Minister should ensure that:

(i) processes are in place to fill all outstanding vacancies;
(ii) addresses all capacity challenges; and
(iii) the delay in the appointment of the Enforcement Committee must be finalised.

6.8 BBI

The Committee recommends that the Minister should ensure that:

(i) processes are in place to ensure that the not achieved targets are achieved in future; and
(ii) the process of merging BBI and Sentech needs to be addressed in order for the two entities to improve performance in future;
(iii) the process of merging BBI and Sentech does not create uncertainty in the affected organisations; and
(iv) addresses the going concern finding by the AGSA.

6.9 Sentech

The Committee recommends that the Minister should ensure that:

(i) Sentech maintain its good performance, as was the case in the past.

6.10 USAASA/USAF

The Committee recommends that the Minister should ensure that:

(i) processes are in place to ensure that the Agency achieves all its planned targets;
(ii) all vacancies are filled, in particular the vacancy of the CFO position; and
(iii) that corrective measures for consequence management is in place in order to ensure that all responsible persons for the fruitless and wasteful expenditure are held liable.

6.11. ZADNA

The Committee recommends that the Minister should ensure that:

(i) processes are in place to ensure that all targets that were not achieved are achieved.

Report to be considered.