

USAASA

Parliamentary Portfolio Committee on Communications

27 March 2013



The Team

THE BOARD

- Mrs Pumla Radebe (Chairperson of Board / Caretaker CEO)
- Mr Sam Ledwaba
- Mr Kenosi Moroka
- Mrs Zandile Mdhladhla
- Ms Gontse Dlamini (Board Secretariat)

MANAGEMENT

- Ms Makhotso Moiloa (Acting Executive: Performance Management)
- Mr Winile Lamani (Acting Executive: BDS)
- Ms Linda Ngcwembe (Acting Executive: Finance)

USAF

Strategic and Annual Performance Plans

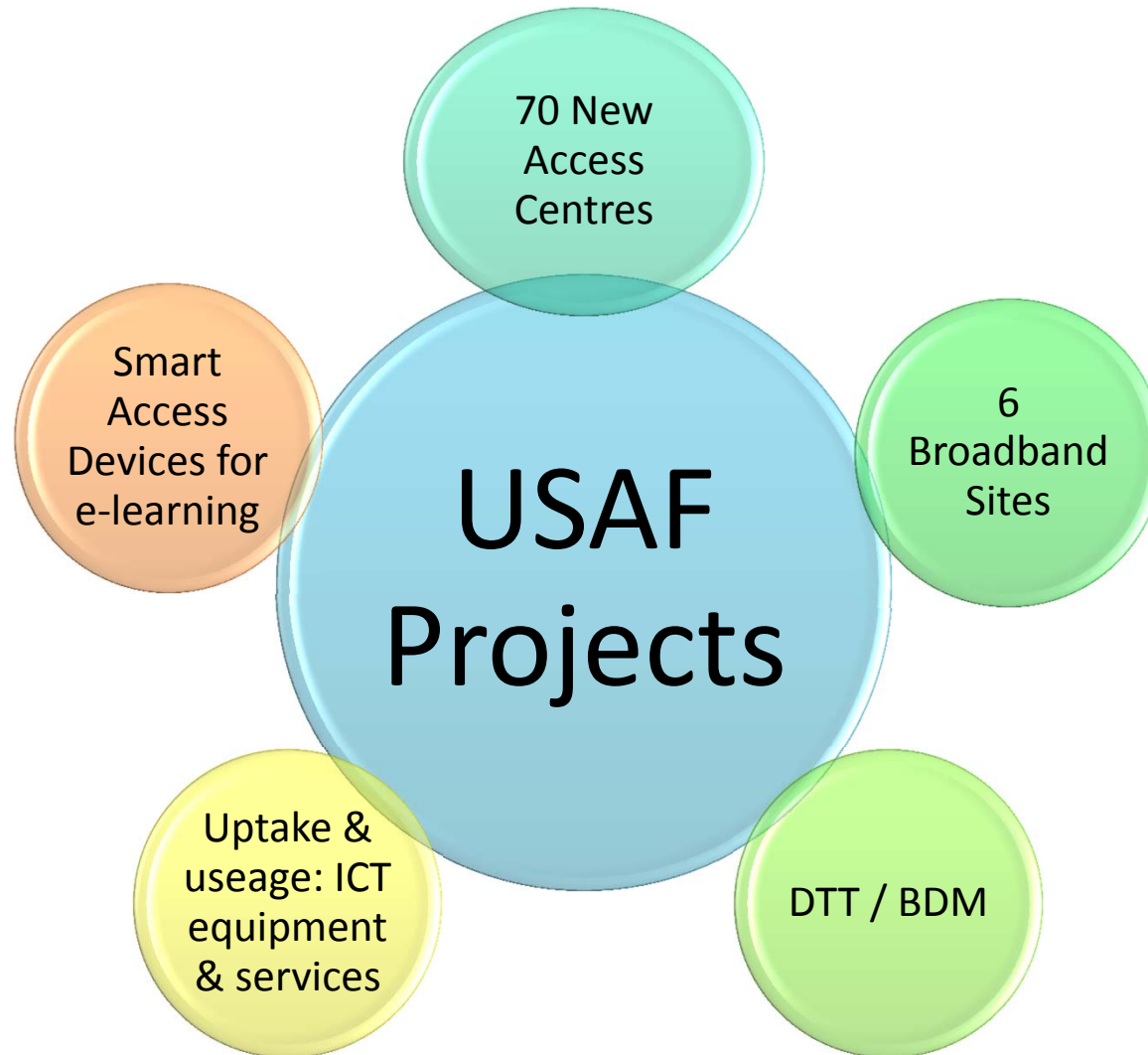
Year: 2013 - 2018





- To provide measurable and sufficient universal service and access to under-serviced areas.
 - **(DoC – Strategic Goal 2 / Strategic Objectives 2.1 and 2.3)**
- To facilitate the provision of adequate and cost-effective connectivity to ICT infrastructure to identified under-serviced areas.
 - **(DoC – Strategic Goal 2 / Strategic Objective 2.1)**
- To increase the subsidization of innovative access equipment.
 - **(DoC – Strategic Goal 3 / Strategic Objective 3.2)**
- To provide information and knowledge on the state of ICT access and services to the key stakeholders in order to influence policy and strategy of South Africa.
 - **(DoC – Strategic Goal 3 / Strategic Objective 3.3)**

USAFA: Three Year Strategic View



USAF Annual Performance Plan

2013/2014



DTT

TARGET

300, 000 [6%] STBs & aerials installed in approved households

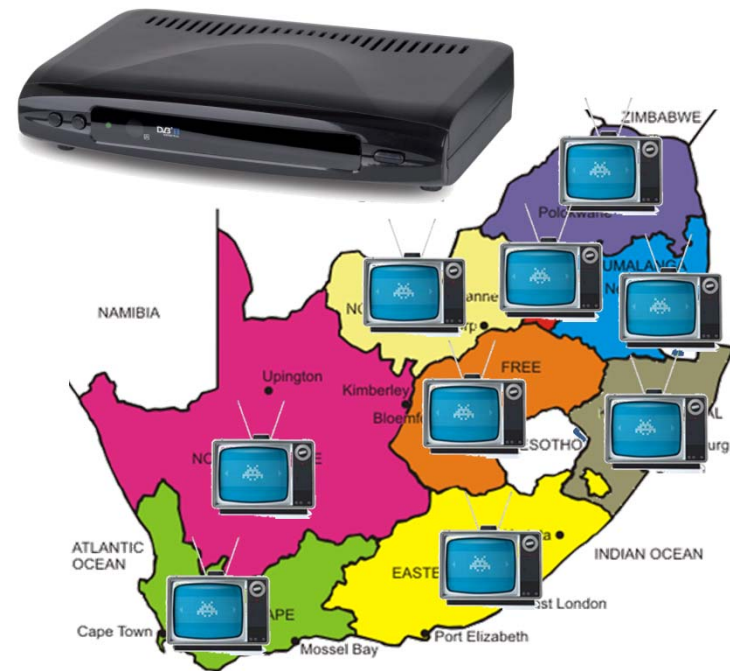


INTENT

Oversee the deployment of approved STBs and aerials as quickly and as efficiently as possible

Manage and oversee the procurement, logistics and uptake of product in accordance with accurate and interactive data maps and Sentech rollout

Reconcile project accounts against delivery.



Access Centres in Schools



TARGET

30 Universal Access Cyberlabs with connectivity established in underserved areas

INTENT

- To support SIP 15 imperatives
- To respond to National Development Plan calls for transformation to lives of the poor via technology
- To actively support Department of Education in delivering 21st Century education to the poor
- Contribute to relevant future leaders of this country

Access Devices for e-Learning

TARGET

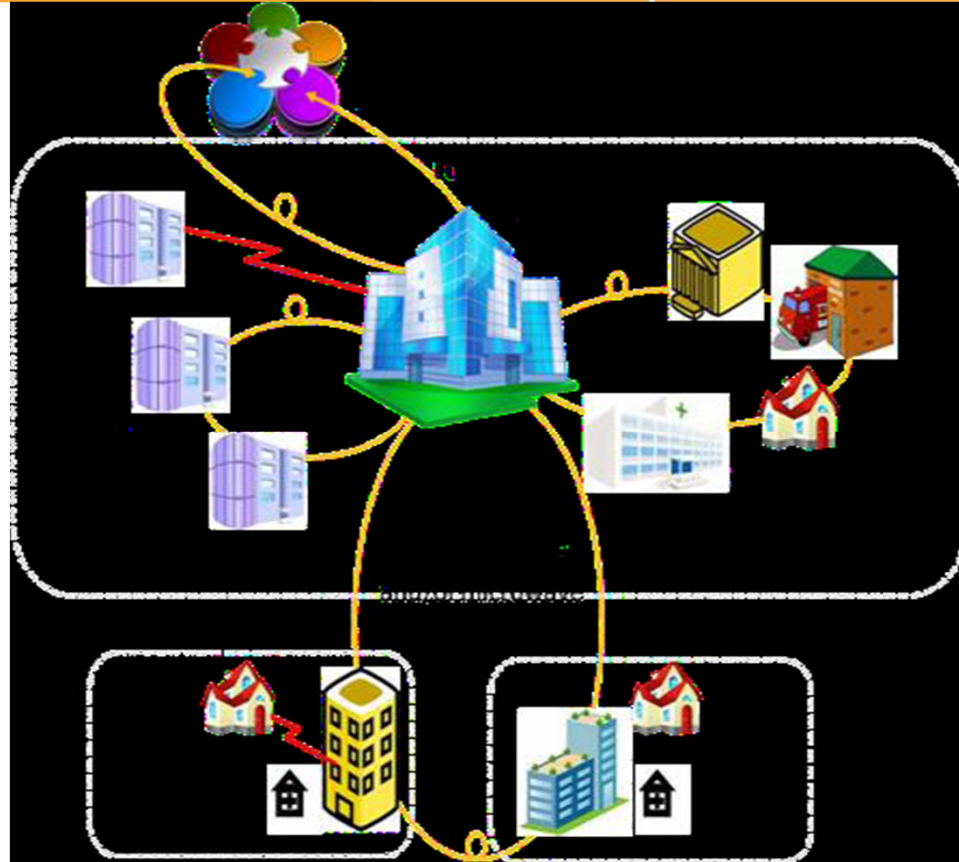
1 Municipality with Grade 10 learners provided with devices for connectivity & e-learning

INTENT

Conduct assessment of the impact of innovative and alternative connectivity instruments in the learning lives

Incorporate progressive technology in addressing developmental challenges





Integrated Rural Broadband

TARGET: 2 sustainable integrated rural broadband networks initiated

INTENT: Deliver on Sec. 88 of mandate ; Deliver on SIP 15



Research, Awareness and Social Mobilization



ONE: Strategic Objective		To provide needed and sustainable universal service and access to under-served areas						
Performance Indicators		Reporting period (quarterly, biannual, annual)	Financial Year 2013/14	Quarterly targets				
				1 st	2 nd	3 rd	4 th	
1.3	Rural Connectivity	Internet connectivity	Quarterly	260 centres including School Cyberlabs and Access Centres connected to subsidised internet	260 centres connected	260 centres connected	260 centres connected	260 centres connected

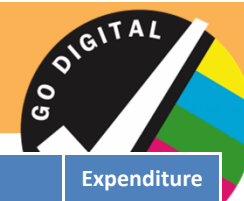
ONE: Strategic Objective		To provide needed and sustainable universal service and access to under-served areas						
Performance Indicators		Reporting period (quarterly, biannual, annual)	Financial Year 2013/14	Quarterly targets				
				1 st	2 nd	3 rd	4 th	
1.5	BDM / DTT	S.T.B / DTT	Quarterly	100% direct jobs created through installations of the set-top boxes following Sentech's DTT infrastructure rollout	3500 direct jobs created	3500 direct jobs created	3500 direct jobs created	3500 direct jobs created
1.6	BDM / DTT; Rural Connectivity	S.T.B; Rapid.D.P, ICU, BIU	Quarterly	30 SMME support initiatives facilitated through access centres	Partnerships established with institutions such as Seda (small enterprise development agency of the DTI) and other SMME support institutions	10 SMME support initiatives facilitated	10 SMME support initiatives facilitated	10 SMME support initiatives facilitated

TWO: Strategic Objective		To facilitate the provision of adequate and cost-effective connectivity to ICT infrastructure to identified under-served areas						
Performance Indicators		Reporting period (quarterly, biannual, annual)	Financial Year 2013/14	Quarterly targets				
				1 st	2 nd	3 rd	4 th	
2.1	Rural Connectivity	Internet connectivity upgrade	Quarterly	5% usage of accessible and affordable ICT services in underserved areas	Partnerships established with ICT service providers	Project plan for ICT services developed and implemented	Project plan for ICT services implemented	5% usage of accessible and affordable ICT services

THREE: Strategic Objective		To increase the subsidization of innovative access equipment						
Performance Indicators		Reporting period (quarterly, biannual, annual)	Financial Year 2013/14	Quarterly targets				
				1 st	2 nd	3 rd	4 th	
31	Rural Connectivity	Internet connectivity upgrade	Biannual	10% adoption and usage of ICT technologies	Partnerships established with ICT technology providers	Awareness and training provided to households on technology usage & benefits	Awareness and training provided to households on technology usage & benefits	% adoption and usage of ICT technologies by households in targeted areas reported



FIVE: Strategic Objective		To provide and effective and efficient management of the Universal Service and Access Fund						
Performance Indicators		Reporting period (quarterly, biannual, annual)	Financial Year 2013/14	Quarterly targets				
				1 st	2 nd	3 rd	4 th	
5.1	BDM / DTT	S.T.B; Rapid.D.P, ICU, BIU	Quarterly	100% of projects funded under USAF in compliance with the manual	Fund manual & standard operating procedures institutionalised	100% of projects funded under USAF in compliance with the manual.	100% of projects funded under USAF in compliance with the manual.	100% of projects funded under USAF in compliance with the manual.



Programmes/Activities/ Objectives	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure / total: Average (%)
	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16	2013/14-2015/16		
R million												
Handover of existing access centres	12 677	14 007	1 105	–	– 100.0%	27.1%	–	–	–	–	–	–
Rapid deployment of access Centre	–	17 551	3 056	31 285	–	26.4%	21 418	14 157	11 753	– 25.9%	5.4%	
Broadband infrastructure in underserved areas	–	13 500	–	–	–	6.6%	21 575	32 250	36 881	30.7%	10.3%	
Broadcasting digital migration	–	–	–	230 000	–	21.0%	240 000	240 000	251 040	2.3%	83.2%	
E-connectivity	6 760	3 804	215	7 000	1.2%	11.5%	–	–	–	–	–	–
Universal Service and Access Fund manual	–	1 788	14	2 850	–	1.2%	–	–	–	–	–	–
Project costs	1 815	622	719	2 842	16.1%	6.2%	2 195	3 683	3 890	33.1%	1.1%	
Total expense	21 252	51 272	5 109	273 977	134.5%	100.0%	285 188	290 090	303 564	3.2%	100.0%	

USAASA

Strategic and Annual Performance Plans:

Year: 2013 - 2016





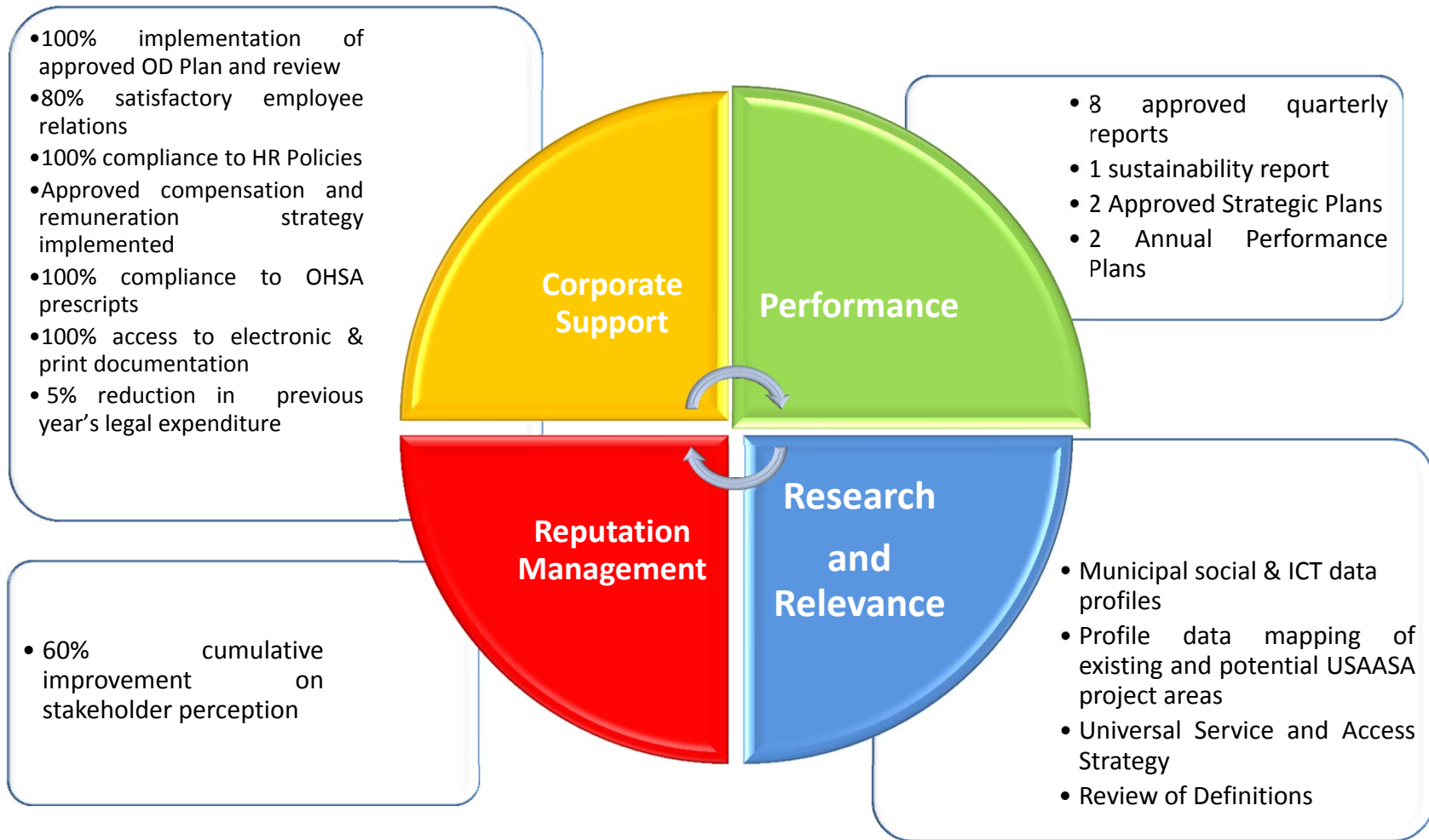
Strategic Objectives

- To provide an effective and efficient management of the Universal Service and Access Fund
- To promote an effective, efficient and well resourced organization
- To uphold the principles of good corporate governance

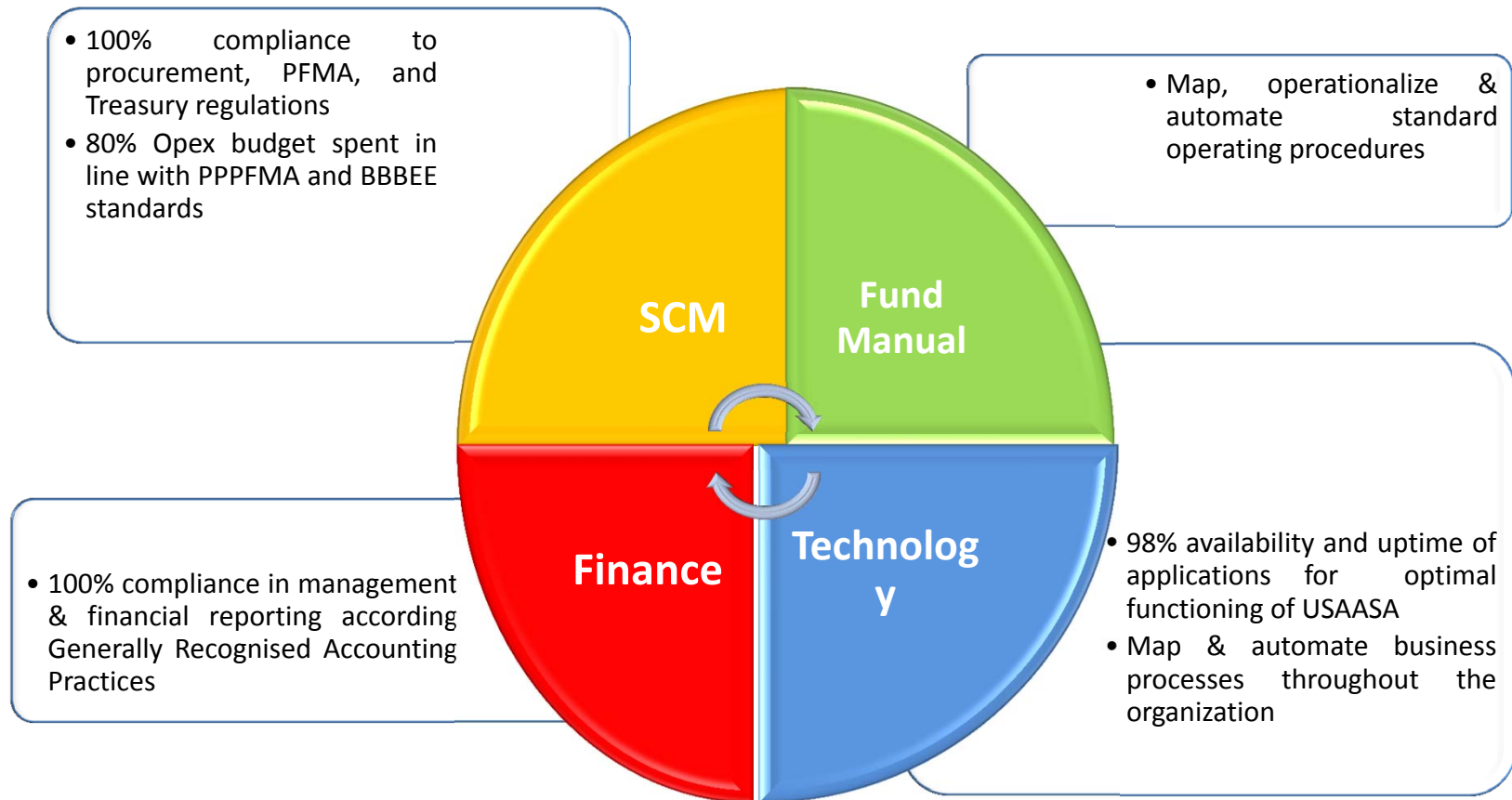
USAASA: Strategic Three Year View



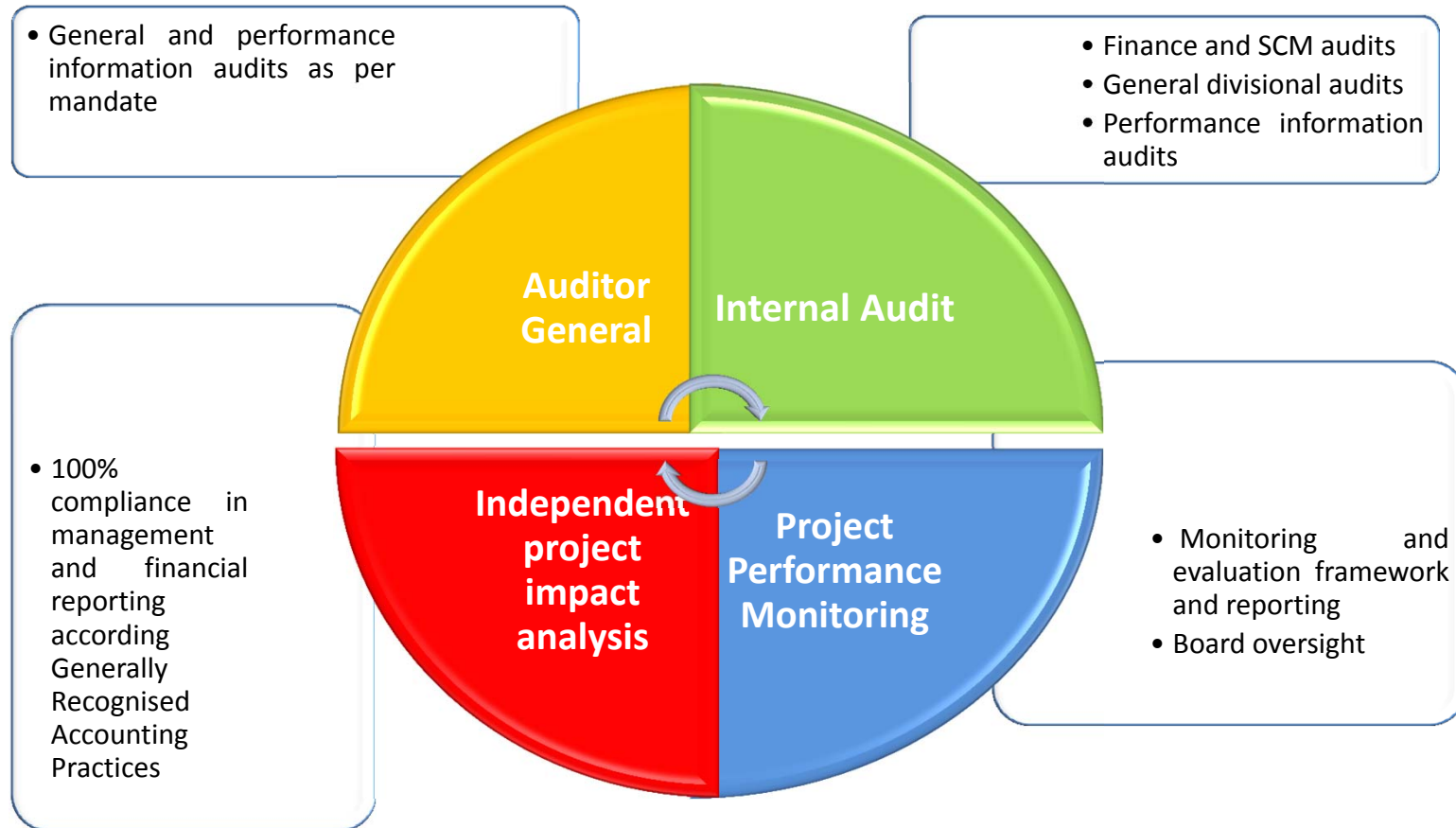
Fund Administrative Plan



Fund Financial Plan



Operational Assurance





USAASA Financial Plan

Programmes/Activities/ Objectives	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10-2012/13	2013/14	2014/15		
R million												
Administration	30 338	69 075	76 163	56 107		18.5%	22.7%	60 090	65 376	68 452	6.9%	6.9%
Total expense	30 338	69 075	76 163	56 107		18.5%	22.7%	60 090	65 376	68 452	6.9%	6.9%

Quarter 3 (2012/13) Progress Report

USAF Funded Programmes





	Annual Target	Q1	Q2	Q3
Number of connected community access centres deployed	Establishment of 200 fully functional access centres facilitated	Preferred Entities appointed to roll out total of 200 centres	Rollout of 100 access centres	Rollout 50 access centres
		Achieved.	Not Achieved.	Partially Achieved. 41 access centres completed and functional. Preparation for a 2 nd phase deployment in Q4 complete. Anticipated completion of 78 additional sites by end March 2013.



	Annual Target	Q1	Q2	Q3
Connectivity Upgrade Programme	Connectivity upgrades to identified existing e-Learning Centres	Audit & agreements signed with identified sites	Connectivity upgrades continued; e-skills training deployed	Connectivity upgrades continued; e-skills training deployed
		Not Achieved.	Not achieved.	Achieved. Connectivity to 41 new centres complete. Additional 130 centres to be complete in Q4 via commercial partnership with Sentech.

	Annual Target	Q1	Q2	Q3
Number of needy households with access to Digital Television	469, 387 needy TV owning Households subsidized with STBs <i>[This number will reduce to accommodate the installation and antennae costs]</i>	Customization & testing of SAPO processing & transacting platform.	Final testing and sign-off of platform	Subsidy applications and disbursements continued
		Not Achieved.	Not Achieved.	Not Achieved. Finalization of system business rules dependent on Ministerial confirmation of qualifying criteria. Process to secure capacity & map population data against SAPO has commenced.

USAASA Funded Programmes

Quarter 3 Report





	Annual Target	Q1	Q2	Q3
Implementation of the Universal Access and Service Strategy	Universal Access and Service Strategy developed, approved and implemented.	Service provider appointed	<p>A draft report is completed and is subjected to public consultative process.</p> <p>Consolidation of public inputs completed.</p>	<p>Final strategy document is submitted to the Board and the Minister.</p> <p>Publication of the Universal Access and Service Strategy.</p>
		Not Achieved	Not Achieved	<p>Not Achieved.</p> <p>Tender re-advertised.</p> <p>To be awarded in Q4.</p> <p>Phase 1 of project deliverable in Q4.</p>



	Annual Target	Q1	Q2	Q3
Facilitate multi-sectoral networks towards the delivery of approved projects	Universal Access and Service Strategy developed, approved and implemented.	Develop stakeholder partner strategy & plan aligned to approved USAF projects	Develop supporting policy. Initiate and secure project stakeholder buy-in Facilitate 4 sector agreements Pronounce on partnership project benefit.	Analyse & report on stakeholder agreements against project output. Pronounce results
		Not Achieved	Not Achieved	Partially Achieved. Reputation plan developed & terms of reference issued to secure support Agency. Q4: Adjudication and appointment made.



	Annual Target	Q1	Q2	Q3
Fund Operating Guidelines	Fund Manual and Standard Operating Procedures	Design and develop draft operating guidelines draft	Internally approved fund manual and SoP.	<p>Public consultation process to invite affected parties to provide input</p> <p>Final report on the Fund Manual and Standard Operating procedures</p>
		Achieved	Not Achieved	<p>Partially Achieved. Manual complete & awaiting Board approval</p> <p>Q4: Board to approve manual and development of financial model is in progress</p>



	Annual Target	Q1	Q2	Q3
<p>Human Resource Support: Implementation of a comprehensive Organisational Development program</p>	<p>Implemented integrated 3 year HR Strategy, processes & plans.</p>	<p>Organisational Development program developed, approved and implemented</p> <p>HR Functional Map</p>	<p>Implement 50% of yearly targets</p>	<p>Implement 50% of yearly targets</p> <p>Additional 20% improvement on effecting labour matters</p> <p>Implement training calendar</p> <p>Implement the approved functional strategies and resource plan.</p> <p>Implement Occupational, Health and Safety program</p>
		<p>Not Achieved</p>	<p>Not Achieved</p>	<p>Partially Achieved. 50% targets achieved only approvals pending 70% staff trained. 40% improvement on labour matters and union relationship matters.</p>

	Annual Target	Q1	Q2	Q3
Information Technology Support	Implementation of internal IT strategy.	Develop and implement internal IT Strategy ensuring real-time business access at all USAASA offices	Improvement in network access, speed to 10Meg 90% uptime.	Additional 20% improvement in network access, speed & 90% uptime. 100% DR backup 100% improvement in firewall efficiency. 80% improvement in desktop support. Implement & maintain business relevant Enterprise Resource System incl. of e-document management and information management system.
		Not Achieved	Not Achieved	Partially Achieved. -Review & improvement on ERP in progress. -Desktop support improvement achieved. -Firewall installed.



	Annual Target	Q1	Q2	Q3
Implementation of Corporate Governance Model	Implement comprehensive and integrated Governance policies, processes and workflows	<p>Develop integrated corporate governance plan.</p> <p>Ensure 100% compliance.</p>	<p>Implement & measure corporate governance model.</p> <p>Ensure 100% compliance.</p>	<p>Implement & monitor corporate governance model.</p> <p>Ensure 100% compliance.</p>
		Not achieved.	Not achieved.	<p>Achieved.</p> <p>Board approved governance model in place & constantly under review to ensure relevance to organization.</p> <p>Board Secretary interviews conducted and finalised.</p> <p>Incumbent starting on 1/4/2013</p>



	Annual Target	Q1	Q2	Q3
Comprehensive Legal Advisory Support	Legal and Regulatory Advisory Support to internal and external stakeholders.	On-going advisory services provided on request	On-going advisory services provided on request	On-going advisory services provided on request
		Achieved.	Achieved.	Achieved. Drafted 7 Service Level Agreements, one Memorandum of understanding and one bursary agreement and two legal opinions. Provided continuous legal support to the organization.

Finance

Quarter 3 Variance Report



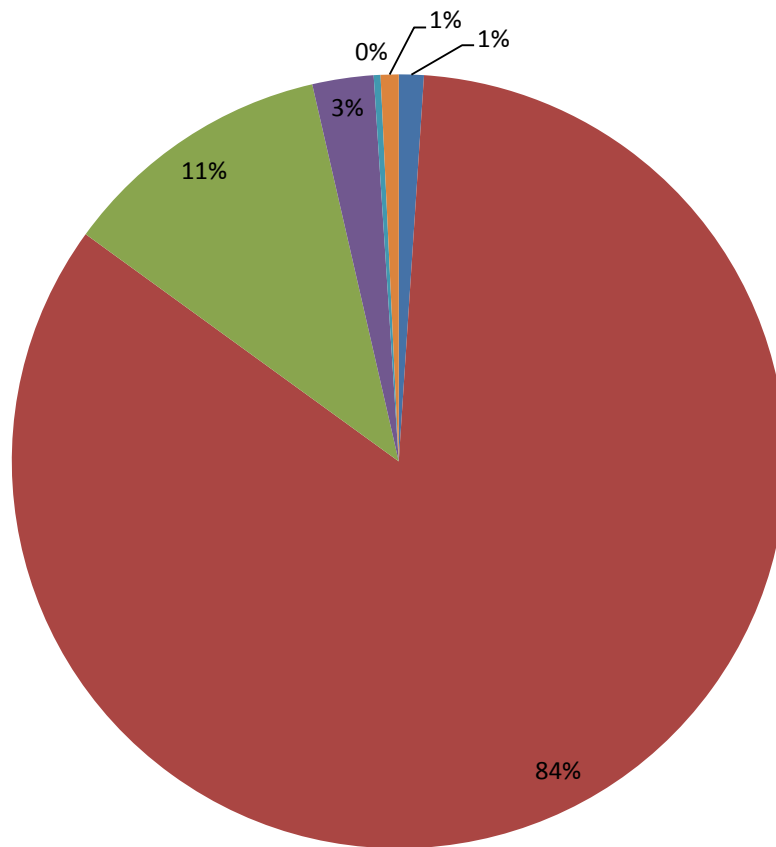
USAF VARIANCE REPORT FOR THIRD QUARTER 2012-13

Expenditure Item	YEAR-TO-DATE				Q3 Reporting			
	Annual Budget 2012/13	Actuals year to date	Available Budget	% Spent	Q3 Budget	Q3 Actual	% Spent	Comments
	R		R	%		R		
<u>Income</u>								
DOC Appropriated Income	273 977 000	145 111 170	258 955 000		130 089 170	130 089 170	-	
Other income (interest)	-	8 116 351	5 508 408		-	2 607 943	-	Interest earned from call account deposits
Total Income	273 977 000	153 227 521	264 463 408		130 089 170	132 697 113	102%	
<u>Expenditure</u>								
1. Strategy document and USAF Manual	2 850 000	-	2 850 000	0%	1 140 000	0	0%	Process completed and project should begin during Q4
2. STB Subsidies for BDM	230 000 000		230 000 000	0%	115 000 000	0	0%	No expenditure effected, awaiting finalisation of STB manufacturing
3. Rapid Deployment	31 285 000	10 758 025	20 526 975	34%	10 091 050	2 404 321	24%	Phase 1 implementation completed, payments made beginning of Q4
4. Connectivity	7 000 000	1 474 656	5 525 344	21%	2 797 821	31 190	1%	Phase 1 implementation completed, payments made beginning of Q4
5. Bank charges & Audit fees	789 000	631 418	157 582	80%	237 383	175	0.07%	No audit costs were incurred in Q3. Only bank charges were incurred during the period under review.
6. Project costs	2 053 000	671 972	1 381 028	33%	822 916	161 358	20%	Major portion was spent on travelling costs relating to monitoring of implementation of the rapid deployment project.
Total expenditure	273 977 000	13 536 070	260 440 930	5%	130 089 170	2 597 043	2%	
Surplus(Deficit)		139 691 450				130 100 069		Surplus mostly due to interest earned on call deposits

USAASA VARIANCE REPORT FOR THIRD QUARTER 2012/13

Expenditure Item	Year to date					Q3 Reporting			
	Annual Budget 2012/13	Adjusted Annual Budget - 2012/13	Actuals Year to date	Available Budget	% Spent	Q3 Budget	Q3 Actual	% Variance	Comments
	R			R		R	R	R	
Income									
DOC Appropriated Income	59 800 000	59 800 000	45 896 000	13 904 000	77%	15 049 000	15 049 000	100%	
Other income	-	-	202 929	202 929			68 083		
Total Income	59 800 000	59 800 000	46 098 929	28 953 000		15 049 000	15 117 083	100%	
Expenditure									
Advertising	284 000	284 000	207 837	76 163	73%	50 000	54 237	-8%	
Audit Fees	760 000	760 000	489 882	270 118	64%	150 000	141 360	6%	Some invoices related to year-end are still outstanding
Bank charges	45 000	27 681	17 927	9 754	65%	7 500	5 246	30%	
Board Fees	950 000	950 000	639 669	310 331	67%	237 500	620 643	-161%	Overspending due to fees paid to Board members for consultation fees on specific legal issues
Business Planning	2 450 000	3 845 000	494 760	3 350 240	13%	1 250 000	494 760	60%	The stabilisation team started end of November,, the first payment was made to one of the service providers in January.
Catering and Refreshments	400 000	211 828	105 923	105 905	50%	90 000	54 313	40%	The under spending is due to the slowing of activity in the month of Dec.
Cleaning Services/ Office supplies	300 000	107 972	40 761	67 211	38%	40 000	16 233	59%	The special service that were rendered during Q3, were at a much lower cost than expected.
Communication costs	1 600 000	1 600 000	893 263	706 737	56%	400 000	281 782	30%	Communication costs includes cellphone allowances, web hosting costs, routing of calls from cellphones as well as 3G's.The saving is indicative of improved management of expenditure

USAF Annual Budget Allocation



- 1. Strategy document and Usaf Manual
- 2. STB Subsidies for BDM
- 3. Rapid Deployment
- 4. Connectivity
- 5. Bank charges & Audit fees
- 6. Project costs

Spending per Quarter

