



## ANALYSIS OF THE FILMS & PUBLICATION BOARD 2012/13 ANNUAL REPORT

### 1. Introduction

The Film and Publication Board (FPB) is a legal entity established in accordance with the Films and Publications Act, 1996, amended in 2009. Its functions include

- regulating the creation, production, possession, broadcasting and distribution of films, interactive computer games and certain publications;
- providing consumer advice to enable adults to make informed viewing, reading and gaming choices, both for themselves and for children in their care;
- protecting children from exposure to disturbing and harmful materials and from premature exposure to adult experiences; and
- making the use of children in pornography punishable.

### 2. Summary of Auditor-General (AG) report

The FPB has managed to achieve an unqualified audit with no matters of emphasis and only a few findings on Legal and Regulatory Requirements. This after the FPB lapsed from receiving no matters of emphasis in 2010/11, to receiving one in 2011/12. The FPB has made improvements on reporting from 2009 where it received an unqualified report with 5 matters of emphasis to receiving.

The compliance issues related to the performance information not always being useful since 23% of the targets reported were not consistent with the approved strategic plan. In addition public invitations for competitive bids for services to the FPB were not always advertised for the minimum of 21 days as required by treasury regulations.

The financial statements of the FPB were not all prepared in accordance with PFMA requirements. This included material misstatements on accounts payables, accruals, leases and expenses which had to be corrected. This is what resulted in an unqualified as opposed to a clean audit opinion. This in turn was attributed to shortfalls in the AGs findings on Leadership, Financial and Performance Management, and Governance.

### 3. Performance

The FPB have three Strategic Outcomes and Objectives which translated in to 34 targets in the 2012/13 Annual Performance Plan. In the Annual Report however the FPB report on 74 targets, some of which are the same and many of which are new and altered. Of the reported targets in the Annual Report 18 are reported as partially achieved (24%). This compares to 48% of targets that were partially or not achieved 2011/12. Although the improvement in performance is noted the non alignment of targets with the strategic and annual performance plan leads to the uncertainty whether the reported targets are accurately measuring the performance of the FPB. The changes in targets set per Strategic Outcome are as follows:



| Strategic Outcome  | Targets in Performance Plan | Targets in Annual Report (percent reported achieved) |
|--|-----------------------------|--|
| 1. Effective and visible regulation of content to protect children and inform the public | 13                          | 32 (72%)   |
| 2. Consumers, Public and Industry Informed of FPB Mandate.                               | 2                           | 7 (86%)  |
| 3. Effective and Efficient management of FPB Operations                                  | 19                          | 35 (77%)   |
| Total  | 34                          | 74   |

The financial statements of the FPB are again stated in calendar years (i.e. 2013 and 2012) as opposed to contrasting financial years (2010/11 and 2011/12) as per treasury regulations and performance targets. Comparing two parts of the same financial year is of no value, particularly when targets are in financial years and targets have been amended.

The FPB has again published an entire list of material that it classified during the year comprising 138 pages (more than half the annual report); including several duplicate titles, unlike the selected sample provided in previous years. This seems unnecessary and is wasteful of paper and expenditure, where a synopsis is sufficient.

## 5. Human Resources

The FPB reported a 21% vacancy rate having filled 58 of the 74 approved posts. These vacancies are primarily in the support staff category (with 15 vacancies). In addition 13 posts are still listed as additional to the establishment since they have not yet been absorbed into the new structure. Employees with disabilities comprised 1.7% of the staff currently in employment but 1.2% of the total approved positions. In table 15 on page 112, the average performance rewards per support staff is R22 232 compared to R58 025 per management employee comprising around half of all staff. The majority of all staff (88%) received training during the course of the year.

Job evaluations conducted of all executive and senior managers resulted in most of these posts being upgraded (12 out of 15), whereas only 41% (16 posts) support staff were conducted and only 38% were upgraded. An additional 10 staff were appointed accounting for 2011/12, however 10 staff were lost to expiry of contract and resignation as well as one due to dismissal. As such the vacancy rate in the FPB has remained much the same as the previous year and is likely to increase without additional effort as the structure of the entity is reconfigured during 2012/13.

## Questions to the FPB

1. Why the Material Misstatements of the FPBs Annual Final Statements a basis for an unqualified report, but are not listed as matters of emphasis but rather as issues of Regulatory Requirements?
2. What was the nature and amount of the Misstatements of Finances?
3. Why was such a significant departure from the content and number of targets set in the annual performance plan versus those reported on in the Annual report? Can the performance reported on thus still be considered accurate?
4. Why are finances again stated in calendar years (i.e. 2013 and 2012) as opposed to contrasting financial years (2010/11 and 2011/12) as per treasury regulations and



performance targets? Comparing two parts of the same financial year is of no value, annual reports should in fact show three financial years like all other government entities.

5. Why was the entire list of classified material, comprising more than half the annual report, published in the Annual Report? Is this not unnecessary expenditure where an overview will do?
6. What is the justification for the performance rewards for almost half of all staff members, given that not all performance targets in the annual report were achieved?

## References

FPB (2013) Annual Report

FPB (2012) Annual Report

Salmon, A (2012) Analysis of the Film & Publications Board 2011/12 Annual Report. Parliament of South Africa.

