



# NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA QUARTER 2 PERFORMANCE REPORT 2016-17

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## PART 1 - QUARTER 2 PERFORMANCE OVERVIEW

## 1. ACTING CEO'S OVERVIEW

This quarter was one of the very unique, historic and busy quarters with activities ranging from moving premises, from Parktown to Bruma, external auditing by the Auditor General, Graduation Ceremonies and Annual General Meeting.

The second quarter has seen the Deputy Minister, Prof Hlengiwe Mkhize playing a pivotal role in exposing NEMISA as an Institution to two critical partners in the ICT sector being Hewlet Packet (HP) and Nokia. The Acting CEO was invited by Deputy Minister to be part of her delegation to Palo Ato, HP Headquarters in the US.

This visit culminated in collaboration between HP and Departments of Basic Education and Telecommunications and Postal Services. The resultant benefit for the Institution has been a principle agreement to pilot some of HP programmes including the supply of Sprout machine which facilitates online learning.

The acting CEO was invited by the Deputy Minister to a collaboration exploration meeting with Nokia South Africa. The meeting was geared to forge collaboration in the use of Nokia's it solutions and many other initiatives they have innovated elsewhere in the world.

A number of other key milestones were achieved in the quarter under review. As a number of midyear targets were achieved despite challenges which were experienced relating to delayed release and access to funding.

- 1096 e-Literacy learners were trained;
- 544 Sector users were trained;
- 414 ICT practitioners were trained;
- 73 e-Leaders were engaged.

A Radio Learnership for Mpumalanga province was successfully completed with 30 learners placed at various community radio stations declared competent.

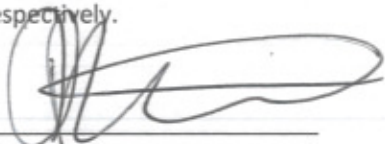
Another Radio Learnership in partnership with Moses Kotane Institute got off to a good start with 25 learners.

Collaboration networks were further strengthened through a partnership agreement between NEMISA and SABC which will culminate in 100 learners, mainly youth benefiting from Film & Tv Learnerships NQF Level 5. These Learnerships will be delivered in the provinces of Gauteng, Free State, Eastern Cape, Kwa-Zulu Natal and North West.

Another delivery partnership was concluded with a collaborative partner, KZN Film Commission. This partnership will result in 25 learners going through a Film & TV Skills programme which will culminate in them completing a full qualification.

Positive engagements were held with National Film Publication Board, National Film Video Foundation and Nelson Mandela Metropolitan University with the intent to expand and strengthen multi-stakeholder collaboration.

Many young people who participated in skills programmes and full qualifications, realised their dreams when they graduated at two Graduation Ceremonies which were held in Gauteng and KZN respectively.



**Mr Peter Ramatswana**  
**Acting Chief Executive Officer**

## 2. ORGANIZATIONAL ENVIRONMENT: PERFORMANCE AGAINST OBJECTIVES

### 2.1. ADMINISTRATION 1: QUARTERLY TARGETS FOR 2016/17

The purpose of Administration is to provide support to the overall management of the Institute and consists of Departmental Management, Internal Audit, Legal Services, Corporate Management and Facilities Management.

No	Performance Indicator	Reporting Period	Annual Target 2016/17	Administration Quarterly Performance Report			Corrective Action
				Quarter 2 Targets	Actual Performance	Challenges	
1.1	Corporate governance						
1.1.1	Quarterly performance Reports Submitted	Quarterly	4	Develop quarterly report	4 quarterly performance reports developed and submitted	-	-

ACHIEVED NO DELIVERABLES TARGETED IN THE QUARTER NOT ACHIEVED

## 2.2. Programme 2: Multi Stakeholder Collaboration Quarterly targets for 2016/17

The purpose of Multi Stakeholder Collaboration is to build a substantive formalised multi-stakeholder collaborative network involving partners across Government, Business, State Owned Companies (SOCs), global development partners and agencies, continental and international partners, community, organised labour and education (universities, TVET Colleges, Schools and public and private) that will contribute to the massification of e-skills delivery at all levels i.e. thought-leaders, e-practitioners, e-users and the ICT illiterate in society.

Multi Stakeholder Collaboration Quarterly Performance Report						
No	Performance Indicator	Reporting Period	Annual Target 2016/17	Quarter 2 Targets	Actual Performance	Corrective Action
				Advocacy and awareness (campaigns = all media e.g. broadcasts, social media, web sites, seminars, publications, imbizo's, etc.)		
2.1	Number of campaigns	Quarterly	10	3	0	Campaigns could not be conducted as there was budget constraints at the beginning of the financial year due to Treasury directive on release of funds to NEMISA
2.1.1						Campaigns planned for 3rd and 4th Quarter
2.1.2	Number of brand visibility platforms leveraged	Quarterly	20	5	2	Brand visibility platforms leveraged could not be conducted as there was budget constraints at the beginning of the financial year due to Treasury directive on release of funds to NEMISA
2.2	Partnership development (international, national, provincial, local across all sectors)					
2.2.1	Number of new partnerships formalised	Annually	4 MOA signed with identified partners	MoA signed with additional identified partner	1 MOA signed with Key Firm Commission	
2.2.2	Number of CoLabs partnerships signed	Annually	7 CoLabs partnerships signed	Implementation of the existing CoLab partnership agreements monitored and evaluated	Reports received from CoLabs	
Achieved				NO MEASURABLES TARGETED IN THE QUARTER		NOT ACHIEVED

### 2.3. Programme 3: e-Astuteness Development Quarterly targets for 2016/17

The purpose of e-Astuteness Development is to leverage existing ICT education and training expertise, infrastructure and courses and help existing service providers better align to SA Connect (Broadband Policy, NeSPA 2013, MTSF 2014 -2019, NDP, MDGs and the WSIS Plan of Action. It will collaborate with existing national and international institutions, civil society, organised labour, private corporations and invite them to partner with the Institute in various ways such as contributing to new curriculum planning, course development, course presentation within a national e-skills curriculum and competency framework. It will identify the gaps, shortages and mismatches in course content vis-à-vis the demand for ICT and ICT related skills and competencies across organisational boundaries. It will do this through broad consultation between the Institute and its stakeholder community to ensure alignment between skills supply and skills demand as well as respond to futuristic needs. Ensure that e-Literacy i.e. 'the ability of individuals to use digital tools and facilities to perform tasks, to solve problems, to communicate, to manage information, to collaborate, to create and share content and to build knowledge, in all areas of everyday life and for work', forms the basis on entering the e-skilled/e-astute learning pathway. e-Skills delivery will be targeted at all levels i.e. e-practitioners, information/ knowledge worker (e-user), thought-leaders and your ICT illiterate society.

NO	Performance Indicator	Reporting Period	Annual Target 2016/17	e-Astuteness Development Quarterly Performance Report		Corrective Action
				Quarter 2 Targets	Actual Performance	
3. Develop e-Astuteness for socio-economic opportunities in a knowledge driven economy						
3.1 Ensure rollout of effective e-skills programme						
3.1.1	Number of e-literacy learners trained (n)	Annually	2000	1000	1096	
3.1.2	Number of sector users trained (n)	Annually	1050	525	544	
3.1.3	Number of ICT practitioners trained (n)	Annually	500	250	414	
3.1.4	Number of e-leaders trained (n)	Annually	100	50	73	



e-Astuteness Development Quarterly Performance Report							
Performance Indicator	Reporting Period	Annual Target 2016/17	Quarter 2 Targets		Corrective Action		
			Actual Performance	Challenges			
3. Develop e-Astuteness for socio-economic opportunities in a knowledge driven economy							
3.1 Ensure rollout of effective e-skills programme							
3.1.5	Number of online courses available	Annually	8	4	0	Target not achieved due to Budgetary constraints due to Treasury directive on release of funds to NEMISA	Online courses planned for delivery in 3rd and 4th Quarter

**ACHIEVED** NO DELIVERABLES TARGETED IN THE QUARTER **NOT ACHIEVED**

#### 2.4. Programme 4: Knowledge for Innovation Quarterly targets for 2014/15

The purpose of Knowledge for Innovation is to look for appropriate, and often innovative, ways to address systemic problems and other inefficiencies and weaknesses in achieving learning success. This would include finding ways to identify entrants with potential that do not have the normally required entrance qualifications; supporting under-prepared students; introducing work integrated learning and practical components into Programme. As a core function the Institute will be responsible for research and policy development and developing a citizenry for the Information Society and Knowledge Economy. This process of reflection and renewal will be central to its vision of being responsive, flexible and innovative. It will provide a focus for continuous research in a cross disciplinary manner to concentrate on new ways to embed technology into people's lives to improve business opportunities, access government services and social cohesion; manage evidence-based research and development for a collaborative knowledge economy to address the national goals (MTSF 2014-2019 and NDP 2013) e.g. thought leaders (policy and practice); participate in the development of an evaluation and monitoring framework for collaborative knowledge economy based efforts to address national goals i.e. MTSF 2014-2019 and NDP 2013; and has a proactive approach to environmental scanning in a rapidly changing landscape through its national platform that can more adequately assess gaps, overlaps and opportunities for collaborative approaches.

No		Performance Indicator	Reporting Period	Annual Target 2016/17	Knowledge for Innovation Quarterly Performance Report		
				Quarter 2 Targets	Actual Performance	Challenges	Corrective action
4.	Create knowledge for innovation						
4.1	Research programmes, knowledge assimilation/production and transfer						
4.1.1	Research areas of common interest (non degree research and post graduate research) conducted and funded	Annually	8	Agreements with Colabs on Research areas to be conducted	0	Target not achieved due to Budgetary constraints due to Treasury directive on release of funds to NEMISA	Colabs to be engaged in order to reach agreement on research area

4.1.2	A national eSkills/ ICT environmental scans conducted	Annually	1	Appointment of a service provider to do an environmental scan		Agreement with CoLab not concluded as yet.	CoLab directed to establish from the University Legal Department is ideal way to conclude written agreement on the matter. Resolution expected before end of October 2016
4.1.3	Scholarly Researchers on a topic of common interest exchanged	Annually	1	Research Publication	0	Target not achieved due to Budgetary constraints due to Treasury directive on release of funds to NEMISA	Target planned for 4th Quarter
4.1.4	New products developed for knowledge assimilation (n)	Annually	6	Identify ICT product to be developed		Target not achieved due to Budgetary constraints due to Treasury directive on release of funds to NEMISA	Colabs to be engaged in order to reach agreement on research area
4.1.4.1	Creation and hosting of Learner management System	Annually	1	-			
4.1.4.2	Provide adequate bandwidth to cloud service for selected sites	Annually	1	-			
4.1.4.3	Conversion or creation of content for online platform	Annually	1	-			
4.1.5	Number of Research colloquium hosted for knowledge transfer (n)	Annually	1				
4.1.6	Number of Research papers in eSkills.ICT delivered/presented	Annually	5	Report on Research papers to be delivered		Target not achieved due to Budgetary constraints due to Treasury directive on release of funds to NEMISA	Target planned for achievement on the 3rd Quarter
4.1.7	Report of eSkills/ICT thought leaders engagements	Annually	6				

4.1.1.1 00 DELIVERABLES TARGETED BY THE QUARTER NOT ACHIEVED

**2.5. Programme 5: Aggregation Framework Quarterly targets for 2016/17**

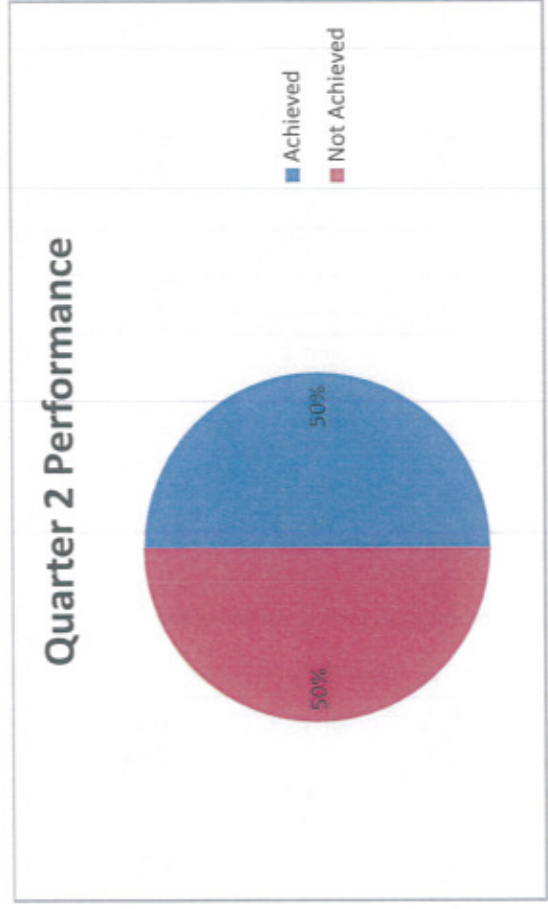
The purpose of Aggregation Framework is to build a formalised multi-stakeholder aggregation and collaborative network that allows the Institute to link outputs and impact and helping existing service providers to demonstrate measurable impact against national strategic plans. It will implement a monitoring framework to aggregate the uptake of technology within society and consistently address the opportunities highlighted between supply and demand of e-skills to deliver against the MTSF 2014 – 2019 goals, the NDP 2013, the MDGs and to support the local needs of an ever-evolving information society and knowledge economy.

Aggregation Quarterly Performance Report							
No	Performance Indicator	Reporting Period	Annual Target 2016/17	Quarter 2 Targets	Actual Performance	Challenges	Corrective Action
5	Ensure an effectual aggregation framework for e-competence development						
5.1	Aggregate e-Skills rollout programmes and measure impact						
5.1.1	Develop and update strategic guiding documents (e.g. e-competency framework, aggregation framework, etc)	Annually	1	1	1	Western Cape Colab	

ACHIEVED NO DELIVERABLES TARGETED IN THE QUARTER NOT ACHIEVED

### 3. PERFORMANCE SUMMARY

#### 3.1. Quarter 2 Performance Summary



## 4. TEACHING AND LEARNING PROGRESS REPORT

This report provides a reflection of training activities covered for Quarter 2 in 2016/17. The report's focus pertains to: Curriculum Development; ICT Practitioner Training; Digital Literacy Training; Advocacy and Awareness; Industry Partnerships

The report covers the Institute's reach into the provinces of Eastern Cape; Northern Cape; Gauteng benefitting broadcasting and multi-media operations.

### 4.1. Curriculum Development

The Multi Media Department continues to review the 3D Animation Qualification and Graphic Design Foundation Qualification. In this quarter, the department conducted internal workshops:

- Faculty Workshop to review and develop 3D Animation
- Compilation of Review Documents 50% Work-in-Progress
- Compilation of Learning Material 5% Work-in-Progress
  
- Faculty Workshop to review and develop Graphic Design Foundation
- Compilation of Review Documents 50% Work-in-Progress
- Compilation of Learning Material 0% Work-in-Progress
  
- Development of Digital Literacy (End User Computing)
- Compilation of Learning Material 90% Work-in-Progress
  
- Development of 2 Digital Animation
- Compilation of Review Documents 50% Work-in-Progress
- Compilation of Learning Material 50% Work-in-Progress

The Broadcast Department pursued the development of NQF Level 5 Materials for Film and Television and the extension of scope for SAQA 58394

- Busvannah Communications completed the Alignment Matrix for 58394
- Busvannah Communications completed the Learner Manual for 58394
- Busvannah Communications uploaded the Learner Handouts to a Dropbox Link for facilitator access

## 4.2. ICT Practitioners Trained

The National Certificate in Radio Production for Northern Cape is running to its completion. Final Summative Assessments such as Outside Broadcasts and Panel Discussions are now completed. Final marking, compilation of Learner Competency Profile and final reports are in progress. Sourcing an external moderator is with the Procurement department. 14 students completed the programme. The MICT SETA SLA 459C for this programme ends on 30 November 2016.

The National Certificate in Radio Production for Mpumalanga was completed in May 2016 and Verified in July 2016. 28 candidates were deemed competent and 2 candidates will receive SOR. No details for graduation have been worked.

The FET Certificate in Film and Television Production Operation in East London came to an end on 30 September 16. All POE's have been marked and finalised; the Learner Competency Profile was presented at a Board of Examiners Meeting. Tebogo Serobatse assisted as the Internal Moderator. Sourcing an external moderator is with the Procurement department. 19 students completed the programme. The MICT SETA SLA 459C for this programme ends on 30 November 2016.

Roll out for the National Certificate in Radio Production with the Moses Kotana Institute started in September 2016. A two week boot-camp and orientation was conducted with 23 candidates. As per client's request 4 Durban based lecturers and 2 KZN based Tutors signed Fix Term contracts with NEMISA and participated in the boot-camp. MKI made regular visit to the boot-camp to answer learner questions and complete the learner agreements. NEMISA is yet to sign the learner agreements. Workplace appointments have not been settled with the learners. A three way agreement for the KZN Film Commission venue and MKI computers is yet to be signed.

Roll out for the SABC Project for 100 candidates in 5 provinces has started in some of the provinces. Several meetings and paper work passed through both organizations: planning, preparation, technical requirements, schedules, budget, service agreements, negotiations and revised proposals made this SABC project time consuming and labour intensive. NEMISA is the assigned training provider for Eastern Cape; Gauteng; North West Province and Kwa-Zulu Natal. Bolobathaba is working with NEMISA to deliver the training in the Free State. This is probably the biggest project with the most risk NEMISA has committed itself to.

A two-week boot-camp on content development using mobile devices for shooting, editing and uploading for consumption on You Tube was offered to 4 candidates.

The completion the FET Certificate 61450 for 31 KZN Film Commission students is yet to begin. Budgets, schedules and programme of action (POA) have been sent to the client. No progress on the signing of the POA by KZNFC.

Quarter 2 INESI targets for Camera and Scriptwriting short courses were not achieved.

### 4.3. Industry Partnership Development

The renewal and establishment of new industry partners with Multi Media department are:

- NYDA - business development presentation to NYDA to consider funding Graphic Design and Animation programmes (18.08)
- GDF – presentation to GDF to consider funding Graphic Design and Animation programmes (23.08)
- LIMCO Consulting – meeting with LIMCO Consulting to consider learnerships for Film and TV; Graphic Design and Animation (30.08)
- IPAD4U (Partnership evolution) – meeting and presentation for learnerships for Interactive Media and Animation with the inclusion of people with disabilities
- DTPS – Cyber-security month participation (28.09)
- TVET – interview with Vusi Mthembu (28.09)
- SABC – Animation production meeting for Tales from the Calabash production (29.09)

The renewal and establishment of industry partners with Broadcast department:

- NFVF – MOU between NFVF and NEMISA yet to be signed and input requested from NEMISA. New areas of cooperation is listed in the draft MOU
- KZN Film Commission – POA yet to be signed by KZN FC. Signing would ensure the commencement of 61450 with 31 learners in KZN
- SABC – New Agreement for the delivery of SAQA 58394 for 100 students in 5 provinces
- MICT SETA – Application for Extension of Scope for SAQA 58394 in progress. Phase 1 met requirements and outcomes for Site Visit is still pending
- MICT SETA – Accreditation of qualification expires 14 November 2016. Renewal of Accreditation was conducted during Site Visit.

### 4.4. Advocacy and NEMISA awareness

Members of the Graphic Design and Animation Team use their professional skills in the promotion of NEMISA. The team has been involved in the creation of adverts, flyers, posters and brochures. Promotional material is published daily online through social media. Profile images, web banners, You Tube videos and web posts on Facebook, Twitter and Google +

Institute brand visibility and Corporate Identity Communication for internal and external parties is designed and developed by the Graphic Design lecturers. Letterhead, power-point, short video clips and corporate branding for internal documents



- Created material for Expos (Recruitment Advertising): Copywriting, digital ads, flyers, profiles etc.
- Running promotional messaging daily on social Media: Facebook, Twitter, Instagram, Google +
- (including) TVET College Community of Practice Facebook and Google + Pages

<https://www.facebook.com/iNeSI.Official/>

<http://plus.google.com/u/1/>

<http://twitter.com/nemisa>

<http://www.instagram.com/nemisa/>

#### 4.5. Target Numbers

	Start Nr	End Nr	Province	Report	Comments
3.2.1 E Literacy					
3.2.3 ICT Practitioners					
Q2 Radio Production (NC)	20	14	Northern Cape	√	Course Concluding
Q 2 FETC Film and TV	20	19	Eastern Cape	√	Waiting Moderation
Q 2 Boot – Camp TV Skills	4	4	Gauteng	√	Non credit bearing
Q 2 NC Film and TV (SABC)	20	20	Gauteng	√	Course In Progress
Q 2 Radio Production (MP)	30 (28)	30	Mpumalanga	√	Verification

#### 4.6. Progress Implementation on Blended Learning Model

##### Positives

- Any time Flexibility – 24/7 access to online
- Cross media consumption
- Higher learning retention
- Greater Student Teacher interaction

#### Challenges

- Urgency for Digital POE
- Workplace buying 100% into a learning centre
- Staff shortages
- Early stages to implement
- EDMODO

## 5. MARKETING OVERVIEW REPORT

### 5.1. Graduations

- Johannesburg Graduation Saturday 9 July 2016

The Graduation was held at our Parktown Offices as we could not secure an outside venue with the budget allocated. 63 students graduated in TV RPL, Film & TV production, Film & TV Bootcamp, 2D & 3D Animation, and Broadcast Engineering.

### 5.2. Durban Graduation Saturday 23 July 2016

The event took place at the Durban University of Technology – Ritson Hall. 59 Students graduated and they were from these streams: TV Production and Radio Production.

### 5.3. Advocacy and Awareness – Exhibitions and Imbizos

- Skills Summit:

FP&M Skills Development Summit – along with the FP&M-sponsored Achiever Awards were held on August 25-26 @ CSIR International Convention Centre.

The Achiever Awards were held on August 26. The Awards see some of South Africa's most innovative industry and business players, government departments and organisations honoured at a glittering gala awards dinner at the CSIR International Convention Centre.

NEMISA booked an exhibition stand that was to be used by the Parktown office and the Colabs to showcase their work. This was to enable us to promote our institution as well as our business initiatives within the industry. The summit is a great networking platform indeed. Unfortunately the Colabs could not take part in this as a strategy session was then planned that was on the same dates. Our Graphic Design and Animation team, Student Affairs attended the summit. The only Colab that was represented was Western Cape by Professor Walter Claassen.

- Profiling

The Acting CEO was profiled in the Achiever Magazine that was distributed at the expo.

Delivarables as per APP were not met as there is a hold on the Marketing Department budget pending money(budget) for "moving towards iNeSI".

#### **5.4. Stakeholder Management**

- Women's Day Celebrations: 30 August 2016,

On The 30th August 2016, Marketing department together with three staff members, Mary Moleke, Bongwiwe Kubheka and Thembi Sibeko attended the Deputy Minister of Communications', "Empowering Women in Digital Business Breakfast" which was organised by the Black IT Forum. Speakers on the day emphasized the role of women in media.



## **6. HUMAN RESOURCES REPORT**

### **6.1. Introduction**

The Human Resources department contributes towards the strategic goals of the Institute in that it provides human resources management support and performance management of the organisation. The organisation recognises that the most important assets of the organisation are its employees. Therefore the organisation remains committed to employ, train, utilise and retain the best personnel available and to make diligent efforts to develop and motivate all employees towards higher standards of performance.

This report identifies key activities undertaken by the Human Resources department in relation to staffing related matters during 1 July until 30 September 2016. This report aims to highlight areas of priority in relation to activities during the above mentioned quarter.

### **6.2. Headcount /Establishment comparison**

The table below shows the headcount or establishment as at September 2016 with comparison to previous quarter and approved positions. The Institute has an approved a budget of 57 positions. The table below shows a small increase in the establishment with the biggest increase at the skilled and administrative level. The total number of 45 employees includes both permanent and temporary positions.



Table 1: Total Headcount/Establishment

Occupational Levels	Approved Headcount	30-June-16	30-Sep-16
Top Management (level 14- 15)	2	0	0
Senior Management (level 13)	6	3	4
Professional qualified (level 11-12)	9	7	9
Skilled level ( 6-10)	26	21	18
Semi-skilled (1-5)	14	12	14
<b>Total</b>	<b>57</b>	<b>43</b>	<b>45</b>

### 6.3. Vacancies

Currently there are twelve (12) vacancies at NEMISA. The projection is that fifty percent of these vacant positions will be filled between December 2016 and January 2017. Interviews for some positions have been concluded, whereas for CEO and CFO offer letters have already been given to the recommended candidates. With regards to other positions, Line Managers have prepared motivations to advertise for the CEO's approval.

Table 2: Vacancies

Level	Vacancies
Top Management	2
Senior Management	2
Skilled	8
<b>Total</b>	<b>12</b>



#### 6.4. Staff Movement/Exit

The table below shows the staff movement/exit between first and second quarter of 2016/17 Financial Year. There is no staff movement at the Top and Senior management level. This table shows a small decrease at different levels. The total number of three (3) employees reduced the manpower number from 45 to 42 between July and August due to end of employees' fixed term contracts as well as one resignation. And later on in the very same 2nd quarter, due to new intakes the manpower numbers increased to 45.

Table 4: Employment Changes

Occupational Levels	1st Quarter	2nd Quarter
Top Management (level 14- 15)	0	0
Senior Management (level 13)	0	0
Professional qualified (level 11-12)	0	1
Skilled level ( 6-10)	3	1
Semi-skilled (1-5)	3	1
<b>Total</b>	<b>6</b>	<b>3</b>

#### 6.5. Performance Management

Performance management is a strategic objective of the company to identify talented employees and encourage the culture of learning and development within the Institute. Through this process, the Institute will be able to identify employees for succession planning in key positions and retention of key talent. Performance Reviews bonus for 2015/2016 performance cycle are currently being calculated and will be concluded during the month of October 2016.



## **6.6. Staff Development**

The institute has approved the 2016/17 financial year budget for staff development. The total cost of R137 072.98 has been spent on training effective 01 April 2016 to date.

## **6.7. Employee Relations**

There is no activity in the current quarter. It is management responsibility to ensure that there is effective management of IR and that proper process should be followed as and when the need arises.

## **6.8. Employment Equity**

The Institute is required to comply with the Employment Equity Act and submit the EE plan and EE report to the Department of Labour. The EE/Skills Development committee will be formulated the EE plan for the company. The Institute is complying with the Employment Equity Act, 1998 (No. 55 of 1998). The employment equity committee has identified the shortage of critical skills within the workforce. Succession planning is also one of the goals that the forum has envisaged the new NEMISA should work on. The committee members meet on a quarterly basis to give feedback on how the organisation has performed. The committee represents all occupational levels in the organisation. Members have been advised to work along management to ensure that the organisation meets its target objective and complies with Skills Development Act and Employment Equity Act. New additional members have been appointed in the second quarter.



Table 5: Occupational Levels – Employment Equity

Occupational Levels	Male				Female				Disability	Foreign Nationals		Total
	A	C	I	W	A	C	I	W	All	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	3	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	5	1	1	0	2	0	0	0	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	9	1	0	2	0	0	0	14
Semi-skilled and discretionary decision making	3	0	0	0	3	1	0	2	0	0	0	14
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>17</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
Temporary employees	4	0	1	0	2	0		1	0	0	0	8
<b>GRAND TOTAL</b>	<b>15</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>19</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>





## 7. CORPORATE GOVERNANCE REPORT

### 7.1. NEMISA Board of Directors

NEMISA's executive authority is the Department of Telecommunications and Postal Services.

NEMISA continued to be headed by an effective board. The term of office of three Board members was extended from 31 August 2016 to 31 November 2016 in order to allow the Minister to conclude on the appointment of the new Board.

The Board consists of independent, non executive directors and is independent from Management.

Table: Board Composition as at 31 September 2016

Name	Position	Term of Office
Mr Thami Ka Plaatjie	Acting Board Chairperson	March 2018
Mr Lucas Mello	Member	Ended 30 September 2016
Ms Loren Braithwaite-Kabosha	Member	
Ms Khanyisile Ngambi	Member	

The Board continued to set the strategy for Management to implement.

The Minister had announced a new Board as at the end of September 2016 as follows:-

Non-Executive Directors to NEMISA NPC SOC Limited:

1. Prof Walter Theophilus Claassen (Chairperson);
2. Mr Thami ka Plaatjie (reappointment and Deputy Chairperson);
3. Prof Manoj Maharaj;
4. Ms Sarien Rana Kersh;
5. Ms Nelisiwe Gloria Mkhali;
6. Mr Phuthi Nehemia Phukubje;
7. Ms Alina Thandiwe Mfulu; and
8. Mr Moraka Lucas Mello (reappointment)



The Board held 2 meetings during the quarter under review as follows:-

<u>Name</u>	<u>Number of Meetings</u>
Mr Thami Ka Plaatjie	2
Mr Lucas Mello	2
Ms Loren Braithwaite-Kabosha	2
Ms Khanyisile Ngambi	2

#### **7.1.1. Executive Directors**

The Board has not had executive directors since March 2016 when the CEO and CFO resigned. Parliament had at the end of the quarter approved the appointment of the following executives as recommended by the Interim Board:-

Ms Mymoena Williams                      CEO; and  
Ms Rahimoonisha Abdool                CFO.

The appointments from the Minister requested the Board to negotiate commencement of duty of the two new appointments ideally by no later than 01 November 2016.

The institute continued to undertake operations with the leadership of the Acting CFO and Acting CEO as approved by the Minister.

#### **7.1.2. Chairperson of the Board**

The Institute continued to function under the leadership of Acting Board Chairperson during the quarter under review.

The Chairperson provided overall leadership of the board and also applying the principle of collective responsibility.

### **7.2. Board Sub- Committees**

#### **7.2.1. The Board Audit and Risk Committee ("BARC")**

The Committee is an advisory Committee to the Board. The Committee continues to support the Board in terms of its duties in line with the approved Charter.



**Committee Composition:-**

Mr Lucas Mello	Acting Chairperson
Mr Thami Ka Plaatjie	Member
Ms Loren Braithwaite-Kabosha	Member
Ms Rofunwa Ligege	Acting CFO, Standing Invitation
Mr Peter Ramatswana	Acting CEO, Standing Invitation

The Committee has held one meeting during the quarter under review. Some of the items deliberated on by the Committee include consideration of the Audited Annual Financial Statements as well as the 2016 AGSA Audit Report.

<u>Name</u>	<u>Number of Meetings</u>
Mr Lucas Mello	1
Mr Thami Ka Plaatjie	1
Ms Loren Braithwaite-Kabosha	1
Ms Rofunwa Ligege	1
Mr Peter Ramatswana	1

Both External and Internal Auditors continue to attend BARC meetings to give guidance to Management on strategic issues.

**7.2.2. The NEMISA Academic Committee**

The Committee is responsible to assist the Board with matters related to teaching and learning in accordance with the strategic objectives of the Institute. The Committee has also been delegated the responsibility to provide oversight over CoLab programs.

The Committee held one meeting during the quarter to approve the quarterly report and receive reports from CoLabs on their progress.

The Committee also held a workshop with CoLabs and stakeholders in order to deliberate on the eliteracy requirements for the Institution.



NAC Composition:-

Name	Position	Number of Meetings
Ms Loren Braithwaite-Kabosha	Acting Chairperson	2
Mr Thami Ka Plaatjie	Member	1
Ms Rofunwa Ligege	Acting CFO, Standing Invitation	2
Mr Peter Ramatswana	Acting CEO, Standing Invitation	2
Mr Doc Fick	Acting Head of Teaching and Learning	2

7.2.3. The Human Resources Committee ("HRRC")

The Committee held one meeting during the quarter under review as follows:-

Name	Position	Number of Meetings
Mr Thami Ka Plaatjie	Chairperson	1
Ms Khanyisile Ngambi	Member	1
Ms Rofunwa Ligege	Acting CFO, Standing Invitation	1
Ms Annah Motloung*	HR Manager, Standing Invitation	1
Mr Peter Ramatswana	Acting CEO, Standing Invitation	1

\*Appointed July 2016

7.3. Board Remuneration Quarter 2

The following were Board remunerations for the quarter under review:-

	Totals for Quarter 2 2016/17
Board Travel Reimbursement	17 374.19
Retainers	17 160.00
Board Meeting Fees	160 512.00
Board Audit Committee Meeting Fees	9 504.00
HR Committee Meeting Fees	9 504.00
NAC Committee Meeting Fees	30 624.00



#### **7.4. COMPLIANCE WITH THE PUBLIC FINANCE MANAGEMENT ACT**

Reporting deadlines as reported in the Act have been met. The organisation continues to report to the National Treasury through the DTPS as required.

The BARC and Board continued to monitor the Institutes' compliance to the PFMA through the developed checklist until the end of the quarter.



## PART 2: QUARTER 2 FINANCE REPORT

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## 8. SUMMARY OF FINANCIAL RESULTS

The objective of this Financial Report is to present the company's financial position for the period ended 30 September 2016 in terms of the 2016/17 Strategic Business Plan. This summary sets out the salient features requiring special mention, while details pertaining to the expenditure, assets and liabilities are reflected in the report itself.

This report represents provisional management financial results, and is subject to amendment pending the finalisation of the figures for the financial year. The comparative figures are subject to finalisation of the year- end audit.

An integrated Annual Performance Plan exists for the integrated Institute; however part of the funding (programmatic funding and Human Resources) pertaining to e-Skills Institute and ISSA is administered by the Department of Telecommunications and Postal Services (DTPS). Programmatic funds will be transferred through an MOA.

### 8.1. ANALYSIS OF FINANCIAL PERFORMANCE

#### 8.1.1. REVENUE: APPROPRIATION INCOME

The total appropriation funding due to the Institute by way of transfer payments from the Department of Telecommunications and Postal Services (DTPS) for the current financial year amounts to R 37.2 million. The National Treasury also granted NEMISA R40 million earmarked for the establishment of the new Institute. These funds are payable to the institute in three tranches after the commencement of the financial year.

The Department of Telecommunications and Postal services also entered into an agreement with NEMISA to roll-out e-skills programmes on their behalf, the DTPS has funded NEMISA with R6.9 million for this programme.

To date we have received two tranches amounting to R24.8 million in respect of normal appropriation income, R13,3 million for the establishment of iNeSI and R6,9 million for e-skills funding.



## 8.2. OTHER INCOME

The company generates additional income by offering training courses for students as well as organisations (strategic alliances) within the ICT / Multi-media sector. The profits generated by these revenue streams do not significantly impact the company's overhead costs.

For the period under review, other income (including interest received) amounted to R2,4 million. Project income is related to academic activities and can only be generated when there are academic activities.

TABLE 1: OTHER INCOME RECEIVED

Other income	Actual
	R'000
Fees	0
Projects	2,230
Other	70
Interest received	191
Total Revenue received	2,492

## 8.3. DIRECT EXPENDITURE

Direct expenditure relates to the Teaching and Learning unit of NEMISA, including Colab expenditure. Total direct training expenditure for the period under review amounted to R4,4 million. The budgeted expenditure for this period amounted to R6.6 million, resulting in a variance of R2.2 million (33%) for the period under review. This variance is mainly attributed to the delay in making transfers to the Colabs, the budget was allocated in Quarter 1.





TABLE 2: DIRECT EXPENDITURE

Direct Expenditure	Actual	Budget	Variance
	R'000	R'000	%
Direct Expenditure	4.484	6,688	33

## 8.4. OVERHEAD AND OTHER EXPENDITURE

The Overhead expenditure amounted to R20.5 million whilst the budgeted expenditure was R26.3 million (Table 3). This resulted in a variance of R 5.8 million (22%) for the period to date. The variance is attributed to vacant posts, professional services budgeted for but not procured and saving on rental

TABLE 3: OVERHEADS EXPENDITURE

Overhead Expenditure	Actual	Budget	Variance
	R'000	R'000	%
Overhead Expenditure	20,523	26,363	22

Other expenditure refers to non cash items such as Depreciation and Amortisation (Table 4)

TABLE 4: OTHER EXPENDITURE (NON CASH)

	Actual	Budget	Variance
	R'000	R'000	%
Amortisation / depreciation / impairment	212	315	33



## 8.5. COLAB TRANSFERS

The Institute operates in collaboration with local universities in strengthening the existing provincial e-skills knowledge production and coordination. 'CoLabs' are responsible for coordinating efforts across all stakeholder groups within each province and to provide an operational platform to engage Business, Education, Government, Community, Organised Labour and International bodies across Africa and internationally. The CoLabs are also responsible for developing appropriate evaluation processes and to act as knowledge hubs to inform pedagogy, training, and policy development and project delivery.

COLAB	BUDGET ALLOCATION AS PER MOA	PAID AS OF 30TH SEPTEMBER 2016	BALANCE 30TH SEPTEMBER 2016
Durban University of Technology	R 2,460,000.00	-R 1,230,000.00	R 1,230,000.00
University of Limpopo	R 1,236,000.00	-	R 1,236,000.00
Vaal University of Technology	R 3,000,000.00	-	R 3,000,000.00
University of Western Cape	R 2,715,000.00	-	R 2,715,000.00
Walter Sisulu University	R 2,415,000.00	-R 1,207,500.00	R 1,207,500.00
University of North West	R 570,000.00	-	R 570,000.00
University of Free State	R 570,000.00	-	R 570,000.00
<b>Total Allocation</b>	<b>R 12,966,000.00</b>	<b>-R 2,437,500.00</b>	<b>R 10,528,500.00</b>

## 8.6. SURPLUS/DEFICIT

For the quarter under review, the company showed a surplus of R15,8 million. The surplus is mainly due to the interest earned in the CPD Call account and projects income related to the training department as well as savings made as a result of vacant post. This represents provisional management financial results, and is subject to amendment pending the finalisation of the figures for the financial year.



## 8.7. ANALYSIS OF FINANCIAL POSITION

### 8.7.1. ASSETS

#### 8.7.1.1. NON-CURRENT ASSETS

The book value of the company's Fixed Property, Plant and Equipment amounted to R 1.153 million while Intangible assets amounted to R4,3k resulting in total non-current asset value of R 1.157 million.

#### 8.7.1.2. CURRENT ASSETS

Trade and Other Receivables amounted to R 3,75 million for the period, and include Trade debtors – R 5.1 million, rental deposits of R1,35 million, Provision for doubtful debt of R2 million and Prepayments/Deferred expenses of (R205k).

At period end September 2016, Cash and Cash equivalents consisted of R38 million in the company's current bank account.

### 8.7.2. EQUITY AND LIABILITIES

#### 8.7.2.1. ACCUMULATED SURPLUS

The Accumulated surplus at period end amounted to R25,9 million, while the accumulated surplus as at March 2016 amounted to R 9.5 million.

## 8.8. FRUITLESS AND WASTEFUL EXPENDITURE

No fruitless and wasteful expenditure was incurred in the quarter under review

## 8.9. LOSSES THROUGH CRIMINAL CONDUCT

No losses through criminal conduct.



## 8.10. IRREGULAR EXPENDITURE

No irregular expenditure identified in the current quarter.

## 8.11. REPORTS

### NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA

#### STATEMENT OF FINANCIAL POSITION

For the Six Months Ending September 30, 2016

	Notes	September 2016 ACTUAL R	March 2016 ACTUAL R
<b>ASSETS</b>			
Non-current assets		1,157,682	1,376,625
Property, plant and equipment	1	1,153,312	1,365,171
Intangible assets	1	4,370	11,454
Current assets		41,889,374	18,492,170
Inventory		13,528	13,528
Trade and other receivables	2	3,775,471	5,098,849
Cash and cash equivalents		38,100,375	13,379,793
<b>TOTAL ASSETS</b>		<b>43,367,270</b>	<b>19,868,795</b>
<b>NET ASSETS AND LIABILITIES</b>			
Net assets			
Accumulated surplus	3	25,988,896	9,581,092
Liabilities			
Current liabilities		17,378,374	10,287,703
Unspent transfer payments	4	11,265,336	4,860,336
Trade and other payables	5	4,032,370	3,688,371
Provision		2,080,668	1,738,996
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>43,367,270</b>	<b>19,868,795</b>



NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA

STATEMENT OF FINANCIAL POSITION

For the Six Months Ending September 30, 2016

<i>Income</i>	<i>NOTES</i>	<i>30 September 2016</i>	<i>31 March 2016</i>
Appropriation income receivable	6	38,600,000	47,904,124
Other income	7	2,300,852	6,144,181
Interest received		191,731	1,127,630
<b>Total Income</b>		<b>41,092,582</b>	<b>55,175,935</b>
<i>Expenditure</i>			
Direct expenditure	8	(4,484,185)	(17,192,905)
Overhead expenditure	9	(20,523,121)	(35,452,609)
Depreciation		(218,943)	(464,788)
Finance costs		0	(14,377)
<b>Total Expenditure</b>		<b>(25,226,249)</b>	<b>(53,124,679)</b>
<b>(Deficit) / Surplus for the period</b>		<b>15,866,333</b>	<b>2,051,256</b>

NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA

NOTES TO THE FINANCIAL REPORT

For the Six Months Ending September 30, 2016

Note 1

CLASS ID	ASSET COST	ACCUMMULATED DEPRECIATION	DEPRECIATION	CARRYING AMOUNT
CANTEEN EQUIPMENT	40,716	38,765.49	721.33	1,229.17
COMPUTER EQUIPMENT	3,219,999	2,746,677.21	94,924.59	378,397.38
FURN & FITTINGS	279,438	240,362.58	9,993.06	29,082.53
IMPROVEMENTS	1,161,859	848,577.28	26,241.85	287,039.74
LAND & BUILDING	189,396	68,623.32	-	120,772.78
MOTOR VEHICLE	1,580,237	1,555,844.04	7,152.33	17,241.00
OFFICE EQUIPMENT	395,237	355,666.66	10,128.99	29,441.34
RADIO BROADCASTING	1,414,956	1,395,632.78	6,441.02	12,882.04
TV BROADCASTING	3,477,409	3,143,928.88	56,254.34	277,226.26
<b>TOTAL</b>	<b>11,759,248</b>	<b>10,394,078</b>	<b>211,858</b>	<b>1,153,312.24</b>
<b>SOFTWARE</b>	<b>411,726</b>	<b>400,271</b>	<b>7,085.33</b>	<b>4,369.69</b>

	Sep-16	March 2016
	Actual	Actual
	R	R
2. Trade and other receivables		
Trade debtors	5,199,390	5,976,541
Less: Provision for doubtful debts	(2,952,785)	(2,952,785)
Prepayments / deferred expenses	176,783	723,010
Deposits	1,352,082	1,352,082
	3,775,470	5,098,848
	3,775,470	5,098,848

3. Accumulated surplus

Surplus balance c/f 31 March 2012	3,792,567.00	
Deficit / (Surplus) - year ended 31 March 2013	-950,989.00	
Surplus balance c/f 31 March 2013	2,841,578.00	
Deficit / (Surplus) - year ended 31 March 2014	748,894.00	
Surplus balance c/f 31 March 2014	3,590,472.00	
Deficit / (Surplus) - year ended 31 March 2015		
Surplus balance c/f 31 March 2015	3,590,472.00	
Prior period error	3,939,365.00	
Deficit / (Surplus) - year ended 31 March 2016	2,051,256.00	
Surplus balance c/f 31 March 2016	9,581,093.00	
Deficit / (Surplus) - year ended 30 September 2016	16,417,397.32	
Surplus balance c/f 30 September 2016	<u>25,998,490.32</u>	

4. Unspent project and transfer funds

DTPS Grant	(500,000)	
Unspent Project funding	3,574,636	3,574,636
DTPS e-Skills funding received	8,190,700	1,285,700
	<u>11,265,336</u>	<u>4,860,336</u>

5. Trade and other payables

Accounts payable	2,134,434	1,149,947
Prepaid student fees / income received in advance	1,897,936	2,538,424
	<u>4,032,370</u>	<u>3,688,371</u>





6. Appropriation income

Total gross appropriation income received	38,600,000	47,904,124
	<u>38,600,000</u>	<u>47,904,124</u>

7. Other income

Interest received	191,731	1,127,630
Project income	2,230,488	6,115,202
Student fees	0	28,979
Other income	70,364	
	<u>2,492,583</u>	<u>7,271,811</u>

	QUARTER	September 2016	Actual-Budget	Sep-15
	Actual	Budget	Variance	Actual
	APRIL - SEPT	APRIL - SEPT	%	R
8. Direct expenditure				
Student accommodation	694,693	1,451,046	52%	587,459
Student meals	865	12,000	93%	1,542
Student training / examination costs		8,929	100%	5,276
Student stationery and printing costs	14,771	10,000	-48%	23,148
Student stipends	473,700	367,500	-29%	607,050
Student transportation costs	4,922		-100%	50,107
Repairs and maintenance		70,364	100%	
Lecturer / facilitation fees	816,256	155,656	-424%	975,919
Lecturer / facilitation other costs		19,414	100%	
Accreditation / membership fees		44,055	100%	63,909



CoLabs Expenditure	2,437,500	4,524,000	46%	
Project Incidental Costs	41,477	25,721	-61%	55,069
	<b>4,484,184</b>	<b>6,688,685</b>	<b>33%</b>	<b>2,369,479</b>

#### 9. Overhead expenditure

Business development / marketing costs	1,149,832	993,336	-16%	452,656
Staff costs	9,637,978	13,415,995	28%	9,176,935
Professional fees - Auditing	814,439	480,630	-69%	544,110
Professional fees - Other	264,368	362,789	27%	341,727
Professional fees - Outsourced services	1,697,340	4,425,852	62%	1,469,840
Bank charges	36,636	41,340	11%	33,476
Insurance	1,575,263	790,384	-99%	1,207,280
Repairs and maintenance	64,572	54,689	-18%	115,921
Property rates and taxes	688,152	859,348	20%	636,288
Stationery costs	199,954	175,006	-14%	127,262
Transportation costs	65,989	82,521	20%	67,086
Travel and accommodation costs	410,221	504,624	19%	633,428
Other costs	18,304	3,500	-423%	
Equipment costs		6,165	100%	13,449
Property rental costs	3,900,069	4,167,786	6%	3,484,927
	<b>20,523,117</b>	<b>26,363,965</b>	<b>22%</b>	<b>18,304,385</b>

## 8.12. RATIOS

1. PERFORMANCE RATIOS	FORMULA		
1.1 Cash return on assets	<u>Cash and bank balances</u> x 100	<u>38,100,375</u> x100	
	Total assets	43,367,270	88%
1.2 Return on assets	<u>Net surplus</u> x 100	<u>16,085,276</u> x 100	
	Total assets	43,367,270	37%
1.3 Return on equity	<u>Net surplus</u> x 100	<u>16,085,276</u> x 100	
	Accumulated surplus	25,998,489	62%
<b>2. ACTIVITY RATIOS</b>			
2.1 Asset turnover rate	<u>Revenue</u>	<u>41,092,582</u>	
	Total Assets	43,367,270	0.95
2.2 Average receivables collection period	<u>Trade receivables</u> _____ x 365	<u>3,752,975</u> x 365	
	Credit sales(Revenue)	40,390,009	33.91 days
2.3 Average payables payment period	<u>Trade payables</u> _____ x 365	<u>2,134,434</u> x 365	
	Credit purchases(Expenditure)	25,007,306	31 days
<b>3. FINANCING RATIOS</b>			
3.1 Debt/Equity ratio	<u>Total liabilities</u>	<u>17,378,374</u> x 100	
	Equity	25,998,489	67%
3.2 Debt ratio	<u>Total liabilities</u>	<u>17,378,374</u> x 100	40%
	Total assets	43,367,270	
<b>4. LIQUIDITY RATIOS</b>			
4.1 Acid test ratio	<u>Current assets - Inventory</u>	<u>41,889,374-13,528</u>	
	Current Liabilities	9,489,112	4,41:1
4.2 Working capital ratio	<u>Current Assets</u>	<u>41,889,374</u>	
	Current liabilities	9,489,112	4,41:1

### 8.13. GRAPH

DIRECT AND OVERHEADS EXPENDITURE FOR THE YEAR-TO-DATE (ACTUAL VS BUDGET)

