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# Presentation to the Portfolio Committee on Communications: 2019/20 Quarters 2 & 3 Performance Report

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February 2020



**the doc**

Department:  
Communications  
REPUBLIC OF SOUTH AFRICA



# Presentation overview

- DoC vision mission and values
- Performance overview
- Performance per programme
- Financial information



# The DoC Vision, Mission and Values

**VISION:** A vibrant and sustainable communication services for an informed citizenry and positive image of South Africa

## MISSION

Create an enabling environment for the provision of inclusive communication services to all South Africans in a manner that promotes socio-economic development and investment through broadcasting, new media, print media and other new technologies and brand the country locally and internationally.

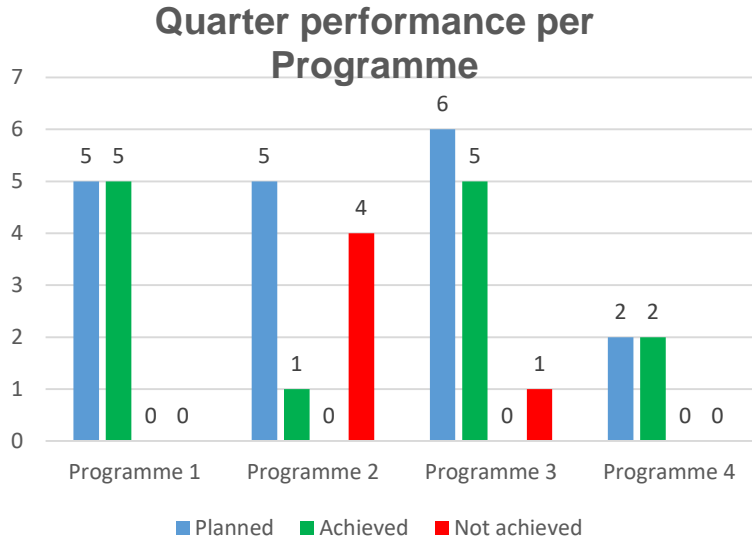
## VALUES

- Certainty of the policy environment;
- People centred;
- Quality standards of products and services;
- Integrity;
- Responsiveness; &
- Innovation.

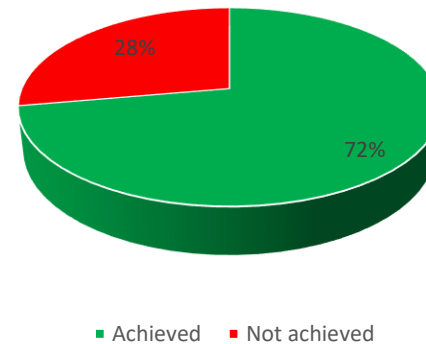


# Performance Overview [1]

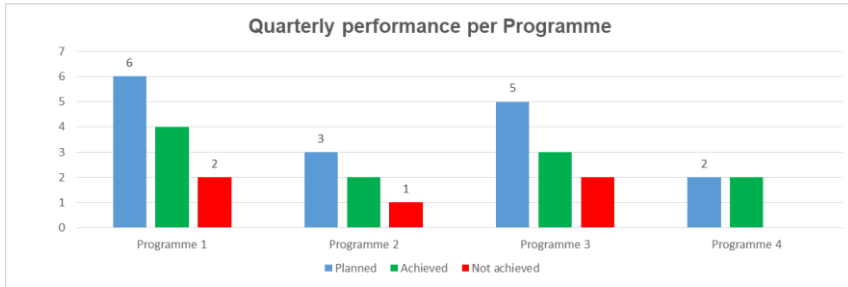
- ❖ The department committed to achieving 18 Annual Performance Plan (APP) targets in the 2019/ 20 financial year.
- ❖ As at the end of the third quarter, 13 targets were achieved, while 5 were not achieved.
- ❖ This reflects 72% achievement as at the end of quarter 3.



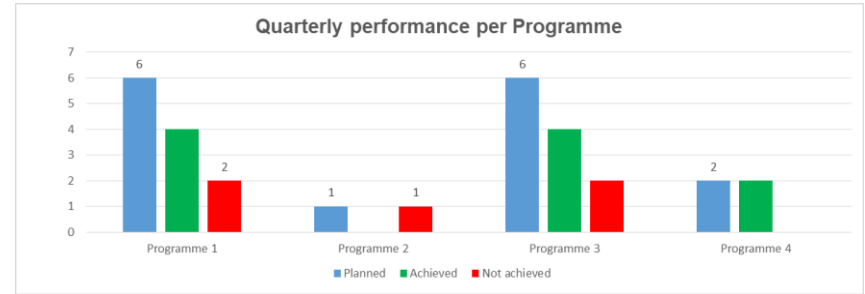
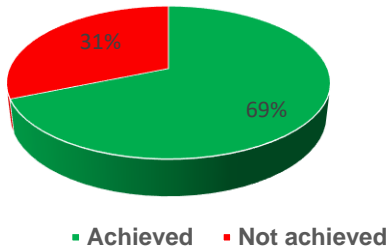
Overall Quarter Performance



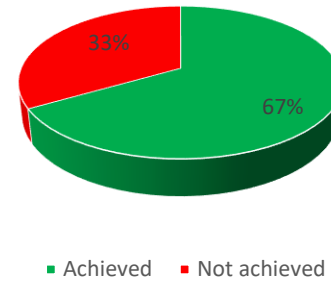
# Performance Overview [2]



## Overall Second Quarter Performance



## Overall Third Quarter Performance



# Programme 1: Corporate Services [1]

**Strategic Goal: Effective and efficient strategic leadership, governance and administration**

**Strategic Objective: Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Provide strategic leadership, management and support services to the department.**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
Implementation of approved WSP, in line with the DoC mandate, facilitated	<b>Q2:</b> 2019/20 2nd quarter training report submitted to the PSETA	2019/20 2nd quarter training report was submitted to the PSETA on 30 September 2019	Achieved	N/A
	<b>Q3:</b> 2019/20 3rd quarter training report submitted to the PSETA	2019/20 3rd quarter training report was submitted to the PSETA on 14 January 2020.		



# Programme 1: Corporate Services [2]

**Strategic Goal: Effective and efficient strategic leadership, governance and administration**

**Strategic Objective: Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Provide strategic leadership, management and support services to the department.**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
Reconfigured department established to deliver on the new mandate	<b>Q2:</b> Macro Organisational Structure developed and submitted to MPSA	<ul style="list-style-type: none"> <li>The start up structure for the reconfigured Department was submitted to DPSA. The Minister of DPSA concurred with the start-up structure of the DCDT.</li> <li>Employees were not transferred into the reconfigured department. Agreement on the transfer and placement of employees between the DPSA and Unions was signed on 25 October 2019 at the Bargaining Council.</li> </ul>	Not Achieved	Delays with the signing of an Agreement between the DPSA and Unions at the Bargaining Council. The Agreement provides guidelines on the transfer and placement of employees. The process of matching and placing employees has commenced and the transfer of employees into the reconfigured department will be finalised in Q4
	<b>Q3:</b> Employees transferred into reconfigured department			



# Programme 1: Corporate Services [3]

**Strategic Goal: Effective and efficient strategic leadership, governance and administration**

**Strategic Objective: Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Provide strategic leadership, management and support services to the department.**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
100% of all compliant invoices paid within 30 days	Q2: 100%	100% of all compliant invoices were paid within 30 days	Achieved	N/A
	Q3: 100%			





# Programme 1: Corporate Services [4]

**Strategic Goal: Effective and efficient strategic leadership, governance and administration**

**Strategic Objective: Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Provide strategic leadership, management and support services to the department.**

Annual target	Quarterly Target	Quarterly Output	Status	Deviation and Corrective Action
Unqualified audit outcome on 2018/19 AFS	<p><b>Q2:</b> Unqualified audit outcome on 2018/19 AFS</p> <p><b>Q3: N/A</b></p>	Unqualified audit outcome on 2018/19 AFS was obtained.	Achieved	N/A
Procurement plan developed and monitored, according to departmental priorities	<p><b>Q2:</b> Implementation of the approved 2019/20 procurement plan, focusing on enhancing industry transformation and youth economic inclusion, monitored</p> <p><b>Q3:</b> Implementation of the approved 2019/20 Procurement Plan monitored</p>	Implementation of the approved 2019/20 procurement plan, focusing on enhancing industry transformation and youth economic inclusion, was monitored	Achieved	N/A



# Programme 1: Corporate Services [5]

**Strategic Goal: Effective and efficient strategic leadership, governance and administration**

**Strategic Objective: Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Provide strategic leadership, management and support services to the department.**

Annual target	Quarterly Target	Quarterly Output	Status	Deviation/Corrective Action
2019/20 Strategic Risk reports approved, 2020/21 Strategic Risk Assessment conducted and strategic risk register updated	<p><b>Q2: N/A</b></p> <p><b>Q3: 2020/21 Strategic Risk Identification conducted</b></p>	<ul style="list-style-type: none"> <li>The 2020/21 Strategic Risk Identification was conducted.</li> <li>Strategic Risk mitigation reports were compiled outlining total number of risks assessed, risks escalated to Management &amp; Audit &amp; Risk Committee as well as total mitigations implemented.</li> </ul>	Achieved	N/A
4 Strategic Risk mitigation reports compiled	<p><b>Q2: 1 Strategic Risk mitigation report compiled</b></p> <p><b>Q3: 1 Strategic Risk mitigation report compiled</b></p>			

# Programme 2: Communications Policy, Research and Development [1]

**Strategic Goal: A responsive communications policy regulatory environment and improved country branding**

**Strategic Objective: Improve universal access to broadcasting services and information by all citizens in 2019**

**Programme Purpose: Conduct research and develop communications and broadcasting policies**

Annual target	Quarterly Target	Quarterly Output	Status	Deviation and Corrective Action
Audio-Visual and Digital Content Strategy developed for the 4IR	<p><b>Q2:</b> Research report on audio-visual issues for the 4IR</p> <p><b>Q3: N/A</b></p>	Research report on audio-visual issues to inform White Paper on Audio and Audiovisual Content Services Policy Framework was produced.	Achieved	N/A
Broadcasting Amendment Bill developed	<p><b>Q2:</b> Research Report to inform the formulation and development of the Broadcasting Amendment Bill</p> <p><b>Q3: N/A</b></p>	Research report on memorandum of the objects of the broadcasting amendment bill to regulate the South African Broadcasting Corporation and to provide its continued existence was produced.		



# Programme 2: Communications Policy, Research and Development [2]

**Strategic Goal: A responsive communications policy regulatory environment and improved country branding**

**Strategic Objective: Improve universal access to broadcasting services and information by all citizens in 2019**

**Programme Purpose: Conduct research and develop communications and broadcasting policies**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
PMO established and operationalised to support the Presidential Commission on Fourth Industrial Revolution	<b>Q2:</b> PMO for the Presidential Commission on Fourth Industrial Revolution established and Operationalised	<ul style="list-style-type: none"> <li>The process of job evaluation, advertising and interviews has been concluded for seven (7) posts. The appointments will be made in the fourth quarter</li> </ul>	Not Achieved	Recruitment process is being finalized.
	<b>Q3:</b> Report on the Operations of the PMO, to support the Presidential Commission on Fourth Industrial Revolution, Developed.	<ul style="list-style-type: none"> <li>Report on the Operations of the PMO, to support the Presidential Commission on Fourth Industrial Revolution, was not developed.</li> </ul>		Operations Report on the PMO for the PC4IR will be developed in the 4th quarter.



# Programme 3: Industry and Capacity Development [1]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Support the growth and development of the creative industries sector by 2019**

**Programme Purpose: Manage enterprise development, digital migration and industry research. Implement a structured programme of engagement of stakeholders in support of the department's programmes and projects**

Annual target	Quarterly Target	Quarterly Output	Status	Deviation and Corrective Action
Implementation of the Audio-Visual SMME Programme focusing on 4IR skills and Enterprise Development	<b>Q2:</b> Facilitation of the implementation of the Audio-Visual SMME Programme commenced and progress report developed	Facilitation of the implementation of the Audio-Visual SMME Programme Commenced. A progress report was developed.	Achieved	None
	<b>Q3:</b> Training of Audio-Visual SMME in Northern Cape Province focussing on 4IR Skills and Enterprise Development	Training of Audio-Visual SMME in Northern Cape Province focussing on Enterprise Development was conducted. However, the training did not focus on 4IR Skills.	Not Achieved	

# Programme 3: Industry and Capacity Development [2]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Support the growth and development of the creative industries sector by 2019**

**Programme Purpose: Manage enterprise development, digital migration and industry research. Implement a structured programme of engagement of stakeholders in support of the department's programmes and projects**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
Facilitation and coordination of access to digital platforms for the Audio-Visual SMMEs	<b>Q2:</b> Facilitate and coordinate access to digital platforms	<ul style="list-style-type: none"> <li>Access to digital platforms was facilitated and coordinated and the report was produced.</li> <li>Two engagements conducted on access to digital platforms for SMMEs.</li> </ul>	Achieved	N/A
	<b>Q3:</b> Two engagements conducted on access to digital platforms for SMMEs			



# Programme 3: Industry and Capacity Development [3]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Support the growth and development of the creative industries sector by 2019**

**Programme Purpose: Manage enterprise development, digital migration and industry research. Implement a structured programme of engagement of stakeholders in support of the department's programmes and projects**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
Analogue signal switched off in identified provinces	<b>Q2:</b> ASO provincial plan developed	ASO provincial plan was not developed	Not Achieved	ASO provincial plan was not developed due to reviewed BDM delivery model undergoing consultation
	<b>Q3:</b> Reviewed BDM delivery model submitted to Cabinet	Reviewed BDM delivery model submitted to Cabinet	Reviewed BDM delivery model was submitted to Cabinet and approved on the 13th of December 2019.	N/A



# Programme 3: Industry and Capacity Development [4]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Support the growth and development of the creative industries sector by 2019**

**Programme Purpose: Manage enterprise development, digital migration and industry research. Implement a structured programme of engagement of stakeholders in support of the department's programmes and projects**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
BDM consumer awareness and education plan implemented	<b>Q2:</b> Implement BDM consumer awareness and education plan	A report was compiled on the BDM consumer education.	Achieved	N/A.
	<b>Q3:</b> Report on BDM awareness campaigns conducted in Northern Cape, Eastern Cape and Limpopo provinces	Report on BDM awareness campaigns conducted in Northern Cape, Eastern Cape and Limpopo was developed.	Achieved	N/A





# Programme 3: Industry and Capacity Development [5]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Support the growth and development of the creative industries sector by 2019**

**Programme Purpose: Manage enterprise development, digital migration and industry research. Implement a structured programme of engagement of stakeholders in support of the department's programmes and projects**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation
One (1) RSA Position Paper advanced for ITU-WRC-19 focused on Spectrum management and allocations for future technologies to support the development agenda jointly with the DTSP	<b>Q2:</b> 4th ATU WRC 19 preparatory meeting hosted	The 4th ATU WRC 19 preparatory meeting was hosted in East London, South Africa from 26-30 August 2019 which culminated the adoption of the African Common Proposals for WRC-19 amongst others.	Achieved	N/A
	<b>Q3:</b> South Africa's position advanced at WRC-19	South Africa's position was advanced at WRC-19 held in Sharm El-Sheik, Egypt on the 28 October 2019.		



# Programme 3: Industry and Capacity Development [6]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Support the growth and development of the creative industries sector by 2019**

**Programme Purpose: Manage enterprise development, digital migration and industry research. Implement a structured programme of engagement of stakeholders in support of the department's programmes and projects**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
Two multilateral structures engaged jointly with the DTSPS <ul style="list-style-type: none"> <li>• ITU</li> <li>• WIPO</li> </ul>	<b>Q2: N/A</b>  <b>Q3: 1</b> multilateral structure engaged	DIRCO represented the department in the 59th WIPO General Assembly 30 September-09 October 2019.	Achieved	N/A



# Programme 4: Entity Oversight [1]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Ensure SOC adherence to good governance and Financial stability by 2019; Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Monitor the implementation of policies by SOEs and regulatory institutions and provide guidance and oversight on their governance matters**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
12 performance review and compliance monitoring reports of SOEs developed	<b>Q2:</b> 3 performance review and compliance monitoring reports of SOEs developed	3 Performance review and compliance monitoring reports of SOEs were developed	Achieved	N/A
	<b>Q3:</b> 3 performance review and compliance monitoring reports of SOEs developed	3 performance review and compliance monitoring reports of SOEs developed	Achieved	N/A



## Programme 4: Entity Oversight [2]

**Strategic Goal: Transformed communications sector**

**Strategic Objective: Ensure SOC adherence to good governance and Financial stability by 2019; Ensure compliance with statutory requirements and good governance practices by 2019**

**Programme Purpose: Monitor the implementation of policies by SOEs and regulatory institutions and provide guidance and oversight on their governance matters**

Annual target	Quarterly Target	Quarterly Output	Status	Reason for Deviation and Corrective Action
12 SOE QPR sessions coordinated	Q2: 3 SOE QPR sessions coordinated	3 SOE QPR sessions were coordinated	Achieved	N/A
	Q3: 3 SOE QPR sessions coordinated	3 SOE QPR sessions were coordinated		



# *Financial information for Q2*



# 2019 MTEF Baseline

<b>MTEF ALLOCATIONS</b>			
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b><u>PROGRAMMES</u></b>			
Administration	64 879	68 920	74 841
Communications Policy, Research and Development	16 412	17 539	18 876
Industry and Capacity Development	47 449	50 756	24 412
Entity Oversight	1 447 351	1 532 888	1 619 757
<b>Total for Programmes</b>	<b>1 576 091</b>	<b>1 670 103</b>	<b>1 737 886</b>
<b><u>ECONOMIC CLASSIFICATION</u></b>			
Current Payments	143 559	153 079	134 282
Compensation of Employees	87 682	94 256	100 383
Goods and Services	55 877	58 823	33 899
Transfers and Subsidies	1 432 426	1 516 913	1 603 552
Payments for Capital Assets	106	111	52
<b>Total for Economic Classification</b>	<b>1 576 091</b>	<b>1 670 103</b>	<b>1 737 886</b>

# 2019 MTEF Baseline

## DETAILS OF TRANSFERS AND SUBSIDIES

Recipient	2019/20	2020/21	2021/2022
South African Broadcasting Corporation: Channel Africa	61 320	64 693	68 251
South African Broadcasting Corporation: Public Broadcaster	123 246	130 025	137 176
South African Broadcasting Corporation: Programme Productions	14 450	15 245	16 083
Media Development and Diversity Agency	31 795	33 557	35 402
Brand South Africa	207 914	219 397	231 546
Government Communications and Information System	441 683	471 442	500 309
Independent Communications Authority of South Africa	452 645	477 721	504 186
Film and Publication Board	99 373	104 833	110 599
<b>Total</b>	<b>1 432 426</b>	<b>1 516 913</b>	<b>1 603 552</b>

# Expenditure per Programme 2<sup>nd</sup> Quarter as at 30 September 2019

Appropriation per programme									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Voted funds and Direct charges</b>									
<b>Programme</b>									
1. <a href="#">Administration</a>	64 879	-	-	64 879	28 109	36 770	43.3%	72 265	71 984
2. <a href="#">Communications Policy, Research and Development</a>	16 412	-	-	16 412	3 419	12 993	20.8%	10 646	9 162
3. <a href="#">Industry and Capacity Development</a>	47 449	-	-	47 449	12 140	35 309	25.6%	45 307	20 568
4. <a href="#">Entity Oversight</a>	1 447 351	-	-	1 447 351	653 954	793 397	45.2%	1 388 028	1 386 407
<b>TOTAL</b>	<b>1 576 091</b>	<b>-</b>	<b>-</b>	<b>1 576 091</b>	<b>697 622</b>	<b>878 469</b>	<b>44.3%</b>	<b>1 516 246</b>	<b>1 488 121</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				952				2 138	
NRF Receipts				-				-	
Aid assistance				-				-	
<b>Actual amounts per Statement of Financial Performance (Total)</b>				<b>1 577 043</b>				<b>1 518 384</b>	
<b>Add:</b>									
Aid assistance									-
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>697 622</b>				<b>1 488 121</b>

Under Expenditure is in respect of compensation of employees as a result of moratorium on vacant posts. Slow process of appointment of Chief Restructuring Officer and 4IR Commission Support Staff. Spending low in DTT Project because the review of the model.



# Expenditure per Economic Classification 2<sup>nd</sup> Quarter as at 30 September 2019

Appropriation per economic classification										
		2019/20						2018/19		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	<b>Current payments</b>	143 559	(1 087)	-	142 472	49 166	93 306	34.5%	133 818	105 694
	Compensation of employees	87 682	-	-	87 682	31 289	56 393	35.7%	80 916	73 643
	Goods and services	55 877	(1 087)	-	54 790	17 877	36 913	32.6%	52 902	32 051
	<b>Transfers and subsidies</b>	1 432 426	619	-	1 433 045	648 014	785 031	45.2%	1 381 768	1 381 747
	<b>Payments for capital assets</b>	106	468	-	574	403	171	70.2%	660	639
	<b>Payment for financial assets</b>	-	-	-	-	39	(39)	-	-	41
		1 576 091	-	-	1 576 091	697 622	878 469	44.3%	1 516 246	1 488 121

# Transfers 2<sup>nd</sup> quarter as at 30 September 2019

	2019/20				2018/19
	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	%	R'000
<b>Transfers and subsidies</b>	<b>1 433 045</b>	<b>648 014</b>	<b>785 031</b>	<b>45.2%</b>	<b>1 381 768</b>
Departmental agencies and accounts	1 233 410	537 855	695 555	43.6%	1 193 222
Departmental agencies (non-business entities)	1 233 410	537 855	695 555	43.6%	1 193 222
Public corporations and private enterprises	199 016	109 596	89 420	55.1%	187 421
Public corporations	199 016	109 596	89 420	55.1%	187 421
Other transfers to public corporations	199 016	109 596	89 420	55.1%	187 421
Non-profit institutions	-	-	-	-	-
Households	619	563	56	91.0%	1 125
Social benefits	619	563	56	91.0%	1 125
	<b>1 433 045</b>	<b>648 014</b>	<b>785 031</b>	<b>45.2%</b>	<b>1 381 768</b>

- Transfers made in line with the pre-approved schedule with National Treasury.

# Financial performance Q2 as at 30 September 2019

Communications			
Statement of Financial Performance			
	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	1	1 576 091	1 516 246
Statutory appropriation	2	-	-
Departmental revenue	3	952	2 138
NRF Receipts		-	-
Aid assistance	4	-	-
<b>TOTAL REVENUE</b>		<b>1 577 043</b>	<b>1 518 384</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	31 289	73 643
Goods and services	6	17 876	32 051
Interest and rent on land	7	-	-
Aid assistance	4	-	-
<b>Total current expenditure</b>		<b>49 165</b>	<b>105 694</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	9	648 015	1 381 748
Aid assistance	4	-	-
<b>Total transfers and subsidies</b>		<b>648 015</b>	<b>1 381 748</b>
<b>Expenditure for capital assets</b>			
Tangible assets	10	402	548
Intangible assets	10	-	91
<b>Total expenditure for capital assets</b>		<b>402</b>	<b>639</b>
Unauthorised expenditure approved without funding	11	-	-
<b>Payments for financial assets</b>	8	<b>40</b>	<b>40</b>
<b>TOTAL EXPENDITURE</b>		<b>697 622</b>	<b>1 488 121</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>879 421</b>	<b>30 263</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		878 469	28 125
Annual appropriation		878 469	28 125
Conditional grants		-	-
Departmental revenue and NRF Receipts	19	952	2 138
Aid assistance	4	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>879 421</b>	<b>30 263</b>

- **Compensation of Employees** – as a result of the current vacancies the moratorium that was placed on the filling of posts due to the reconfiguration process of the departments.
- **Goods and services** – Slow activities in DTT Project due to review of DTT Delivery Model, invoices for GTAC outstanding in respect of the SABC Turn Around Strategy as well as the appointment of Chief Restructuring Officer not yet commenced.
- **Transfers and subsidies** – Expenditure is in relation to transfer payments to entities in line with approved drawing schedule.
- **Expenditure for capital assets** - Capital expenditure in line with projected drawing.
- **Departmental Revenue** - Revenue collected in line with the projected revenue for 2019/20 financial year.

# Financial position Q2 as at 30 September 2019

Communications			
Statement of Financial Position			
	Note	2019/20 R'000	2018/19 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Unauthorised expenditure	11	-	-
Cash and cash equivalents	12	1 350	10 803
Other financial assets	13	-	-
Prepayments and advances	14	12 249	17 268
Receivables	15	529	153
Loans	17	-	-
Aid assistance prepayments	4	-	-
Aid assistance receivable	4	-	-
<b>Non-Current Assets</b>			
Investments	16	-	-
Receivables	15	132	152
Loans	17	14 914	17 402
Other financial assets	13	-	-
<b>TOTAL ASSETS</b>		<b>29 174</b>	<b>45 778</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	18	14 257	28 125
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	1	243
Bank overdraft	20	-	-
Payables	21	2	8
Aid assistance repayable	4	-	-
Aid assistance unutilised	4	-	-
<b>Non-Current Liabilities</b>			
Payables	22	-	-
<b>TOTAL LIABILITIES</b>		<b>14 260</b>	<b>28 376</b>
<b>NET ASSETS</b>		<b>14 914</b>	<b>17 402</b>
<b>Represented by:</b>			
Capitalisation reserve		14 914	17 402
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>14 914</b>	<b>17 402</b>

- **Cash and cash equivalents** – Reflects cash in the bank as at 31 September 2019.
- **Prepayments & Advances** – Amount is in respect of 3 separate advances paid to SAPO (payment of volunteers for the registration of indigent households), GCIS (marketing of DTT Project) and GTAC (Turn Around Strategy for the SABC).
- **Loans** – Loan 14 – permanent capital to SABC.

# *Financial information for Q3*



# Expenditure per programme Q3 as at 31 December 2019

Appropriation per programme									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. <a href="#">Administration</a>	64 879	(3 114)	-	61 765	41 129	20 636	66.6%	72 265	71 984
2. <a href="#">Communications Policy, Research and Development</a>	16 412	(2 000)	-	14 412	5 329	9 083	37.0%	10 646	9 162
3. <a href="#">Industry and Capacity Development</a>	47 449	(10 000)	-	37 449	16 113	21 336	43.0%	45 307	20 568
4. <a href="#">Entity Oversight</a>	1 447 351	3 212 114	-	4 659 465	3 176 896	1 482 569	68.2%	1 388 028	1 386 407
<b>TOTAL</b>	<b>1 576 091</b>	<b>3 197 000</b>	<b>-</b>	<b>4 773 091</b>	<b>3 239 467</b>	<b>1 533 624</b>	<b>67.9%</b>	<b>1 516 246</b>	<b>1 488 121</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				1 114				2 138	
NRF Receipts				-				-	
Aid assistance				-				-	
<b>Actual amounts per Statement of Financial Performance (Total)</b>				<b>4 774 205</b>				<b>1 518 384</b>	
<b>Add:</b>									
Aid assistance					-				-
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>3 239 467</b>				<b>1 488 121</b>

Under Expenditure is in respect of compensation of employees as a result of moratorium on vacant posts. Slow process of appointment of Chief Restructuring Officer and 4IR Commission Support Staff. Spending low in DTT Project because the review of the delivery model. Invoices from GTAC outstanding for the SABC Turn Around Strategy.

# Expenditure per Economic Classification Q3 as at 31 December 2019

Appropriation per economic classification										
		2019/20						2018/19		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	<b>Current payments</b>	143 559	(1 359)	-	142 200	69 115	73 085	48.6%	133 818	105 694
	Compensation of employees	87 682	(891)	-	86 791	46 700	40 091	53.8%	80 916	73 643
	Goods and services	55 877	(468)	-	55 409	22 415	32 994	40.5%	52 902	32 051
	<b>Transfers and subsidies</b>	1 432 426	(2 109)	-	1 430 317	1 069 488	360 829	74.8%	1 381 768	1 381 747
	<b>Payments for capital assets</b>	106	468	-	574	825	(251)	143.7%	660	639
	<b>Payment for financial assets</b>	-	3 200 000	-	3 200 000	2 100 039	1 099 961	65.6%	-	41
		1 576 091	3 197 000	-	4 773 091	3 239 467	1 533 624	67.9%	1 516 246	1 488 121

# Transfers Q3 end 31 December 2019

Appropriation per economic classification					
					2018/19
	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	%	R'000
<b>Transfers and subsidies</b>	<b>1 430 317</b>	<b>1 069 488</b>	<b>360 829</b>	<b>74.8%</b>	<b>1 381 768</b>
Departmental agencies and accounts	1 230 410	906 080	324 330	73.6%	1 193 222
Social security funds	-	-	-	-	-
Departmental agencies (non-business entities)	1 230 410	906 080	324 330	73.6%	1 193 222
Public corporations and private enterprises	199 016	162 745	36 271	81.8%	187 421
Public corporations	199 016	162 745	36 271	81.8%	187 421
Other transfers to public corporations	199 016	162 745	36 271	81.8%	187 421
Households	891	663	228	74.4%	1 125
Social benefits	891	663	228	74.4%	1 125
	<b>4 773 091</b>	<b>3 239 467</b>	<b>1 533 624</b>	<b>67.9%</b>	<b>1 516 246</b>

- Transfer payments were disbursed in line with approved drawing schedule.



# Financial performance Q3 end 31 December 2019

Communications Statement of Financial Performance			
	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	1	4 773 091	1 516 246
Statutory appropriation	2	-	-
Departmental revenue	3	1 114	2 138
NRF Receipts		-	-
Aid assistance	4	-	-
<b>TOTAL REVENUE</b>		<b>4 774 205</b>	<b>1 518 384</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	46 700	73 643
Goods and services	6	22 414	32 051
Interest and rent on land	7	-	-
Aid assistance	4	-	-
<b>Total current expenditure</b>		<b>69 114</b>	<b>105 694</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	9	1 069 488	1 381 748
Aid assistance	4	-	-
<b>Total transfers and subsidies</b>		<b>1 069 488</b>	<b>1 381 748</b>
<b>Expenditure for capital assets</b>			
Tangible assets	10	825	548
Intangible assets	10	-	91
<b>Total expenditure for capital assets</b>		<b>825</b>	<b>639</b>
Unauthorised expenditure approved without funding	11	-	-
<b>Payments for financial assets</b>	8	<b>2 100 040</b>	<b>40</b>
<b>TOTAL EXPENDITURE</b>		<b>3 239 467</b>	<b>1 488 121</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1 534 738</b>	<b>30 263</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		1 533 624	28 125
Annual appropriation		1 533 624	28 125
Conditional grants		-	-
Departmental revenue and NRF Receipts	19	1 114	2 138
Aid assistance	4	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1 534 738</b>	<b>30 263</b>

**Compensation of Employees** – as a result of the current vacancies the moratorium that was placed on the filling of posts due to the reconfiguration process of the departments.


**Goods and services** – Slow activities in DTT Project due to review of DTT Delivery Model, outstanding invoices for GTAC in respect of the SABC Turn Around Strategy as well as the appointment of Chief Restructuring Officer not yet commenced.

**Transfers and subsidies** – Payments were disbursed in line with approved drawing schedule.

**Expenditure for capital assets** - Over expenditure as a result of procuring capital assets post the relocation of the Department. Expenditure will be covered within the available budget.

**Departmental Revenue** – Revenue collected in line with the projected revenue for 2019/20 financial year.

# Financial position Q3 end 31 December 2019

Communications				
Statement of Financial Position				
				
	Note	2019/20 R'000	2018/19 R'000	
<b>ASSETS</b>				
<b>Current Assets</b>				
Unauthorised expenditure	11	-	-	
Cash and cash equivalents	12	19 857	10 803	
Other financial assets	13	-	-	
Prepayments and advances	14	12 444	17 268	
Receivables	15	131	153	
Loans	17	-	-	
Aid assistance prepayments	4	-	-	
Aid assistance receivable	4	-	-	
<b>Non-Current Assets</b>				
Investments	16	-	-	
Receivables	15	123	152	
Loans	17	14 914	17 402	
Other financial assets	13	-	-	
<b>TOTAL ASSETS</b>		<b>47 469</b>	<b>45 778</b>	
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Voted funds to be surrendered to the Revenue Fund	18	9 516	28 125	
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	1	243	
Bank overdraft	20	-	-	
Payables	21	23 037	8	
Aid assistance repayable	4	-	-	
Aid assistance unutilised	4	-	-	
<b>Non-Current Liabilities</b>				
Payables	22	-	-	
<b>TOTAL LIABILITIES</b>		<b>32 554</b>	<b>28 376</b>	
<b>NET ASSETS</b>		<b>14 915</b>	<b>17 402</b>	
<b>Represented by:</b>				
Capitalisation reserve		14 914	17 402	
Recoverable revenue		1	-	
Retained funds		-	-	
Revaluation reserves		-	-	
<b>TOTAL</b>		<b>14 915</b>	<b>17 402</b>	

- **Cash and cash equivalents** – Reflects cash in the bank as at 31 September 2019.

- **Prepayments & Advances** – Amount is in respect of 3 separate advances paid to SAPO (payment of volunteers for the registration of indigent households), GCIS (marketing of DTT Project) and GTAC (Turn Around Strategy for the SABC).

- **Loans** – Loan 14 – permanent capital to SABC.

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**the doc**

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Communications  
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