

## **Report of the Portfolio Committee on Communications on the 2020/21 Third and Fourth Quarter Performance and Expenditure Reports of the Department of Communications and Digital Technologies, dated 7 December 2021**

The Portfolio Committee on Communications (the Committee), having considered the 2020/21 Third and Fourth Quarter Performance and Expenditure Reports of the Department of Communications and Digital Technologies (DCDT), here referred to as “the Department”, reports as follows:

### **1. Introduction**

The Committee considered the 2020/21 Third and Fourth Quarter Performance Report (01 October 2020 – 31 December 2020 and 01 January 2021 - 31 March 2021 respectively) of the Department and its entities in virtual meeting on 17 August 2021.

This report gives an overview of the presentation made by the Department and its entities to the Committee, focusing mainly on its achievement, outputs in respect of the performance indicators, targets set for the 2020/21 financial year, and related financial performance. The report also provides the Committee’s key deliberations and recommendations in relation to the performance presentation by the Department and all entities reporting to it.

### **2. Organisational Environment**

The Department is mandated to create a vibrant ICT sector that ensures that all South Africans have access to robust, reliable, affordable and secure ICT services in order to advance socio-economic development goals and support the Africa agenda and contribute to building a better world.

This contributes to the development of an inclusive information society in which information and ICT tools are key drivers of accelerated and sustained shared economic growth and societal development. The Department is comprised of various public entities, namely South African Post Office (SAPO), SENTECH, Universal Service Access Agency of South Africa (USAASA), Universal Service Access Fund (USAF), Broadband Infraco (BBI), National Electronic and Media Institute of South Africa (NEMISA), State Information Technology Agency (SITA), the South African Broadcasting Corporation (SABC), Film and Publication Board (FPB), .ZA Domain Name Authority (.ZDNA) and the Independent Communications Authority of South Africa (ICASA).

The 2020/21 Third and Fourth Quarter Performance and Expenditure obligations continued to be implemented during the declared state of disaster, declared by the President on 15 March 2020.

### **3. Third and Fourth Quarter Performance Overview**

The Department committed to achieving forty-four Annual Performance Plan (APP) quarterly targets by the end of Quarter 3 (01 October 2020 - 31 December 2020) of the 2020/21 financial year. This is a total number of Quarter 3 APP targets of all six (6) Programmes of the Department. Overall, the Department has achieved eighteen (41%) of the APP targets, and twenty-six (59%) were not achieved.

As at end of December 2020, the Department spent R2 085.5 billion, of which is 64 percent of the Annual Budget against 41 percent of targets achieved for Quarter 3.

For Quarter 4, the Department committed to achieving forty-three Annual Performance Plan (APP) quarterly targets for the period 01 January 2021 - 31 March 2021. This is a total number of Quarter 4 APP targets of all six (6) Programmes of the DCDT. Overall, the Department has achieved twenty-five (58%) of the APP targets, and eighteen (42%) were not achieved.

As at end of March 2021, the Department spent R3 172.5 billion, of which is 97 percent of the Annual Budget against 59 percent of targets achieved for Quarter 4.

#### **3.1 Third/Fourth Quarter Achievements**

The Department realised significant achievements against the planned Third and Fourth Quarter targets as indicated below:

##### **Workplace Skills Plan (WSP)**

- The Department implemented the WSP through both individual training interventions and corporate (in-house) training – in alignment with the DCDT mandate

##### **Integrated DCDT Digital Transformation Strategy**

- The Department developed the Integrated DCDT Digital Transformation Strategy and monitored the implementation of priority interventions

#### **100% of valid invoices paid within 30 days from date of receipt**

- All invoices received from suppliers were paid within 30 days

#### **Country Positions developed to support the Digital Economy**

- BRICS 2020 Position Paper Approved and advanced in BRICS Meeting and Outcomes Report of BRICS ICT Ministerial Meeting was developed
- South Africa submitted their inputs in line with the approved RSA UPU Position Paper, following which the Report on International Postal Activities was developed and approved

#### **Digital Economy Masterplan**

- The Digital Economy Masterplan was finalised and approved
- A report on the coordination of the implementation of identified priority areas of the Digital Economy Masterplan was generated and approved

#### **Revision of ICT SMME Strategy**

- Draft revised ICT SMME Development Strategy was developed and consulted with relevant stakeholders, after which it was approved
- A report on facilitating the implementation of the revised ICT SMME Development Strategy was developed and approved

#### **SOE Oversight**

- Quarter 2 and 3 performance reports of entities for 2020/21 were analysed and submitted

#### **National Radio Frequency Plan**

The draft NRFP for consultation with Government Services users was developed and subsequently approved

#### **Broadband**

- The provision of broadband service to all 970 connected sites were monitored
- The feasibility study report for Phase Two funding was developed, and the final report was submitted to DBSA

#### **Cybersecurity**

- A legal entity called COMRIC has been established, which serves as the CSIRT for the mobile operator's sector

#### **E-Government**

- List of priority services was sourced from government departments and uploaded on the National e-Services Portal

#### **Digital and Future Skills**

- The Digital and Future Skills Implementation Programme was developed. Through NEMISA the Department facilitated the implementation of training on Coursera online digital skills.

### **3.2 Third and Fourth Quarter Areas of Under-Achievement**

The Department did not achieve 16 of its 32 planned quarterly targets as reflected in detail below for the Third and Fourth Quarter targets:

#### **Development of the DCDT Organisational structure**

- The revised organisational structure was not developed and approved as planned due to initial delays in the finalisation of the Service Delivery Model

#### **RSA Position - WTSA**

- Outcomes report of World Telecommunications Standardisation (WTSA) Assembly was not developed as the WTSA was postponed by the ITU until 2022

#### **BRICS Institute for Future Networks**

- Legal Framework for the establishment of the BRICS Institute for Future Networks was not signed by end of Quarter 4 as new issues emerged that required the parties to renegotiate the Legal Instrument (MoA)

#### **South African Post Office SOC Ltd Amendment Bill**

- South African Post Office SOC Ltd Amendment Bill was not submitted to Cluster and Cabinet for public consultation approval as the requirement for additional consultation with key stakeholders resulted in a delay in the project

#### **South African Broadcasting Corporation SOC Ltd Bill**

- South African Broadcasting Corporation SOC Ltd Bill was not redrafted, inclusive of public comments, as the DCDT had to source a legal opinion from Senior Counsel on the independence of the SABC in view of Section 192

#### **Data & Cloud Policy**

- Public consultation and submission of the Data and Cloud policy to Cluster and Cabinet for approval, was not concluded as planned. This was due to the extended period required for internal consultation to provide inputs to the draft policy, which affected the approval for public consultation and subsequent finalisation and implementation of the Policy

#### **PC4IR Implementation Plan**

- The draft implementation plan for the PC4IR Report was not submitted to Cabinet for approval as planned. The target was impacted by the need for extensive consultations which is still ongoing with Industry, National Departments, Provinces and Municipalities

#### **SOE Oversight**

- The Annual Reports of all SOEs were not timeously submitted to Parliament as there were delays in the tabling of the Annual Reports of SAPO, USAASA and USAF
- Tabling of the APPs of certain SOEs were delayed due to need for additional analysis as well as the delays in planning workshops due to the impact of the COVID-19 pandemic

#### **Performance Management System for ICASA Councillors**

- Signing of Performance Agreements and the performance evaluation of Councillors by the Evaluation Panel did not take place largely due to delays in the approval of the Performance Management System

#### **Postbank Bill**

- Postbank Bill was not submitted to Cabinet for approval as planned. Reason being that during Cluster consultation, the Department received recommendations, which necessitated further consultation with the Ministry of Finance with regards to the alignment of Post Bank Bill with the State Bank Process

#### **State Digital Infrastructure Company Bill**

- The State Digital Infrastructure Company Bill was not submitted to Cabinet for approval, largely due to capacity constraints related to the legal drafting of the Bill and the Department therefore sought support from the State Law Advisor in this regard

#### **State Digital Services Company Bill**

- The State Digital Services Company Bill was not submitted to Cabinet for approval, largely due to capacity constraints related to the legal drafting of the Bill and the Department therefore sought support from the State Law Advisor in this regard

#### **Digital Transformation Centre (DTC)**

- The DTC was not established as planned as the DTC Agreement could not be finalised until Cabinet approval is received

#### **Decoder Installation (BDM)**

- The Department did not meet the set decoder installation targets largely due to delays in the finalisation of the Service Level Agreement between USAASA and Sentech negatively impacted the project

#### **Voucher Distribution (BDM)**

- The Department did not meet the set voucher distribution targets due to the absence of the voucher implementation plan from USAASA

#### **Policy Direction on 5G Spectrum**

- The Department could not finalise the Policy Direction on 5G Spectrum due to the current litigation between Telkom and ICASA, MTN and ICASA

### **4. Third and Fourth Quarter Budget Overview and Expenditure Analysis per Programme**

Initial budget allocation of R3.4 billion and total budget reductions amounting to R114 million were effected (COVID-19 stimulus package, SAA and normal adjustment). The overall expenditure as at 31 March 2021 amounts to 98 percent of the adjusted budget allocation.

DEPARTMENTAL PROGRAMMES R'000	2020/21			
	Adjusted Allocation	Expenditure Mar 2021	Available Budget	% Spent
Administration	260 262	215 901	44 361	83%
ICT International Relations and Affairs	63 114	61 450	1 664	97%
ICT Policy, Research and Development	52 368	36 067	16 301	69%
ICT Enterprise Development and SOE Oversight	1 789 931	1 783 968	5 963	100%
ICT Infrastructure Development and Support	1 039 854	1 033 386	6 468	99%
ICT Information Society and Capacity Development	75 399	69 824	5 575	93%
<b>Total Baseline</b>	<b>3 280 928</b>	<b>3 200 596</b>	<b>80 332</b>	<b>98%</b>

Overall underspending on the budget is mainly due to the hard lockdown that occurred at the beginning of the financial year. This affected the implementation of projects and other activities of the Department. Spending was mainly on normal monthly commitments and projects in progress.

#### 4.1 Expenditure per Economic Classification

ECONOMIC CLASSIFICATION R'000	2020/21			
	Adjusted Allocation	Expenditure Mar 2021	Available Budget	% Spent
Compensation of Employees	302 203	270 637	31 566	90%
Goods & Services	372 876	341 117	31 759	91%
Transfers & Subsidies	2 574 031	2 574 031	-	100%
Payments for capital assets	31 750	14 743	17 007	46%
Payment for financial assets	68	68	-	0%
<b>Total Baseline</b>	<b>3 280 928</b>	<b>3 200 596</b>	<b>80 332</b>	<b>98%</b>

**COE:** The underspending is due to the vacant posts not filled and salary adjustments not implemented during the financial year. The development of the organisational structure project is in progress.

**Goods & Services:** spending was mainly due to the monthly commitments. The activities of the Department was affected by the COVID-19 lockdown e.g. restrictions on travelling.

**Payment for Capital Assets:** Underspending due to delays experienced in the upgrade of the IT infrastructure project of the department, implementation of the PABX system and the digitisation project.

On Transfers, budget allocation for BDM project was reduced by R78 million. Included in the Households is the settlement amount (R3.5 million) paid to ex-employees for medical-aid subsidy. The transfers were paid to the entities in line with the pre-approved scheduled with National Treasury, see table below:

TRANSFERS R'000	2020/21		
	Adjusted Allocation	Expenditure Mar 2021	Available Budget
Provincial and Local Governments	19	19	-
Film and Publication Board	100 596	100 596	-
ICASA	459 019	459 019	-
ICASA - Licensing of Spectrum	84 700	84 700	-
NEMISA	97 448	97 448	-
USAASA	261 385	261 385	-
USAF	63 086	63 086	-
USAF: Broadcasting digital migration	500 421	500 421	-
Sentech: Dual illumination	204 044	204 044	-
Sentech: Migration of digital signals	60 586	60 586	-
SABC: Channel Africa	63 399	63 399	-
SABC: Programme productions	14 940	14 940	-
SABC: Public broadcaster	127 424	127 424	-
South African Post Office	492 085	492 085	-
Foreign governments and international organisations	39 458	39 458	-
Households	5 421	5 421	-
<b>TOTAL</b>	<b>2 574 031</b>	<b>2 574 031</b>	<b>-</b>

#### 4.2 Programme Performance in Quarter 4

For reporting, this report will focus only on Quarter 4 programme performance as opposed to both Quarter 3 and 4.

##### Programme 1: Administration

The purpose of the programme is to provide strategic leadership, management and support services to the Department.

Administration programme committed to achieve five APP Targets by the end of Quarter 4, 01 January 2021 – 31 March 2021. Of these APP targets, four (80%) were achieved and one (20%) was not achieved. A total R215 million (83%) of the allocated budget was spent for the quarter.

##### Programme 2: ICT International Relations and Affairs

The purpose of the programme is to ensure alignment between South Africa's foreign policy and international activities in the field of ICT.

ICT International Relations and Affairs programme committed to achieve six APP targets by the end of Quarter 4, 01 January – 31 March 2021. Of these APP targets, four (67%) were achieved and two (33%) were not achieved. A total R61.5 million (97%) of the allocated budget was spent for the quarter.

##### Programme 3: ICT Policy Development and Research

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

ICT Policy Development and Research programme committed to achieve eight APP targets by the end of Quarter 4, 01 January 2021 – 31 March 2021. Of these APP targets, three (38%) were achieved and five (63%) were not achieved. A total R36.1 million (69%) of the allocated budget was spent for the quarter.

##### Programme 4: ICT Enterprise and Public Entity Oversight

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

ICT Enterprise and Public Entity Oversight Programme committed to achieve Nine APP targets by the end of Quarter 4, 01 January 2021 – 31 March 2021. Of these APP targets, 3 (33%) were Achieved and six (67%) were Not Achieved. A total R1.8 billion (100%) of the allocated budget was spent for the quarter.

### **Programme 5: ICT Infrastructure Development and Support**

The purpose of the programme is to promote investment in robust, reliable, secure and affordable ICT infrastructure that supports the provision of a multiplicity of applications and services.

ICT Infrastructure Development and Support Programme committed to achieve eight APP targets by the end of Quarter 4, 01 January 2021 – 31 March 2021. Of these APP targets, four (50%) were achieved and four (50%) were not achieved. A total R1.033 billion (99%) of the allocated budget was spent for the quarter.

### **Programme 6: ICT Information Society and Capacity Development**

The purpose of the programme is to develop and implement strategies to build capabilities to bridge the digital divide.

ICT Information Society and Capacity Development programme committed to achieve seven APP quarterly targets by the end of Quarter 4, 01 January 2021 – 31 March 2021. Of these APP targets, all seven (100%) were achieved. A total R69.8 million (93%) of the allocated budget was spent for the quarter.

## **5. Committee Observations and Recommendations**

### **5.1 The Department**

Having considered the 2020/21 Third and Fourth Quarter Performance and Expenditure Report of the Department, the Committee noted:

- (i) its condolences to the MacKenzie family for their loss due to the passing of the Honourable Member and noted his inordinate contribution to Committee work;
- (ii) and welcomed the newly appointed Minister;
- (iii) with appreciation for the introductory remarks in particular, made by the Minister and the presentation made by the Department;
- (iv) the remarks by the new Minister that the tabling of SAPO annual report would be delayed;
- (v) with concern that the Department did not achieve 16 of its 32 planned quarterly targets;
  - a. and yet it was able to spend 98 percent of its budget over the period and this was unacceptable;
- (vi) its discontentment to compliance in general by the Department and that most entities cannot account adequately;
- (vii) with concern that entities were duplicating functions;
- (viii) with concern about the current state of affairs including problems with revenue generation of all entities;
- (ix) with concern the Department's not achieved targets include the State Digital Infrastructure Company Bill because it was not submitted to Cabinet for approval;
- (x) with more concern that the State Digital Services Company Bill was also not submitted for approval as planned due to limited resources;
- (xi) with further concern that the Digital Transformation Centre was not established as planned;
- (xii) with concern that the Department did not meet the decoder installation targets largely due to delays in the finalisation of the Service Level Agreement between USAASA and Sentech;
- (xiii) that the Department did not meet the voucher distribution targets due to the absence of the Voucher Implementation Plan from USAASA;
- (xiv) that the Department could not finalise the Policy Direction on 5G Spectrum due to the current litigation between Telkom and ICASA, MTN and ICASA;
- (xv) that the revised organisational structure was not developed and approved as planned due to initial delays in the finalisation of the Service Delivery Model;
- (xvi) that the outcomes report of World Telecommunications Standardisation (WTS) Assembly was not developed;
- (xvii) that the legal framework for the establishment of the BRICS Institute for Future Networks was not signed;
- (xviii) that the South African Post Office SOC Ltd Amendment Bill was not submitted to Cabinet for approval;
- (xix) that the South African Broadcasting Corporation SOC Ltd Bill was not redrafted;
- (xx) that the public consultation and submission of the Data and Cloud policy to Cabinet for approval, was not concluded as planned;

- (xxi) that the tabling of the APPs of certain SOEs were delayed due to need for additional analysis as well as the delays in planning workshops due to the impact of the COVID-19 pandemic;
- (xxii) with concern that the signing of Performance Agreements and the performance evaluation contracts of ICASA Councillors still did not take place;
- (xxiii) with serious concern that the Postbank Bill was not submitted to Cabinet for approval as planned;
- (xxiv) with concern that COVID-19 pandemic is being used as an excuse for regression in performance by the Department and its entities; and
- (xxv) and commended the Minister for her commitment to hold the Department and entities accountable over non-performance.

## **5.2 SAPO**

On SAPO, the Committee noted:

- (i) with appreciation for the presentation made by SAPO;
- (ii) with concern that there was a need to focus on this entity especially in respect of its revenue targets;
- (iii) with concern that SAPO's organisational performance remains weak with only four of seventeen KPIs achieved and a performance level of only 24 percent;
- (iv) with concern that revenue growth initiatives and revenue recovery targets were not achieved;
  - a. that the slow recovery in business means a slow recovery in revenue resulting in insufficient budget for operations;
- (v) that expenditure of R1 626 million exceeded budget by R102 million in Quarter 4;
- (vi) that SAPO posted a net loss of R444 million against the projected net loss of R28m, a negative variance of R415 million in Quarter 4;
- (vii) that creditors including accruals increased to R2.9 million;
- (viii) that an additional amount of R1.3 billion was owed to Postbank by Quarter 4;
- (ix) its disappointment of the failure to meet targets due to lack of partnerships;
- (x) with contentment that the Minister assured the Committee that the legislative amendments would be fast tracked and funding models for SAPO and the SABC in particular, would be look at;
- (xi) that the dire financial position of the entity was a challenge; and
- (xii) that SAPO was regarded as an oversight priority for the Portfolio Committee because it impacts directly on many service delivery objectives.

## **5.3 USAASA/USAF**

The Committee noted that while USAASA achieved all its targets, it noted its serious concern on the underachievement by USAF of all its targets, particularly in respect of the BDM project.

## **5.4 SENTECH**

The Committee noted:

- (i) and commended Sentech for its good performance and the overall improvement of the entity governance, accountability and financial positions; and
- (ii) that there were planned targets that the entity failed to execute.

## **5.5 SITA**

The Committee noted:

- (i) with appreciation for the steady progress achieved by the SITA administration; and
- (ii) concern as there was a drop in achievement of overall performance targets.

## **5.6 BBI**

The Committee noted:

- (i) and commended BBI on its improvement in performance although there are areas of performance that need further improvement;
- (ii) with serious concern the significant year on year decline in revenue due to the restrictions imposed under the COVID-19 lockdown;
- (iii) with serious concern BBI's inability to raise the funds required during the year in order to procure new equipment to provision services to customers and to settle amounts outstanding for core network equipment which had resulted in lower sales; and

- (iv) with serious concern on vandalism and theft of property.

### **5.7 NEMISA**

The Committee noted:

- (i) with great concern the poor performance by NEMISA;
- (ii) with concern that the Acting Chief Executive Officer position has not been filled;
- (iii) with concern the financial position of NEMISA;
- (iv) with concern that NEMISA had particularly reported under-performance due to COVID-19;
- (v) with serious concern that connectivity in the rural areas is not being addressed, to the detriment of students originating from these locations;
  - a. that the entity's training systems fail to cater for rural communities' training needs and the entity has no contingency plans in place nor an intervention strategy; and
- (vi) further concern that the failure to access gadgets cannot be a sufficient explanation for lack of performance.

### **5.8 ICASA**

The Committee noted:

- (i) its appreciation for the presentation made;
- (ii) and commended ICASA for the progress made to date;
- (iii) with concern the challenges relating to the delays in releasing of spectrum;
- (iv) with concern lower budget revenue rates at 8 percent lower than budgeted for due to the reduced prime rate; and
- (v) with serious concern over the lack of conclusion of performance agreements for ICASA Council.

### **5.9 SABC**

The Committee noted:

- (i) with concern that the SABC has not responded to 18 audit findings;
- (ii) with concern the decline in the collection of TV licences revenues;
  - a. with relief that the SABC was looking into a geographical online system to improve collections as well as an amnesty programme being explored with the Department;
- (iii) with concern that SABC expenses are more than the allocation; and
- (iv) that Mr R Marawa matter was operational and that a decision was made to reduce independent contractors; Mr Marawa was informed three months prior to the expiry of his 3-year contract.

### **5.10 FPB**

The Committee noted:

- (i) its appreciation for the presentation received;
- (ii) the improvements in performance however note with great concern the existing challenge including high vacancy rate (due to a moratorium on recruitment and selection processes), which largely contributed to the under-performance;
- (iii) with concern that the revenue for the year to date was under-collected as a result of lower online distribution and classification fees; and
- (iv) with contentment FPB's ability to adequately plan and execute its operational deliverables.

### **5.11 .ZADNA**

The Committee noted:

- (i) and commended .ZADNA for its progress to date; and
- (ii) with concern that .ZADNA's performance had regressed.

## **6. Recommendations**

### **6.1 The Department**

The Committee recommends that the Minister should ensure that:

- (i) stability at the Department and all its entities is prioritised;
- (ii) entities remain accountable and comply to legislation, policies and regulations;
- (iii) all critical vacancies are filled urgently and all acting positions are eliminated in the Department and its entities;

- (iv) processes are in place to address all issues identified by the Auditor-General;
- (v) processes are in place to stabilise the entities and track the implementation of the reconfiguration process;
  - a. the processes towards the merger of entities are expedited;
- (vi) the Department provides a clear indication of the intervention methods to be employed for all entities;
- (vii) the relevant legislation amendments are fast-tracked;
- (viii) the Department and entities provide tangible reasons for regression in performance;
- (ix) the entity oversight branch improves its oversight role in respect of performance agreements and corporate plans and ensure that these are aligned to national objectives;
- (x) entities and their respective Boards are to be held accountable for non-performance;
- (xi) the non-payment of entities to Sentech is resolved;
- (xii) the tabling of SAPO annual report is expedited; and
- (xiii) that feedback must be given to the Committee at a future date agreed to by the Minister on the issues raised such as commitments to BDM, Broadband, and Spectrum Auctioning and interventions needed at SAPO.

## **6.2 SITA**

The Committee recommends that the Minister should ensure that:

- (i) SITA improves in achieving outstanding targets.

## **6.3 NEMISA**

The Committee recommends that the Minister should ensure that:

- (i) NEMISA addresses all issues in its audit report;
- (ii) the Acting Chief Executive Officer position is filled expediently;
- (iii) the financial position of NEMISA stabilises;
- (iv) contingency plans are in place to address the training system;
  - a. rural communities enrolled in NEMISA courses are prioritised instead of being compromised;
- (v) COVID-19 is not used as an excuse for non-performance in achieving targets a digital environment; and
- (vi) challenges to access to digital devices is addressed.

## **6.4 ICASA**

The Committee recommends that the Minister should ensure that:

- (i) a sense of urgency is employed in the release of the much-needed spectrum and all parties are engaged accordingly to resolve the impasse;
- (ii) ICASA urgently resolves all challenges relating to the release of spectrum;
  - a. appears before the Committee to provide an update relating to current challenges delaying the release of spectrum;
- (iii) ICASA achieves its targets and address all outstanding matters; and
- (iv) the Committee receives a detailed briefing relating to the Performance Management System of ICASA Councillors in accordance to Section 6A of the ICASA Act No. 13 of 2000.

## **6.5 SABC**

The Committee recommends that the Minister should ensure that:

- (i) the SABC improves its performance targets;
- (ii) the SABC puts measures in place to improve the collection of TV licences; and
- (iii) the SABC ensures compliance and resolves all outstanding audit findings.

## **6.6 SAPO**

The Committee recommends that the Minister should ensure that:

- (i) SAPO meets its revenue targets;
- (ii) in order to stabilise the entity, SAPO improves on its overall performance, in particular its organisational and financial performance;
- (iii) SAPO implements a coordinated approach with other entities and government departments to address its challenges and support business recovery;
- (iv) SAPO concludes all partnership agreements in order to complement revenue targets; and
- (v) SAPO develops an e-commerce readiness strategy in order to remain relevant.

The Committee will continue to pay particular focus on SAPO, especially in respect of its revenue targets, adaptation to technology and a sustainability model.

#### **6.7 FPB**

The Committee recommends that the Minister should ensure that:

- (i) the vacant positions are urgently filled at the FPB; and
- (ii) the FPB performs better in terms of achieving its targets.

#### **6.8 BBI**

The Committee recommends that the Minister should ensure that:

- (i) BBI improves its financial stability; and
- (ii) BBI has processes in place to reduce vandalism and theft within the organisation.

#### **6.9 Sentech**

The Committee recommends that the Minister should ensure that:

- (i) Sentech provides details on the programmes that the entity failed to execute; and
- (ii) Sentech appears before the Committee to provide an adequate and detailed presentation on reasons why COVID-19 is still cited as the cause for regression.

#### **6.10 .ZADNA**

The Committee recommends that the Minister should ensure that:

- (i) .ZADNA addresses non-achievement of its targets; and
- (ii) .ZADNA does not to incur any further losses.

#### **6.11 USAASA/USAF**

The Committee recommends that the Minister should ensure that:

- (i) interventions at USAF be made as it pertains to BDM;
- (ii) USAF achieves all its planned targets in the future.

Report to be considered.