Independent Communications Authority of South Africa

Annual Report 2022|23

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PART A

GENERAL INFORMATION

GENERAL INFORMATION

LEGAL FORM OF ENTITY	A Chapter Nine Institution
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	ICASA is the Regulator for the South African Communications, Broadcasting, and Postal Services Sector. ICASA was established by an Act, the Independent Communications Authority of South Africa Act of 2000, as amended.
REGISTERED NAME	Independent Communications Authority of South Africa
BUSINESS ADDRESS	Blocks B and C 350 Witch-Hazel Avenue, Eco-Point Office Park, Eco-Park, Centurion
POSTAL ADDRESS	Private Bag X10, Highveld Park, 0169
TELEPHONE NUMBERS	+27 12 568 3000/1
EMAIL ADDRESS	info@icasa.org.za or consumer@icasa.org.za
WEBSITE ADDRESS	www.icasa.org.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKERS	Nedbank First National Bank Investec Private Bank
ATTORNEYS	Mkhabela Huntley Kunene Ramapala Mashiane Moodley Monama HM Chaane Motsoeneng Bill Makhubela Cheadle Thomson & Haysom Verveen Geldenhuys Malatji Thokan Attorneys
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LIST OF ABBREVIATIONS AND ACRONYMS

ADR	Alternate Dispute Resolution
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
AREDC	Audit, Risk, Ethics and Disclosures Committee
ASMS	Advanced Spectrum Management System
BBBEE	Broad-Based Black Economic Empowerment
CAP	Consumer Advisory Panel
CAPEX	Capital Expenditure
CCC	Complaints and Compliance Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRM	Customer Relationship Management
CTO	Commonwealth Telecommunications Organisation
DSB	Digital Sound Broadcasting
DTT	Digital Terrestrial Television
DTPS	Department of Telecommunications and Postal Services
ECA	The Electronic Communications Act
ECNS	Electronic Communications Network Service
ECS	Electronic Communications Service
FM	Frequency Modulation
FTA	Free To Air
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Products
GHz	Gigahertz
GRAP	Generally Recognised Accounting Practice
GSM	Global System for Mobile Communications
HDI	Historically-Disadvantaged Individual
HSDPA	High-Speed Downlink Packet Access
ICT	Information and Communications Technology
IEC	International Electrotechnical Commission
IIA	Institute of Internal Auditors
IMT	International Mobile Telephony
IIC	International Institute of Communications
ISDN	Integrated System Digital Network
IT	Information Technology

ITA	Invitation To Apply
ITRC	Information Technology Review Committee
ITU	International Telecommunication Union
LTE	Long Term Evolution
MHz	Megahertz
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
Opex	Operational Expenditure
OTT	Over The Top
PA	Political Advertisement
PAJA	Promotion of Administrative Justice Act
PAPU	Pan African Postal Union
PBS	Public Broadcasting Service
PEB	Party Election Broadcast
PFMA	Public Finance Management Act
PPCC	Parliamentary Portfolio Committee on Communications
QoE	Quality of Experience
QoS	Quality of Service
REMCO	Human Resources and Remunerations Committee
RF	Radio Frequency
RFID	Radio Frequency Identification
RFSAP	Radio Frequency Spectrum Assignment Plan
RIA	Regulatory Impact Assessment
SAPO	South African Post Office
SABC	South African Broadcasting Corporation
SABPP	South African Board for People Practices
SKA	Square Kilometre Array
SLA	Service Level Agreement
SMP	Significant Market Power
SOOGs	Strategic Outcomes Oriented Goals
UPU	Universal Postal Union
USAO	Universal Service and Access Obligations

FOREWORD BY THE CHAIRPERSON

It gives me tremendous pleasure to present the Independent Communications Authority of South Africa's 2022-2023 Annual Report. The presentation and tabling of the Annual Report to Parliament and the Minister of Communications and Digital Technologies affords the Authority an opportunity to showcase work conducted in fulfilling the mandate of regulating the telecommunications, broadcasting and postal sectors in the public interest.

The Authority's vision is centred around an Inclusive digital economy and our primary responsibility is to facilitate the country's digital transformation by ensuring that access to communication services remains at the centre of our strategic objectives and that all our activities are in accordance with our legislation, including the ECA, ICASA Act, and all underlying statutes.

The year under review commenced with the prolonged impacts of the COVID-19 pandemic, which necessitated an adjustment to a new working environment. Fortunately, the National State of Disaster on COVID-19, as declared by the National Government, was lifted as of 05 April 2022; this brought with it some normality to the daily operations at ICASA.

Under the year in review, ICASA successfully reached an agreement with Telkom SOC Ltd to settle the litigation over the high-demand radio frequency spectrum licensing. Telkom discontinued the lawsuit, and ICASA committed to issuing an Information Memorandum (IM) for licensing certain spectrum by June 30, 2022.

The resolution of the litigation positioned ICASA to refocus its efforts on its regulatory role in shaping South Africa's telecommunications, postal, and broadcasting sectors in the interest of the South African public. In addition, this paved the way for ICASA to move forward with the licensing process for the unsold sub-1 GHz Lot from the International Mobile Telecommunications (IMT) spectrum auction and other available IMT spectrum (excluding that for the Wireless Open Access Network). The licensing process will consider auction results, spectrum balance, and competition implications, with the goal of concluding by March 2024.

During the year under review, the Authority experienced several changes within its' leadership, ICASA bid farewell to the former Chairperson Dr. Keabetswe Modimoeng, who successfully served the Authority since 2016, both as a Councillor and Chairperson. In addition, Mr Willington Ngwepe's term as CEO came to an end. Both esteemed colleagues' leadership spanned significant milestones, including the historic high-demand spectrum auction that took place in March 2022.

During the year under review, ICASA welcomed four new Councillors. Cllr Faye, Cllr Nontombana, Cllr Sithole and Cllr Mushi were sworn in for a four-year term, pledging to serve the South African people, the ICT sector, and the public interest with integrity. This expanded the total number of Councillors to eight.

As the year drew to a close, ICASA welcomed Ms. Tshiamo Maluleka-Disemelo as the Chief Executive Officer for a 5-year term, effective February 1, 2023. Ms Maluleka-Disemelo previously served as the Chief Audit Executive (CAE) at ICASA since 2020.

"The Authority's vision is centred around an Inclusive digital economy and our primary responsibility is to facilitate the country's digital transformation by ensuring that access to communication services remains at the centre of our strategic objectives"

In closing, it is essential to highlight a significant challenge that has deeply affected South Africans – the issue of load shedding. This situation has had far-reaching implications for many of our stakeholders. In response, ICASA proactively reached out to the industry, seeking their insights and input on how load shedding has impacted the electronic communications, broadcasting, and postal services sectors. ICASA invited stakeholders to a virtual consultation workshop intending to identify potential mitigation measures to reduce the impact of load-shedding on stakeholders and licensees. The Authority is considering regulatory interventions and adjustments to address this issue, and looking ahead, this will be a priority area of focus in the 2023/24 financial year.

GRATITUDE

I would like to express my sincere appreciation and gratitude to the Council of ICASA for their guidance and oversight during this period, a special mention to Cllr Dr. Charley Lewis, who was appointed the Acting Chairperson from 16 July – 03 April 2023.

I would also like to commend the management team and staff for their hard work and dedication. I am confident that the Council, together with the management team will continue to steer the Authority in the right direction and build on the foundation that has been laid by the previous leadership.

Finally, I wish to extend my sincere appreciation to the Department of Communications and Digital Technologies, the Minister, Khumbudzo Ntshavheni, MP and the Deputy Minister Hon. Philly Mapulane and former ministers.

Yolisa Kedama
Acting Chairperson

REPORT OF THE CHIEF EXECUTIVE OFFICER

The 2022/23 financial year marked the third year of the organisation's five-year strategic plan. The declaration of the end of the National State of Disaster on COVID-19 brought some relief and a continued approach to the hybrid working environment to ensure business continuity. ICASA continued with the hybrid working environment for the year under review to deliver on our mandate to our stakeholders.

During the period under review, we set a target to deliver 48 outputs as part of the organisation's Annual performance. I am happy to report that we delivered 42 key outputs; which translates to an overall annual achievement of 87,5%. This Annual Report allows the Authority to highlight various activities undertaken in implementing our mandate of regulating the telecommunications, broadcasting, and postal sectors in the public interest.

During the year under review, the Authority published the 8th State of the ICT sector in South Africa report. The report tracks indicators that are used to benchmark values, inform sector policy analysis and ensure compatibility with global benchmarking and data compiled by other regulators. The total revenue reported for the three sectors (telecommunications, broadcasting and postal) increased by 4.61% from R243.6 billion in 2021 to R254.8 billion in 2022. The telecommunications sector revenue increased by 3.94% to R 208 billion, the broadcasting sector by 11,97% to R 41,2 billion; however, the postal services revenue decreased by 16.26% from R6.6 billion in 2021 to R5.5 billion in 2022.

Despite the impact of load shedding in the country, the total telecommunications investment increased by 17.16% from R33.9 billion 2021 to R39.7 billion in 2022. These figures indicate a favourable outlook for the sector's future development.

Among the notable highlights during the year under review includes the Authority's activities which encompassed a range of important actions, such as conducting public hearings to amend the service charter regulations, evaluating applications for Community Sound Broadcasting Service licenses, and publishing Radio Frequency Spectrum Assignment Plans for public consultation. These efforts highlight ICASA's dedication to accommodating the growing demand for mobile services, enhancing service quality, and ensuring equitable access to communication platforms.

Some of the Key regulations we reviewed and published:

END-USER AND SUBSCRIBER SERVICE CHARTER (EUSSC)

The Authority of South Africa has published a set of amendments to the End-User and Subscriber Service Charter ("EUSSC") Regulations. The amendments add new Quality of Service parameters for electronic communication services and adjust some existing ones.

"Despite the impact of load shedding in the country, the total telecommunications investment increased by 17.16% from R33.9 billion in 2021 to R39.7 billion in 2022. These figures indicate a favourable outlook for the sector's future development."

CONVEYANCE OF MAIL

The Authority published a notice of its intention to conduct an inquiry on the review of the regulations on the Conveyance of Mail, 2009. The purpose of the Inquiry is to evaluate the effectiveness of the current regulations in dealing with evolving consumer needs.

DISCUSSION DOCUMENT ON DYNAMIC SPECTRUM ACCESS AND OPPORTUNISTIC SPECTRUM MANAGEMENT

The Authority published a notice of its intention to conduct an inquiry into Phase 2 of the implementation of Dynamic Spectrum Access and Opportunistic Spectrum Management

The purpose of the inquiry is for the Authority to:

- Consider the establishment of a regulatory framework through which the Authority may authorise the use of Dynamic Spectrum Sharing (DSS) assignment in the S and C frequency bands.
- Consider the establishment of a regulatory framework through which the Authority may authorise the implementation of Secondary spectrum markets in the S and C frequency bands.
- Consider the establishment of the technical conditions under which the DSS must be implemented in accordance with the National Radio Frequency Plan.
- Consider the establishment of mechanisms for ensuring the protection of primary users in the S and C bands from harmful interference.

Moreover, ICASA concluded the preliminary evaluation of applications for Community Sound Broadcasting Service licenses. Out of 105 applications received, 56 have met the pre-qualification criteria and have been admitted to Phase 1 of the licensing process. These licenses are intended to benefit communities and provide essential communication platforms.

In addition, ICASA published several Radio Frequency Spectrum Assignment Plansfor public consultation. These plans outline the allocation and assignment of radio frequency spectrum for various services, including high-demand spectrum for IMT (International Mobile Telecommunications) systems. The plans aim to accommodate the growing demand for mobile services and data access.

Furthermore, ICASA hosted the 7th Sub Sahara Spectrum Management meeting, the discussions held during this meeting covered a wide range of topics related to spectrum allocation, regulation, and coordination and these were critical in the lead-up to the World Radiocommunication Conference taking place in the latter part of 2023. ICASA's continued participation in the International Fora demonstrates how our capabilities are viewed internationally and reinforces South Africa's standing in the global ICT arena.

"Among the notable highlights during the year under review includes the Authority's activities which encompassed a range of important actions, such as conducting public hearings to amend the service charter regulations, evaluating applications for Community Sound Broadcasting Service licenses, and publishing Radio Frequency Spectrum Assignment Plans (RFSAPs) for public consultation."

In the ever-evolving landscape of telecommunications, ICASA continues to shape policy, encourage fair competition, and facilitate the development of advanced technologies. Through its initiatives and collaborative approach, ICASA is working to build a thriving digital ecosystem that benefits both industry players and the broader South African population.

I would like to express my sincere gratitude to the Chairperson and the Council members for their unwavering support and leadership. Equally, I extend my thanks to my predecessor, former CEO Mr Willington Ngwepe, for steering ICASA towards greater heights and providing a solid foundation for me to build upon.

A heartfelt thank you goes out to the Executive Management team and all the staff. Your dedication, perseverance and sheer determination have been instrumental in realising our objectives and fulfilling our mandates. Each one of you has played a significant role in making this year an outstanding one, marked by our achievements and a promising path forward.

Tshiamo Maluleka-Disemelo
Chief Executive Officer

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa (AGSA). The Annual Report is complete, accurate and free from any omissions. The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the National Treasury. The Annual Financial Statements (Section F) have been prepared in accordance with the standards applicable to ICASA.

The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of ICASA for the financial year which ended on 31 March 2023.

Yolisa Kedama
Acting Chairperson

Tshiamo Maluleka-Disemelo
Chief Executive Officer

STRATEGIC OVERVIEW

1. VISION

An inclusive digital economy.

2. MISSION

To regulate electronic communications, broadcasting, and postal services in the public interest.

3. VALUES

All ICASA's regulatory activities are centred on five core values, which are innovation, collaboration, accountability, results-driven and stakeholder-centric.

INNOVATION

Willingness and ability to generate viable new approaches and solutions

Finding different and better ways of applying best solutions to meet stakeholder needs

RESULTS DRIVEN

Achieving high quality results that are consistent with organisational standards

Coaching and performance assessment against goals, as well as identifying areas of improvement

COLLABORATION

Eradicate 'silos' by developing a conscious mind-set that aligns our work to organisational vision and strategy

Create synergies internally to fast-track organisational performance

STAKEHOLDER CENTRIC

Carrying out our duties with the stakeholders in mind. Stakeholders are central to what we do and we welcome their feedback for consistent and effective partnerships.

ACCOUNTABILITY

Execution of daily work in a proactive manner

Taking full responsibility for the work that we do in collaboration with others

THE MANDATE OF ICASA

ICASA or 'the Authority' falls under Schedule 1 of the Public Finance Management Act No 1 of 1999 (PFMA). ICASA's Mandate is set out in the Independent Communications Authority of South Africa Act, Act No 13 of 2000, (ICASA Act), Electronic Communications Act, Act No 35 of 2005, as amended (ECA), the Postal Services Act No 24 of 1998 (the Postal Services Act) and the Broadcasting Act, Act No 4 of 1999, (the Broadcasting Act) for the regulation of electronic communications, broadcasting and the postal services in the public interest. The legislation empowers ICASA to grant licenses, monitor compliance with licence terms and conditions, develop regulations, plan and manage the radio frequency spectrum and protect consumers.

THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

- The Constitution of the Republic of South Africa (RSA) mandates Parliament to establish an independent regulatory institution to regulate broadcasting in the public interest and to ensure fairness and a diversity of views broadly representing South African society (S 192).

THE INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA ACT 13 OF 2000, AS AMENDED

The Act establishes ICASA as an institution and provides that it must:

- perform its functions through Council as contemplated in section 5,
- be independent and subject only to the Constitution and the law,
- be impartial and perform its functions without fear or favour,
- act in a manner that is consistent with the obligations of the Republic under any applicable international agreement, according to Section 231 of the Constitution.
- conclude concurrent jurisdiction agreements with any regulator in respect of areas of regulatory overlaps.

THE BROADCASTING ACT 4 OF 1999

- The Act clarifies the powers of the Minister and ICASA respectively and provides for the regulation of broadcasting activities in the public interest.

THE ELECTRONIC COMMUNICATIONS ACT, NO. 36 OF 2005, AS AMENDED

- The ECA provides the legal framework for convergence of the telecommunications, broadcasting, and information technology services. More importantly, it also sets out ICASA's detailed powers for regulations of the electronic communications and broadcasting sectors.
- ICASA has concurrent regulatory oversight/ jurisdiction with the Competition Commission on competition matters in terms of Chapter 10 of the ECA read with 4B(8)(b) of the ICASA Act.

THE POSTAL SERVICES ACT, NO. 124 OF 1998

- The Postal Services Act requires the Authority to licence and monitor the South African Post Office (SAPO) in relation to minimum service standards and the fulfilment of universal service obligations, including the roll-out of street addresses and the provision of retail postal services in underserviced areas.

THE PROMOTION OF ADMINISTRATION JUSTICE ACT, NO. 3 OF 2000

- The Promotion of Administration Justice Act (PAJA) gives effect to the right to administrative action that is lawful, reasonable, and procedurally fair and to the right to written reasons for administrative action, as contemplated in Section 33 of the Constitution.

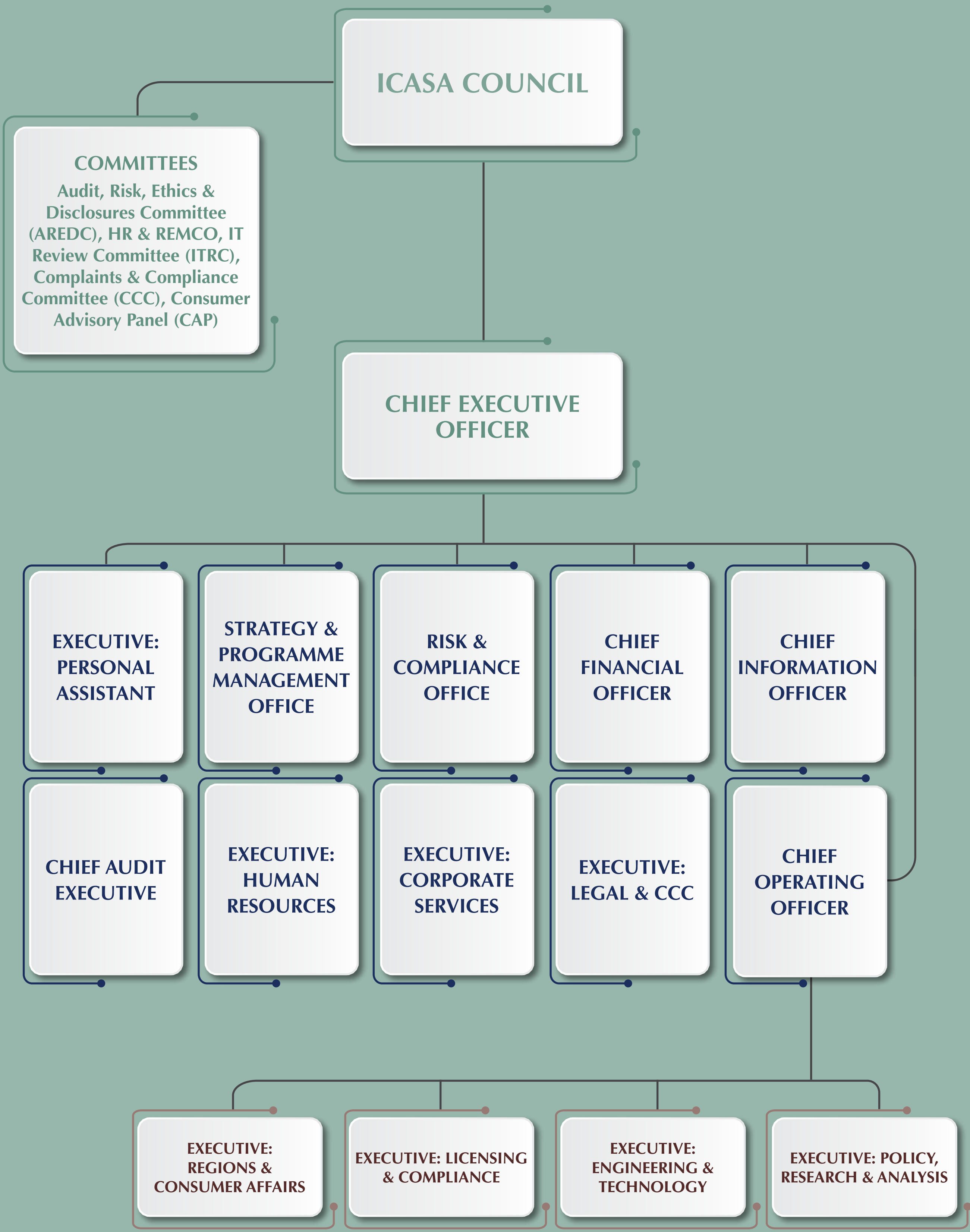
ELECTRONIC COMMUNICATIONS AND TRANSACTIONS ACT, 2002 (ACT NO.25 OF 2002) (ECTA)

- The Electronic Communications and Transactions Act provides for the facilitation and regulation of electronic communications and transactions. It provides for the development of a national e-strategy for the Republic, the promotion of universal access to electronic communications and transactions, and the use of electronic transactions by SMMEs. The legislation further provides for human resource development in electronic transactions sector, aims to prevent the abuse of information systems, and encourages the use of e-government services.
- The Authority is enjoined in terms of section 4(3) (o) of the ICASA Act, to make recommendations to the Minister on matters dealt with or to be dealt with under the ECTA.

ASTRONOMY GEOGRAPHIC ADVANTAGE ACT, 2007 (ACT NO.21 OF 2007) (AGA)

- Sections 22 and 23 of the Astronomy Geographic Advantage Act (AGA) apply to the Authority. The Act requires that the Authority protects the Square Kilometre Array (SKA) radio telescope and associated radio telescopes from harmful radio frequency interference.

ORGANISATIONAL STRUCTURE



MEMBERS OF THE ICASA COUNCIL

YOLISA KEDAMA
ACTING CHAIRPERSON

THABISA FAYE
COUNCILLOR

DR CHARLEY LEWIS
COUNCILLOR

DIKELEDI CATHRINE MUSHI
COUNCILLOR

ADV. LUTHANDO SIMPHIWE MKUMATELA
COUNCILLOR

NOMPUCUKO NONTOMBANA
COUNCILLOR

NTOMBIZA SITHOLE
COUNCILLOR

PETER ZIMRI
COUNCILLOR

THE ICASA EXECUTIVE COMMITTEE

TSHIAMO MALULEKA-DISEMELO
CHIEF EXECUTIVE OFFICER

CHANTELLE BRINK
ACTING CHIEF FINANCIAL OFFICER

ASANDA MALAMLELA
ACTING CHIEF AUDIT EXECUTIVE

JULIA KENYANE
EXECUTIVE:
CORPORATE SERVICES

FIKILE HLONGWANE
EXECUTIVE: LICENSING
AND COMPLIANCE

NKHETHELENI GIDI
EXECUTIVE : POLICY, RESEARCH
AND ANALYSIS

PHIL MOLEFE
EXECUTIVE: ENGINEERING AND
TECHNOLOGY

ANELE NOMTSHONGWANA
EXECUTIVE REGIONS AND CONSUMER
AFFAIRS

NDIVHUO RABULI
EXECUTIVE: LEGAL, RISK AND CCC

ZAKHELE KGANAKGA
EXECUTIVE:
HUMAN RESOURCES

PART B

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the Auditor's Report.

Refer to page 85 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The Authority's 2022/2023 Annual Performance Plan (the APP) was based on the Independent Communications Authority of South Africa's (ICASA) Strategic Plan 2020/21 – 2024/25, which is guided by the Government's Medium-Term Strategic Framework (MTSF). The MTSF outlines areas of priority regarding socio-economic service delivery to all South Africans and addressing challenges relating to poverty, inequality, and unemployment.

Furthermore, the APP is influenced by the provisions of the National Development Plan (NDP) that outline the desired socio-economic growth and development targets the country needs to achieve by 2030.

The Authority continued to execute its outputs for the 2022/23 financial year in alignment with the Authority's unchanged Long-term Impact Statement as outlined below:

> Access for all South Africans to a variety of safe, affordable & reliable communication services for inclusive economic growth

To realise this impact statement, the following five (5) outcomes were planned for achievement in terms of the Authority's Strategic Plan 2020/21 – 2024/25:

- Increased access to quality broadband services,
- Enhancement of social cohesion,
- Protection of consumer rights,
- Promotion of competition in the Information and Communication Technology (ICT) sector and;
- Maintenance of organisational service delivery.

The delivery of the outputs planned for the 2022/23 financial year was pursued within risks posed by the COVID-19 pandemic which had led to the declaration of the National State of Disaster; however, the National State of Disaster was lifted as of 4 April 2022 with transitional measures in place. To this effect, the service delivery environment remained relatively stable.

The Authority remained committed in ensuring that the licensing of community radio stations is concluded successfully, with licenses issued to those who are qualified to empower communities and transform the state of broadcasting in South

Africa. The community radio sector remains an important platform and constitutes a critical avenue through which communities express their history, heritage, languages, culture, and experiences.

Due to the inherent litigious environment, an urgent application was lodged against the Authority, to interdict the Authority from processing applications received through the Invitation to Pre-Register (ITP-R) process. The matter was heard on an urgent basis on 7 December 2022 in court and judgment was reserved, however the court has since ruled in favour of the Authority. Five (5) applicants were compliant with the pre-registration requirements of the community sound broadcasting services licensing process. These applicants have now proceeded to the second Phase of the licensing process as provided for in the Electronic Communications Act (ECA).

Changes in the electronic communications environment necessitated a review of the Numbering Plan Regulations to:

- improve the application requirements relating to numbering resources,
- introduce a security feature to protect subscribers,
- improve the retention and recycling of numbering resources, and
- update definitions to align with international standards.

The Authority undertook a process to amend the Numbering Plan Regulations, 2016 to address a possible exhaustion of numbering resources and this was concluded and gazetted by 23 March 2023.

The natural environment within which the Authority operated throughout the year also remained ripe for the Authority's projects outlined in its APP 2022/23.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

Based on the highly encapsulating way the Authority updated its service delivery and organisational environments during planning, which included analysis of the main services and standards; the Batho-Pele principles, which are covered in its shared-values and its consumer complaints resolution mechanism as required by the ICASA Act of 2000, the Authority did not find it compelling to come up with a service delivery improvement plan outside its APP 2022/23.

2.3 ORGANISATIONAL ENVIRONMENT

The Authority began the 2022/23 financial year based on an internal environment marked by several strengths, weaknesses, opportunities, and threats around its structure, strategy, systems, skills, shared values, staff, and style of leadership. The organisational formation was found fit for purpose to support the Authority's core business and enable it to deliver on its 2022/23 annual outputs aligned to its medium-term outcomes and long-term impact statement as spelled out in its Strategic Plan 2020/21 – 2024/25.

Several changes occurred in the skills section of the organisational performance environment. In line with legislative prescripts, the Council is the highest decision- making body of the Authority. At the beginning of the 2022/23 financial year, Council functioned with a complement of only three (3) Councillors and an Acting Chairperson, instead of the statutory complement of eight (8) Councillors and a Chairperson. Despite the inevitable workload challenges attributable to the low number of Councillors, Council still managed to function very efficiently whilst adhering to the highest governance principles outlined for government and state organs. During the third quarter, the Minister of Communications and Digital Technologies announced the appointment of four (4) Councillors. As the financial year closed, Council comprised of seven (7) Councillors and the Acting Chairperson.

Another change involved the end of the contract of the Chief Executive Officer (CEO) and the resignation of the Chief Financial Officer (CFO). The CEO position was filled within the year under review and the process of filling the position of the CFO is underway. To manage budgetary constraints, the Authority had imposed a moratorium on recruitment since the 2018-19 financial year. To keep its skillset at par with the business demands, the Authority continues to fill critical positions, as necessary. In the financial year under review, staff members continued to tap from the Authority's shared values, particularly collaboration and stakeholder-centricity, working together and always prioritising the customers and external stakeholders.

The Authority continued to utilise some of the business systems that came into effect during the pandemic such as the Microsoft Teams, as its virtual platform for teleworking. This continues to be an alternative way of conducting business.

With the increased use of IT-based systems, comes the cyberthreats. The Authority ,increased its security monitoring across its network and IT systems. During the year under review, cybersecurity awareness programmes were allocated monthly to all staff. Furthermore, a security monitoring system that continuously monitors ICASA's data network and servers in real-time was implemented. Daily, weekly, and monthly security reports were produced and reviewed to safeguard the Authority's IT environment.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

On 31 March 2023, the Minister of Communications and Digital Technologies published the Final Policy and Policy Direction on Rapid Deployment. Policy and Policy Directions should precede the development of the Regulations on Rapid Deployment under Chapter 4 of ECA. The Authority, however, could not produce the Regulations in the year under review as the Regulations must follow only after promulgation of the Policy and Policy Direction in terms of the ECA. The project will commence during 2023-24 financial year.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In terms of the Department of Planning Monitoring and Evaluation Revised Framework for Strategic Plans and Annual Performance Plans, December 2019, the outputs a government institution delivers on an annual basis must contribute towards the realisation of its medium-term outcomes and long-term impact outlined in its strategic plan. Therefore, the Authority's outputs delivered under the year in review were geared at contributing towards the Authority's medium-term outcomes and long-term impact, which are stated below:

3.1 IMPACT STATEMENT

IMPACT STATEMENT	Access for all South Africans to a variety of safe, affordable & reliable communication services for inclusive economic growth

3.2 OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	TARGET
Access to quality broadband Services Increased	Average download speed	15Mbps	50Mbps
Status of Social Cohesion (inclusive of Diversity of Views) enhanced	Percentage of status of Social Cohesion (inclusive of Diversity Views) enhanced	-	50%
Rights of Consumers Protected	Level of Consumer Rights Protection	-	5
Competition in the ICT Sector Promoted	Number of procompetitive Regulatory interventions	3	15
Organisational Service Delivery Maintained	Organisational Service Delivery Maintained	91%	91%

3.3 OVERALL PERFORMANCE

The Authority planned to deliver forty-eight (48) outputs during the year under review. Forty-two (42) were delivered and six (6) were not delivered which translated to an overall annual achievement of 87.5%.

PLANNED	PLANNED OUTPUTS	DELIVERED OUTPUTS	OUTPUTS NOT DELIVERED	DELIVERED OUTPUTS (%)
Programme 1: Administration				
Corporate Services	8	8	0	100%
Finance	2	1	1	50%
Human Resources	4	3	1	75%
Internal Audit	2	2	0	100%
Legal, Risk & CCC	4	4	0	100%
Programme 2: Licensing and Compliance				
Licensing and Compliance	8	8	0	100%
Programme 3: Policy, Research and Analysis				
Policy, Research and Analysis	8	5	3	63%
Programme 4: Engineering & Technology				
Engineering & Technology	8	7	1	88%
Programme 5: Regions and Consumer Affairs				
Regions and Consumer Affairs	4	4	0	100%
Total	48	42	6	87.5%

The forty-two (42) outputs the Authority has delivered through various Programmes during the year under review have contributed to different medium-term outcomes in different ways.

ACCESS TO QUALITY BROADBAND SERVICES

The 2022/23 financial year began on a positive note following the successful auctioning of the IMT radio frequency spectrum in March 2022. In increasing access to high-quality internet services and close the digital divide, the Authority issued the radio frequency spectrum licenses to the winning bidders from the IMT Spectrum Auction. Licensees can now roll out 5G networks and other types of broadband access networks around the country. The licensees are also required to connect public institutions by providing zero-rated access to the qualified public benefit organisations.

The Authority also produced a Monitoring Report detailing the impact of 5G deployment in the ICT sector in South Africa. 5G is one of the emerging ICT technologies that will have a positive impact on improved societal services and a disruptive effect on several key industries. It was therefore important to monitor the impact during the early phase of the deployment and experiences, and to provide a Monitoring Report to assist with future recommendations.

SOCIAL COHESION AND DIVERSITY OF VIEWS

In responding to enhancing social cohesion, diversity and plurality of views, the Authority gazetted the Position Paper on Optimisation of the Frequency Modulation Sound Broadcasting. The aim is to optimise the sound broadcasting frequency assignment plan with the view of re-planning the Terrestrial Broadcasting Frequency

Plan 2013 in accordance with the re-planning process of the Geneva 84 plan regarding Frequency Modulation (FM). Further, this will increase the amount of Spectrum to be availed for the Triple Tiers of Broadcasting, that is, Public, Commercial and Community Sound in the future.

PROMOTION OF COMPETITION

The Authority continued to pursue its mandate to promote competition and reduce the cost to communicate. In the year under review, the Authority planned on delivering three outputs: first, a review of the 2018 Call Termination Regulations as a measure to promote effective competition between operators. The reduction in the call termination rates has benefited consumers as the lower rates are passed on through lower voice call rates. Second, to develop a findings document on Signal Distribution Services which aimed to analyse the competitive landscape in the signal distribution market considering the importance the signal distribution services as an input for the provision of broadcasting services; and third, to develop Findings Document on Subscription Television Broadcasting Market which aims to assess the state of competition and determine whether or not there are markets or market segments within the subscription broadcasting services value chain which may warrant regulation in terms of section 67(4) of the ECA.

The Authority was not able to successfully deliver the above-mentioned outputs due to challenges in attracting the requisite service providers that led to delays in procuring the service providers to assist ICASA. Delivery of the outputs will be carried out during the 2023/24 financial year.

PROTECTION OF CONSUMERS

The Authority's mandate is to regulate in the interest of all South African consumers and protect them against harmful business practices by licensees and illegal operators within the sector. In the year under review, the Authority continued to ensure that the resolution of reported cases of interference is done in an efficient and effective manner, thus resolving 98% of the Radio Frequency Interference cases within 30 working days. Furthermore, the Authority resolved 96% of complaints received during the financial year. All the delivered outputs have contributed significantly to the protection of consumers.

MAINTENANCE OF ORGANISATION SERVICE DELIVERY

The Authority, as a regulator, interacts with other regulators and ICT associations around the world. In the financial year under review, the Authority saw increased participation since most of the engagements were conducted virtually. The Authority officials also attended the Plenipotentiary Conference which was held in October 2022.

Held every four years, the Plenipotentiary Conference is the International Telecommunication Union's highest policymaking body. It is where government delegations, represented by Member States, set the direction of digital transformation for years to come. Further, the employees participated in several working and study groups at International Telecommunication Union. The Authority's participation contributes to the development of guidelines in Spectrum Management, development of standards, Cybersecurity and Satellite Services.

The Authority managed to maintain a low vacancy rate of 5.9%, which is below the targeted 7%. This helped sustain the desirable productivity levels across the various Programmes and ensured that the strategic priorities of the Authority were met.

The Authority conducted a mid-term review to determine the degree of achievement in terms of realisation of the Authority's medium-term outcomes based on the year-on-year outputs the Authority would have delivered by the end of the 2022/23 financial year in total. The report indicates that the Authority is making positive progress towards achieving its outcomes.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: The Programme provides coordinated strategic leadership, management, and support to the Authority to deliver on its mandate.

4.1.1 SUB-PROGRAMME: CORPORATE SERVICES

Purpose: To provide corporate support services to the Authority through communications, information technology and facilities, security, and administration of high quality.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Corporate Services Sub-programme contributes to the outcome 'Organisational Service Delivery Maintained'. To contribute towards the outcome, the Sub-programme planned eight (8) outputs for the 2022/23 financial year.

The outputs included, amongst others, communication services provided through monitoring of the media environment, international engagements facilitated, and IT Systems efficiency. The Sub-programme was able to deliver eight (8) outputs out of the eight (8) planned. The achieved outputs have enabled the Authority to increase its share of voice across traditional media and new media platforms. The Authority also launched the organisation's quarterly newsletter named The Focus to keep employees informed of the developments at the Authority and promote information sharing amongst employees.

The International Relations Unit within the Sub-programme saw increased participation since most of the engagements were conducted virtually. The Authority officials attended the Plenipotentiary Conference in October 2022. The employees participated in several working and study groups at the International Telecommunication Union. The Authority's contribution assists in the development of guidelines in Spectrum Management, development of standards, Cybersecurity and Satellite Services.

The IT Unit extended its integrated reporting to the Authority with the development of new dashboards and reports covering the electronic document management system and the accounts payable function.

Due to the marked increase in cybercrimes, the IT Unit increased its security monitoring across its network and IT systems. During the year under review, cybersecurity awareness programmes are allocated monthly to all staff. Furthermore, a security monitoring system has been implemented that continuously monitors ICASA's data network and servers in real-time. Daily, weekly, and monthly security reports were produced and reviewed to safeguard the Authority's IT environment.

Despite the staff working remotely and coming to the office on a rotational basis, the IT Unit still managed to meet its target of 98% for systems efficiency. This included resolving of all IT calls logged with the IT helpdesk, the uptime of key systems and networks as well as the availability of the network links to each of the six (6) Authority's regional offices.

The Facilities Unit continued to provide the necessary support, in terms of office facilities and tools of trade, enabling the Authority to focus on the achievement of its annual targets. The Electronic Documents and Records Management System (EDRMS) is a central repository system that can be used as a knowledge sharing tool between employees, Committees and any other official structures and fora within the Authority. Information and knowledge, which is regarded as an asset, can be created, stored, and shared through EDRMS.

SUB-PROGRAMME: CORPORATE SERVICES							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **ORGANISATIONAL SERVICE DELIVERY MAINTAINED**							
Communication services provided through monitoring of the media environment	Value of communication services provided through monitoring of the media environment		R78 104 318,74	R10 million	R10 277 427,98	R277 427,98	Increase coverage of ICASA in media as a result of the regulations published and key leadership announcements i.e. appointment of the Acting Chairperson and CEO
Communication products published to grow the share of voice of ICASA	Number of communicat ion products published to grow the share of voice of ICASA		9	9	9	None	None
International engagements facilitated	Number of International engagements facilitated by ICASA		20	4	4	None	None
OHS annual plan implemented	Percentage of OHS Annual Plan implemented		85%	100%	100%	None	None
EDRMS roll-out plan implemented	Percentage of EDRMS roll-out plan implemented		82%	100%	100%	None	None
Business intelligence gathered from analysis of integrated business systems data	Amount of business intelligence gathered from analysis of integrated business systems data		2	2	2	None	None
Security incidents being monitored on IT Systems	Number of security incidents being monitored on IT Systems		52	52	52	None	None
IT Systems efficiency	Percentage of IT Systems efficiency		99.01%	98%	98.84	0.84	Increased server uptime and internet and WAN availability

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against the allocated budget for the financial year under review as well as for the previous financial year. The Corporate Services Sub- programme was allocated R125 million. Of this a total of R101 million was spent towards the successful achievement of outputs. Underspending of R 24 million was mainly on the following budget items:

- Consultants - relating to IT and security costs not incurred.
- Staff costs – moratorium on vacant posts.
- Information Technology – software license and support costs not incurred.
- Advertising & publicity not incurred.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME: CORPORATE SERVICES	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	112 226	88 412	23 814	122 911	99 927	22 984
Projects	6 091	2 344	3 747	2 980	1 954	1 026
Total	**118 317**	**90 756**	**27 562**	**125 891**	**101 881**	**24 010**

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of underperformance in the Programme during the financial year under review. The Programme managed to achieve all its targets on planned outputs.

4.1.2 SUB-PROGRAMME: FINANCE

Purpose: To provide efficient and effective support services to the Authority from a finance perspective, through the implementation of sound financial management and ensuring compliance with all applicable legislation and policies.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Finance Sub-programme contributes to the 'Organisational Service Delivery Maintained' outcome. The outputs that the Sub-programme planned to deliver to contribute to the outcome were a clean audit and licence fees collected.

The output "Licence Fees Collected" is the Authority's mandate as derived from section 4(1)(c) of the ECA read with section 15(3) of the ICASA Act. To this end, the Authority is duty bound to ensure that all charges and fees levied in respect of licenses granted, authorisations issued, and any other activities are collected. The Authority planned to collect ninety-nine percent (99%) of the revenue in license fees in the financial year under review, and (99%) was collected amounting to R10,3 billion which was paid over to the National Revenue Fund. The revenue collection achievement is one of the contributors to the sustainability of the national fiscus.

The Authority was not able to achieve the planned clean audit, and an unqualified audit was achieved instead. This was due to non-compliance to the 30 days payment of suppliers as well as material misstatements to the financial statements. The Authority realises the importance of achieving a clean audit in maintaining organisational service delivery and has put in place measures to mitigate against the above cited challenges and will endeavour to achieve a clean audit in the next financial year.

SUB-PROGRAMME: FINANCE							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **ORGANISATIONAL SERVICE DELIVERY MAINTAINED**							
Audit	Audit opinion	Unqualified audit	Unqualified Audit	Clean audit	Unqualified Audit	Clean Audit	1. Non-compliance to 30 days 2. Material misstatements to the financial statements
Licence Fees Collected	Percentage of Licence Fees Collected		101%	99%	99%	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against the allocated budget for the financial year under review as well as the previous financial year. The Sub-programme was allocated R59 million and R60 million was spent towards the delivery of the Sub-programme outputs. The Over Expenditure in 2022/23 was mainly attributable to higher transactional costs resulting from an increase in travel throughout the organisation. Gazetting costs also contributed to over-spending. The non-achieved output on the clean audit did not have any financial implications since the output was based on audit outcome of the 2021/22 financial year. There is a one-year time lag for recognition of achievement on the output.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

To address the non-achievement of the clean audit, the following strategies have been proposed:

- Root cause analysis and implementation of an action plan,
- Monitoring of compliance to 30 days by EXCO,
- Register to track movement of invoices,
- Filling of the financial specialist vacancy,
- Earlier completion of the Annual Financial Statements (AFS) to allow enough time for detailed reviews.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME: FINANCE	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	62 211	61 268	943	59 897	60 018	(121)
Projects	0	0	0	0	0	0
Total	**62 211**	**61 268**	**943**	**59 897**	**60 018**	**(121)**

4.1.3 SUB-PROGRAMME: HUMAN RESOURCES

Purpose: To ensure that the Authority can plan for required Human Resources (HR), recruit the right talent in the right positions at the right time, continuously develop the talent to maintain the required levels of competence and create a conducive environment that enables employee engagement and a high-performance culture.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Human Resources Sub-programme contributes to the 'Organisational Service Delivery Maintained' outcome. In the 2022/23 financial year work was done towards the achievement of the outcome by doing work towards delivery of the following outputs: Staff Vacancies Maintained, SABPP Audit Completed, Employee Engagement Surveys, and Workplace Skills Plan implemented.

For the 2022/23 financial year, the Authority has shown significant progress in achieving its set targets across various HR programmes, thus contributing towards the 'Organisational Service Delivery Maintained' outcome.

One of the notable areas where the Authority exceeded its target is in the maintenance of staff vacancy rate. The Authority aimed to maintain a staff vacancy rate of 7%, but it overachieved and managed to reduce the rate to 5,9%. This 1 percentage point deviation from the planned target was due to external employees who were able to join the Authority sooner as they did not serve their full notice period with their previous employer. Thus, the quicker than expected filling of vacancies has contributed to maintaining consistent and efficient service delivery.

The South African Board for People Practices (SABPP) Audit was also completed as planned, further demonstrating the Authority's commitment to maintaining high standards in human resource management and practices. This accomplishment ensures compliance with regulations and assists in identifying areas of improvement, thereby enhancing service delivery.

However, there was a deviation in the completion of the Employee Engagement Surveys. The planned target was to complete one survey, but this could not be achieved due to budgetary constraints, which required the reprioritisation of funds to other projects. Despite this setback, the Authority will need to find ways to ensure that employee engagement is not neglected, as it is crucial for employee productivity and morale.

The Workplace Skills Plan was successfully implemented with 100% efficiency, as was in the previous years. This achievement indicates the Authority's dedication to staff development, which is a vital component in improving the overall performance of the Authority.

In line with the government's strategic priorities of prioritising women, youth, and persons with disabilities in its service delivery environment, the Authority has made commendable strides. Of the 11 new appointments made during the financial year, 82% were women, showing a strong commitment to women's empowerment. In the future, reports which include specific data on the representation of youth and persons with disabilities will be included in this report. The Authority has set specific targets for women, youth, and persons with disabilities which it will begin to report on during the 2023/24 financial year.

While challenges may have been encountered in prioritising these designated groups, the Authority has taken steps to overcome them, as evidenced by the significant proportion of women in new appointments.

Overall, the Authority's performance in the 2022/23 financial year indicates a strong commitment to improving organisational service delivery and prioritising the strategic priorities of the government from the human resources sub-programme perspective.

SUB-PROGRAMME: HUMAN RESOURCES							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **ORGANISATIONAL SERVICE DELIVERY MAINTAINED**							
Staff Vacancies Maintained	Staff vacancy rate maintained	4.2%	3.06%	7%	5,9%	1,1%	Overachieved because of external employees who were able to join the Authority sooner due to not serving their full notice period.
SABPP Audit Completed	Number of SABPP audits completed		0	1	1	None	None
Employee Engagement Surveys Completed	Number of Employee Engagement Surveys Completed			1	0	-1	The project could not be implemented due to reprioritised budget to cover other projects
Workplace Skills Plan implement ed	Percentage of Workplace Skills Plan implemented	100%	100%	100%	100%	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the year under review and the previous year. The Human Resources Sub-programme was allocated R29 million for the year under review. The overspending of R 12,6 million was due to the provision for performance bonuses which is put through at the end of the financial year.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

Addressing the underperformance in Employee Engagement Surveys will require a two-pronged approach.

1. Budget allocation - The survey will be budgeted for during the 2023/24 financial year. If budget constraints are a major issue, the Authority could consider cost- effective alternatives such as online survey tools which are often less expensive but still provide valuable insights.
2. Management Support – Buy in will be sought from all stakeholders to understand the value of these surveys for the overall productivity and satisfaction of employees. Once they are on board, it will be easier to allocate resources to this project.

By implementing the strategy, the Authority will not only be able to successfully conduct Employee Engagement Surveys but also use them as a tool to boost employee morale, productivity, and ultimately the overall performance of the organisation.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME: HUMAN RESOURCES	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	26 589	42 675	-16 086	29 994	41 913	(11 919)
Projects	4 880	197	4 683	0	746	-746
Total	**31 469**	**42 872**	**-11 404**	**29 994**	**42 659**	**(12 665)**

4.1.4 SUB-PROGRAMME: INTERNAL AUDIT

Purpose: To provide reasonable assurance to Audit, Risk, Ethics and Disclosures Committee (AREDC) and management by evaluating the adequacy and effectiveness of the governance, risk management and internal control processes.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Internal Audit Sub-programme contributes to the 'Organisational Service Delivery Maintained' outcome. In contributing to the outcome, the Sub-programme planned two outputs for the financial year under review, Assurance provided, and Consulting assignments completed. Internal Audit's assurance annual target was a Level 4 achievement which translated to achieving between 71% and 100% of the approved annual audit plan. The Sub-programme achieved the annual target as planned.

The approved plan detailed 15 assurance projects, 11 of these being normal projects while four (4) were cyclical projects. Approval was granted for the deferral of four (4) projects, these are Quality of Service (QoS) Review; Information Network Security Review; IT Backup and Disaster Recovery Management and the HR System Development and Implementation. The reasons for effecting the changes to the approved plan range from the dependencies on the procurement process in appointing the service providers, cost benefit analysis for conducting audits in areas where findings are yet to be addressed, and capacity challenges.

As at 31st March 2023, Internal Audit completed 14 of the 15 assurance projects, constituting an achievement level of 93,8% with an under achievement of 6.2%.

The consulting target of four (4) consulting and or ad hoc projects was achieved and exceeded by 13 as the Sub-programme concluded 17 projects. The over achievement is attributed to the additional requests received from AREDC and HR & Remco.

SUB-PROGRAMME: INTERNAL AUDIT							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **MAINTAIN ORGANISATIONAL SERVICE DELIVERY**							
Assurance provided	Level of assurance provided	Level 4	Level 3	Level 4	Level 4	None	None
Consulting assignm ents completed	Number of consulting assignments completed	21	10	4	17	13	Additional requests received from AREDC, HR & Remco and management.

LINKING PERFORMANCE WITH BUDGETS

The Sub-programme's budget was utilised for cost elements where there were no challenges. In areas where under spending was noted, same was attributable to the staff costs as there were three vacancies, the Chief Audit Executive, Senior Internal Auditor, and the Data Analytics Internal Auditor.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME: INTERNAL AUDIT	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	15 572	12 002	3 570	15 024	11 866	3 158
Projects	0	0	0	0	0	0
Total	**15 572**	**12 002**	**3 570**	**15 024**	**11 866**	**3 158**

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Sub-programme achieved the targets for the year and there were no identified areas of development.

4.1.5 SUB-PROGRAMME: LEGAL, RISK & CCC

Purpose: The Legal, Risk and Complaints and Compliance Committee sub- programme's primary role is to safeguard the Authority's interests and to ensure that all its actions and decisions are legally compliant with the Constitution, enabling legislation and other applicable laws. The ICASA Act provides that the actions, findings, or decisions of the Authority are subject to judicial review. The sub-Programme advises the Authority and ensures that the Authority is properly represented in judicial reviews. The sub-Programme also promotes good governance by ensuring effective risk management, including fraud risk management, regulatory compliance, and business continuity.

The sub-programme also supports the Complaints and Compliance Committee (CCC) in discharging its mandate as prescribed in terms of the ECA and the ICASA Act.

The Legal, Risk and Complaints and Compliance Committee (LRCCC) Sub-programme contributes to the outcome on 'Protection of Consumer Rights' and 'Organisational Service Delivery Maintained'. The contribution to these outcomes was done through the Sub-programme's four (4) outputs planned for the year under review: Legal services provided to clients within SLA turnaround times, Risk maturity of the organisation, Compliance maturity of the organisation, and Cases assessed for adjudication by the CCC.

The LRCCC, has maintained a consistent excellent performance in the current and previous financial years. This can be attributed to the dedication of the employees within the LRCCC and sub-programme, in meeting the turnaround times set out in the Processes and Procedure Manuals and the CCC Handbook. The issue of staff complement remains a challenge and some of the vacancies that exist within the programme could not be filled. Even with limited human resources, the LRCCC managed to meet all its set targets. LRCCC Maintained Level 3 for both the risk and compliance maturity level.

In procurement of services, the sub-programme endeavours to have on its panel of attorneys, service providers from the previously disadvantaged groups. In respect of the public interest value and in adherence to the application of the Batho Pele principle, the sub-programme endeavours to ensure that consumers have access to the Administrative Tribunal of the sector and that the complaints are redressed and adjudicated in a transparent and efficient manner. Delivery happened as planned.

SUB-PROGRAMME: LEGAL RISK & CCC							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **ORGANISATIONAL SERVICE DELIVERY MAINTAINED**							
Legal services provided to client within SLA turnaround times	Percentage of legal services provided to client within SLA turnaround times	95%	93%	80%	89%	9%	The overachievement is attributed to the Unit's consistency in meeting the turnaround times set out in the LRCCC Processes and Procedure Manual.
Risk maturity of the organisation	Risk maturity level of the organisation	Level 3	Level 3	Level 3	Level 3	None	None
Compliance maturity of the organisation	Compliance maturity level of the organisation	Level 2	Level 3	Level 3	Level 3	None	None
Cases assessed for adjudication by the CCC	Percentage of cases assessed for adjudication by the CCC in accordance with the CCC Handbook	100%	100%	90%	100%	10%	The overachievement is as a result of the Office of the CCC's timeous adherence to the assessment of cases in accordance with the CCC Handbook

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against the allocated budget for the financial year under review as well as for the previous financial year. In delivering on the planned targets, the Sub-programme used R48 million against the allocated budget of R51 million. Underspending of R 3 million was mainly on the following budget items:

- Savings on Committee members' salaries.
- Staff costs – moratorium on vacant posts.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

There were no areas of under performance in the Sub-programme during the year under review, the Sub-programme managed to achieve on all its planned targets.

SUB-PROGRAMME EXPENDITURE

SUB- PROGRAMME: LEGAL RISK & CCC	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	40 212	31 109	9 103	49 141	46 205	2 936
Projects	5 028	2 135	2 894	2 421	2 319	102
Total	**45 240**	**33 243**	**11 997**	**51 562**	**48 524**	**3 038**

4.2 PROGRAMME 2: LICENSING AND COMPLIANCE

Purpose: To issue, renew, amend, and transfer broadcasting service, electronic communications service, electronic communications network service, postal service, and radio frequency spectrum licenses; authorise use of numbering and other scarce resources; grant equipment type approval; authorise channels as well as license exemptions for the purposes of facilitating socio-economic development and promotion of competition. This Programme also monitors compliance by licensees with license terms and conditions, the requirements of the enabling legislation and underlying regulations.

In alignment with the seven (7) national priorities, the programme is required to contribute to the following two national priorities through its outcomes:

- social cohesion and safe communities, and
- economic transformation and job creation.

At the organisational outcomes level, the programmes outputs must contribute to access to quality broadband services increase and promotion of competition in the ICT sector.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Licensing and Compliance Programme is one of the core Programmes and contributes to the Authority's outcomes stated in the Authority's Strategic Plan 2020/21 – 2024/25. For the year under review, the Programme contributed to three (3) outcomes, namely: Access to quality broadband services increased; Competition in the ICT Sector Promoted; and Status of Social Cohesion (inclusive of Diversity of Views) enhanced.

To contribute to the outcomes for the period under review, the Programme, planned eight (8) outputs which included the process to issue radio frequency spectrum licences to successful bidders from the IMT Spectrum Auction completed, the Process to review the Numbering Plan Regulations completed, Process to Monitor 2021 Municipal Elections Coverage completed, Process to amend Processes and Procedures Regulations for Individual Licenses completed and process to license community sound Broadcasting Services completed., The Programme achieved all eight (8) planned targets for the year under review as follows:

The Authority issued the radio frequency spectrum licenses to successful bidders from the IMT Spectrum Auction, enabling licensees to roll out broadband access networks in the country, including 5G networks, to boost access to quality broadband services and bridge the digital divide. The Licensees are also expected to connect public service institutions, which include public schools, public hospitals, clinics, libraries, and traditional offices. The public will realise the benefit of the IMT auctioned spectrum by having zero-rated access to the websites of the qualified public benefit organisations.

The Authority undertook a process to amend the Numbering Plan Regulations, 2016, to address the possible exhaustion of numbering resources. Changes in the electronic communications environment necessitated a review of the numbering plan regulations to improve the application requirements relating to numbering resources, introduce a security feature in order to protect subscribers, improve the retention and recycling of numbering resources, and update definitions to align with international standards.

The Authority is mandated to regulate and monitor Party Elections Broadcasts ("PEBs"), Political Advertisements ("PAs") and the equitable treatment of political parties by broadcasting Licensees during the election period by the ECA. In the year under review, the Authority successfully completed and published the Report in respect of 2021 Municipal Elections Coverage.

The Authority published the amended Processes and Procedures Regulations for Individual Licenses. These amendments provide clarity on the Authority's processes with respect to the Broadcasting, Electronic Communications and Electronic Communications Network Services for Individual Licenses. Further, the amendments will enhance compliance and streamline the submission of documents to the Authority.

Five (5) applicants were compliant with the pre-registration requirements of the community sound broadcasting services licensing process. These applicants have proceeded to the second Phase of the licensing as provided for in the ECA.

PROGRAMME 2: LICENSING AND COMPLIANCE							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **ACCESS TO QUALITY BROADBAND SERVICES INCREASED**							
Process to issue radio frequency spectrum licences to successful bidders from the IMT Spectrum Auction completed	Percentag e of the process to issue radio frequency spectrum licences to successful bidders from the IMT Spectrum Auction completed	0%	100%	100%	100%	None	None
OUTCOME: **COMPETITION IN THE ICT SECTOR PROMOTED**							
Process to review the Numbering Plan Regulations	Percentage of the process to review the Numbering Plan Regulations completed		50%	100%	100%	None	None
Process to amend Standard Terms and Conditions Regulations for Individual Licenses	Percentage of the process to amend the Standard Terms and Conditions Regulations for Individual Licenses completed		50%	100%	100%	None	None
Process to amend Processes and Procedures Regulations for Individual Licenses	Percentage of the process to amend Processes and Procedures Regulations for Individual Licences completed		50%	100%	100%	None	None
Process to develop a benchmar king report in respect of the licensing of a Wireless Open Access Network Operator	Percentage of the process to develop a benchmark report in respect of the licensing of a Wireless Open Access Network Operator	50%	100%	100%	100%	None	None

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **STATUS OF SOCIAL COHESION (INCLUSIVE OF DIVERSITY OF VIEWS) ENHANCED**							
Process on the Licensing of digital community television broadcasting services on MUX 1 completed	Percentage of the process to license digital community television broadcasting services on MUX 1 completed	50%	100%	50%	50%	None	None
Process to Licence Community Sound Broadcasting Services completed	Percentage of the process to licence Community Sound Broadcasting Services completed			100%	100%	None	None
Process to Monitor 2021 Municipal Elections Coverage completed	Percentag e of the process to monitor the 2021 Municipal Elections Coverage completed		50%	100%	100%	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against the allocated budget for the financial year under review and the previous financial year. The Licensing and Compliance Programme was allocated R195 million for the year under review. The Programme used R78 million of the allocated funds to achieve its planned outputs for the financial year, which included gazetting/publishing, amongst other planned activities. The programme had an under expenditure of R117 million, the under- expenditure was primarily due to planned international travel (physical meetings for benchmark studies) that did not materialise due to the unavailability of identified stakeholders/regulators for the project relating to the licensing of a Wireless Open Access Network Operator. Further, on the licensing of IMT spectrum, under-expenditure was due to the non-materialisation of litigation as envisioned and no spending on the consultation process for the social obligations.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

There were no areas of under performance in the Programme during the financial year under review. The Programme managed to achieve all its targets on planned outputs.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 2: LICENSING AND COMPLIANCE	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	70 857	60 648	10 209	71 035	70 209	827
Projects	75 620	34 190	41 430	124 708	8 072	116 636
Total	**146 477**	**94 839**	**51 638**	**195 743**	**78 281**	**117 463**

4.3 PROGRAMME 3: POLICY, RESEARCH AND ANALYSIS

Purpose: To conduct research and policy analysis into all the regulatory sectors in line with the mandate of the Authority.

In alignment with the seven (7) national priorities, the programme must contribute to the national priority of economic transformation and job creation through its promotion of competition in the ICT sector outcome delivery.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Policy, Research and Analysis Programme ("PRA") is one of the core Programmes and contributes to three of the five planned outcomes in the Authority's Strategic Plan 2020/21 – 2024/25, namely: 'Status of Social Cohesion (inclusive of Diversity of Views) enhanced', 'Rights of Consumers Protected', and 'Competition in the ICT Sector Promoted'. In the year under review, work was done towards the achievement of the outcomes by working towards the delivery of the eight (8) outputs, of which it delivered five (5).

The Programme successfully delivered the following five (5) outputs aimed at protecting the rights of consumers:

(a) SAPO tariffs – aims to protect the rights of consumers by ensuring affordable postal services in the reserved postal services market by regulating and monitoring prices charged by SAPO in each financial year.

(b) Review of Regulations on the Conveyance of Mail, 2009 – aims to regulate the conveyance of mail and general powers and duties of the conveyors; legal ownership and possession of mail; and eradicate the exposure of mail to loss, damage, and fraud.

(c) Bi-annual tariff analysis reports which promote the transparency of telecommunications tariffs charged by licensed operators to assist consumers to make better choices; and

(d) Post-hearing report document on regulations relating to the definition of advertising and the regulation of Infomercials and Programme Sponsorships in respect of Broadcasting Activities, which aims to protect viewers from both excessive advertisement in programming and from surreptitious advertising.

(e) SAPO Regulated Financial Statements – aims to promote the interests of users of postal services in respect of the cost of reserved services.

The Programme was not able to complete delivery of the following three (3) outputs aimed at promoting competition in the ICT sector:

(a) Reviewing the 2018 Call Termination Regulations – Call Termination rates regulations promote effective competition between operators and the reduction in the call termination rates has benefited consumers as the lower rates are passed on through lower voice call rates.

(b) Findings document on Signal Distribution Services – aims to analyse the competitive landscape in the signal distribution market considering the importance of the signal distribution services as an input for the provision of broadcasting services; and

(c) Findings Document on Subscription Television Broadcasting Market - aims to assess the state of competition and determine whether there are markets or market segments within the subscription broadcasting services value chain which may warrant regulation in terms of section 67(4) of the ECA.

One (1) out of the eight (08) outputs addresses the needs of children i.e. the Review of Advertising, infomercials, and programme sponsorship regulations.

PROGRAMME 3: POLICY RESEARCH AND ANALYSIS

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **RIGHTS OF CONSUMER S PROTECTED**							
SAPO tariffs analysis report	Number of SAPO tariffs analysis reports approved	1	1	1	1	None	None
Discussi on document on the Conveyance of Mail	Number of discussion documents on the Conveyance of Mail produced			1	1	None	None
Assessment of Regulated Financial Statements (RFS)	Number of SAPO Regulation Financial Statements assessed			1	1	None	None
Regulation relating to the definition of advertising, Infomercials and Programme Sponsorship in Respect of Broadcasting service	Number of regulations relating to the definition of advertising, Infomercials and Programme Sponsorship in Respect of Broadcasting service developed	1	1	0.75	0.75	None	None
Bi- annual tariff analysis reports	Number of bi-annual tariff analysis reports produced	2	2	2	2	None	None
OUTCOME: **COMPETITION IN THE ICT SECTOR PROMOTED**							
Findings document on subscription television broadcasting market	Number of findings documents on subscription television broadcasting market developed	0.80	0	1	0	-1	Failure to procure the services of a consultant due to non-responsive bids
Findings documents on Signal Distribut ion Services	Number of findings documents on Signal Distribution Services produced		1	1	0.50	-0.50	Delays in the appointment of the service provider due to delays in the finalisation of the SCM process.
Regulations on Call Termination	Number of regulations on Call Termination developed		1	1	0	-1	Delays in the appointment of the service provider due to delays in the finalisation of the SCM process.

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditures against the allocated budget for the financial year under review and the previous financial year. The Programme was allocated R71 million for the year under review. The Programme has spent in line with the budget to achieve its planned outputs for the financial year. The main expenditure was on the publications, public hearings, and appointment of consultants. The under expenditure was due to the three outputs not being achieved (i.e., findings document on subscription television broadcasting market; findings document on signal distribution services; and regulations on call termination), due to the delays in the appointment of the service providers as a result of delayed SCM processes, the non-responsive bids, as well as publication costs whose expenditure did not usurp all the budget.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The Programme conducted engagements with SCM department to consider alternative procurement methods considering the non-responsive bid on the Subscription Television Broadcasting project. The project has been included in the APP for the 2023/24 financial year.

The challenges faced on the Review of the Call Termination Regulations project and Signal Distribution Market Inquiry have been resolved and work has since commenced. The projects will be finalised in the 2023/24 financial year.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 3: POLICY RESEARCH AND ANALYSIS	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	22 609	22 255	354	28 274	24 674	3 600
Projects	17 225	3 689	13 536	42 933	2 793	40 140
Total	**39 835**	**25 945**	**13 890**	**71 207**	**27 467**	**43 740**

4.4 PROGRAMME 4: ENGINEERING AND TECHNOLOGY

Purpose: To develop, coordinate and manage the regulatory framework for management of radio frequency spectrum including development of equipment technical standards and representing ICASA at international regulatory forums. Among the seven (7) national priorities, the programme must contribute to:

- economic transformation and job creation.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Programme achieved the annual targets set for seven (7) outputs out of eight (8) for the financial year under review, namely, Radio Frequency Migration plan implemented, IMT Roadmap implemented, Monitoring Report on the impact of the 5G deployment in the ICT sector in South Africa produced, Position Paper for Optimisation of the Frequency Modulation Sound Broadcasting produced, Discussion Document on Dynamic Spectrum Access and Opportunistic Spectrum Management produced, Provinces Monitored for Quality of Service and Amended Regulations on the End-User and Subscriber Service Charter produced.

The Frequency Migration Plan implemented and IMT Road Map implemented outputs culminate in regulatory frameworks that enable access to broadband wireless services and improved quality of services by consumers. These contribute to the Programme and South Africa's access to quality broadband services increased outcome. In line with the planned outputs, the Programme published eight (8) Draft Radio Frequency Spectrum Assignment Plans (RFSAPs) for Specific Services on 28 November 2022 for public consultation, on 20 December 2022 and 31 March 2023 published seven (7) and three (3) final RFSAPs for IMT respectively; produced reports on the implementation of Radio Frequency Migration Plan and implementation of IMT Roadmap.

5G is one of those emerging ICT technologies that will have a positive impact on improved societal services and a disruptive effect on several key industries. South Africa stands to benefit from the 5G wave early on and has already begun a 5G Forum with public and private sector participation. 5G services are now widely available, and mobile 5G deployments are under way in all regions, operators, service providers and users alike are facing the early phase of massive 5G adoption. The aim is to perform an impact analysis on the early phase of the deployment and experiences. Therefore, provide a monitoring report to assist with future recommendations.

The Programme produced the Monitoring Report on the impact of the 5G deployment in the ICT sector in South Africa in the year under review, which has contributed to the Access to Quality Broadband Services Increased outcome.

The Optimisation of the Frequency Modulation Sound Broadcasting aims to optimise the sound broadcasting frequency assignment plan with the view of re-planning the Terrestrial Broadcasting Frequency Plan 2013 in accordance with the re-planning process of the Geneva 84 plan regarding FM.

The achievement of the Position Optimisation of the Frequency Modulation Sound Broadcasting produced output contributes to South Africa's to the Social Cohesion, Diversity and Plurality of Views enhanced outcome as this will increase the amount of Spectrum to be availed for the Triple Tiers of Broadcasting, that is, Public, Commercial and Community Sound soon. The Programme published a Position Paper (Government Gazette No. 48333) on 30 March 2023.

The Dynamic Spectrum Access aims to develop the framework for the second phase of Dynamic Spectrum Access and Opportunistic Spectrum Management. The first phase was the framework for the Television White Spaces (TVWS), which has been developed and implemented. The second phase was looking into introducing the Dynamic Spectrum

Access framework beyond the TVWS bands. The Discussion Document on Dynamic Spectrum Access and Opportunistic Spectrum Management produced output contributes to the Programme and South Africa's access to quality broadband services increased outcome. The Programme published the Discussion Document on 31 March 2023 (Government Gazette No. 48352 (Notice NO. 3242 of 2023)).

The Quality-of-Service monitoring is aimed at assessing the performance of voice and data services provided by the Mobile Network Operators to subscribers. The provinces monitored for Quality-of-Service output contribute to the Rights of consumers' protected outcome and ensure increased customer satisfaction for the subscribers of mobile services. Further, the output achieved ensured compliance with the provisions of End-User and Subscriber Service Charter Regulations by the Mobile Network Operators with respect to the quality of service for voice and data offered to consumers by mobile network operators. Seven (7) provinces were monitored for Quality-of-Service and monitoring reports produced.

The Amendment of the "End-User and Subscriber Service Charter regulations of 2016" output focused on the review and updating of current Regulations 8 (A, B and C) and Chapter 12 on Quality of Service (QoS) parameters and others. Regulation 8 deals with the roll-over/transfer of voice, SMS, and data. Regulation 12 deals with additions of data measurement parameters. The Amendment of the "End-User and Subscriber Service Charter regulations of 2016" output contributes to the Rights of consumers' protected outcome. The Programme published the Amended the "End-User Subscriber Service Charter regulations" on 28 March 2023 (Government Gazette No. 48318 (Notice NO. 3207 of 2023)) in respect of additions of data measurement parameters.

PROGRAMME 4: ENGINEERING AND TECHNOLOGY							
OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **ACCESS TO QUALITY BROADBAND SERVICES INCREASED**							
Radio Frequency Migration plan impleme nted	Percentage of Radio Frequency Migration plan implemented		50%	100%	100%	None	None
IMT roadmap implemented	Percentage of IMT roadmap implemented	0%	75%	100%	100%	None	None
Monitoring Report on the impact of the 5G deployment in the ICT sector in South Africa produced	Number of reports on the monitoring of the impact of the 5G deploymen t in the ICT sector in South Africa produced	1	1	1	1	None	None
Discussion Document on Dynamic Spectrum Access and Opportunistic Spectrum Management produced	Number of Discussion Documents on Dynamic Spectrum Access and Opportunis tic Spectrum Management produced			1	1	None	None
OUTCOME: **STATUS OF SOCIAL COHESION (INCLUSIVE OF DIVERSITY OF VIEWS) ENHANCED**							
Position Paper for Optimisation of the Frequency Modulation Sound Broadcasting produced	Number of Position Papers for Optimisation of the Frequency Modulation Sound Broadcasting produced	1	1	1	1	None	None

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: **RIGHTS OF CONSUMERS PROTECTED**							
Provinces monitored for Quality of service	Number of provinces monitored for Quality of Service	4	6	7	7	None	None
Regulations on Rapid Deployment as required under Chapter 4 of the ECA produced	Number of Regulations on Rapid Deployment as required under Chapter 4 of the ECA produced		0	0.5	0	-0.5	The project could not be finalised during 2022-23 FY due to late finalisation of the Policy and Policy Direction by the Minister. Therefore, draft Regulations on Rapid Deployme nt could not be produced in the absence of Final Policy and Policy Direction during the 2022-23 FY.
Amended Regulations on End-User and Subscrib er Service Charter produced	Number of Amended Regulation s on End-User and Subscriber Service Charter produced			1	1	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review as well as for the previous financial year. Actual expenditure of R30million was spent to date against the full year funds available of R44 million towards the delivery of the planned outputs. Underspending of R 14 million was mainly on the following budget items:

- Rapid deployment output that was not achieved due to the Final Policy and Policy Direction on Rapid Deployment that was only published by the Minister on 31 March 2023, the budget for the output was therefore not utilised.
- Expenditure not incurred on the repairs & maintenance on monitoring sites.
- Staff costs – moratorium on vacant posts.
- Project costs – Travel & Consultants costs not incurred.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Programme did not achieve the annual targets set for one (1) output out of eight (8) for the financial year under review namely, Regulations on Rapid Deployment as required under Chapter 4 of the ECA.

Non-achievement of the target on Regulations on Rapid Deployment as required under Chapter 4 of the ECA was due to the Minister's non-finalisation of the Policy and Policy Direction contemplated in Chapter 4 of the ECA during the financial year under review. In terms of the ECA, the Regulations must follow after promulgation of the Policy and Policy Direction. The Minister published the Policy and Policy Direction contemplated in Chapter 4 of the ECA on 31 March 2023 for consideration by the Authority. The project will commence during 2023-24 financial year.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 4: ENGINEERING AND TECHNOLOGY	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	20 866	14 359	6 507	22 396	19 102	3 294
Projects	37 260	8 263	28 997	21 981	11 187	10 794
Total	**58 125**	**22 621**	**35 504**	**44 377**	**30 288**	**14 089**

4.5 PROGRAMME 5: REGIONS AND CONSUMER AFFAIRS

Purpose: To enable unimpeded national provision of electronic communications, broadcasting and postal services through compliance monitoring and enforcement.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Regions and Consumer Affairs is one of the core Programmes and contributes to two of the five planned outcomes in the ICASA's Strategic Plan 2020/21 – 2024/25, namely: 'Rights of Consumers Protected', and 'Organisational Service Delivery Maintained'.

The mandate of the Authority requires it to regulate in the interest of all South African consumers including women, children and people with disabilities and protect them against harmful business practices by licensees and illegal operators within the sector.

The Programme's activities are executed across all nine (9) provinces of the country to ensure that service delivery and consumer protection is afforded to all members of society, irrespective of their demographic profile.

The Programme has, in the 2022/23 financial year, achieved all its output targets on the resolution of reported interference cases, improvement of service delivery with respect to the processing of various types of class licences and registration, resolution of consumer complaints and the tabling of a Consumer Advisory Panel (CAP) advisory to Council.

PROGRAMME 5: REGIONS AND CONSUMER AFFAIRS

OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMAN CE 2021/2022	PLANNED ANNUAL TARGET 2022/2023	ACTUAL ACHIEVEM ENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEM ENT 2022/2023	REASONS FOR DEVIATION
OUTCOME: RIGHTS OF CONSUMERS PROTECTED							
Reported Radio Frequency interference cases resolved in 30 working days	Percentage of reported Radio Frequency interference cases resolved in 30 working days	99.5%	99%	97%	98%	1%	The resolution of interference complaints is prioritised to ensure minimal disruptions to services for consumers and stakeholders
OUTCOME: MAINTAINED ORGANISATI ONAL SERVICE DELIVERY							
Processed licence applications/ registrations within turn-around time	Level of service delivery with respect to Licence applications/ registrations processed within turn-around time		Level 2	Level 2	Level 4	2 Levels	The volume of applications processed and issued varied in the 4 quarters. The combined annual target was achieved at level 4.
OUTCOME: RIGHTS OF CONSUMERS PROTECTED							
Consumer complaints resolved	Percentage of consumer complaints resolved	95%	95%	87%	96%	9%	Compliance by licensees
Consumer Advisories provided to ICASA by the Consumer Advisory Panel	Number of Advisories provided to ICASA by the Consumer Advisory Panel	1	1	1	1	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against the allocated budget for the financial year under review and the previous financial year. The Regions and Consumer Affairs Programme spent R89million against the allocated R102 million for the year under review. Underspending of R 13,2 million was mainly on the following budget items:

- Office rentals – due to expired lease agreements.
- Travel costs that were less than planned.
- Staff costs – moratorium on vacant posts.

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

There were no areas of under performance in the Programme during the year under review, the Programme managed to achieve on all its planned targets.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 5: REGIONS AND CONSUMER AFFAIRS	2021/2022			2022/2023		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
OPEX	112 042	82 338	29 704	99 650	87 372	12 278
Projects	318	2	316	2 822	1 840	981
Total	**112 360**	**82 340**	**30 020**	**102 471**	**89 213**	**13 259**

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES (RECEIVED)

The Authority received the normal grant of R469 million and ring-fenced funding of R300 million in 2022/23 financial year, this was 100% in line with the ENE allocation letter from DCDT. Whilst the normal grant was utilised towards ensuring main commitments inter alia staff costs, office rental costs, IT infrastructure, maintenance of equipment & vehicles, travel costs etc. The ring-fenced funding successfully allowed the first round of High Demand spectrum to happen. The remaining funds on ring-fenced will still be utilised in 2023/24 financial year towards the second round of auctioning Lot 9 spectrum and infrastructural multifaceted projects.

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000)	AMOUNT SPENT BY THE PUBLIC ENTITY (R'000)	ACHIEVEMENTS OF THE PUBLIC ENTITY
DCDT transfer to ICASA	Ensure access to quality broadband services, issue licences, perform regulatory & monitoring functions, Consumer protection.	R 469 431 R 300 000	R 495 384 R 31 664	Spectrum auction, Frequency migration & IMT roadmap implementation, Amendment of Processes and Procedures Regulations for Individual Licenses, QoS Monitoring in 7 provinces.

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

No transfers were made to other entities.

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

R 300 million was received towards auctioning of both High Demand and WOAN spectrum and infrastructural multifaceted projects linked to spectrum.

The amount of R 300 million was received from DCDT in the first round of High Demand spectrum auctioning. The remaining funds will still be utilised towards second round of spectrum auctioning and for the linked multifaceted spectrum projects.

The table below details the conditional grants and earmarked funds received during the period 1 April 2022 to 31 March 2023.

CONDITIONAL GRANT	
DEPARTMENT THAT TRANSFERRED THE GRANT	Department of Communications and Digital Technologies
PURPOSE OF THE GRANT	Regulatory functions.
EXPECTED OUTPUTS OF THE GRANT	Execution of regulatory activities
ACTUAL OUTPUTS ACHIEVED	Access to quality broadband services increased (Spectrum auction and process amendments), QoS monitoring
AMOUNT PER AMENDED DORA	
AMOUNT RECEIVED (R'000)	R 300 000
REASONS IF AMOUNT AS PER DORA WAS NOT RECEIVED	N/A
AMOUNT SPENT BY THE DEPARTMENT (R'000)	R 31 664
REASONS FOR THE FUNDS UNSPENT BY THE ENTITY	Second round of spectrum auctioning still to take place and other spectrum linked multifaceted projects
REASONS FOR DEVIATIONS ON PERFORMANCE	
MEASURES TAKEN TO IMPROVE PERFORMANCE	
MONITORING MECHANISM BY THE RECEIVING DEPARTMENT	Monthly/ quarterly reports and project status updates.

7. DONOR FUNDS

No donor funds were received.

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE, AND ASSET MANAGEMENT PLAN

The Authority does not have major infrastructure projects. R 2 371 415 was spent on normal capex, mainly on office renovations (leasehold improvements) and computer equipment.

PART C
GOVERNANCE

INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance about public entities is applied through the precepts of the PFMA and run in tandem with the principles contained in the King Report on Corporate Governance.

THE ACCOUNTING AUTHORITY

The Council of ICASA acts as the Accounting Authority and is accountable to the Executive Authority. The Council provides leadership and is responsible for monitoring the implementation by management of its decisions and strategies. The Council ensures that ICASA adheres to good governance practices and that it complies with all relevant legislation and underlying statutes.

REGULATORY ROLE

- Licensing of electronic communications
- Licensing of broadcasting services
- Licensing of postal services
- Development of regulations for all regulated sectors

GOVERNANCE ROLE

- Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the Minister and Parliament, as well as other stakeholders along corporate governance principles;
- Provide effective leadership on an ethical foundation;
- Ensure that ICASA is, and is seen as, a responsible organisation by having regard to not only the financial and regulatory aspects of ICASA, but also the impact ICASA's operations have on the environment and the society within which it operates;
- Ensure that ethics are effectively managed within ICASA;
- Ensure that ICASA has an independent and effective Audit, Risk, Ethics and Disclosures Committee;
- Responsible for the governance of risk;
- Responsible for information technology governance;
- Ensure that ICASA complies with applicable laws and considers adherence to non-binding rules and standards;
- Ensure that there is an effective risk-based internal audit;
- Appreciate that stakeholders' perceptions affect ICASA's reputation;
- Ensure the integrity of ICASA's integrated report;
- Act in the best interests of ICASA by ensuring that individual Councillors adhere to legal standards of conduct;
- Ensure that ICASA Council and Councillors take independent advice in connection with their duties following an agreed procedure;
- Disclose real or perceived conflicts to Council and deal with them accordingly;
- Appoint and evaluate the performance of the CEO;
- Ensure that disputes, including labour disputes, are resolved effectively, efficiently and expeditiously;
- Monitor management in implementing Council decisions and strategy; and
- Develop ICASA's strategy and vision.

THE COUNCIL CHARTER

The Council of the Authority endorses the principles recommended in the King Code of Good Governance. The Council applies these principles where appropriate and applicable, on the condition that the King Code is not in contravention with constitutional and legislative mandates. The Council has an approved Charter that sets out policies to guide it, as well as the management and staff to effectively discharge their duties.

The Council Charter outlines:

- The demarcation of roles, responsibilities and powers of the Chairperson;
- Councillors and the Chief Executive Officer;
- Powers delegated to various committees of the Authority;
- Matters reserved for final decision-making by Council; and
- Roles and procedures of meetings of Council and its committees.

ICASA Councillors are appointed through a public parliamentary process outlined in the ICASA Act. The term of office of the Chairperson is five years and that of Councillors is four years.

NAME	DATE APPOINTED	QUALIFICATION
Yolisa Kedama (Acting Chairperson)	15/09/2020	• MA in ICT Policy and Regulation • BSc (Applied Mathematics and Chemistry) • National Diploma in Electrical Engineering • Certificate in Financial Management
Dr Charley Lewis	24/08/2020	• PhD (Information and Communications Technologies) • MComm in Management of Information Systems • BA Hons in English • Higher Education Diploma • Published author, with his book, Regulating Telecommunications in South Africa: Universal Access and Service (Palgrave Press, 2020) following on from the research for his award-winning PhD thesis
Adv. Luthando Simphiwe Mkumatela	01/09/2020	• LLM in International Law • LLM in Aviation and Space Law • Certificate in Telecommunications Regulation
Peter Zimri	24/08/2020	• MA in ICT Policy and Regulation • Holds various electronic engineering qualifications and credits in telecommunications and broadcasting
Nompucuko Nontombana	01/11/2022	• Master of Business Leadership • Master of Philosophy in Economic Policy • Honours Degree in Economics • Bachelor of Social Science
Dikeledi Cathrine Mushi	01/11/2022	• MA in ICT Policy and Regulation • Honours in Industrial Sociology • Bachelor of Arts • Various certificates of competence on Accelerated Leaders in Digital Business Programme, Competition Law and the African Management Programme.
Ntombiza Patience Sithole	01/12/2022	• BTech degree in Public Relations and Communications • Advanced Management Development Programme • Non-financial management certificate.
Thabisa Faye	01/12/2022	• MA in International Development Management • Honours Degree in Development Studies from the University of the Western Cape • Project Management Certificate from the University of Witwatersrand.

NAME	DATE ENGAGED	JOB TITLE	DATE TERMINATED
Dr. Keabetswe Modimoeng	2020/08/21	Chairperson	2022/06/08

DETAILS OF COUNCIL-LED PROJECTS – 2022-23 FINANCIAL YEAR

DIVISION	PROJECT	PROJECT SUMMARY
Engineering and Technology	Implementation the Radio Frequency Migration Plan	This is a multi-year project aimed at implementing the Radio Frequency Migration Plan (RFMP) 2019 by developing Radio Frequency Spectrum Assignment Plans (RFSAPs). Radio Frequency migration is the migration of users of radio frequency spectrum within the same band or other Radio frequency bands in accordance with the National Radio Frequency Plan (NRFP). The Frequency Migration Plan governs the migration of the services identified in the NRFP. This process is followed to avail the identified broadband spectrum, including International Mobile Telecommunications (IMT) allocated spectrum, in the IMT roadmap. The availability of broadband services to the entire population of South Africa will drive active participation in the digital economy as envisaged by the Fourth Industrial Revolution which will be enabled by 5G technology. The consultation document on the implementation of the RFMP was published in the 2021-22 Financial Year. Implementation of the RFMP was completed in 2022-23 Financial Year through the publication of the RFSAPs for specific services.
	Implementation of the IMT Roadmap	This is a multi-year project aimed at implementing the IMT Roadmap 2019 by developing RFSAPs for bands identified for IMT service, in accordance with NRFP. The IMT Roadmap governs the development of RFSAPs for the bands identified in the NRFP for IMT service. This process is followed to avail the identified broadband allocated spectrum in the IMT Roadmap. The availability of broadband services to the entire population of South Africa will drive active participation in the digital economy as envisaged by the Fourth Industrial Revolution which will be enabled by 5G technology. The consultation document on the implementation of the IMT Roadmap was published in the 2021-22 Financial Year. Implementation of the IMT Roadmap was completed in the 2022-23 Financial Year through the publication of the RFSAPs for IMT service.
	Framework for Dynamic Spectrum Access and Opportunistic Spectrum Management	The Dynamic Spectrum Access project aims to develop the framework for the second phase of Dynamic Spectrum Access and Opportunistic Spectrum Management. The first phase was the framework for the Television White Spaces (TVWS), which has been developed and implemented. The second phase is looking into introducing Dynamic Spectrum Access beyond the TVWS bands. In the 2022-23 Financial Year, a discussion document on the Framework for Dynamic Spectrum Access and Opportunistic Spectrum Management was published for public consultation. In 2023-24 Financial Year, the project aims to deliver a findings document and a position paper on Dynamic Spectrum Access and Opportunistic Spectrum Management for Bands beyond the Broadcasting Bands.

DIVISION	PROJECT	PROJECT SUMMARY
Engineering and Technology	Optimization of the Frequency Modulation Sound Broadcasting	The main purpose of optimisation is to achieve an efficient use of the VHF 87.5-108 MHz ("FM") band for analogue sound broadcasting and to allocate new frequencies to FM broadcasting to meet the increasing need for additional frequencies in African countries. Further to re-plan the Terrestrial Broadcasting Frequency Plan 2013 in accordance with the re-planning process of the Geneva 84 plan regarding FM. In the 2021-22 Financial Year, a Discussion Document was published for public consultation. In 2022-23 Financial Year, Position Paper and Findings Document were on Optimisation of the Frequency Modulation Sound Broadcasting were published.
	Amendment of End-User and Subscriber Service Charter Regulation	This is Project is aimed at amending of the End-User and Subscriber Service Charter Regulations of 2016. The process entails the review of current Quality of Service (QoS) parameters, additions in Chapter 8, and additions in Chapter 13 relating "Data Service "parameters. Amendment Regulations 2023 were published in 2022-23 Financial Year in respect of Quality-of-Service parameters of the regulations. The Authority deferred the amendment of regulation 8(A) and 8(B), as it intended to undertake further consultations regarding inputs received from various stakeholders. The second amendment of the End-User and Subscriber Service Charter Regulations in respect of the deferred regulations will be finalised in the 2023-24 Financial Year
	Monitoring of the impact of the 5G deployment in the ICT sector in South Africa	This is a multi-year project aimed at making South Africa ready for the deployment of 5G services by making recommendations towards enabling South Africa's uptake of 5G technologies. On a global scale, with 5G services now widely available, and mobile 5G deployments under way in all regions, operators, service providers and users alike are facing the early phase of massive 5G adoption. There is no current South African Strategy to ensure a better uptake of 5G services. The aim of the project is to recommend a South African Strategy to better the uptake of 5G Services and emerging technologies. A report with recommendations on monitoring the impact of 5G deployments in the ICT Sector in South Africa was completed in 2022-23 Financial Year. In 2023-24 Financial Year, the project aims to deliver Recommendations on the South African Strategy for IMT2020 and Emerging Technologies.

DIVISION	PROJECT	PROJECT SUMMARY
Engineering and Technology	Regulations on Rapid Deployment as required under Chapter 4 of the ECA	This is a multi-year project. The goal of the project is to expand access to affordable, high-quality internet connectivity. The goal will be achieved by developing regulations on rapid deployment of electronic communications infrastructure and facilities. The Authority planned to produce draft regulations during 2022-23 Financial Year. However, draft regulations could not be finalised during 2022-23 Financial Year due to late finalisation of the Policy and Policy Direction by the Minister. Therefore, draft Regulations on Rapid Deployment could not be produced in the absence of Final Policy and Policy Direction during the 2022-23 Financial Year. It is anticipated that the Final Regulations will be finalised in 2025-26 Financial Year.
	Provinces monitored for Quality of service (Executive Led)	The Authority sets out an annual target to conduct QoS monitoring by quarterly drive tests in provinces based on the annual monitoring plan. The aim of the monitoring is to assess the QoS provided by the mobile operators as perceived by the users. Major towns, townships, farm areas, rural areas and two (2) major road arteries as per population densities, economic and tourism activities and previous complaints are part of the route selection criteria. The route covers areas where most operators claim to have network coverage through their own network and roaming arrangements with other network owners. The test phones are allowed to freely select network operator's frequency bands and the radio access technology. In the 2022-2023 the Authority conducted Quality of Service monitoring in seven (7) provinces (Eastern Cape, KwaZulu-Natal, Limpopo, Western Cape, North-West, Free State and Mpumalanga) for voice services and three (3) provinces (Free State, North-West and Mpumalanga) for data services. The monitoring reports were shared with the Mobile Operators to effect remedial actions in areas were QoS was poor.
Licensing and Compliance	Special Committee on Numbering Resource	The Special Committee was established to: conduct public hearing (where necessary), liaise with relevant and interested stakeholders on matters related to numbering and make decisions on the processes to be followed on the use of the numbering resources through Regulations
	Satellite Regulatory Framework Committee	Develop the Satellite Regulatory Framework including the review of satellite spectrum fees for high throughput satellite services
	Standards Liaison Committee (SLC)	The SLC acts as an interface between ICASA and industry specialists with the aim of advancing the standardization electronic communications equipment in South Africa;

DIVISION	PROJECT	PROJECT SUMMARY
Licensing and Compliance (continued)	Technical Equipment and Standards Committee	The committee dealt with the development and implementation of the Conformity Assessment Framework
	Amendment of standard terms and conditions for individual licences	The aim of the project is to ensure enhanced compliance and streamlined submission of documents to the Authority in line with market developments. The goal will be achieved by amending the current Standard Terms and Conditions for individual licences.
	Licensing of community sound broadcasting services	The aim of the project is to ensure diversity of views among South Africans through community sound broadcasting. The goal will be achieved through completing a process to licence community sound broadcasting services.
	Licensing of digital community television broadcasting services on MUX 1	The aim of the project is to ensure content offering for consumers and fair access to information and diversity of views representing communities. The goal will be achieved by completing the process to licence Digital Community Television Broadcasting Services on MUX 1.
	Universal Service and Access Obligations	The aim of the project was to to review and update the Universal Service and Access Obligation applied to Licensees as prescribed in in section 8 (2)(g) of the Electronic Communications Act 36 of 2005, as amended, (the "ECA")). • Amend Universal Access or Universal Service obligations of licensees, after consultation with the licensee, if required in terms of section 10 (1) (g)(i) and (ii) of the ECA. • Review and update the USAO regulatory framework for the designation of licensees to whom Universal Access and Universal Service obligations are to be applicable, and to prescribe additional terms and conditions in respect of the relevant Universal Access and Universal Service obligations on such designated licensees in terms of section 8(4) of the ECA.
Regions and Consumer Affairs	Consumer Advisory Panel (CAP) Regulations Review Committee	The Committee was established in May 2022 by Council to review the Consumer Advisory Panel Regulations of 2017. The previous CAP regulations had problems with the appointment process and the day-to-day functioning of CAP members that required to be addressed through a review process. The Committee published the Draft Consumer Advisory Panel Regulations together with the Explanatory Memorandum in the Government Gazette on 11 November 2022, calling for public comments. The Committee received submissions from interested parties, which were taken into consideration when drafting the final Consumer Advisory Panel Regulations. The regulations were not completed in the 2022 – 2023 Financial Year as the Committee was still working on them and they overlapped into the 2023 – 2024 Financial Year.

DIVISION	PROJECT	PROJECT SUMMARY
Policy, Research & Analysis	Signal distribution market inquiry	The purpose of the Inquiry is to assess the state of competition and determine whether there are markets within the signal distribution services value chain which may warrant regulation in the context of a market review in terms of section 67(4) of the ECA.
	Inquiry into Television Broadcasting Services	The purpose of the extended Inquiry is to assess the state of competition by considering recent technological and market trends and determine whether there are markets or market segments within the subscription broadcasting services value chain that may warrant regulation in the context of a market review in terms of section 67(4) of the ECA.
	Review Of Call Termination Amendment Regulations, 2018	The purpose of this project is to reduce costs of electronic communications for the benefit of consumers of electronic communications services. The goal will be achieved by promoting competition in the electronic communications sector through the review of the wholesale voice call termination rates in terms of section 67(8) of the ECA.
	Review of the Regulations on the Conveyance of Mail, 2009.	The purpose of this inquiry is to establish the effectiveness of Regulations on the Conveyance of Mail of 2009 in dealing with evolving consumer issues, especially when considering the decline in letter mail volumes, the growth of parcel mail and the concerns around data protection.
	Review of the Regulations relating to the definition of Advertising, Infomercials and Programme Sponsorship in Respect of Broadcasting services.	The purpose of the review is to ensure: • the protection of viewers from excessive advertising; • that advertising, infomercial and programme sponsorship is clearly distinguishable from normal programming; • that broadcasters maintain editorial independence and control over programming.
	Review of Digital Migration Regulations	The purpose of the project is to review the Digital Migration Regulations, 2012, and make recommendations to the Council on the review of these regulations: • To give effect to the Digital Migration Policy which will migrate broadcasting services from analogue to digital broadcasting technologies; • To clear the radio frequency spectrum occupied by broadcasters for IMT broadband services post the analogue switch off. • To attend to any matter incidental thereto.

AUDIT, RISK, ETHICS AND DISCLOSURES COMMITTEE REPORT

We are pleased to present the Audit, Risk, Ethics and Disclosures Committee (AREDC) Report for the financial year ended 31 March 2023, as required by the Public Finance and Management Act 1 of 1999 (PFMA) as amended.

AREDC is an independent statutory committee appointed by the Authority's Council. The duties of the Committee have been discharged in line with the approved terms of reference.

AREDC'S COMPOSITION AND MEETINGS' ATTENDANCE

AREDC consists of five (5) members made up of three (3) independent, Non-Executive members and two (2) Councillors.

The Committee meets at least four (4) times per year, as specified in its terms of reference (Charter). The following officials are standing invitees to the committee meetings:

- Chief Executive Officer,
- Chief Financial Officer,
- Chief Audit Executive,
- Executive: Legal, Risk & Complaints and Compliance Committee (CCC),
- The Risk and Compliance Specialist,
- Senior Manager – Strategy and Programme Management, and
- The Auditor General's team.

During the 2022-2023 financial year, eleven meetings were held.

The meetings' attendance details are depicted here below:

MEMBERS' DETAILS, APPOINTMENT DATES AND MEETINGS' ATTENDANCE				
MEMBERS		MS. J NKOSI	MR. K MAJA	MS. Y EXNER
Appointment date		16 April 2022	16 April 2022	16 April 2022
MEETING DATES	NATURE OF THE MEETING	AREDC MEMBERS' ATTENDANCE		
06 April 2022	Ordinary	✓	✓	✓
26 April 2022	Special	✓	✓	✓
23 May 2022	Special	✓	✓	✓
28 May 2022	Special	✓	✓	✓
30 May 2022	Special	✓	✓	✓
22 July 2022	Ordinary	✓	✓	×
01 September 2022	Special	✓	✓	✓
28 September 2022	Special	✓	✓	✓
21 October 2022	Ordinary	✓	✓	✓
01 December 2022	Special	✓	✓	✓
20 Jan 2023	Ordinary	✓	✓	✓

✓ denotes attendance × denotes non-attendance

The number of meetings was necessitated by the following:

- Special meetings for the approval of the 2022-23 Annual Financial Statements as well as the approval of the Quarterly Performance Information Reports for submission to the ministry.

CORPORATE GOVERNANCE

The Committee acknowledges management interventions in introducing proactive measures for monitoring employee and leadership's ethical conduct. The commitment towards maintaining an ethical culture is demonstrated by the existence of the fraud and corruption hotline managed by an external service provider and embedding the annual financial disclosure in the risk and compliance process.

FINANCIAL MANAGEMENT

An improvement is required to ensure that the Financial Statements submitted to the Auditor General are prepared in accordance with the financial reporting framework and free from material statements. Despite the use and appointment of an independent service provider, the quality of the submitted Financial Statements was not satisfactory. An urgent need exists to capacitate the Finance Division with experienced staff, provide training to the existing staff, and develop an audit action plan.

Management was urged to improve on measures to deter recurrence of the impairment of receivables from non-exchange transaction which were reported as potentially irrecoverable. Efforts are also required to improve the detective controls to avert the recurrence of the financial loss due to fraud.

COMPLIANCE MANAGEMENT

Assurance has been provided on monitoring compliance with applicable Laws and Regulations. The compliance maturity level remained at Level 3.

A concern was raised on non-compliance with PFMA and Treasury Regulation, in that, effective and appropriate steps were not taken to prevent irregular, fruitless and wasteful expenditure. This included the payment of invoices 30 days after receipt of an invoice. Despite interventions such as an organisation wide training and updating of the Supply Chain Management (SCM) policy, reoccurrence of findings in this area remains a concern.

The Committee acknowledges the progress made to significantly decrease the occurrence of irregular expenditure. This was attributed to the implemented combined assurance between SCM team & Internal Audit and ensuring continuous compliance. The established Loss Control Committee should expedite the investigations into the irregular expenditure to allow for implementation of consequence management against officials responsible.

Furthermore, the Committee acknowledges management intervention to address the system for receiving and recoding invoices to ensure that payments to suppliers are made within the regulated payment period (30 days). An improvement in the payment process will significantly improve the payment turn-around times. The committee will be monitoring this intervention on a quarterly basis to ensure compliance.

AUDIT OF PREDETERMINED OBJECTIVES

The organisation attained an audited annual performance of 87.5%, the achievement level is applauded given that officials employed a hybrid working arrangement and the limited resources within the Strategy & Programme Management Unit.

"The commitment towards maintaining an ethical culture is demonstrated by the existence of the fraud and corruption hotline managed by an external service provider and embedding the annual financial disclosure in the risk and compliance process."

RISK MANAGEMENT

The Committee noted the efforts in embedding risk management into the organisational culture. The risk management maturity was maintained at Level 3. The Committee continued to monitor the implementation of risk management action plans on a quarterly basis.

The management of potential and perceived conflict of interest remains a risk that should be urgently addressed to avoid legal ramifications. This includes investigation and providing feedback on incidents reported through the Fraud hotline.

The Audit, Risk, Ethics and Disclosures Committee is satisfied that the actual management of risks is receiving attention and has noted areas of improvement.

EFFECTIVENESS OF INTERNAL CONTROLS

Internal Audit provides proactive and reactive reasonable assurance to the committee on the adequacy and effectiveness of internal controls.

The audit reviews highlighted that significant improvement is required in the following areas:

- Management and regulation of the payment of suppliers with 30 days;
- Timely development of an audit action plan and monitoring thereof;
- Preparation of the financial statements that are free from material misstatements;
- Filling of vacant positions within IT, review of system administrator activities, data backup and disaster recovery capabilities and the IT network security vulnerabilities.

Management effort to stabilise the IT division is acknowledged with the recent appointment of the Chief Information Officer, however and urgent effort is required to invest in the IT resources to ensure the security and integrity of the processed information. In line with the Information Technology Review Committee (ITRC's) view, skills, capacity assessment and management need to be monitored and supported with a strategic plan.

IN-YEAR MANAGEMENT QUARTELY REPORTING

The Committee has consistently reviewed the financial, non-financial management and reporting practices. Significant improvement is required in the financial environment, due to high staff turnover, lack of capacity and repeat audit findings.

INTERNAL AUDIT

The Committee is satisfied that Internal Audit adequately discharged its functions and responsibilities during the year under review.

Internal Audit is commended for gearing up to the provisions of the newly amended Public Audit Act, in providing the alignment of the disclosed irregular, fruitless and wasteful expenditure to the National Treasury Framework.

An improvement has been noted within the SCM environment, this is attributable to the proactive assurance conducted by Internal Audit and management's efforts to implement the provided recommendations. An aggressive approach is however required to detect and prevent the incurrence of irregular expenditure in line with Section (1) c of the PFMA.

Reviews were concluded on performance management, compliance, governance, general controls, and security. Furthermore, value adding consulting engagements were also completed.

EXTERNAL AUDIT

We acknowledge management efforts of the Audit Steering Committee that continuously ensures the seamless statutory audit process.

The Committee has noted the Auditor General's concerns on the material amendments to the Financial Statements, prevention of irregular, fruitless and wasteful expenditure. Delays in the implementation of consequence management on instances where irregular, fruitless and wasteful expenditure were incurred and non-compliance with the SCM prescripts, laws and regulations and internal controls which were not always effective in detecting and recording irregular expenditure.

Having considered the Auditor General's final draft Management and Audit Reports, the Committee concurs with the Auditor General on the urgency to implement effective controls to detect and prevent irregular expenditure including the adherence to the prescribed payment periods and the implementation of consequence management. Management is urged to improve on processes to adhere to set audit deadlines and to effectively address disputes.

The committee applauds the team in efficiently conducting the audit.

COMBINED ASSURANCE

Collaborative efforts amongst various assurance providers are acknowledged with a noted area of improvement. A draft combined assurance framework developed, should be approved for implementation.

Internal Audit is urged to hone its methodology and approach to minimise duplicated efforts with the Auditor General and create efficiencies. The employed direct assistance by the Internal Audit for the Auditor General and reliance on the IT audit assurance is acknowledged as progress in improving the combined assurance.

To strengthen management assurance, the committee has resolved to elevate and closely monitor compliance reporting for financial controls, 30 day payment and all procurement by supply chain management until stability is attained within the Finance Unit.

Ms. JA Nkosi CIA, CISA
Chairperson of the Audit, Risk, Ethics and Disclosures Committee

RISK MANAGEMENT

ICASA is exposed to inherent risks in its core and non-core functions. ICASA adopted an enterprise-wide risk management approach to the management of risks. The Enterprise Risk Management (ERM) methodology is followed across all divisional areas.

ICASA Council approved the Risk and Opportunity Management Policy and Framework during the year under review.

ICASA's Risk and Opportunity Management Policy and Framework provides guidelines on how the risks that may threaten the achievement of its strategic outcome, output and operational objectives are identified and effectively managed within ICASA's risk tolerance levels.

There is continued implementation of ERM in line with the approved Risk and Opportunity Management Strategy and Policy, which assist ICASA to, inter alia, make informed decisions to enhance the achievement of the organisation's strategic outcomes and priorities.

During the year, risks were identified and assessed arising from internal and external environments.

The consolidated response to these risks is monitored for effective implementation through:

- An integrated and dynamic governance structure which continues to monitor the outcome, output and operational risks at business levels, and promote a sound risk culture.
- Well-defined material risk categories, known as Outcome Risks, for complete risk coverage.
- Comprehensive and structured processes for evaluating, responding to, and monitoring risks.
- An efficient risk culture stipulating an effective risk operating model and appropriate risk practices, tools, and techniques to support ICASA's strategy.

The Audit, Risk, Ethics Disclosure Committee (AREDC), during the quarterly meetings continued to provide its oversight role and ensuring efficient and effective management of ICASA's risk management activities.

All the risks identified by the business units were captured and reviewed on a quarterly basis.

BUSINESS CONTINUITY

The Risk and Compliance Department provides centralized coordination of ICASA's Business Continuity Management Policy and Framework.

ICASA Council approved the Business Continuity Management Policy for implementation during the year. The policy prescribes the application measures necessary to assure continued delivery of mission-critical services and mitigate the risks of unforeseen circumstances.

BUSINESS PERFORMANCE AND RISK MANAGEMENT FRAMEWORK

ICASA applies four (4) lines of defense model, which ensure the provision of independent and coordinated assurance within the organisation. The graphic below represents ICASA Enterprise Wide Risk Management Framework (ERM).

ICASA ERM OPERATING MODEL

1

As the first line of defense, operational managers own, manage and report on risks. Management assurance is provided via self-assessment procedures.

2

Second line of defense (Legal, Risk and compliance, Monitoring and Evaluation) leads the development and maintenance of the risk management and internal control frameworks and policies. Challenges opinions on risks and controls and provides advisory support to the first line regarding matters of risk oversight and monitoring.

3

The third line of defence (Internal Audit) is the independent assurance function providing overall assurance to Council on governance, risk management, and internal controls.

4

The fourth line of defense (Council, AREDC, ITRC, HR &REMCO) provide an oversight role in ensuring that there is adequate governance, risk management and internal control.

Core risk and compliance department competency → Identification → Assessment → Monitoring → Management

RISK POLICY AND STRATEGY

The Risk Management Policy and Strategy reflects ICASA's view of on ERM.

The implementation of the strategy is also reflected through the four (4) lines of Defence depicted.

ENTERPRISE RISK MANAGEMENT FRAMEWORK (ERMF)

The approach to risk management is outlined in ERMF. The framework enhances the implementation of risk management and is underpinned by the following:

1. Consistent governance structure at Business level.
2. Well-defined material Principal (outcome) risks.
3. Four (4) lines of defense.
4. Core risk competency.
5. Risk operating model with clear Roles and responsibilities.

Identifying and understanding the organisation's material risks is critical in the development and delivery of ICASA's strategy. In line with best-practice corporate reporting, ICASA's integrated Annual Report includes a comprehensive assessment of the principal risks facing the business, as well as those matters that both stakeholders and ICASA`s Council believe have a material bearing on the success of the business in both short and long-term. The risks identified through the risk assessment process were numerous and wide-ranging. The mitigation plans thereof were analysed and prioritised by senior management and reviewed and approved by Council.

ICASA recognises that risks are inherent in all its business activities. The risks, if not managed properly, can result in safety, financial, operational, or reputational impact. As understanding the risks and developing appropriate responses are critical to future success, ICASA is committed to an effective, robust system of risk identification, and an effective response to such risks, in order to support the achievement of our objectives.

The Authority takes a holistic risk management approach, and all risk management activities are aligned to corporate goals, objectives, and priorities with the aim of protecting and enhancing the reputation of the Authority.

The Authority identified six (6) strategic risk outcomes which may hinder the achievement of strategic outcomes and outputs.

The table below provides the risk mitigation measures implemented during the current financial year in respect of ICASA principal strategic outcome risks.

NO	RISK AND RISK DESCRIPTION	MITIGATION PLANS IMPLEMENTED
1.	Potential delays in regulatory interventions due to litigation by stakeholders resulting in delays to achieve ICASA mandate.	The division Legal Risk and Complaints and Compliance Committee (CCC) continued to provide legal advice to other Divisions, Committees and Council to safeguard the Authority's interests and to ensure that all its actions and decisions are legally compliant with the Constitution and enabling legislation.
	Risk movement The risk remained cautionary on quarter-to-quarter basis due to ICASA's operations.	↔
2.	Inability/limitation to execute our mandate independently due to political interference and/or undue influence (lobbying).	• Code of Ethical Conduct and Disclosure of Interest updated to enhance its effectiveness. • Effective Monitoring and Enforcement of the Code of Ethical Conduct and Disclosure of Interest. • Disclosure of financial interest in Council meetings, Council Committee meetings and Governance Committee meetings. • Annual financial disclosures continued to be implemented and regular assessment of financial disclosures.
	Risk movement The risk remained low on quarter-to-quarter basis.	↔

NO	RISK AND RISK DESCRIPTION	MITIGATION PLANS IMPLEMENTED
3.	Possible delays in the assignment of spectrum to radio communication in South Africa due to late approval of the National Radio Frequency Plan which may have impact on the implementation of spectrum that supports broadband. **Risk movement** The risk remained low on quarter-to-quarter basis.	• Adherence to process and procedures. • Promotion of effective engagement with the policymakers. • Regular engagement between ICASA and the Ministry in terms of Section 34 of the EC Act.
4.	Non-adherence by licensees to licence terms and conditions and regulatory requirements. **Risk movement** The risk remained low on quarter-to-quarter basis.	• Implementing transparent processes. • Adherence to process and procedures. • Effective engagement with the policymakers. • Effective Monitoring and Enforcement of regulations. • Periodical review of regulatory measures in place.
5.	Failure to achieve regulatory targets due to inadequate funding, reductions in MTEF allocations and mandate changes due to reconfiguration of entities and or policy/ legislative changes. **Risk movement** The risk was assessed at cautionary due to budgetary constraints.	Continued discussion on ICASA funding model. Reprioritisation of spending is continuously being implemented.
6.	Failure to ensure business continuity due to the COVID-19 pandemic which may result in low productivity and poor service delivery. **Risk movement** The risk was assessed lower	• Provided tools necessary for remote working to all staff. • Provided protective clothing and associated tools to all field workers. • Implementation of a cleansing routine to keep the premises clear of potential infections.

Downward risk **Upward risk** **Constant but good** **Constant but concerning**

"The Authority takes a holistic risk management approach, and all risk management activities are aligned to corporate goals, objectives, and priorities with the aim of protecting and enhancing the reputation of the Authority."

KEY CHANGES TO THE PRINCIPAL STRATEGIC OUTCOME RISKS

The risk of failure to achieve regulatory targets due to inadequate funding, reductions in MTEF allocations and mandate changes had an upward trend.

ICASA continue to monitor the risk through the re-allocation of funds. Engagements with the National Treasury and the Department of Communication and Digital Technologies are on-going for the funding model.

The risk of failure to ensure business continuity due to the COVID-19 pandemic, which may result in low productivity and poor service delivery, had a downward trend.

The state of National Disaster on COVID-19 has lapsed and the number of infections cases reported are low. ICASA continues to monitor the trends or changes.

FRAUD MANAGEMENT

The Authority's Fraud and Corruption Prevention Policy aims to create a culture of zero tolerance for fraud and provide guidelines on the prevention, detection, and investigation of incidents of corruption/fraud.

The Risk and Compliance Department conducted fraud risk assessments with all divisions. The controls included having relevant policies, standards, procedures, and guidelines. ICASA's independent external whistleblowing hotline service (fraud hotline) continues to guarantee employees, suppliers, consultants, and members of the public their anonymity when reporting any incidents of fraud. Awareness newsletters were issued through the internal news portal to provide awareness on fraud and encourage effective whistleblowing. The Council has a zero tolerance for fraud against employees and other stakeholders. During the year under review, no fraud incidents were reported against ICASA employees or any of the stakeholders. However, where fraud incidents are reported, they are investigated, and action is taken against perpetrators.

CODE OF ETHICS

ICASA perform its functions in the public interest. It promotes the principles of good ethical conduct in line with good governance principles, as set out in the Code of Ethical Conduct and Disclosure of Interest. The Council approved the updated Code of Ethical Conduct and Disclosure of Interest and its procedure manual to guide officials on the disclosure process. The Code outlines the minimum ethical standards of behaviour that is expected from all Officials of ICASA which include honesty, fair dealing, integrity, good morals, and ethical values in their conduct.

All officials are required to disclose any financial or business interest on an annual basis or when the need to do so arises. The Code also sets stringent standards relating to the acceptance of gifts from third parties and declarations of potential conflict of interest. The reports on financial disclosure are presented to AREDC on a quarterly basis.

Our employees, as well as service providers, must comply with the Code and policies, as well as applicable laws and regulations. The Code sets out the expectations we have for all service providers when dealing with ICASA officials, including expectations regarding ethical business practices.

Awareness workshops were conducted with officials on the Code to improve areas of compliance.

ICASA only accept reasonable, appropriate, and lawful gifts that satisfy the general principles of the Code, which are not received with the intent or prospect of influencing an official's decision-making or other conduct.

The fraud hotline is established and can be used by officials, stakeholders, and members of the public to report suspected unethical conduct. The hotline is available 24 hours and 7 days a week and caller can communicate with trained operators.

ICASA uses the electronic financial disclosure system to assist officials to declare their interest. The system continues to provide timeous disclosures of interest, approval of other remunerative work and registration of gifts.

COMPLIANCE

The Risk and Compliance Department coordinates and provides for the management of compliance within ICASA. A compliance management policy was approved by Council. The Risk and Compliance Department's coordinating role in compliance extends to ensure compliance obligations are met by developing and maintaining an appropriate Compliance Policy and framework to address the following.

- Identifying, assessing and monitoring compliance with applicable regulatory requirements;
- Promoting a culture of compliance and ethics;
- Reporting on compliance risks to the EXCO, AREDC and Council; and
- Compliance with laws and regulations applicable to ICASA operations is critical as non-compliance may have potentially serious consequences.

Legislations and policies identified as high risks were prioritised for monitoring and assessment in line with ICASA compliance Universe and included in the Annual Compliance Management Plan for further monitoring purposes.

Continued reviews of ICASA policies in line with the policy review framework were done to ensure that they are clear, comprehensive, and accessible and address the policy gaps. Policy owners provide workshops to employees to ensure compliance with the policies, standards, and procedures.

OCCUPATIONAL HEALTH AND SAFETY

ICASA is committed to providing and maintaining a safe and healthy working environment for all its employees, stakeholders, and interested parties. The Authority continues to comply with the Occupational Health and Safety (OHS) Act number 85 of 1993 as amended, Hazardous Biological Agents Regulations and related Acts and Regulations. To ensure employees' and stakeholders' safety in ICASA's workplace, various measures were put in place to minimise and/or eliminate OHS-related incidents/risks and the spread of occupational diseases in the workplace:

- Occupational Health & Safety (OHS) Policy;
- Personal Protective Equipment (PPE) Policy;
- OHS Policy Statement, displayed in all ICASA's premises as per OHS Act;
- COVID-19 Workplace Protocols;
- COVID-19 Precautionary Measures;
- Crisis Management Committee;
- Occupational Health & Safety Committee;
- Awareness in all aspects of safety, health and environment to assist the Authority in fulfilling its statutory and common law duty of care.

OHS APPOINTMENTS

In line with the OHS Act and to ensure the health and safety of employees, stakeholders, and interested parties, the following OHS appointments were in place during the 2022/23 financial year. These employees were tasked with the responsibility of monitoring and maintaining health and safety on ICASA's premises:

NO	OFFICE	OHS APPOINTMENT	APPOINTEE
1.	Head Office & Regional Offices	Section 16(2) and Section 19(5)	Julia Kenyane
2.	Head Office & Regional Offices	Section 8(2) and Section 19(3)	Vusi Masombuka
3.	Eastern Cape Region	Section 8(1) and Section 19(3)	Marcel Holster
4.	KwaZulu Natal	Section 8(1) and Section 19(3)	Nsizwa Gumede
5.	Limpopo	Section 8(1) and Section 19(3)	Kingsley Mokomane
6.	Gauteng	Section 8(1) and Section 19(3)	Clement Mametja
7.	Mpumalanga	Section 8(1) and Section 19(3)	Tricia Wallace-Roberts
8.	North-West	Section 8(1) and Section 19(3)	Refilwe Ramatlo
9.	Northern Cape	Section 8(1) and Section 19(3)	Machoene Thupana
10.	Western Cape	Section 8(1) and Section 19(3)	Desmond Johns
11.	Free State	Section 8(1) and Section 19(3)	David Monyepao
12.	Head Office & Regions	Section 19(3)	Puso Motidi
13.	Head Office & Regions	Section 19(3)	Foletsi Molepo
14.	Head Office & Regions	Section 19(3)	Mthunzi Maseti
15.	Head Office & Regions	Section 19(3)	Thapelo Mulaudzi
16.	Head Office & Regions	Section 19(3)	Boitumelo Phayane
17.	Head Office & Regions	Section 19(3)	Mogale Maenetja
18.	Head Office & Regions	Section 19(3)	Nhlanhla Mtambo
19.	Gauteng	Section 17(1) and Section 19(3)	Mirriam More

NO	OFFICE	OHS APPOINTMENT	APPOINTEE
20.	Western Cape	Section 17(1) and Section 19(3)	Chriszaan M. Erasmus
21.	Western Cape	General Safety Regulations (GSR) 13 A, Section 17(1) and Section 19(3)	Henricus A. Cook
22.	Mpumalanga	Section 17(1) and Section 19(3)	Thamsanqa Shongwe
23.	Mpumalanga	Section 17(1) and Section 19(3)	Landela Silubane
24.	Limpopo	General Safety Regulations (GSR) 13 A, Section 17(1) and Section 19(3)	Mavhungu Makatu
25.	Free State	General Safety Regulations (GSR) 13 A, Section 17(1) and Section 19(3)	Nizaam Suliman
26.	Free State	Section 17(1) and Section 19(3)	Dave Drew
27.	North-West	General Safety Regulations (GSR) 13 A	Kgomotso Mokitle
28.	KwaZulu Natal	General Safety Regulations (GSR) 13 A, Section 17(1) and Section 19(3)	Mthokozisi Nxumalo
29.	KwaZulu Natal	Section 17(1) and Section 19(3)	Rishi Neepal
30.	Northen Cape	Section 17(1) and Section 19(3)	Vacant
31.	North-West	Section 17(1) and Section 19(3)	Hilda Mashapha
32.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Caroline Nkosi
33.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Bongiwe Shabane
34.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Nomsa Sojane
35.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Lizo Mvinjelwa
36.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Lufuluvhi Netshifhefhe
37.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Marseile Rosenberg
38.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Emmanuel Mpenyani
39.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Tebogo Leburu
40.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Joseph Robbertse
41.	Head Office	Section 17(1), GSR 3(1) & (4) and Section 19(3)	Mziwabantu Walaza
42.	Head Office	Section 17(1) and Section 19(3)	Emmanuel Mpenyani
43.	Head Office	Section 17(1) and Section 19(3)	Sherese Behari
44.	Head Office	GSR 3(1) and (4)	Bridget Nyamane
45.	Head Office	GSR 3(1) and (4)	Smangaliso Khumalo
46.	Head Office	GSR 3(1) and (4)	Dennis Mazibuko

> "ICASA employees are encouraged to report challenges, incidents, accidents and near misses to the Safety, Health and Environment (SHE) Representatives and line managers in order to address these risks that might occur or have happened."

OHS COMMITTEE

The purpose of the Committee is to monitor and implement OHS-related business decisions and oversee compliance with the OHS Act, Policy, and related Regulations. Some of the operational activities undertaken by the Committee in the financial year include:

- Scheduling OHS Committee meetings and actioning resolutions in line with statutory requirements.
- Quarterly reports to EXCO and REMCO on OHS related activities that have been undertaken during the financial year period are submitted for noting.
- Conducting emergency evacuation drills at Head Office and Regional Offices, preparing employees, contractors, stakeholders and/or interested parties in the event of a real life-threatening situation.
- Monitor compliance, investigate and report OHS incidents at Head Office and Regional offices.
- Providing advice and awareness on a range of safety, health and environmental issues taking place within ICASA

OHS AND SAFETY AWARENESS

As an ongoing process of maintaining compliance and improving OHS awareness, the Crisis Management Committee and Corporate Services: Security unit issued:

- Internal news bulletins to staff members pertaining to OHS and COVID-19 updates;
- Updates on the protection of employees by employers at work and
- Updates on general safety at work.

OHS awareness workshops were conducted at the Head Office and regional offices, and additional OHS awareness workshops are conducted on a quarterly basis for new employees who have joined the Authority during the financial year. Regular OHS inspections were conducted, and SHE checklists were submitted monthly to ensure statutory OHS compliance at the Head Office and regional offices.

In identifying and addressing health and safety risks, employee engagement is of utmost importance. ICASA employees are encouraged to report challenges, incidents, accidents and near misses to the Safety, Health and Environment (SHE) Representatives and line managers in order to address these risks that might occur or have happened. Incidents, accidents, and near miss risks are treated as real risks, and the respective SHE Representative follows up on such to ensure it is corrected or mitigated appropriately

PART D

HUMAN RESOURCE MANAGEMENT

The Authority is responsible for regulating the Telecommunications, Broadcasting and Postal sectors in the interest of the public and other stakeholders, and it is steadfast in its commitment to high-quality service delivery. Success in this critical mission requires a workforce with the requisite knowledge, skills, and abilities, thriving in a robust environment that fosters excellence and superior performance.

ICASA's Human Resources Division (HR) operates at the heart of this pursuit, collaborating closely with other divisions and line managers to cultivate an atmosphere where employees excel. Key to this process is the alignment of HR priorities with the Authority's overarching mandate and goals, as well as targeted strategies that include:

1. Upholding organisational service delivery standards through maintaining a low vacancy rate, achieving a remarkable 5.9% in the 2022/2023 FY.
2. Ensuring compliance with stringent standards, including the planned facilitation of a SABPP standards audit.
3. Implementing the Workplace Skills Plan per MICTSETA, promoting directed employee development to fulfil current and future needs.
4. Conduct regular employee engagement surveys to gauge staff involvement and satisfaction.

The Authority's strategic alignment with diversity, equality, and inclusion initiatives and its commitment to reasonable accommodations for employees from designated groups illustrates a forward-thinking approach to workforce management. Such alignment reflects adherence to the Employment Equity Act (Act No. 55 of 1998) and a clear vision to promote a supportive, inclusive culture.

Moreover, ICASA's efforts to create opportunities for people living with disabilities and its commitment to addressing areas of under-representation among racial and gender groups are notable parts of the organisation's ongoing goals. These actions underscore the Authority's dedication to fostering a diverse and vibrant workforce. However, continued attention to areas such as the representation of people with disabilities, currently at 1.5%, will be essential for future improvements.

With a consistent, reliable employee pool, the Authority ensures high organisational performance and the steady provision of regulatory services. Such stability, marked by a strategic focus on targeted recruitment, training, performance management, and employee well-being, manifests the HR Division's dedication to professional excellence.

Finally, the achievements of the fiscal year (FY) 2022/2023, including a performance target attainment of 75% and full compliance with MICT SETA, testify to the effectiveness of the strategies employed, highlighting the Authority's strong positioning to continue its positive impact on the sector it serves.

HUMAN RESOURCE OVERSIGHT STATISTICS

EMPLOYEE COST

PROGRAMME	2021/22 EMPLOYEE COSTS	2022/23 EMPLOYEE COSTS	2021/22 NO. OF EMPLOYEES	2022/23 NO. OF EMPLOYEES	2021/22 AVERAGE EMPLOYEE COST	2022/23 AVERAGE EMPLOYEE COST	% VARIANCE
Basic	306 191 336	319 597 029	342	331	895 296	965 550	4,19%
Training	5 707 797	3 305 786	210	137	27 180	24 130	-72,66%
Grand Total	**311 899 133**	**322 902 815**	**342**	**331**	**922 476**	**989 680**	**3,41%**

Staff costs increased by 3.41% from R311,899,133 in 2021/22 FY to R322,902,815 in the 2022/23 FY. This increase occurred despite a decrease in the total number of employees from 342 to 331 and a significant reduction in training costs, which decreased by 72.66% from R5,707,797 in the 2021/22 FY to R3,305,786 in the 2022/23 FY.

The average employee cost increased from R922,476 in the 2021/22 FY to R989,680 in the 2022/23 FY, indicating a more significant investment in the remaining workforce. Basic employee costs also increased by 4.19% over the previous year.

The significant reduction in training costs reflects the continued adherence to cost-cutting directives issued by the National Treasury for government institutions. Despite the reduced budget, the Authority ensured that employees could attend essential training courses, prioritising development areas critical to the organisation. The overall increase in staff costs may be attributed to the growth in basic employee expenses despite the slight decrease in the number of employees.

STAFF COMPLEMENT

CRITERIA	2021/22	2022/23	% VARIANCE	MOVEMENT
Approved posts	359	471	31,2%	112
Number of employees in the approved structure	307	331	7,8%	24
Total number of employees	320	331	3,4%	11
Vacancies	10	28	180,0%	18
Vacancies (vacancy rate percentage)	2,8%	5,9%	113,4%	3%

In the financial year 2022/23, the Authority has grown in various aspects of its workforce. The number of approved posts increased significantly from 359 to 471, reflecting a 31.2% increase, or a movement of 112 positions. Simultaneously, the approved structure's employees grew by 7.8%, increasing from 307 to 331, with a positive trend of 24 employees.

The total number of employees also increased from 320 to 331, showing a 3.4% growth and adding 11 new employees to the Authority. However, the number of vacancies rose substantially from 10 to 28, indicating a 180% increase, and the vacancy rate percentage followed suit, increasing from 2.8% to 5.9%, or a 113.4% change.

Even though the vacancy rate has nearly doubled, it remains a commendable achievement in the highly competitive South African telecommunications job market. The growth in approved posts and the number of employees in the approved structure emphasises the Authority's commitment to expanding and strengthening its workforce to meet strategic goals. The increase in vacancies also highlights an opportunity for the Authority to attract new talent to enhance its capabilities further.

DIVISIONAL STAFF COSTS

DIVISION	2021/22	2022/23	IN(DE)CREASE	IN(DE)CREASE %
CEO	5 822 372	7 516 247	1 693 875	23%
COO	0	0	0	-
Corporate Services	28 602 764	29 517 805	915 040	3%
Council & Secretariat	19 976 679	17 303 589	-2 673 090	-15%
Engineering & Technology	13 728 129	16 785 742	3 057 613	18%
Finance	26 812 107	24 987 652	-1 824 455	-7%
Human Resources Management	35 618 361	30 297 170	-5 321 191	-18%
Internal Audit	11 988 484	11 824 763	-163 720	-1%
Legal, Risk & CCC	13 388 373	16 894 915	3 506 543	21%
Licensing & Compliance	59 583 333	66 857 542	7 274 209	11%
Policy Research & Analysis (PRA)	22 218 174	25 639 595	3 421 420	13%
Regions & Consumer Affairs	68 452 561	71 972 008	3 519 448	5%
Grand Total	306 191 336	319 597 029	13 405 693	4,19%

For the 2022/23 FY, ICASA's overall personnel costs increased by 4.19%, from R 306,191,336 to R 319,597,029.

Several divisions saw notable changes:

- The CEO's division experienced a significant increase of 23% (R 1,693,875).
- Engineering & Technology increased by 18% (3 057 613), and Legal, Risk & CCC increased by 21% (3 506 543).
- On the other hand, some divisions observed reductions, such as Council & Secretariat -15% (-2 673 090) and Human Resources Management -18% (-5 321 191).

This shift in personnel costs across divisions highlights strategic reallocations within ICASA, reflecting various organisational priorities and goals.

TRAINING COSTS FOR EMPLOYEES

DIVISION	NO. OF EMPLOYEES TRAINED 2021/22	NO. OF EMPLOYEES TRAINED 2022/23	TRAINING EXPENDITURE IN RANDS 2021/22	TRAINING EXPENDITURE IN RANDS 2022/23	AVERAGE TRAINING COST PER EMPLOYEE IN RANDS 2021/22	AVERAGE TRAINING COST PER EMPLOYEE IN RANDS 2022/23
CEO Office	6	4	133 025,48	113 435	22 170,91	28 359
COO Office	0	0	0	0	0	0
Corporate Services	24	17	664 729,16	378 830	27 697,05	22 284
Council & Secretariat	7	3	183 473,07	67 978	26 210,44	22 659
Engineering & Technology	14	4	364 422,53	98 176	26 030,18	24 544
Finance	26	28	642 985,82	654 710	24 730,22	23 382
Human Resources	5	10	114 576,40	368 454	22 915,28	36 845
Internal Audit	8	6	214 360,64	128 744	26 795,08	21 457
Legal, Risk & CCC	6	5	175 036,23	115 033	29 172,70	23 007
Licensing & Compliance	45	25	1 471 409,39	514 697	32 697,99	20 588
Policy Research & Analysis	12	15	392 845,96	404 047	32 737,16	26 936
Regions & Consumer Affairs	57	20	1 350 932,45	461 681	23 700,57	23 084
Grand Total	**210**	**137**	**5 707 797**	**3 305 786**	**27 180**	**24 130**

In the fiscal year 2022/23, ICASA significantly reduced its training expenditure to R3,305,786, a substantial decrease from the R5,707,797 spent in the 2021/22 FY. This resulted in training for 137 employees, down from 210 the previous year.

Despite the overall reduction in expenditure, the average training cost per employee increased in certain divisions, such as the CEO Office, which rose to R28,359, and Human Resources, which increased to R36,845. However, the average training cost per employee (for all employees) decreased to R24,130 from R27,180 the previous year.

This data indicates a strategic reallocation of training resources within ICASA, focusing on targeted training in specific areas, even as the overall budget for training was reduced. This aligns with the broader cost-efficiency trends while still investing in critical skill development to meet organisational goals.

HEADCOUNT AND VACANCIES PER OCCUPATIONAL LEVEL

OCCUPATIONAL LEVEL	APPROVED STRUCTURE	2021/22 NO. OF EMPLOYEES IN APPROVED POSITIONS	2021/22 ACTIVE VACANCIES	2022/23 NO. OF EMPLOYEES IN APPROVED POSITIONS	2022/23 ACTIVE VACANCIES	% OF VACANCIES
Top Management	10	6	0	9	0	0,0%
Senior Management	11	9	0	6	4	36,4%
Professional qualified	175	93	7	109	8	4,6%
Skilled	207	151	2	157	12	5,8%
Semi-skilled	65	46	1	48	4	6,2%
Unskilled	3	2	0	2	0	0,0%
TOTAL	**471**	**307**	**10**	**331**	**28**	**5,9%**

The Authority has expanded its approved positions from 359 in the previous fiscal year to 471 in 2022/23. By the end of the fiscal year, there were 331 employees in approved positions, and 28 active vacancies were recorded, translating to a vacancy rate of 5.9%.

EMPLOYMENT CHANGES

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	NEW APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	10	6	0	9
Senior Management	11	9	0	6
Professional qualified	175	93	7	109
Skilled	207	151	2	157
Semi-skilled	65	46	1	48
Unskilled	3	2	0	2
TOTAL	**471**	**307**	**10**	**331**

A recent recruitment drive resulted in 11 new appointments across various salary bands at the Authority. These new hires, combined with 22 terminations, led to a decrease in the total workforce from 342 to 331 employees by the end of the period. The data shows strategic hiring in Top Management and Professional Qualified bands, while other bands remained stable or slightly reduced.

Though the total employment has decreased, the specific additions in critical areas may contribute to more focused efforts in line with the Authority's goals. ICASA continues to align its staffing to fulfil its mandate efficiently. The net reduction in staff doesn't necessarily mean a decrease in capacity, as the increase in Top Management positions may imply a restructuring that better serves ICASA's objectives.

REASONS FOR STAFF ATTRITION

REASON	NUMBER 2021/22	NUMBER 2022/23	% VARIANCE	% OF TOTAL NO. OF STAFF TERMINATED STAFF
End of Contract	4	2	-50%	9%
Resignation	14	15	7%	68%
Retirement	2	5	150%	23%
Total	**20**	**22**	**10%**	**100%**

Businesses generally consider a turnover of more than 10% to be high. ICASA's turnover rate has been below this threshold since 2016/17. A 6% turnover was recorded at the end of the 2022/23 financial year, maintaining the trend of relatively low turnover at the organisation.

The breakdown of reasons for leaving ICASA in the 2022/23 financial year is as follows:

- End of Contract: 2 terminations, a decrease of 50% from the previous year, accounting for 9% of the total.
- Resignation: 15 terminations, an increase of 7%, constituting 68% of the total.
- Retirement: 5 terminations, a significant increase of 150%, representing 23% of the total.

Resignations continue to be the most common reason for employees that leave ICASA, often citing better career opportunities elsewhere. The notable increase in retirements and decrease in contract endings provide additional insights into the dynamics of staff turnover at ICASA. The maintained 6% turnover rate reflects stability in the Authority's staffing levels.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

REASONS FOR STAFF ATTRITION

NATURE OF DISCIPLINARY ACTION	2021/22 NUMBER	2022/23 NUMBER	% VARIANCE
Labour Court	2	1	-50%
High Court	1	1	0%
CCMA	1	1	0%
Grievance	1	1	0%
Total	**5**	**4**	**-20%**

Regarding labour relations cases involving external dispute resolution institutions, the Authority saw a decrease in labour court cases from two to one, a 50% reduction, at the end of the 2022/23 financial year. High Court cases remained stable at one, with no change, while CCMA cases remained constant at one.

Furthermore, the overall number of disciplinary and grievance cases combined (including Labour Court, High Court, CCMA, and grievance issues) declined from five to four, representing a 20% decrease from the previous fiscal year.

The lack of significant change in the number of High Court, CCMA, and grievance cases, combined with the decrease in Labour Court cases, signals a stable relationship between employees and the Authority. Reducing total instances from 5 to 4 improves overall labour relations within the Authority.

HEADCOUNT AND VACANCIES PER OCCUPATIONAL LEVEL

OCCUPATIONAL LEVELS	MALE								FEMALE								FOREIGN NATIONAL		GRAND TOTAL
	AFRICAN	TARGET	COLOURED	TARGET	INDIAN	TARGET	WHITE	TARGET	AFRICAN	TARGET	COLOURED	TARGET	INDIAN	TARGET	WHITE	TARGET	MALE	FEMALE	
Top management	1	3	1	1	0	0	1	1	6	5	0	0	0	0	0	0	0	0	9
Senior management	2	3	0	1	0	1	0	1	4	2	0	0	0	0	0	1	0	0	6
Professionally Qualified	46	50	4	5	4	4	4	5	30	34	3	4	1	1	1	2	3	1	97
Skilled Technician and academically qualified workers	63	67	9	9	2	3	7	9	60	64	5	7	3	2	4	6	0	0	153
Semi-skilled and discretionary decision-making	13	19	1	3	1	1	3	4	37	38	2	3	2	1	5	3	0	0	64
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	2
Grand Total	**125**	**100**	**15**	**8**	**7**	**9**	**15**	**23**	**139**	**113**	**10**	**8**	**6**	**4**	**10**	**8**	**3**	**1**	**331**

The above table reveals the status of ICASA's equity targets and employment equity across various occupational levels. It demonstrates the Authority's alignment with South Africa's Economically Active Population (EAP) and the challenges and opportunities in achieving a balanced representation at all levels within ICASA.

One immediate observation is the significant alignment of African male representation across many levels. Yet, there remains room for improvement to meet specific targets in the Senior Management and Semi Skilled categories. The representation of Coloured, Indian, and White demographics also falls short in certain areas, demonstrating a need for strategic hiring efforts to ensure a more balanced workforce.

Women's representation also merits attention, particularly within the professionally qualified level. Here, targeted hiring and development efforts could further diversify and strengthen employee inclusion at all levels.

The government's austerity measures have been critical factors affecting ICASA's attainment of these equity targets, which led to the freezing of several positions. This constraint has created challenges in hiring, ultimately impacting the Authority's ability to meet its equity goals. The Department of Employment and Labour has noted this lack of attainment, highlighting it as an area for further focus.

EMPLOYEES LIVING WITH DISABILITY PER GENDER

OCCUPATIONAL LEVEL	MALE	FEMALE	GRAND TOTAL
Top management	0	0	0
Senior management	0	0	0
Professionally Qualified	1	0	1
Skilled Technician and academically qualified workers	2	1	3
Semi-skilled and discretionary decision-making	1	0	1
Unskilled	0	0	0
Grand Total	**4**	**1**	**5**

Five members of the Authority live with a disability, which translates to 1.5% of the Authority's staff complement. This figure is below the 2% threshold typically aimed at by the organisations. ICASA is committed to fostering diversity and inclusivity, and as part of that mission, they have consistently sought to employ more people living with a disability. Despite these efforts, the number of employees living with a disability has remained the same for the past five years.

This stagnation in numbers highlights a potential area for improvement in the Authority's hiring practices. Although plans are in place to ensure preference is given to people living with disabilities, the fact that the figures have not changed may indicate that these plans are not effectively implemented or that there may be other barriers to hiring in this category.

The Authority's commitment to this goal is commendable, but a renewed focus on actionable strategies could help ICASA reach and even surpass the 2% threshold. Evaluating current hiring practices, engaging with community organisations, and exploring new avenues for recruitment could provide the momentum needed to increase the representation of people with disabilities within the Authority.

PART E

COMPLAINTS AND COMPLIANCE COMMITTEE

INTRODUCTION

The Complaints and Compliance Committee ("CCC") was established by the Independent Communications Authority of South Africa ("ICASA") in terms of section 17 of the ICASA Act 13 of 2000. The CCC is comprised of seven members, one of whom is the Chairperson.

Section 17B of the Act sets out the functions of the CCC, which is to investigate and hear, if appropriate, and make a finding on complaints that fall within its jurisdiction.

It has been both an honour and a pleasure for me to chair the CCC during the period under review. As a creature of statute, the nature of the work of the CCC is limited in that the CCC can only do what it is empowered to do by the Act. So, one of the responsibilities of the CCC is to ensure that it remains vigilant so as not to go beyond its jurisdiction.

THE WORK

The period under review was unique and different from the previous period in a number of ways.

The period under review was less busy, unlike past periods when there was a constant flurry of activity throughout. Notably, fewer complaints were filed and adjudicated compared to the previous period. There were also no matters heard on an urgent basis. In addition, we saw less competitors in the industry appearing as Complainants.

Instead, there were a number of complaints initiated by the Licensing and Compliance Division of ICASA. We also had an odd case where Management of a sound broadcasting Licensee brought a complaint of non-compliance against the Board of Directors of the Licensee.

Regardless of the differences between the period under review and the one before, the issues adjudicated upon, remained interesting and challenging, often requiring innovative approaches and/or solutions.

During the period under review, the challenges with load shedding and connectivity issues continued unabated. As always, members of the CCC were up to the task of meeting such challenges and ensuring that the work continued as planned. In this, they were aided by the ever-prepared Office of the CCC.

For the year under review, the CCC adjudicated 13 matters. Ten of these matters concerned Telecommunications, and three complaints related to Broadcasting matters, while the Postal Services had none.

All the above matters were heard virtually. This had an advantage in that parties did not have to leave their homes or offices as they could participate in the proceedings from any location. Undoubtedly, the parties were able to save time and money. On the other hand, sometimes the parties had to contend with connectivity issues but these were invariably resolved in one way or another.

Irrespective of the reduction in the quantity and the different nature of the work, the quality of the decisions of the CCC has not been compromised. In carrying out its work, the CCC continues to uphold the Constitution, consistently producing work of a high standard that reflects the objectives of the ICASA Act and underlying statutes.

Consistency has been the hallmark of the work of the CCC. This has been made possible mainly because of every member's remarkable work ethic and dedication. Regardless of the nature of the matter the duration of the discussions or deliberations during meetings, the CCC always took into consideration what is in the public interest.

THE CCC MEMBERS

The expertise of members of the CCC in diverse fields, always comes in handy as the CCC continues to make an impact in the industry with its well-thought-out decisions. An added advantage is that, while members make their contributions, they also learn from one another. This serves to make the work of the CCC pleasant and rewarding.

"The expertise of members of the CCC in diverse fields, always comes in handy as the CCC continues to make an impact in the industry with its well-thought-out decisions. An added advantage is that, while members make their contributions, they also learn from one another. This serves to make the work of the CCC pleasant and rewarding."

The Chairperson is assisted by six other members, namely, Councillor Y Kedama , Mr Peter Hlapolosa, Mr Thato Mahapa, Mr Paris Mashile, Mr Monde Mbanga and Ms Ngwako Molewa. All the members deserve the credit for the success of the work during the period under review goes to all of them.

During the period under review, Councillor Kedama had to vacate her office as a member of the CCC. We shall miss her calm nature, vast experience and the huge role she played in the CCC.

During the same period, in March 2023, the CCC welcomed aboard a new member, Councillor Catherine Mushi, who replaced Councillor Kedama. On behalf of the CCC, I wish to express our sincere appreciation to the Councillors for the valuable contributions. In particular, we are grateful for the smooth and seamless hand -over process when Councillor Mushi stepped into the shoes of her predecessor.

THE OFFICE OF THE CCC

This report would be incomplete without mention of the important role played by the Office of the CCC in ensuring that the business of the CCC always runs smoothly.

Lindisa Mabulu, the CCC Coordinator, and her capable team, Meera Lalla, Xola Mantshintshi, Thamsanqa Mtolo, and Amukelani Vukeya deserve special recognition in this report. They are doing a great job of making our work easier and more pleasant. Notably, their ability to do groundwork, by sorting out often obscure issues and clarifying issues before presenting them as complaints to the CCC for adjudication is remarkable and greatly appreciated. The CCC is grateful to the Council of ICASA for having made such support available.

Also noted and appreciated is the fact that the Office of the CCC always goes the extra mile. What comes to mind is the initiative taken by the office regularly to keep members of the CCC abreast of the latest developments in the industry, through media reports etc. The information often serves to assist the CCC to make relevant and quality decisions.

CONCLUSION

The year under review may have been comparatively quiet but the work available remained diverse, interesting and challenging.

While the CCC is a body of individuals with diverse backgrounds and interests, it remains committed to working as a team that continues to serve parties who come before it fairly and in the public interest.

In addition to the statutes relevant to the work of the CCC, the guiding force has been also the Oath of Office and the Code of Conduct.

TMMasipa

Judge Thokozile Masipa
CCC Chairperson

COMMITTEE MEMBERSHIP AND ATTENDANCE

TERMS OF OFFICE

The members depicted in Table 1 served on the CCC during the period under review:

COMMITTEE MEMBER	COMMENCEMENT OF TERM	EXPIRY DATE OF TERM
Judge Thokozile Masipa	1 January 2021	31 December 2023
Catherine Mushi		
Yolisa Kedama		
Peter Hlapolosa	1 January 2021	31 December 2023
Thato Mahapa	1 January 2021	31 December 2023
Ngwako Molewa	1 January 2021	31 December 2023
Paris Mashile	1 January 2021	31 December 2023
Monde Mbanga	1 December 2021	30 November 2023

MEMBER	0 INTERNAL MEETINGS	2 QUARTERLY MEETINGS	14 DELIBERATIONS	14 HEARINGS	TOTAL
1. Judge Thokozile	0	2	13	13	29
2. Yolisa Kedama	0	2	14	14	31
3. Catherine Mushi	0	0	2	2	4
4. Peter Hlapolosa	0	2	14	14	31
5. Thato Mahapa	0	2	14	14	31
6. Ngwako Molewa	0	2	14	14	31
7. Paris Mashile	0	2	14	14	31
8. Monde Mbanga	0	2	14	14	31

Number of Complaints adjudicated by the CCC during the period under review

NON ADJUDICATED	POSTAL	BROADCASTING	TELECOMMUNICATIONS
129	0	3	10
TOTAL = [142]			

PART F

FINANCIAL INFORMATION

REPORT BY THE ACCOUNTING OFFICER

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999) (PFMA), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is beyond reproach. The focus of risk management in the Authority is that of identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit. The auditors are responsible for auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented below.

The annual financial statements set out in the Annual Report, which have been prepared on the going concern basis, were approved by the accounting officer on 31 July 2023 and were signed on its behalf by:

Tshiamo Maluleka-Disemelo
Chief Executive Officer
31 July 2023

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Independent Communications Authority of South Africa (ICASA) set out on pages 93 to 142 , which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of ICASA as at 31 March 2023, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the institution in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) {IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

MATERIAL IMPAIRMENTS - NATIONAL REVENUE FUND

7. As disclosed in note 11 to the financial statements, the entity has impaired receivables from non-exchange transactions amounting to R119 641 110 {2021: R87 770 681) because of potential irrecoverable receivables from non-exchange transactions.

RESTATEMENT OF CORRESPONDING FIGURES

8. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the constitutional entity at, and for the year ended, 31 March 2023.

OTHER MATTER

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

IRREGULAR EXPENDITURE AND FRUITLESS AND WASTEFUL EXPENDITURE

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1){b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework

also addresses the disclosure of irregular expenditure and fruitless and wasteful expenditure (IFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 35 and 36 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of ICASA. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.

11. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting officer is responsible for assessing the institution's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the institution or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDLTOR GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when It exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

16. In accordance with the Public Audit Act 25 of 2004 {PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes on the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Licensing and compliance	34	To Issue, renew, amend and transfer broadcasting service, electronic communications service, electronic communications network service, postal service and radio frequency spectrum licenses. Authorise use of numbering and other scarce resources, grant equipment type approval. Authorise channels as well as license exemptions for the purposes of facilitating socio-economic development and promotion of competition.
Policy research and analysis	37	To conduct research and policy analysis into all the regulatory sectors in line with the mandate of the authority.
Engineering and technology	40	To develop, coordinate and manage the regulatory framework for the management of radio frequency spectrum, including development of equipment.

18. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:,

- the indicators used for planning and reporting on performance can be linked directly to the constitutional entity's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion.

21. I did not identify any material findings on the reported performance information for these selected programmes:

    - Licensing and compliance
    - Policy research and analysis
    - Engineering and Technology

OTHER MATTER

22. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over/under achievements

REPORT ON COMPLIANCE WITH LEGISLATION

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the constitutional entity's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report In an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

EXPENDITURE MANAGEMENT

28. Effective and appropriate steps were not taken to prevent irregular expenditure, disclosed as part of note 36 to the financial statements, as required by section 38(1)(c) of the PFMA and treasury regulation 9.1.1. Majority of the irregular expenditure was caused by contracts variations not approved.

29. Payments were not made within 30 days or an agreed period after receipt of an Invoice, as required by treasury regulation 8.2.3.

ANNUAL FINANCIAL STATEMENT

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA.

31. Material misstatements of receivables from non-exchange transactions, provisions, unspent conditional grants, commitments and cash flow statement identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

CONSEQUENCE MANAGEMENT

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

33. Disciplinary steps were not taken against some of the officials who had incurred and or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.

OTHER INFORMATION IN THE ANNUAL REPORT

34. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

35. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with

legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

37. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

40. Controls were not always effective to ensure oversight, monitoring and review of compliance with laws and regulations as management did not adhere to their audit action plan to implement controls over financial reporting.

41. Management did not implement adequate controls to ensure that contracted amount is not exceeded without approved variation.

42. Management did not implement adequate controls to ensure that payments to suppliers are made within 30 days after receipt of an invoice.

43. Management did not take actions against employees who incurred or permitted irregular and fruitless and wasteful expenditure as required by PFMA.

Auditor-General

Pretoria

31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the constitutional entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the constitutional entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the constitutional entity's to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a constitutional entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); PFMA 38(1)©;38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2Xa); Section 40(1)(a): 40(1)(b); 40(1}(c)(i) Section 43(4); 44; 44 (1) and (2); 45(b);; Section 50(3); 50(3)(a)
Treasury Regulations for trading entities, constitutional instiMions? and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 8.1.1: 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a}; 16A 6.1; 16A6.2(a) & (b) &(e}; 16A 6.3(a); 16A 6.3(a)(I); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.2 (1) and (2);16A8.3; 16A8.3(d); 16A8.4; 16A9.1(b)(ii); 16A9.1(d}; 16A9.1(e); 16A9.1(f);TR 16A9.2; 16A9.2(a)(ii);TR 16A 9.2(a)(iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Prevention and Combatting of Corrupt Activities Act No.12 of 2004 (PRECCA)	PRECCA 34(1)
Construction Industry Development Board Act No.38 of 2000 {CIDB}	CIDB Act 18(1}
CIDB Regulations	CIDB Regulation 17
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)

LEGISLATION	SECTIONS OR REGULATIONS
PPR 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5; 9.1; 9.2;12.1 and 12.2
PPR 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.3; 4.4; 4.4(a); 4.4 (c) -(d)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1;3.4(b}; 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1;4(a) ; 3.3.1
NT instruction note 4 of 2015/16	NT Instruction note 4 of 2015/16 Par 3.4
Second amendment of NTI 05 of2020/21	Second amendment of NTI 05 of 2020/21 Par 4.8 Second amendment of NTI 05 of 2020/21 Par 4.9 Second amendment of NTI 05 of 2020/21 Par 5.1 Second amendment of NTI 05 of 2020/21 Par 5.3
Erratum NTI 5 of 202/21	Erratum NTI 5 of 202/21 Par 1;par 2
Practice Note 7 of 2009/10	Practice Note 7 of 2009/10 Par 4.1.2
NT Instruction note 1 of 2021/22	NT instruction note 1 of 2021/22 Par 4.1

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	NOTES	2023 R	2022 Restated* R
ASSETS			
CURRENT ASSETS			
Inventories	9	361 058	458 352
Receivables from exchange transactions	10	10 227 635	7 668 882
Receivables from non-exchange transactions	11	990 138 382	9 625 353 183
Prepayments	8	5 129 125	5 881 237
Cash and cash equivalents	12	1 130 282 899	915 799 747
		2 136 139 099	**10 555 161 401**
NON-CURRENT ASSETS			
Property, plant and equipment	3	102 648 571	110 355 030
Intangible assets	4	19 734 821	18 869 565
		122 383 392	**129 224 595**
Total Assets		**2 258 522 491**	**10 684 385 996**
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	13	3 169 076	3 134 168
Operating lease liability	5	371 894	2 284 330
Payables from exchange transactions	6	49 082 584	54 856 125
National Revenue Fund payable	7	1 488 500 587	10 248 733 311
Unspent conditional grants and receipts	14	401 791 772	127 453 528
Provisions	15	44 876 496	43 121 057
		1 987 792 409	**10 479 582 519**
NON-CURRENT LIABILITIES			
Finance lease obligation	13	808 810	3 977 777
Operating lease liability	5	22 065 106	17 904 326
Provisions	15	2 690 831	2 690 831
		25 564 747	**24 572 934**
Total Liabilities		**2 013 357 156**	**10 504 155 453**
Net Assets		**245 165 335**	**180 230 543**
Accumulated surplus		245 165 335	180 230 543
Total Net Assets		**245 165 335**	**180 230 543**

* See Note 32

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

	NOTES	2023 R	2022 Restated* R
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Other income	18	73 418 022	14 559 809
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Revenue from non-exchange transactions	19	469 431 000	459 990 000
Other revenue from non-exchange transactions	16	29 068 821	34 034 115
Total revenue from non-exchange transactions		**498 499 821**	**494 024 115**
Total revenue		**571 917 843**	**508 583 924**
EXPENDITURE			
Employee related costs	20	(326 665 885)	(321 483 327)
Depreciation and amortisation	21	(22 242 414)	(22 242 741)
Impairment loss	22	-	(5 445)
Finance costs	23	(258 448)	(602 639)
Lease rentals on operating lease	17	(38 131 747)	(38 916 784)
Repairs and maintenance	26	(2 963 765)	(2 005 029)
General expenses	25	(116 720 792)	(108 229 269)
Total expenditure		**(506 983 051)**	**(493 485 234)**
Surplus for the year		**64 934 792**	**15 098 690**

* See Note 32

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2023

	Accumulated surplus/deficit R	Total net assets R
Balance at 01 April 2021	**165 131 853**	**165 131 853**
Changes in net assets		
(Deficit)/surplus for the year	15 098 690	15 098 690
Total changes	15 098 690	15 098 690
Restated* Balance at 01 April 2022	**180 230 543**	**180 230 543**
Changes in net assets		
(Deficit)/surplus for the year	64 934 792	64 934 792
Total changes	64 934 792	64 934 792
Balance at 31 March 2023	**245 165 335**	**245 165 335**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	NOTES	2023 R	2022 Restated* R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Finance income		73 418 022	14 549 519
Cash received from Department of Communications and Digital Technologies		769 431 000	508 190 000
Other receipts		2 595 206	650 973
Cash received by Administered Revenue for NRF		10 173 594 018	2 138 697 694
		11 019 038 246	**2 662 088 186**
PAYMENTS			
Employee costs		(309 364 472)	(299 115 253)
Suppliers		(178 402 041)	(130 433 534)
Finance costs		(7 738)	(31 674)
Cash paid by Administered Revenue for NRF		(10 298 314 505)	(1 781 796 143)
SARS - VAT paid		-	(3 374 576)
		(10 786 088 756)	**(2 214 751 180)**
Net cash flows from operating activities	27	**232 949 490**	**447 337 006**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(10 220 896)	(19 110 906)
Proceeds from sale of property, plant and equipment	3	811 859	427 875
Purchase of other intangible assets	4	(5 672 533)	-
Net cash flows from investing activities		**(15 081 570)**	**(18 683 031)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(3 384 769)	(2 581 955)
Net increase/(decrease) in cash and cash equivalents		**214 483 151**	**426 072 020**
Cash and cash equivalents at the beginning of the year		915 799 747	489 728 765
Cash and cash equivalents at the end of the year	10	**1 130 282 898**	**915 800 785**

The accounting policies on pages 98 to 120 and the notes on pages 121 to 142 form an integral part of the annual financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other income	16 765 000	-	16 765 000	73 418 022	56 653 022	38
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Funding from the Department of Communications and Digital Technologies	469 431 000	-	469 431 000	469 431 000	-	38
Other Revenue from Non-exchange transactions	437 709 173	-	437 709 173	29 068 821	(408 640 352)	38
Total revenue from non-exchange transactions	**907 140 173**	**-**	**907 140 173**	**498 499 821**	**(408 640 352)**	
EXPENDITURE						
Personnel	(341 251 653)	(24 792 616)	(366 044 269)	(326 665 885)	39 378 384	38
Depreciation and amortisation	(21 676 367)	-	(21 676 367)	(22 242 414)	(566 047)	38
Impairment loss/ Reversal of impairments	(7 405)	-	(7 405)	-	7 405	38
Finance costs	(12 274)	-	(12 274)	(258 448)	(246 174)	38
Repairs and maintenance	(1 750 902)	(2 517 802)	(4 268 704)	(2 963 765)	1 304 939	38
General Expenses	(589 627 161)	240 907 901	(348 719 260)	(154 852 539)	193 866 721	38
Total expenditure	**(954 325 762)**	**213 597 483**	**(740 728 279)**	**(506 983 051)**	**233 745 228**	
Surplus before taxation	**(30 420 589)**	**213 597 483**	**183 176 894**	**64 934 792**	**(118 242 102)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(30 420 589)**	**213 597 483**	**183 176 894**	**64 934 792**	**(118 242 102)**	

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATIONS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the constitutional institution.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the constitutional institution will continue to operate as a going concern for at least the next 12 months.

1.4 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:([?]

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

TRADE RECEIVABLES / HELD TO MATURITY INVESTMENTS AND/OR LOANS AND RECEIVABLES

The constitutional institution assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the constitutional institution makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE STOCK

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

IMPAIRMENT TESTING

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The constitutional institution reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

ALLOWANCE FOR DOUBTFUL DEBTS

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the constitutional institution; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Diminishing balance	8 - 32 years
Motor vehicles	Diminishing balance	10 - 21 years
Office equipment	Diminishing balance	4 - 31 years
IT equipment	Diminishing balance	5 - 31 years
Computer software	Diminishing balance	5 - 23 years
Leasehold improvements	Diminishing balance	Depreciated over the lease period
Technical equipment	Diminishing balance	10 -32 years
Dismantling and Restoration Asset	Diminishing balance	Depreciated over the lease period
Office and computer equipment under finance lease	Diminishing balance	Depreciated over the lease period

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the authority. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The authority assesses at each reporting date whether there is any indication that the authority expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the authority revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the authority holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The authority separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 26).

The authority discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.6 SITE RESTORATION AND DISMANTLING COST

The authority has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a authority incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

(c) if the adjustment results in an addition to the cost of an asset, the authority considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

(a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

  - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
  - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

(b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and

(c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.7 INTANGIBLE ASSETS

An asset is identifiable if it is either:

- separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the constitutional institution or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the authority; and
- the cost or fair value of the asset can be measured reliably.

The authority assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a diminishing balance method, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Diminishing balance	5 - 22 years

The authority discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

1.8 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity’s net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.9 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of what? on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

OPERATING LEASES - LESSOR

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

OPERATING LEASES - LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the constitutional institution incurs to acquire the asset on the reporting date.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the constitutional institution.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the constitutional institution; or
- the number of production or similar units expected to be obtained from the asset by the constitutional institution.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash- generating assets, are as follows:

1.12 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the constitutional institution; or
- the number of production or similar units expected to be obtained from the asset by the constitutional institution.

1.13 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programs are established by legislation and operate as multi-employer plans to provide post- employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and, as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

POST-EMPLOYMENT BENEFITS

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programs) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

1.14 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the constitutional institution has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the constitutional institution settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken;
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the constitutional institution

No obligation arises as a consequence of the sale or transfer of an operation until the constitutional institution is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The constitutional institution recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the constitutional institution for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the constitutional institution considers that an outflow of economic resources is probable, a constitutional institution recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.15 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the constitutional institution receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

MEASUREMENT

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

SALE OF GOODS

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the constitutional institution has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the constitutional institution retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the constitutional institution; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

RENDERING OF SERVICES

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the constitutional institution;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

INTEREST, ROYALTIES AND DIVIDENDS

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the constitutional institution, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the constitutional institution's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.17 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a constitutional institution, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the constitutional institution can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a constitutional institution either receives value from another constitutional institution without directly giving approximately equal value in exchange, or gives value to another constitutional institution without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting constitutional institution.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

RECOGNITION

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the constitutional institution satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

MEASUREMENT

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the constitutional institution.

When, as a result of a non-exchange transaction, the constitutional institution recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

TAXES

The authority is exempted from paying Income Tax in terms of section 10 (1) (cA) of the Income Tax Act (Act no 58of 1962).

FINES

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the constitutional institution.

Where the constitutional institution collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

1.18 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 ACCOUNTING BY PRINCIPALS AND AGENTS IDENTIFICATION

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

IDENTIFYING WHETHER AN ENTITY IS A PRINCIPAL OR AN AGENT

When the constitutional institution is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a constitutional institution is a principal or an agent requires the constitutional institution to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

BINDING ARRANGEMENT

The constitutional institution assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

ASSESSING WHICH ENTITY BENEFITS FROM THE TRANSACTIONS WITH THIRD PARTIES

When the constitutional institution in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the constitutional institution concludes that it is not the agent, then it is the principal in the transactions.

The constitutional institution is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the constitutional institution has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The constitutional institution applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the constitutional institution is an agent.

RECOGNITION

The constitutional institution, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The constitutional institution, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The constitutional institution recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.20 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 UNAUTHORISED EXPENDITURE

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.23 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.24 BUDGET INFORMATION

Constitutional Institution is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which are given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by constitutional institution shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting, therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.25 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the constitutional institution, including those charged with the governance of the constitutional institution in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the constitutional institution.

The constitutional institution is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the constitutional institution to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the constitutional institution is exempt from the disclosures in accordance with the above, the constitutional institution discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.26 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The constitutional institution will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The constitutional institution will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.27 ADMINISTERED REVENUE ON BEHALF OF THE NATIONAL REVENUE FUND

In terms of section 15(3) of the Independent Communications Authority of South Africa (Act No 13 of 2000), the authority is required to pay all fees received and held on its behalf to the National Revenue Fund within 30 days after receipt of such revenue, through the Department of Communications and Digital Technologies.

Separate bank accounts are held for the purpose of collecting these revenues and paying them across to the National Revenue Fund. The authority has an obligation in terms of statue to administer these funds on behalf of National Treasury to pay them across within the prescribed time limit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The constitutional institution has not applied the following standards and interpretations, which have been published and are mandatory for the constitutional institution's accounting periods beginning on or after 01 April 2023 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	Unlikely there will be a material impact
GRAP 103 (as revised): Heritage Assets	01 April 2099	Unlikely there will be a material impact
GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2099	Unlikely there will be a material impact
Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2023	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

The objective of this guideline: Entities in the public sector are frequently involved in the construction of houses as part of government's housing policy, implemented through the national housing programme, which is aimed at developing sustainable human settlements. The Housing Act, Act No. 107 of 1997 provides information about the housing programmes that fall within the scope of the national housing programme. Concerns were raised by preparers about the inconsistent accounting applied to housing arrangements undertaken by entities under the national housing programme. Different accounting may be appropriate where there are differences between the terms and conditions of arrangements concluded by entities. However, under housing arrangements that are undertaken in terms of the national housing programme, there are common features and issues that need to be considered. As a result, the Board agreed to develop high-level guidance for arrangements undertaken in terms of the national housing programme.

It covers: Background to arrangements undertaken in terms of the national housing programme, Transactions that affect the accounting of housing arrangements, Consider whether the municipality undertakes transactions with third parties on behalf of another party, Accounting by municipalities appointed as project manager, Disclosure requirements, Accounting by municipalities appointed as project developer, Accounting for the accreditation fee, commission, administration or transaction fee received, Land and infrastructure, Conclusion and Application of this Guideline to existing arrangements.

The effective date of the guideline is for years beginning on or after 01 April 2022.

3. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Dismantling and restoration asset	2 047 431	(904 305)	1 143 126	2 047 431	(699 876)	1 347 555
Furniture and fixtures	13 758 183	(7 443 245)	6 314 938	13 758 183	(6 011 400)	7 746 783
Leasehold improvements	21 763 311	(9 825 076)	11 938 235	19 756 512	(7 518 106)	12 238 406
Motor vehicles	22 111 827	(10 637 688)	11 474 139	22 848 229	(10 153 821)	12 694 408
Office and computer equipment	66 594 785	(49 371 731)	17 223 054	62 245 407	(45 692 305)	16 553 102
Office equipment under finance lease	9 692 929	(5 790 805)	3 902 124	9 846 604	(2 872 738)	6 973 866
Test equipment	123 300 919	(72 647 964)	50 652 955	119 748 059	(66 947 149)	52 800 910
Total	**259 269 385**	**(156 620 814)**	**102 648 571**	**250 250 425**	**(139 895 395)**	**110 355 030**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2023

	Opening balance R	Additions R	Disposals R	Transfers R	Depreciation R	Total R
Dismantling and restoration asset	1 347 555	-	-	-	(204 429)	1 143 126
Furniture and fixtures	7 746 783	-	-	-	(1 431 845)	6 314 938
Leasehold improvements	12 238 406	2 006 799	-	-	(2 306 970)	11 938 235
Motor vehicles	12 694 408	-	(282 852)	-	(937 417)	11 474 139
Office and computer equipment	16 553 102	4 538 656	(36 171)	(867)	(3 831 666)	17 223 054
Office and computer equipment under finance lease	6 973 866	-	(96 334)	-	(2 975 408)	3 902 124
Test equipment	52 800 910	3 675 441	(76 861)	-	(5 746 535)	50 652 955
	110 355 030	**10 220 896**	**(492 218)**	**(867)**	**(17 434 270)**	**102 648 571**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2022

	Opening balance R	Additions R	Disposals R	Other changes, movements R	Depreciation R	Impairment loss R	Total R
Dismantling and restoration asset	1 551 985	-	-	-	(204 430)	-	1 347 555
Furniture and fixtures	9 200 055	-	-	-	(1 453 272)	-	7 746 783
Leasehold improvements	13 517 752	804 809	-	-	(2 084 155)	-	12 238 406
Motor vehicles	9 725 590	4 140 871	-	-	(1 172 053)	-	12 694 408
Office and computer equipment	18 752 922	2 941 373	(83 524)	55 008	(5 107 232)	(5 445)	16 553 102
Office equipment under finance lease	492 611	8 779 383	(98 422)	98 422	(2 298 128)	-	6 973 866
Test equipment	56 122 489	2 444 470	-	-	(5 766 049)	-	52 800 910
	109 363 404	**19 110 906**	**(181 946)**	**153 430**	**(18 085 319)**	**(5 445)**	**110 355 030**

ASSETS SUBJECT TO A LEASE (NET CARRYING AMOUNT)	2023 R	2022 R
Leasehold improvements	11 938 235	12 238 406
Other leased assets	3 902 124	6 973 866
	15 840 359	**19 212 272**

4. INTANGIBLE ASSETS

	2023			2022		
	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R
Computer software	41 700 176	(27 434 338)	14 265 838	41 443 638	(22 574 073)	18 869 565
Work in Progress	5 468 983	-	5 468 983	-	-	-
Total	**47 169 159**	**(27 434 338)**	**19 734 821**	**41 443 638**	**(22 574 073)**	**18 869 565**

RECONCILIATION OF INTANGIBLE ASSETS - 2023	Opening balance R	Additions R	Amortisation R	Transfers R	Total R
Computer software	18 869 565	203 550	(4 808 144)	867	14 265 838
Work in Progress	-	5 468 983	-	-	5 468 983
	18 869 565	**5 672 533**	**(4 808 144)**	**867**	**19 734 821**

RECONCILIATION OF INTANGIBLE ASSETS - 2022	Opening balance R	Amortisation R	Total R
Computer software, other	23 026 987	(4 157 422)	18 869 565

5. OPERATING LEASE ASSET/(LIABILITY)

	2023 R	2022 R
Non-current liabilities	(22 065 106)	(17 904 326)
Current liabilities	(371 894)	(2 284 330)
	(22 437 000)	**(20 188 656)**

6. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	4 486 718	13 033 331
Structured savings	442 010	329 950
Third-party payables	(318 215)	(281 402)
Accrued leave pay	25 092 207	17 227 604
Accrued expense	19 379 864	24 546 642
	49 082 584	**54 856 125**

7. NATIONAL REVENUE FUND PAYABLE

National Revenue Fund payable	954 183 987	9 624 372 344
Receipt in advance and other payables	534 316 600	624 360 967
	1 488 500 587	**10 248 733 311**

The NRF Payables amount of R1 488 500 587includes an amount of R2 481 160 paid by a licensee.

8. PREPAYMENTS

	2023 R	2022 R
Software licence and support	3 014 181	873 449
Library subscription	-	64 718
Rental payments	85 567	2 544 781
Awareness campaign	145 784	-
Consultants	152 770	482 238
Bursary	-	239 400
IT storage	-	17 828
Deposits	1 730 823	1 658 823
	5 129 125	**5 881 237**

9. INVENTORIES

Groceries	76 596	98 430
Stationery	284 462	359 922
	361 058	**458 352**

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Staff Receivables	6 548 132	6 442 733
Other receivables	3 679 660	1 226 306
Less: Provision for impairment of receivables	(157)	(157)
	10 227 635	**7 668 882**

Receivables from exchange transactions pertain to staff bursaries, subsistence & travel and cellular phones. In the event a staff member decides to deregister and leaves the employment of the authority or change the courses for which the staff member was initially sponsored the bursary is recouped. The employee is expected to serve a term equivalent to the period sponsored alternatively the total amount due will be deducted from the employee's salary or final payment.

Cell phone, subsistence and travel receivables pertain to amounts that the employee owes the authority after a business trip or excess/personal usage of a cell phone provided to the employee by the authority. No impairment is provided for on these receivables as these are recoverable from the employees on a regular basis. The employees sign contracts for bursaries, standing advances and cell phones which provide the authority permission to deduct outstanding amounts. International travel is administered through signed letters from employees granting the authority permission to deduct such amounts should an employee decide to leave before the stipulated period of time.

CREDIT QUALITY OF TRADE AND OTHER RECEIVABLES

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The authority does not hold any collateral security:

CREDIT QUALITY

The ratings of other receivables was as follows:		
Medium risk	10 994 743	11 364 408
High risk	(157)	(157)
	10 994 586	**11 364 251**

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	2023 R	2022 R

TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2023,R 6 098 635 (2022:R 6 453 421) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2023 R	2022 R
1 month past due	77 994	232 567
2 months past due	311 212	432 579
3 months past due	5 709 429	5 788 274

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2023, trade and other receivables of R 157 (2022: R (157)) were impaired and provided for.

The amount of the provision was R 157 as of 31 March 2023 (2022:R (157)).

The ageing of these loans is as follows:

	2023 R	2022 R
Over 6 months	(157)	(157)

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

	2023 R	2022 R
Opening balance	(157)	(157)

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2023 R	2022 R
Allowance for impairment of NRF Receivables	(119 641 110)	(87 770 681)
Broadcasting services	112 358 595	150 086 626
ECS and ECNS services	851 853 132	8 726 054 870
Postal services	38 140 131	31 058 020
Spectrum receivables	107 427 634	805 924 348
	990 138 382	**9 625 353 183**

Receivables from non-exchange transactions pertain to license fees accruals that were raised at the end of the reporting period but due for settlement after the end of the reporting period. These are based on either the results of the licensee, where the licensee has finalised its financial statements, However, in instances where actual results are not available at the end of the reporting period the licensee submits the expected financial results.

ECN and ECNS receivables relates to all the amounts that had been billed to but not settled by the Electronic Communications Services and the Electronic Communications Network Services licensees. The broadcasting receivables are all outstanding license fees for broadcasting licenses.

The authority acts as an agent for the National Revenue Fund. The transfer of licence fees received is paid over to the Department of Communications and Digital Technologies hence receivables on behalf of the National Revenue Fund.

11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	2023 R	2022 R

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS PAST DUE BUT NOT IMPAIRED

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March 2023, R 3 538 328 (2022:R 8 763 150 809) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	2 871 435	8 641 728 849
2 months past due	558 955	415 905
3 months past due	107 938	121 006 059

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS IMPAIRED

As of 31 March 2023, other receivables from non-exchange transactions of R (119 640 890) (2022:R (87 770 460)) were impaired and provided for.

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Opening balance	(87 770 460)	(71 691 939)
Provision for impairment	(34 907 480)	(22 570 206)
Unused amounts reversed	3 037 050	6 491 685
	(119 640 890)	**(87 770 460)**

The licenses are granted to various customers with different credit profiles. Customer profiles include successful multinational corporations, big security companies, medium-sized entities and very small entities. The credit profiles of these entities vary significantly and in terms of the legislations the authority is not permitted to refuse to grant any entity licenses due to its credit rating.

Despite the fact that no credit vetting is conducted before licenses are issued, all licenses are granted after they have lodged their applications with the authority. In instances where the licensee fails to comply with its license condition which includes payment terms, the licensee is referred to the Complaints and Compliance Committee or has its equipment sealed. Amounts written-off during the year were previously included in the impairment provision. All amounts written off are duly approved by Council.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Bank balances	634 319 265	292 339 199
Administered revenue cash balance	495 881 258	623 381 172
Other cash and cash equivalents (bank)	24 192	21 458
Other cash and cash equivalents (other)	58 184	57 918
	1 130 282 899	**915 799 747**

13. FINANCE LEASE OBLIGATION

	2023 R	2022 R
MINIMUM LEASE PAYMENTS DUE		
- within one year	3 252 982	3 384 879
- in second to fifth year inclusive	813 246	4 066 228
	4 066 228	7 451 107
less: future finance charges	(88 451)	(339 162)
Present value of minimum lease payments	**3 977 777**	**7 111 945**
PRESENT VALUE OF MINIMUM LEASE PAYMENTS DUE		
- within one year	3 977 777	3 134 168
- in second to fifth year inclusive	130 176	3 977 777
	4 107 953	**7 111 945**
Non-current liabilities	808 810	3 977 777
Current liabilities	3 169 076	3 134 168
	3 977 886	**7 111 945**

The authority entered into a finance lease agreement with Bytes Documents Solutions (Pty) Ltd for office equipment. The monthly instalments are fixed and do not contain any escalation clauses. The extended lease expires on 30 September 2023.

The average lease term was extended for 2 years and the average effective borrowing rate was 10% (2022: 10%).

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The constitutional institution's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 3.

14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISE:

	2023 R	2022 R
UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Unspent grants	401 791 772	127 453 528
MOVEMENT DURING THE YEAR		
Balance at the beginning of the year	127 453 528	112 209 788
Additions during the year	300 000 000	48 200 000
Income recognition during the year	(25 661 756)	(32 956 260)
	401 791 772	**127 453 528**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the constitutional institution has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 14 for reconciliation of grants from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilised.

15. PROVISIONS

RECONCILIATION OF PROVISIONS - 2023	Opening balance R	Additions R	Utilised during the year R	Total R
Provision for Dismantling and Restoration	2 690 831	-	-	2 690 831
Bonus provisions	43 121 057	16 853 023	(15 097 584)	44 876 496
	45 811 888	**16 853 023**	**(15 097 584)**	**47 567 327**

RECONCILIATION OF PROVISIONS - 2022	Opening balance R	Additions R	Utilised during the year R	Change in discount factor R	Total R
Provision for Dismantling and Restoration	2 513 052	-	-	177 779	2 690 831
Bonus provisions	38 112 274	21 515 560	(16 506 777)	-	43 121 057
	40 625 326	**21 515 560**	**(16 506 777)**	**177 779**	**45 811 888**

	2023 R	2022 R
Non-current liabilities	2 690 831	2 690 831
Current liabilities	44 876 496	43 121 057
	47 567 327	**45 811 888**

PROVISION FOR DISMANTLING AND RESTORATION

The provision for dismantling and restoration costs relates to the Head Office lease agreement signed and effective from 1 November 2018 which imposed an obligation on the authority to restore the building on termination of the lease agreement on 30 September 2028.

BONUS PROVISION

The bonus provision is based on the key performance bonuses criteria that have to be met in order for the cash pay-out to be made. The amount of the performance bonus incentives paid to employees is always subject to approval by Council. This then results in uncertainty regarding the amount of the liability to be recognised in the financial statements.

16. OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS

Unspent Grants of prior year recognised	25 661 756	32 956 260
Miscellaneous income	2 595 206	649 979
Insurance claim settlements	811 859	427 876
	29 068 821	**34 034 115**

17. LEASE RENTALS ON OPERATING LEASE

PREMISES		
Contractual amounts	32 619 410	33 413 331
EQUIPMENT		
Contractual amounts	1 020 228	1 176 681
PARKING		
Contractual amounts	4 492 109	4 326 772
	38 131 747	**38 916 784**

18. REVENUE FROM EXCHANGE TRANSACTIONS

	2023 R	2022 R
Interest income	73 418 022	14 549 519
Other income	-	10 290
	73 418 022	**14 559 809**

19. REVENUE FROM NON - EXCHANGE TRANSACTIONS

Grant - Department of Communications and Digital Technologies	469 431 000	459 990 000

20. EMPLOYEE RELATED COSTS

Basic	244 913 164	240 901 406
Bonus	16 916 842	21 940 395
UIF	745 186	807 029
WCA	384 571	427 681
SDL	2 725 200	2 166 009
Leave pay provision charge	13 347 172	681 672
Defined contribution plans	41 497 570	41 710 352
Overtime payments	247 630	122 731
Long-service awards	100 627	72 867
Graduates Development Programme	1 293 836	2 250 156
Structured savings	(77 774)	142 677
Temporary Staff	4 571 861	10 260 352
	326 665 885	**321 483 327**

21. DEPRECIATION AND AMORTISATION

Property, plant and equipment	17 434 270	18 085 319
Intangible assets	4 808 144	4 157 422
	22 242 414	**22 242 741**

22. IMPAIRMENT OF ASSETS

IMPAIRMENTS		
Property, plant and equipment	-	5 445

23. FINANCE COSTS

Finance leases	250 710	393 186
Unwinding of Dismantling and Restoration Costs	-	177 779
Interest Paid	7 738	31 674
	258 448	**602 639**

24. AUDITORS' REMUNERATION

Fees	4 455 647	6 502 368

25. GENERAL EXPENSES

	2023 R	2022 R
Advertising	5 509 549	5 298 297
Assets expensed	1 328 772	898 919
Auditors remuneration	4 455 647	6 502 368
Bank charges	86 645	83 738
Cleaning	2 298 850	2 291 778
Consulting and professional fees	15 337 876	19 910 609
Electricity	3 625 802	3 817 971
General and administrative expenses	669 103	1 142 393
IT expenses	13 043 138	11 720 553
Insurance	1 346 585	1 276 215
Legal fees	35 330 190	33 476 255
Loss on disposal of assets	151 239	28 515
Motor vehicle expenses	2 104 876	1 181 088
Operating lease maintenance costs	(5 977)	181 338
Other expenses	2 609 971	4 621 382
Postage and courier	79	-
Printing and stationery	72 952	299 379
Publications	1 617 221	1 458 220
Rates and taxes	3 049 377	3 478 270
Recruitment costs	336 522	444 047
Security	2 551 317	2 660 349
Telephone and fax	1 308 036	1 827 862
Training	25 090	-
Training and conferences	4 600 203	2 094 157
Travel and subsistence	15 267 729	3 535 566
	116 720 792	**108 229 269**

26. REPAIRS AND MAINTENANCE

SALE OF GOODS

Office and computer equipment	1 746 696	1 519 607
Monitoring equipment	9 148	143 020
Motor vehicles	748 783	342 402
Spektrum maintenance	459 138	-
	2 963 765	**2 005 029**

27. CASH GENERATED FROM (USED IN) OPERATIONS

	2023 R	2022 R
Surplus	64 934 792	15 098 690
Adjustments for:		
Depreciation and amortisation	22 242 414	22 242 741
Gain on sale of property, plant and equipment	(319 641)	-
Finance costs - Finance leases	250 710	393 186
Impairment deficit	-	5 445
Movements in operating lease assets and accruals	2 248 344	11 402 515
Movements in provisions	1 755 439	6 093 809
Changes in working capital:		
Inventories	97 294	47 533
Receivables from exchange transactions	(2 558 753)	3 132 491
National Revenue Fund payable	8 635 214 801	9 015 632 812
Prepayments	752 112	(1 507 202)
Payables from exchange transactions	(5 773 542)	16 895 704
National Revenue Fund receivable	(8 760 232 724)	(8 653 969 884)
Payables from non-exchange transactions	-	(3 374 575)
Unspent conditional grants and receipts	274 338 244	15 243 741
	232 949 490	**447 337 006**

28. COMMITMENTS

AUTHORISED CAPITAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR

• Property, plant and equipment	526 050	277 135
• Intangible assets	18 115 396	3 496 875
	18 641 446	**3 774 010**

NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS

• Property, plant and equipment	-	63 828
• Intangible assets	-	1 351 175
	-	**1 415 003**

TOTAL CAPITAL COMMITMENTS

Already contracted for but not provided for	18 641 446	3 774 010
Not yet contracted for and authorised by members	-	1 415 003
	18 641 446	**5 189 013**

AUTHORISED OPERATIONAL EXPENDITURE

NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS

• Consultants	-	7 239 803

28. COMMITMENTS (CONTINUED)

	2023 R	2022 R
TOTAL OPERATIONAL COMMITMENTS		
Not yet contracted for and authorised by members	-	7 239 803

TOTAL COMMITMENTS

TOTAL COMMITMENTS	2023 R	2022 R
Authorised capital expenditure	18 641 446	5 189 013
Authorised operational expenditure	-	7 239 803
	18 641 446	**12 428 816**

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

OPERATING LEASES - AS LESSEE (EXPENSE)

MINIMUM LEASE PAYMENTS DUE	2023 R	2022 R
- within one year	32 803 227	30 058 149
- in second to fifth year inclusive	133 919 282	124 212 210
- later than five years	18 324 564	53 593 778
	185 047 073	**207 864 137**

Operating lease payments represent rentals payable by the constitutional institution for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

29. CONTINGENCIES

CONTINGENT LIABILITIES INCURRED RELATING TO INTERESTS IN OTHER ENTITIES	2023 R	2022 R
• A former employee of ICASA was dismissed. The employee referred the dispute to the CCMA. The CCMA issued an award in favour of the employee for reinstatement and backpay. ICASA approached the Labour Court for a review of the decision of the CCMA. To this end, ICASA paid security for an amount of R1,421,436.00	-	1 421 436
• Labour court ruled in favour of ICASA, stating the dismissal was fair. Since then, the employee has not lodged an appeal and the time for lodging an appeal has passed. The assigned external lawyers committed to refund ICASA the money. This matter may be removed from the list as payment of security amount of R1,421,436 was paid into the Authority's account on 7 October 2022.		
• A former employee was dismissed. The employee referred the dispute to the CCMA. The CCMA issued an arbitration award in favour of the employee for reinstatement and for ICASA to pay an amount of R588 207.87 for backpay, study loan and leave due to the employee. ICASA is reviewing the decision of the CCMA. The hearing was held on 3 February 2022.	-	1 798 164

29. CONTINGENCIES

	2023 R	2022 R
• The case was taken on at labour court, to which labour court ruled in favour of the employee and stated the dismissal was unfair. ICASA attempted to appeal the matter but was unsuccessful. Further to that, the labour court ordered ICASA to reinstate the employee will full backpay but did not award the study loan and leave payoff to the employee. The employee has been reinstated, and backpay amounting to +/-R3 million was paid to her. The matter has been finalised.		
• On 2 May 2019, the Authority received an application for review of the CCMA arbitration award delivered on 9 March 2019. In terms of the CCMA award, the former employee was awarded one months' salary totaling R64 226.55. The employee is challenging the decision of the arbitrator in that they believe the appropriate relief for the finding that the dismissal was substantively unfair and should have been retrospective reinstatement and full back pay. The Authority is reviewing the CCMA award.	4 064 227	64 227
• On 3 February 2021 applicant filed its heads of argument and ICASA filed its heads of argument on 17 February 2021. On 12 January 2022 ICASA received a notice of Set Down stating that the matter will be heard on 21 April 2022. On 21 April 2022 the Court gave an order that Maulana must file an explanatory affidavit. The applicant filed the affidavit on 4 May 2022. The Authority filed an answering affidavit on 20 May 2022. The review application is set down for hearing on 30 June 2023. Should the employee succeed, reinstatement with backpay of R4million		
• On 25 May 2022 the CCMA issued an award in favour of NEHAWU and ordered the Authority to pay employees' outstanding performance bonuses and merit increases for 2019/20 before end of March 2023. The Authority is reviewing the CCMA award.	5 000 000	-
• On 29 November 2022 the Authority filed its Replying Affidavit and on 14 December 2022 the Authority filed its Heads of Argument.		
• On 14 March 2019, the Authority received summons from Two Step CC ("Two Step"), seeking a court order to compel the Authority to pay Two Step an amount of R321,519.30 and legal costs in respect of customer satisfaction survey devices supplied and delivered to the Authority in terms of a request for quotations issued by the Authority. The Authority had interpreted Two Step's quotation of R96, 238.60 to include set-up and twelve month rentals, and awarded the contract to Two Step on that basis. Two Step argued that the R96,238.60 included only one month's rental.	-	78 584
	9 064 227	**3 362 411**

30. RELATED PARTIES

RELATIONSHIPS

Controlling entity Department of Communications and Digital Technologies

ICASA is a schedule 1 entity in terms of the Public Finance Management Act (PFMA). The related party disclosure is required in terms of GRAP 20 issued by National Treasury.

NATIONAL DEPARTMENTS

DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

The authority receives its budget allocation from the Department of Communications and Digital Technologies Services which is based on the approved allocation from Parliament, therefore this is at arms length. The Authority collects the licence fees from communication licensees and application fees on behalf of the National Revenue Fund and transfers this to the Department of Communications and Digital Technologies which is all done at arm's length.

The following departments are licensed under the Electronic Communications Act. All the transactions and the issued licenses are at arm's length:

- South African Police Services;
- Department of Water Affairs;
- Department of Environmental Affairs;
- Department of Defence and Military Veterans.

ENTITIES

The following government entities are licensed under' the Electronic Communications Act and Postal Services Act. All the transactions and the issued licenses are at arms length:

- Sentech;
- Transnet;
- Broadband Infraco;
- South African Post Office;
- State Information Technology Agent;
- South African Broadcasting Corporation.

The Authority acquires services at arm's length from the following entities:

- Transnet;
- Telkom SA Limited;
- South African Post Office;
- Government Printing Works;
- State Information Technology Agent;
- South African Broadcasting Corporation.

30. RELATED PARTIES (CONTINUED)

REMUNERATION OF MANAGEMENT

MANAGEMENT CLASS: COUNCILLORS

2023	Basic Salary R	Acting Allowance R	Post-employment benefits R	Termination benefits R	Expenses R	Other benefits received R	Total R
Faye T.Z.	428 126	-	57 942	-	-	34 347	520 415
Kedama Y.Y.	1 199 516	-	174 229	-	-	187 902	1 561 647
Lewis C.A.L.M.	1 531 916	105 759	-	-	-	37 800	1 675 475
Mkumatela L.S.	1 349 618	-	174 229	-	1 663	37 800	1 563 310
Modimoeng K.	499 847	-	75 250	228 356	-	13 154	816 607
Mushi D.C.	578 587	-	41 151	-	-	15 030	634 768
Nontombana N.	574 807	-	41 151	-	-	34 560	650 518
Sithole P.	449 873	-	57 942	-	-	12 600	520 415
Zimri P.	1 237 520	-	174 229	-	1 368	149 898	1 563 015
	7 849 810	**105 759**	**796 123**	**228 356**	**3 031**	**523 091**	**9 506 170**

2022	Basic Salary R	Post-employment benefits R	Termination benefits R	Subsistence travel R	Other benefits received R	Total R
Kadi P.	876 726	66 485	189 041	-	94 218	1 226 470
Kedama Y.Y.	1 207 280	174 792	-	-	180 138	1 562 210
Lewis C.A.L.M.	1 531 916	-	-	-	37 800	1 569 716
Mkumatela L.S.	1 349 618	174 792	-	-	37 800	1 562 210
Modimoeng K.	1 743 089	225 751	-	-	45 000	2 013 840
Qocha D.S.	787 582	116 528	185 516	47 261	73 985	1 210 872
Semane T.	1 339 244	145 660	16 691	-	84 041	1 585 636
Zimri PJ.	1 243 307	174 792	-	-	144 111	1 562 210
	10 078 762	**1 078 800**	**391 248**	**47 261**	**697 093**	**12 293 164**

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT

2023	Basic Salary R	Acting allowance R	Post-employment benefits R	Termination benefits R	Expenses R	Performance bonus R	Other benefits received R	Total R
Gidi N.N.	1 795 383	84 573	238 310	-	598	126 266	85 410	2 330 540
Hlongwane P.F	1 488 155	-	112 649	-	608	79 018	161 738	1 842 168
Kenyane J.	1 536 655	-	221 596	-	-	180 000	32 400	1 970 651
Kganakga M.D.	871 968	-	63 237	239 028	-	82 832	78 756	1 335 821
Louw N.M.	-	57 960	-	-	-	-	-	57 960
Maina L.W.	789 356	-	53 279	217 300	-	83 610	13 500	1 157 045
Malamlela A.B.	-	12 738	-	-	-	-	-	12 738
Maluleka-Disemelo T.	2 003 532	-	137 242	-	-	117 695	69 960	2 328 429
Meyer J.L.	1 596 074	-	115 650	168 675	-	-	94 748	1 975 147
Molefe P.D.	1 599 589	-	220 693	-	5 255	59 347	141 506	2 026 390
Ngwepe W.A.	949 064	-	127 234	323 294	-	26 290	68 055	1 493 937
Nomtshongwana A.Z.	1 921 854	-	138 645	-	-	125 684	102 900	2 289 083
Rabuli N.	1 812 133	-	126 118	-	-	-	114 090	2 052 341
	16 363 763	**155 271**	**1 554 653**	**948 297**	**6 461**	**880 742**	**963 063**	**20 872 250**

30. RELATED PARTIES (CONTINUED)

2022	Basic Salary R	Bonuses and performance related payments R	Acting Allowance R	Post-employment benefits R	Termination benefits R	Travel Allowance R	Other benefits received R	Total R
Gidi N.N.	1 738 946	152 316	-	231 571	-	-	81 486	2 204 319
Kenyane Julia	1 591 656	-	-	215 852	-	75 000	32 400	1 914 908
Kganakga M.D.	1 686 344	-	-	126 679	-	-	155 754	1 968 777
Khumalo A.J.	-	77 905	-	-	-	-	-	77 905
Maina L.W.	1 826 690	147 410	-	127 868	-	-	32 400	2 134 368
Makola B.D.	-	-	58 745	-	-	-	-	58 745
Maluleka-Disemelo T.	1 701 513	-	-	123 155	-	-	90 240	1 914 908
Matabane T.B.A.	419 429	77 540	-	31 228	221 403	21 000	28 797	799 397
Meyer J.L.	972 011	-	-	71 840	-	-	73 178	1 117 029
Mngomezulu P.B.	-	80 119	-	-	-	-	-	80 119
Molefe P.D.	568 155	-	111 925	78 155	-	-	44 100	802 335
Molete M.V.	-	-	37 721	-	-	-	-	37 721
Msibi L.N.	-	-	39 576	-	-	-	-	39 576
Ngwepe W.A.	2 234 018	146 369	-	305 362	-	-	161 571	2 847 320
Nomtshongwana A.Z.	1 811 921	103 482	-	131 515	-	-	99 261	2 146 179
Rabuli N.	293 225	-	-	20 526	-	-	6 235	319 986
Ruplal P.H.	-	113 357	-	-	-	-	-	113 357
Seleke M.J.	-	-	26 590	-	-	-	-	26 590
	14 843 908	**898 498**	**274 557**	**1 463 751**	**221 403**	**96 000**	**805 422**	**18 603 539**

31. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

Management determines the estimated useful lives and related depreciation charges for property, plant and equipment. The estimates are based on the assessed conditions of the assets, changes in technology such as new technical innovations being introduced in the industry thus rendering old assets obsolete, as well as expected future spending on capital assets.

In accordance with the prescribed treatment per GRAP 17, the authority re-assessed the remaining useful lives of all assets resulting in a revised estimate. The effect of this revision has resulted in overall decrease in depreciation charge for the current and future period as follows:

CATEGORY	Before changes in residual values and useful lives R	After changes in residual values and useful lives R	Value impact of change in estimate R
Technical Equipment	5 907 655	5 746 534	(161 121)
Furniture & Fittings	1 453 273	1 431 845	(21 428)
Leasehold Improvements	2 032 327	2 306 970	274 643
Dismantling	204 430	204 430	-
Motor Vehicles	1 300 230	937 417	(362 813)
Computer Equipment	3 662 542	3 055 771	(606 771)
Computer Software	5 045 693	4 808 143	(237 549)
Office Equipment	858 208	775 895	(82 313)
Leased Assets	2 980 470	2 975 408	(5 063)
	23 444 828	**22 242 413**	**(1 202 415)**

32. PRIOR-YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance and statement of net assets that have been affected by prior-year adjustments:

STATEMENT OF FINANCIAL POSITION 2022	As previously reported R	Correction of error R	Restated R
Receivables from non-exchange transactions	9 612 310 062	13 043 121	9 625 353 183
Operating Lease asset	2 272 673	(2 272 673)	-
National Revenue Fund payable	(10 235 691 233)	(13 042 077)	(10 248 733 310)
Operating Lease Liability	-	(2 284 330)	(2 284 330)
Operating Lease Liability	(22 461 329)	4 557 003	(17 904 326)
Unspent Conditional grants and receipts	(134 440 229)	6 986 770	127 453 528
Bonus Provision	44 028 304	(907 247)	43 121 057
	(733 981 752)	**6 080 567**	**(472 994 198)**

STATEMENT OF FINANCIAL PERFORMANCE 2022	As previously reported R	Correction of error R	Restated R
Revenue from non exchange transactions	27 047 345	6 986 770	34 034 115

STATEMENT OF NET ASSETS 2022	As previously reported R	Correction of error R	Restated R
Net assets restated	172 336 522	7 894 017	180 230 539

RESTATEMENT IN RESPECT OF RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

The correction of prior period error relates to the following:

License fees not accrued for

- Some licencees did not provide their annual projection of the year of 2022

RESTATEMENT IN RESPECT OF OPERATING LEASE

The operating lease was incorrectly accounted for under non current assets

RESTATEMENT IN RESPECT OF REVENUE NOT RECOGNISED IN THE YEAR 2022

Invoices that relate to conditional grant were incorrectly recognised in the 2022/23 financial year

33. RISK MANAGEMENT

LIQUIDITY RISK

Liquidity is the risk that the authority will not be able to meet its financial obligations as they fall due. The authority finances its operations through grants received from the Department of Communications and Digital Technologies and interest earned on positive bank balances. These are the only sources of finance for the authority due to the fact that the Public Finance Management Act prohibits the authority from raising loans and other forms of short and long-term borrowings.

The authority's risk to liquidity is a result of the funds available to cover future commitments. The authority manages liquidity risk through an ongoing review of future commitments and funding through quarterly tranches received from the Department of Communications and Digital Technologies. The entity maintains a reasonable balance between the period over which the assets generate funds and the period which the respective assets are funded. Furthermore the moratorium on vacant budgeted positions also aided the authority in managing the liquidity risk.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

AT 31 MARCH 2023	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
Payables from exchange transactions	(48 015 384)	-	-	-
Operating leases	(32 066 032)	(32 607 394)	(100 231 904)	(18 324 564)
National Revenue Fund payables	(1 486 019 638)	-	-	-
Finance lease obligation	(3 168 966)	(808 810)	-	-
AT 31 MARCH 2022				
Payables from exchange transactions	(54 856 125)	-	-	-
Operating leases	(30 058 149)	(29 850 101)	(94 362 109)	(53 593 778)
National Revenue Fund payables	(10 235 691 233)	-	-	-
Finance lease obligation	(3 134 059)	(3 977 777)	-	-

CREDIT RISK

Financial assets exposed to credit risk at year end were as follows:

FINANCIAL INSTRUMENT	2023 R	2022 R
Cash and cash equivalents	1 127 801 736	915 800 787
Receivables from exchange transactions	10 994 744	7 668 882
Receivables from non-exchange transactions	990 138 381	9 612 310 062

33. RISK MANAGEMENT (CONTINUED)

Credit risk is the risk that the Administered Revenue may suffer a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, mostly attributable to Administered Revenue's trade receivables. The licensees of Administered Revenue have to apply in terms of the relevant legislations in order to be authorised to conduct any activities.

Financial assets which potentially expose the Administered Revenue to a significant credit risk, consist mainly of cash and cash equivalents and trade receivables. The authority only invests cash with major reputable financial institutions with high quality credit standing and limits exposure to any one counter party thus poses minimum risk. Therefore the high concentration of credit risk is mainly attributable to revenue from non-exchange transactions. Trade and other receivables are presented net of the allowance for doubtful receivables.

ICASA Administered Revenue collects the majority of its revenue from the major mobile and fixed line telecommunications companies that have excellent reputations with regard to compliance with regulatory obligations for the payment of both the annual license and spectrum fees. However the authority is exposed to risk in the collection of spectrum fees owed due to the diverse nature of entities able to apply and utilise the available spectrum. Such licensees include government departments, major telecommunications companies, broadcasting licensees, security companies, individuals etc.

There is no significant exposure from major corporations and government departments. However there is risk associated with the collection of revenue owed by those spectrum licensees who are not required to hold an ECNS license, as these licensees are mainly small companies with geographically diverse locations. The resources available to ICASA signify a significant risk in its ability to collect all outstanding revenues from such licenses.

The broadcasting and postal services licensees do not pose any risk regarding the collection of annual or spectrum license fees.

MARKET RISK

INTEREST RATE RISK

The authority has no significant interest-bearing assets, the authority's income and operating cash flows are substantially independent of changes in market interest rates.

FOREIGN EXCHANGE RISK

The authority operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The authority does not hedge foreign exchange fluctuations.

The authority reviews its foreign currency exposure, including commitments on an ongoing basis. The constitutional institution expects its foreign exchange contracts to hedge foreign exchange exposure.

The constitutional institution reviews its foreign currency exposure, including commitments on an ongoing basis. The constitutional institution expects its foreign exchange contracts to hedge foreign exchange exposure.

34. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

35. FRUITLESS AND WASTEFUL EXPENDITURE

	2023 R	2022 R
Opening balance as previously reported	8 103 621	7 605 147
Add: Fruitless and wasteful expenditure identified - current	432 702	498 474
Closing balance	**8 536 323**	**8 103 621**

DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE

	Disciplinary steps taken/ criminal proceedings		
The changes to the supplier's banking details were not valid resulting in funds paid to a fraudulent bank account	A forensic investigation was instituted and the recommendation of the report is currently being	-	461 837
Vehicle Booked for Maintenance	The matter is being investigated	2 248	-
Flights issued while there was no Accommodation (offline request)	The matter is being investigated	13 980	-
Accommodation (Son Sick)	The matter is being investigated	17 212	-
Sick	The matter is being investigated	2 152	-
Nicknames used	The matter is being investigated	7 899	-
Other	The matter is being investigated	5 193	-
Visa	The matter is being investigated	359 260	-
Interest on late payment of supplier invoices	Reported to loss control for investigation	-	36 637
Missed flights	The matter is being investigated	24 758	-
		432 702	**498 474**

36. IRREGULAR EXPENDITURE

Opening balance as previously reported	200 154 204	167 119 726
Opening balance as restated	**200 154 204**	**167 119 726**
Add: Irregular Expenditure - current	34 228 044	33 034 478
Closing balance	**234 382 248**	**200 154 204**

36. IRREGULAR EXPENDITURE (CONTINUED)

Incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/ criminal proceedings	2023 R	2022 R
Functionality incorrectly calculated for a bid	The matter has been reported to the Loss Control Committee for further processing	33 742 377	31 672 362
The supplier has been providing a service to the authority for 19 years and this is not fair and competitive to the other role players in the industry	The matter has been reported to the Loss Control Committee for further processing	-	415 094
No evidence that the deviation was approved by the accounting officer or his delegate when it is not possible to obtain at least three quotations	The matter has been reported to the Loss Control Committee for further processing	331 200	696 501
Tax non-compliant at Award stage	The matter has been reported to the Loss Control Committee for further processing	131 082	250 521
Additional services not approved	The matter is being investigated	4 065	-
Service rendered post contract expiry	The matter is being investigated	19 320	-
		34 228 044	**33 034 478**

37. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the members and includes a note to the annual financial statements.

The deviations for the year are summarised below:

REASON	
Ensuring security certificates features are not open to public to copy	258 175
Sole service provider	13 749 079
HR Audit Framework with associated assessment and scoring tools to enable audits to be carried out against the National HRM Standards	224 250
Software License renewal for Financial Statements reporting	93 204
Emergency	41 840
	14 366 548

38. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

OTHER INCOME

The Authority had more cash reserves to invest during the first half of the year due to the spectrum auction.

GOVERNMENT/ DEFERRED GRANTS

Deferred grants realised as expenditure was incurred.

PERSONNEL

Less expenditure due to vacancies/ moratorium. Includes Committees.

DEPRECIATION AND AMORTISATION

Expenditure over due to additions.

IMPAIRMENT LOSS/ REVERSAL OF IMPAIRMENTS

No impairment in 2022/23.

REPAIRS AND MAINTENANCE

Some repairs didn't take place due to less usage of facilities & tools.

GENERAL EXPENSES

Less expenditure due to containment measure by NT in Q1 and staff working from home. Includes Projects.

FINANCE COSTS

Expenditure in line with budget.

39. ACCOUNTING BY PRINCIPALS AND AGENTS

The entity is party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

	2023 R	2022 R
NRF Receivables	990 138 382	9 625 353 183
NRF Bank Balance	459 881 265	623 381 199
NRF Payables	1 488 500 587	10 248 733 311

The Authority collects license fees as mandated by the ICASA act. This license fee is regulated by the act. All license fees and interest collected from licensees are transferred to the National Revenue Fund (NRF). License fees are deposited into the main account of the Authority and this is transferred into sub – accounts depending on which types of license fees were collected. The funds are deposited into the NRF account within 30 days,

The Authority correctly accounts for the NRF receivable, NRF bank balance and the NRF payable for each financial year under note 7,11 & 12 of the annual financial statements.

Section 15(1) & (3) of the ICASA Act stipulates that the Authoirty shall pay over any funds received other than by means of appropriation to NRF within 30 Days of receipt .These monies are received due to the Authority issuing licenses, collecting annual license fees and administrative fees, as part of their mandate legislated by the Broadcasting Act paragraph 4(1), 4(4) & 4(5)

There are no risks transferred to the Authority from NRF due to the relationship of agent - principal

NOTES

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HEAD OFFICE

350 Witch-Hazel Avenue
Eco-Park Estate
Centurion
0144

Private Bag X10
Highveld Park
0169

Tel: (012) 568 3000/1
Fax: (012) 568 3444

info@icasa.org.za

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