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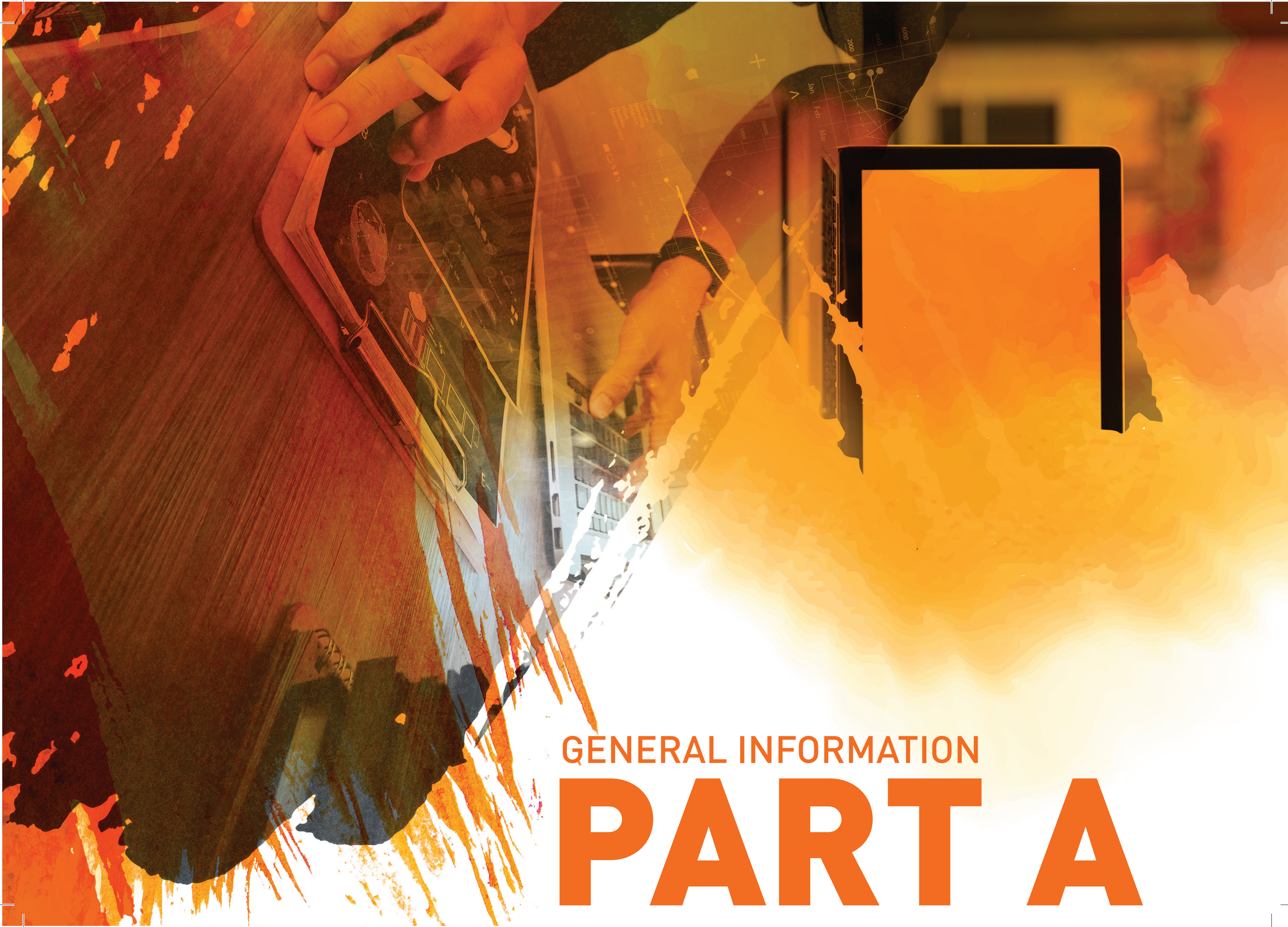
NEMISA NPC
National Electronic Media Institute of South Africa
Moving towards iNeSI
Ikamva National eSkills Institute



GENERAL INFORMATION

PART A

1. VISION

An e-skilled society.

2. MISSION

It is the mission of the National Electronic Media Institute of South Africa (NEMISA) to provide a national integrated e-skills development management system towards sustainable socio-economic development in South Africa.

To deliver on its mission and strategic objectives and to radically advance the capacity development of e-skills/e-readiness, the Institute will continue to:

- Act as a national catalyst and change agent for the development of e-skills;
- Play a leading and advocacy role in developing users, consumers and citizens within the globally evolving information and knowledge-based environment that is increasingly dominated and affected by modern Information and Communications Technology (ICT) devices and applications;
- Through a distributed model i.e. physical presence in each of the nine provinces, allow for government, business, education, organised labour and civil society to better position South Africa for a knowledge economy;
- Collaborate with key stakeholders i.e. government, business, education, organised labour and civil society and global development partners for impact; and
- Broaden its scope to address all e-skills interventions (i.e. teaching and learning, research, innovation, monitoring and evaluation and aggregation).

3. VALUES

- Innovation
- Collaboration
- Agility
- Visionary
- Impact-oriented
- Integrity

4. LEGISLATIVE AND OTHER MANDATES

The Broadcasting School of South Africa was established in 1988 as a section 21 Company in terms of the companies Act, Act 61 of 1973 to deliver the requisite skills for the broadcasting industry (radio and television). The school was renamed in 2001 to be the National Electronic Media Institute of South Africa (NEMISA) and re-launched in 2006 with an expanded scope to include qualifications in animation and graphic design.

The shortage of ICT-related skills (e-skills) was identified as a critical issue, and the Department was mandated to drive the national e-skills agenda through its eSI.

The Institute derives its mandate from the Department of Telecommunications and Postal Services (DTPS), in particular to promote the development of e-skills human capacity in South Africa.

The mandate of the Department is now strengthened through the integration of NEMISA (state owned company), the eSI (Branch) and ISSA (Directorate), into a single entity.

This is done to ensure that the appropriate e-skills for an emerging information society and knowledge economy are delivered in an efficient and cost effective manner.

5. CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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 was prepared in accordance with the guidelines on Annual Reports as issued by National Treasury (NT).

The Annual Financial Statements were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to NEMISA.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgement made in this information.

The Accounting Authority is responsible for the establishment and implementation of a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of the performance information, human resources information and Annual Financial Statements of the Institute.

The AGSA is engaged to express an independent opinion on the Annual Financial Statements.
In our opinion, the Annual Report fairly reflects the operations, performance information, HR information and financial affairs of NEMISA for the financial year that ended 31 March 2016.

Yours sincerely,

Mr Peter Ramatswana
Acting Chief Executive Officer

Mr Thami ka Plaatjie
Acting Board Chairperson

MR THAMI KA PLAATJIE

6 ACTING CHAIRPERSONS FOREWORD

There is an ancient saying based on the question whether a big tree makes a sound when it falls and there is no one there to see.

The year under review has been quite eventful for the Institution as we witnessed senior resignations that casted a doubtful shadow over our affairs. Despite these challenges, we sustained operations to such an extent that we received an unqualified audit finding from the AGSA. This is not only a vote of confidence, but also a mark of great improvement. We especially commend our staff members for continuing to work with great diligence during these trying times, to help us accomplish that.

The Chief Executive Officer (CEO), who served for a period of approximately ten months, tendered his resignation to pursue a private business and academic career. The resignation was effected immediately in spite of our request for a six months notice period to allow us to source a replacement. Shortly after, the Chief Financial Officer (CFO) also resigned. The CFO was appointed to head up the finances department of the new Tax Ombudsman. This was followed by yet another resignation of the Chairperson of the Board to focus on other business interests.

These vital positions were advertised and will be filled as soon as possible. In the meantime, people have been appointed in acting positions to ensure minimal disruption in the operations of the Institution. It is important to note the support and consistent cooperation of our shareholder to help us remain afloat and focus on the task at hand.

I am also honoured to have been chosen by the Minister to lead the NEMISA Board as an Acting Chairperson during these crucial times and the Board and I are under no illusion about the challenges that we are faced with. We would like to reaffirm our commitment and dedication to not disappoint in executing this critical mandate.

The task ahead could not have come at a better time given the commitment of our government to regard access to ICT as a right, rather than a privilege. The information technology revolution embraces all of us in our different roles as citizenry, communities of urban, peri urban and rural areas.

Our government broadband and Digital Terrestrial Transmission (DTT) rollout plans come with immense opportunities for our continent and country at large. Our institution is well placed to play a leading and catalytic role to ensure the large scale development of capacity in e-skills across the country. As a Board, we are excited about the opportunity to play a historic and active role in changing the lives of our communities through facilitation of various ICT services, programmes and products at our disposal.

The role and support of the Minister, the Honourable Dr Siyabonga Cwele, in being a leading game-changer in how we conduct business, communicate and engage as a society through the use of ICT, remains crucial and it requires our institution to ensure its implementation.

This has been an exciting year for the clients who we have been able to reach out to in the villages of Limpopo, Umtata, Umgungundlovu, Colesberg and Ikageng Township. Through numerous programmes and intervention projects, we have been able to capacitate and skill many of our youth, women and ordinary people who are users of ICT in one way or the other. We reached a number of communities and with greater support we will continue to make a marked difference in future.

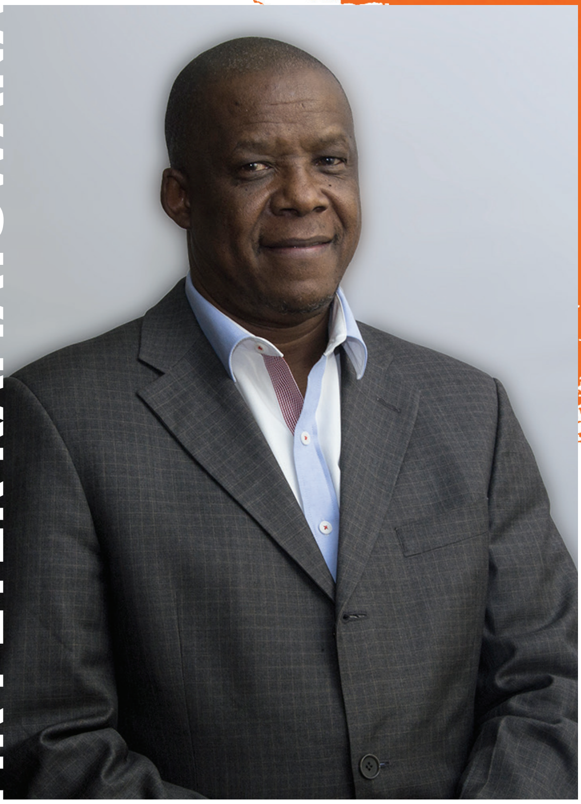
We have a significant presence of CoLabs in areas such as the Universities of Limpopo and Western Cape, the Walter Sisulu University, the Durban University of Technology and the Vaal University of Technology. We allocated a total of R 11, 3 towards the CoLabs as it is a highly effective way for us to fulfil our quest to bring services to our communities. Ideally, we should also expand our CoLabs to institutions such as the Tshwane University of Technology and the University of North West. We graduated a number of students in different categories in the year under review. The figures are as follows: broadcast engineering: 18, television: 21, graphic design: 23 and animation: 12. We express our deep appreciation to our shareholder and our staff for all their contributions to make this possible.

We deepened our relations with the CoLabs through a stakeholder engagement meeting to assess their work and determine ways in which we can improve our support to them.

Overall, it has been an exciting year for NEMISA, as we achieved a number of milestones through our ever growing and expanding network of institutions of learning and teaching at various levels.

It is with pride that I present our Annual Report for 2015/2016. We are honoured that we are able to help create a better life for all our people.

Mr Thami ka Plaatjie
Acting Board Chairperson



MR PETER RAMATSWANA

7 ACTING CEO'S OVERVIEW

The year under review has been very unique as a number of key milestones were realised through expansion of our programmes and the pilot of a blended learning model of training delivery.

This model exposed learners to both workplace and face to face training environments. The learners spent 70% of their learning at a workplace which is 3 weeks in a month and 30% at a training venue through face to face interface. This model proved to be quite effective as it equipped learners with hands on practical experience and exposure and mentoring, coaching over a period of 10 months and as a result enhancing chances of learners to be absorbed into the employment market.

This model proves the importance of a critical partnership between the employers (Public and Private Broadcasting Houses),Learners (Employees) and NEMISA as a Training Institute.

The year has also culminated in expansion of our collaboration network in three other Provinces being Free State, North West and Mpumalanga with Central University College, North West University and Tshwane University of Technology respectively.

Other key strategic partnerships renewed were with Moses Kotane Institute in KZN and H&P an SMME company based in Johannesburg and new partnerships with the SABC, the Commission for Gender Equality and through our CoLabs with Intel, KHI Solar and Web 2.0 & Social Media CTA among others.

The digital literacy programme, resulted in reaching out to communities of the National Health Insurance sites prioritised District Municipalities of Dr Kenneth Kaunda (North West), Pixley Ka Seme (Northern Cape) and Umtata (Eastern Cape).

Over and above these District Municipalities, through our other learnership programmes, the Institution was able to reach out to Community Radio and TV stations in Gauteng, Eastern Cape, KwaZulu Natal, Mpumalanga and Northern Cape Provinces.

Our CoLabs at the Durban University of Technology, University of Limpopo, University of the Western Cape, Vaal University of Technology and Walter Sisulu University have had a huge impact on delivering on their targets. These range from capacity building of e-literacy learners, sector users, ICT practitioners and thought leaders and participating in national and international conferences.

Also quite acutely, a number of online courses were developed which included the e-skills Learning Management System Portal developed to increase access to the Institution's programme from any quarter of the country.

Of significance, is also the launch of SHE WILL CONNECT programme targeting women with a specific focus on development of Women in the ICT in the Limpopo Province.

The support and oversight role of the Board has been very instrumental in ensuring that the Institution's Plans are executed as planned. We would like to express our gratitude for the Board members who have resigned and whose term has ended in the year under review, for their contribution and sterling work in advancing the vision and mission of the Institute. The strides we have made in the year under review are largely due to diligent, passionate and committed staff members and members of our management team at NEMISA, ISSA and all our CoLabs in all Provinces.

Mr Peter Ramatswana
Acting Chief Executive Officer

8. SITUATIONAL ANALYSIS

8.1. Performance environment

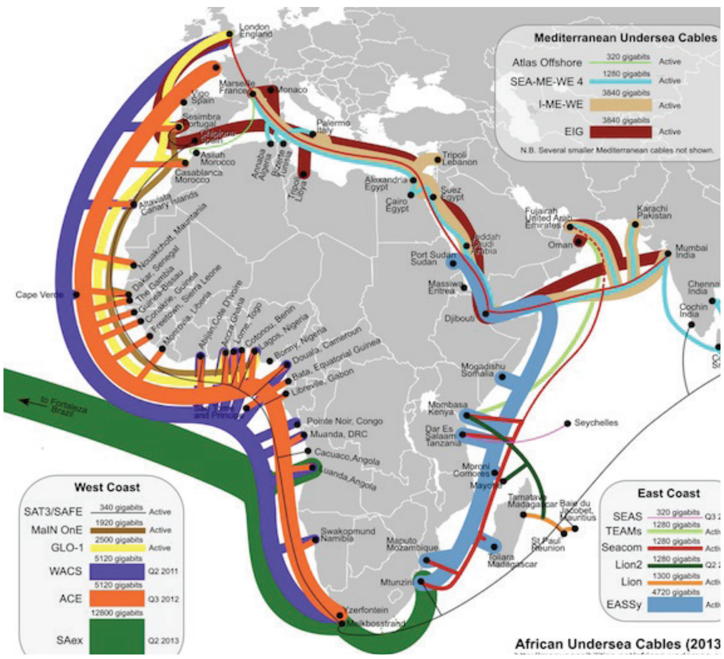
It is widely recognised that the 21st Century will be driven by knowledge, and a nation's competitive advantage in the global economy will be sustained by approaches that valorise e-social astuteness[1] across business, government, education, organised labour and civil society.

To meet the challenges of this century, South Africa needs to usher in a social e-astuteness revolution that seeks to bring about systemic changes across all societal structures and categories of the country. Reform in the full societal system needs to seriously consider a methodical approach to the role of ICTs in the development of adequate skills and competencies since they are critical for meeting the challenges posed by demography, disparity and development, and for creating an empowered generation for the future.

The pervasive and ubiquitous nature of the global dispersal of modern ICT is rapidly redefining base concepts of 'economies of scale' for socio-economic sustainability both vertically and horizontally across all spheres of service delivery, management, business analysis, education, innovation and research.

The South African landscape is marked by rapidly escalating capacity, mobility, affordability and access ability of ICT coupled with the impact of imminent bandwidth capacity. Our nation is completely unprepared to leverage this technology effectively, which is in turn fundamental to drive our national strategic objectives to address inequity. All current evidence points to the fact that ICT is indeed paramount to address issues of inequity in developmental states. An unplanned approach to harnessing ICT however, will directly lead to increasing inequity.

South Africa now finds itself in this space.



1 The concept of e-astuteness is closely related to developing e-competent individuals by giving them appropriate ICT-related knowledge and skills and training them to develop a competent attitude and knowledge to use and adapt to the rapidly changing new forms of ICT devices and associated software. If applied to benefit the community's socio-economic context (and possibly combined with other "e-astute" community members), e-astuteness then transitions into e-social astuteness, i.e. it becomes a smart way to apply acquired e-skills for everyday socio-economic development and better life opportunities for all. If applied appropriately, e-social astuteness can further help in developing ICT-supported social cohesion (impacting on basic issues including health, safety, food security, youth unemployment, increasing self-reliance, education and training, business development, etc.) which is very high on the agenda of the NDP and MTSF. [NeSPA 2013]

Over the last six years, we have seen an increase in the gap in internet bandwidth between developed and developing countries. We are also witnessing an increase of mobile cellular subscriptions. The implication of these two trends is that access to technology has created even more inequity across the world to date. Technology is also rapidly converging, increasing in capacity and becoming more mobile.

In addition, the pace of technological advance is accelerating. ICT is increasingly becoming ubiquitous and an intrinsic part of people's behaviour and social networks, as well as of business practices, government activities and service provision. In fact, these trends are transforming the very nature of work itself.

A recent report by McKinsey Global Institute (MGI)- (The Evolution of Work, 2012) attributes the shift to similar interaction in all jurisdictions across developed and developing economies alike. This will create significant global gaps between skills needs and the emerging 'job fit'. According to the MGI, a failure to address this divide in developmental states will inevitably 'result in higher unemployment, rising inequity and heightened political tensions testing political stability'. This is a position that South Africa cannot afford to be in.

The key issue for South Africa is how to leverage ICT capabilities and tools to address our socio-economic needs and improve the competence of our human resources for equitable prosperity and global competitiveness.

The establishment of the newly formed Department of Telecommunications and Postal Services and the Department of Communications, amongst others, should contribute to a more focused approach to relevant and targeted ICT skills and capacity (user, knowledge worker, practitioner and thought-leaders).

South Africa's declining position on the Development Index

Despite an overall mixed performance, South Africa makes large strides in the overall NRI rankings to 65th, almost entirely driven by improvements in infrastructure and affordability. South Africa's digital transformation is mostly business driven, as the country notably performs best in business usage (32nd), followed by individual usage (77th), followed by government usage (105th).

Although the country is perceived by South African business executives to be performing relatively well in terms of its regulatory and political environment, its innovation and business environment is rated significantly worse and, in addition, shows strong signs of deterioration—especially regarding technology and venture capital availability, government procurement of the latest technologies, and days as well as procedures to start a business.

It would be a pity if these developments were to offset investments in infrastructure that have significantly increased international Internet bandwidth and put the country among the top 20 globally on this particular indicator.

Furthermore, mobile tariffs have more than halved and broadband tariffs dropped slightly, reducing barriers to adoption also in terms of affordability. In order for impact to start materializing, significantly more buy-in from government will be needed across all areas of vision, promotion, and efficient use."[GITR 2016, p. 26].

Please see SA Global E-readiness Rankings

Overall & Sub-index / Pillars	2016	2015	2014	2013	2012
Overall	65	75	70	70	72
A. Environment sub-index	33	31	31	33	34
1. Political & regulatory environment.	26	24	20	21	23
2. Business & innovation environment.	65	55	53	55	50
B. Readiness sub-index	69	102	98	95	94
3. Infrastructure	44	85	68	59	82
4. Affordability	74	107	112	104	94
Overall & Sub-index / Pillars	2016	2015	2014	2013	2012
5. Skills	95	95	97	102	101
C. Usage sub-index	75	67	70	72	76
6. Individual usage	77	68	78	81	96
7. Business usage	32	30	30	33	34
8. Government usage	105	105	103	102	89
D. Impact sub-index	93	92	89	92	81
9. Economic impacts	57	58	49	51	59
10. Social impacts	112	110	113	112	98

Key Objectives in relation to South Africa's E-learners Ranking

1. "The digital revolution changes the nature of innovation."
   "One of the key characteristics of the digital revolution is that it is nurtured by a different type of innovation, increasingly based on digital technologies and on the new business models it allows."
2. "Firms will face increasing pressure to innovate continuously."
   "This technology-enabled innovation in turn unleashes new competitive pressures that call for yet more innovation by tech and non-tech firms alike."
3. "Businesses and governments are missing out on a rapidly growing digital population."
   "Businesses need to act now and adopt digital technologies to capture their part of this growing market. A widening and worrying gap is also emerging between growth in individual ICT usage and public-sector engagement in the digital economy..."
4. A new economy is shaping, requiring urgent innovations in governance and regulation."
   "A resilient digital economy also calls for new types of leadership, governance, and behaviors." (GITR, 2016, p. xii)

Global trends and e-skills[2] needed

Current trends in the impact of ICT deployment demonstrate that aggregation of both supply and demand into increasingly large economies of scale and lost leader time frames across much of business, education and government service delivery, are well beyond the capacity of traditional concepts of market competition within nation states to operate in the national interest.

Key global trends include:

1) Given the increase in new users, the developing world that has more than half the world's population, provides the greatest opportunities for many ICT providers;

2 e-skills refers to ..."the ability to use and develop ICTs within the context of an emerging South African Information Society and global Knowledge Economy, and associated competencies that enable individuals to actively participate in a world in which ICT is a requirement for advancement in government, business, education and society in general."

2) ICT development is converging, becoming more mobile, more affordable and more accessible in ways that suit the developmental agendas of many countries;
3) There can be no sustainable progress in developing equity of life chances in developmental states without the effective social appropriation of ICT;
4) The rate of ubiquitous development of ICT is moving past the current capacity and attitudes of many societal, organisational and service delivery structures for effective deployment and adoption;
5) There is an increasing and massive mismatch between skills required and the dramatic trend to integration (knowledge) work in all economies; and
6) There is an increasing shift across governments, education, research & development and business towards new formal structural agency aggregations to align diverse capabilities to address issues of employment, innovation, productivity, inequity and skills development for the challenges of the knowledge economy. These efforts are supplemented by a programme-based approach to separate 'form' (organisational structures) from 'function' (mid-term collaborations for impact).

Collectively, these trends are irrevocably changing the fundamentals of many services, businesses, educational approaches, the praxis of governance and the way in which life is led across much of society. The impact of it is likely to be greatest in areas where large equity gaps exist.

All analyses of the threats and opportunities that surround the necessary deployment of ICT, points to the need for formal mechanisms for collaboration across the stakeholder groups; business, government, education, organised labour and community (sometimes known as the quadruple helix approach). In many countries, these complex matters surrounding increasing productivity in an information society and knowledge-based economy are being addressed in three (3) main ways:

1) Aggregation of diverse specialist expertise and abilities in large government departments that is focussed on addressing the mega national priorities determined by analysis of the increasing impact of ICT in the socio-economic space;
2) Separation of organisational structures from programme delivery in new forms of matrix management to deliver against national priorities. To this end, individual and work group capacities are seconded, leased or contracted into funded programmes. The arrangements include proportional secondment allocations, contracted specialist staff and formal alliances between government, business and education. The programmes are typically run from mid- to long term i.e. from three to 10-15 years - with annual reviews by external expert panels.
3) Establishing co-operative research centres or research centres of excellence models which undertake:
    a) Monitoring and evaluation;
    b) The development of innovative, technical and service delivery applications for mega issues; and
    c) Incubation, accelerators, privatisations, start-ups, and patenting for business development, industry, and job creation aligned to interaction or knowledge work.

Considering South Africa's alarming decline in global e-readiness indicators, our country has no other alternative but to adopt the necessary approaches to reshape our skills sets for socio-economic repositioning. Internationally, at a skills level, there is an increasing need for:

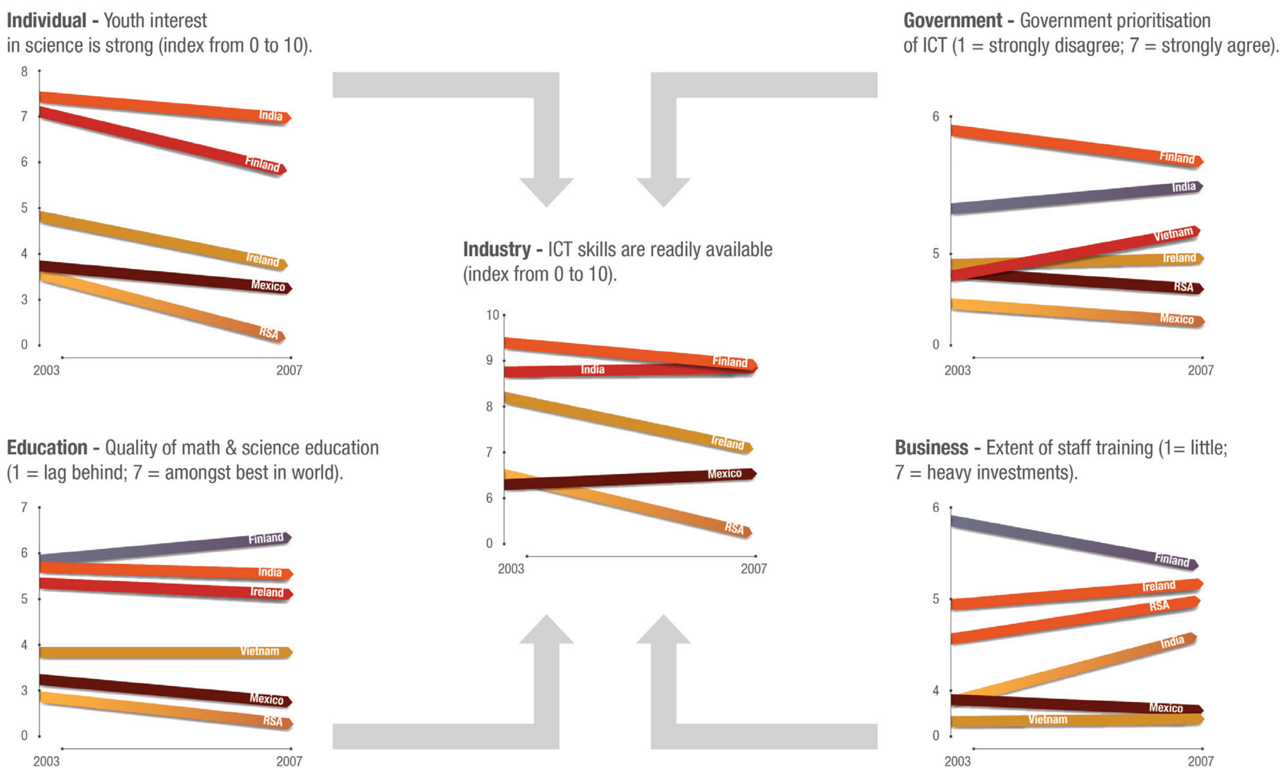
- The population to have electronic access to all relevant government information and services, including health services;
- Workers to are competent (combining both technical and business skills);
- A career structure and enhanced perception of the IT profession, to attract more ICT practitioners to enter the profession;
- A formal education structure that supports the development of a range of e-skills for employment and greater participation in both a national and global society;

- Clear guidance and frameworks to encourage the development of transferable skills and skills that are in the highest demand; and
- Skills development, training and services that are available on multiple platforms, and particularly via mobile services.

Locally, there is widespread agreement on the importance of ICTs and associated knowledge production for building more equitable prosperity and a globally competitive economy. There is also substantive evidence [including from sources but not limited to the Information Systems, Electronics, and Telecommunication Technologies (ISETT) and Media, Information and Communication Technologies (MICT) Sector Education Training Authorities (SETAs), 2007; DOL, 2007; Accenture, 2008; ITWeb 2008; NeSPA 2010 and 2013], that South Africa has a substantial shortage of skills for the effective use of contemporary information and communication technologies. These skills are critical to access information and services in almost every aspect of everyday life.

The diagram below illustrates that South Africa does not compare well with other countries in terms of ICT skills availability. Research regarding the underlying reasons, and measurements related to them, show that South Africa scores poorly in terms of youth interest in science, quality of mathematics and science education, government prioritisation of ICT and the extent of staff training[3]. This results in ICT skills not being readily available for industry.

DIAGRAM: SKILLS AVAILABILITY

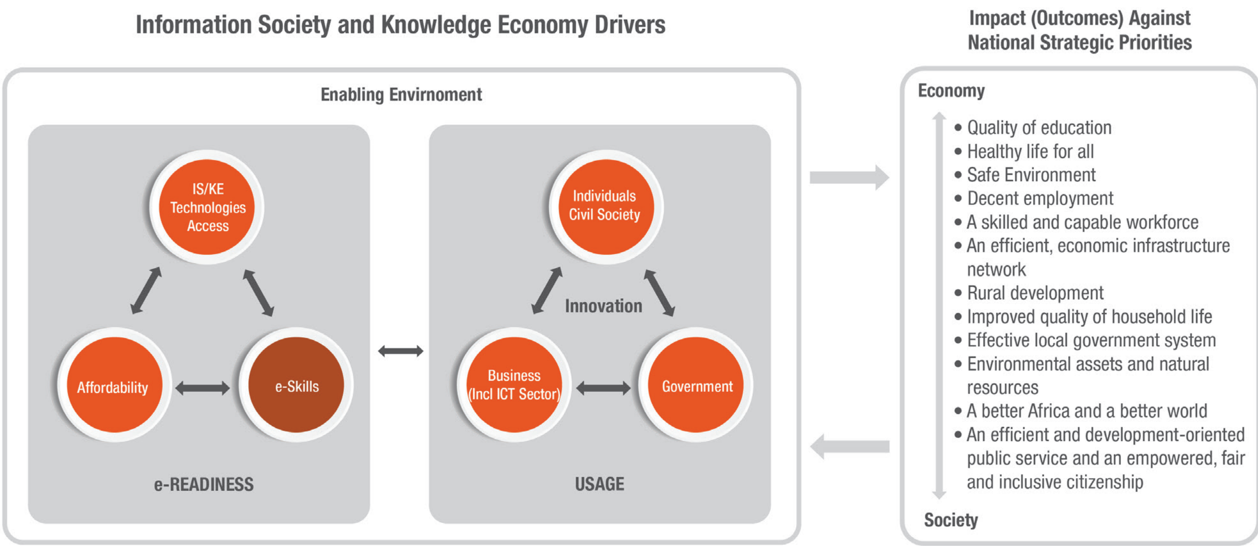


The Accenture study (2008) also indicated a positive relationship between ICT skills development and other factors such as connectivity, adoption and usage of ICTs, access to ICTs and available services, awareness of the functionality and benefits of ICTs.

e-Skills is a powerful engine for innovation, social inclusion and economic sustainability and as such the diagram below depicts e-skills as a key component of e-readiness. It further shows the enabling environment that is needed across stakeholders to develop e-skills capacity for national impact. [ITU and WEF, 2012]

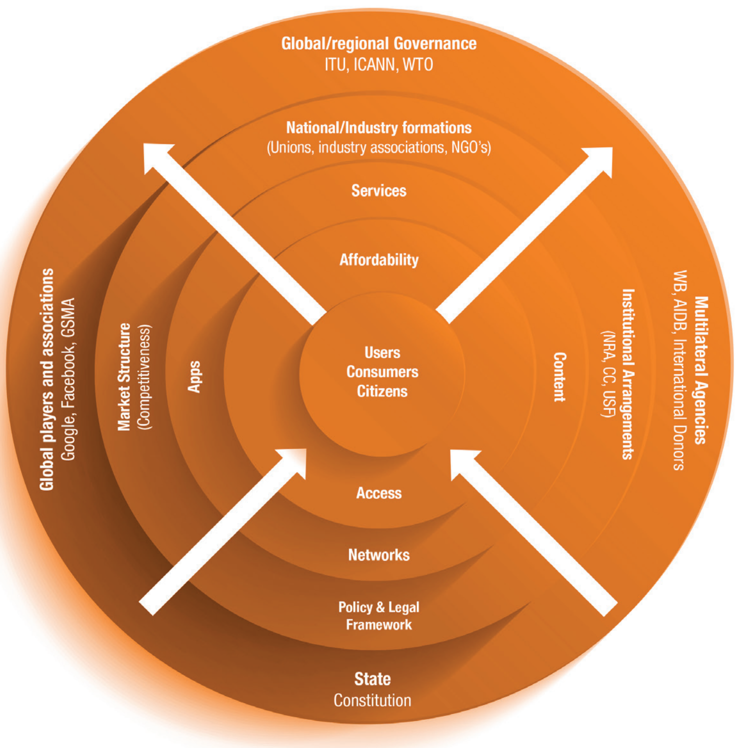
3 Accenture (2008) The ICT skills landscape of South Africa: A viewpoint on demand, supply and applicable international benchmarks prepared by Accenture for the South African e Skills Working Group, August 2008

Jobs can be created at a variety of skills levels (from call centres to development of highly sophisticated software and electronic devices), in various contexts (business, Government, civil society) and that are suitable for people of different abilities and interests (Wesso, 2007)[4]. The International Data Corporation (IDC) emphasised that more than 90% of the jobs available in 2014 will require e-skilled (ICT) workers.



The model below depicts the radical approach followed by Calandro, et al (2012) to Institute develop an aggregated framework to harness existing resources and develop new responsive approaches to coordinate capacity development of all stakeholders and enable large scale e-skills delivery - at all levels. They further prove the need for both human development (e-skills) and investments (infrastructure and access) to impact employment and innovation opportunities at scale.

Technological changes, new set of skills and emerging conceptual requirements



4 SA DoC (2007) Towards a strategic framework for ICT skills development in South Africa (Internal, discussion document). No e-version.

It is well recognised that the rapid capacity and paradigm changes occurring in the ICT world are impacting significantly on the way businesses, governments and societies conduct their affairs. The shift in appropriation of ICT is changing the value propositions across the breadth of the socio-economic platform and this has particular ramifications for developmental states. The unprecedented escalation in capacity, affordability, mobility, differentiation and availability of ICT devices, as well as the rapid shift towards high quality displays on mobile devices pose a significant challenge in:

- E-skilling people within their current jobs;
- Better preparing people for existing vacancies;
- Creating e-capacity for emerging jobs; and
- Creating an e-social astuteness in the citizenry for achieving more self reliance and more equitable prosperity.

According to research from the globally reputable Gartner, the following trends in the next three years have the potential to affect individuals, businesses and societies – thus requiring new sets of skills:

- Increased use of mobile devices in everyday life and greater use of tablet devices for work and business;
- Mobile-centric applications and interfaces are considered as one of the top strategic technology trends;
- Context-aware computing and social media are increasingly transforming the user experience;
- The internet of things: a "network of networks" (e.g. networks across commerce, business, transport, education etc. are connected to each other and networks of people using social media);
- The use of application (App) stores in business and in the marketplace (e.g. supporting the notion of Bring Your Own Device –BYOD);
- The next generation of advanced analytics: predictive, collaborative and pervasive;
- Big Data including Open Government Data;
- In-memory computing, which emerges from the converging evolution of memory technology, system architectures and enabling infrastructure software;
- Extreme low-energy servers that are greener than traditional servers; and
- Cloud computing as the main enabler of corporate and public organisations.

The abovementioned trends are heavily influenced by the growing importance of new levels of connectivity, decreasing costs for connectivity and an unprecedented rise of mobile computing. In South Africa, this will have significant influence on skilling our people for more equitable prosperity and global competitiveness.

The exponential growth in the use of "smart" mobile devices by a large portion of the population clearly demonstrates that the ability of South Africans to achieve more equitable prosperity and global competitiveness largely depends on recognising that the 21st century requires a new approach to the use of rapidly developing ICT devices. To develop the capacity to produce new understanding and knowledge and to use it effectively to advance the economy and society through innovation, new job opportunities, communication and information management, requires a broadly defined set of skills. This includes skills to use the ever advancing technologies (e.g. mobile devices, cloud computing). It also requires that the acquired skills are used in the economic and social context. Capabilities and attitudes need to be developed to effectively use skills for individual (e-astuteness) and societal (e-social astuteness) advancements.

8.2. Challenges facing South Africa

There is general acceptance that e-skills (ICT) is not just a "nice to have" as it affects the capacity of a country to address every substantive issue that communities face now and into the future. This was acknowledged in all the national strategies of the country i.e. the National Development Strategy (NDS) III, industry strategies, the strategic plan of the Department of Higher Education and Training (DHET), the New Growth Path of the Department of Economic Development (DED), the DHET's Green Paper for Post School Education and Training and New Vision 2030. All these highlight the importance of capacity development for an information society and a vibrant knowledge economy.

The National Development Plan (NDP) stipulates that: "By 2030, ICT will underpin the development of a dynamic and connected information society and a vibrant knowledge economy that is more inclusive and prosperous. A seamless information infrastructure will be universally available and accessible and will meet the needs of citizens, business and the public sector, providing access to the creation and consumption of a wide range of converged services required for effective economic and social participation – at a cost and quality at least equal to South Africa's main peers and competitors. Within this vision, the underlying ICT infrastructure and institutions will be the core of a widespread digital communications system. This ecosystem of digital networks, services, applications, content and devices, firmly integrated in the economic and social fabric, will connect public administration and the active citizen; promote economic growth, development and competitiveness; drive the creation of decent work; underpin nation building and strengthen social cohesion; and support local, national and regional integration." (NPC, 2012)

The challenges that the country faces are amongst others:

- We are not leveraging the potential benefits associated with ICT. There are notable shortcomings in terms of basic skills availability among large segments of the population and the high costs of insufficiently developed ICT infrastructure result in poor rates of ICT usage;
- Lack of coordination across the full spectrum of service delivery, business, education and policy frameworks (i.e. enabling environment, innovation and capacity) is a significant impediment to addressing the serious matter of e-skilling South Africa; as well as the crucial need for addressing socio-economic equity in South Africa;
- Education, articulation and ICT for learning: the need for e-skills to be embedded in all spheres of learning (primary, secondary and tertiary levels). The need to target universities (including new universities in the Northern Cape and Mpumalanga), Colleges of Education, Technical Vocational Education and Training (TVET) colleges, schools and community- based organisations to embed e-skills in their respective curricula to prepare learners for an information society and knowledge economy; and
- Access centres/distance education: the provision of e-skills for learners and communities based in deep rural, rural and peri-urban areas are a huge problem. Current centres across the country are neither utilised optimally, nor are they adequately equipped or connected virtually for open distance education (e-learning and m-learning).

To accelerate the development of e-skills capacity in the country and to meet our commitment to the Millennium Development Goals (MDGs), the World Summit on Information Society goals (WSIS, 2005), the Medium Term Strategic Framework (MTSF) 2015 -2017 and the NDP 2012 goals, will require:

- New approaches to the utilisation of ICTs; and
- Sufficient resources and support to create a major impact on the socio-economic growth of the country by creating a large number of new job opportunities.

To address the genuine need for a rapid large scale improvement in the development of e-skills, plus an understanding of how to use those skills optimally within the various contexts noted above, requires a national intervention to support the goals of all the following entities:

- The Department of Telecommunications & Postal Services (DTPS) (SA Connect, e-Skills);
- The Department of Communications (Digital Broadcast Migration and Broadcasting);
- The Department of Rural Development and Land Reform;
- The Department of Science Technology (Innovation Landscape Review); and
- The Department of Higher Education and Training (National Skills Development Strategy 2010, White Paper Post School Education and Training, Distance Education Policy).

We also need to drive the objectives of the Diagnostic Report 2011 of the National Planning Commission, the National Development Plan (e-literate society by 2030), the Medium Term Strategic Framework (MTSF 2015 – 2020) and the Millennium Development Goals (MDGs).

A great deal of money is already being invested in ICT education and training by business, academia, government and civil society. Currently there is a range of uncoordinated efforts to provide e-skills across education, government, business and civil society. These are funded by private service provider models, government support contributory schemes and donor agency supported free access schemes. A number of thought leaders (national and international) across business, education, government, civil society, including labour and global development partners were consulted. They confirmed that the Institute can only be justified if it takes an entirely new approach to e-skills interventions that are based on harnessing ICT for equitable prosperity and global competitiveness within the context of national goals.

The e-skills agenda is a multi-disciplinary approach that reaches beyond mere technology training and involves a broad spectrum of competency, needs and delivery options for an information society and knowledge economy. More and more, e-skills are becoming central to the development of jobs in information societies and knowledge –based economies. This also applies to South Africa as we realise that "...the ability to use and develop ICTs within the context of an emerging South African information society and global knowledge economy, and associated competencies that enable individuals to actively participate in a world in which ICT is a requirement for advancement in government, business, education and society in general." The establishment of iNeSI will thus create a key national catalytic collaborator across government, business, education and civil society to develop an e-skilled and e-empowered society in a South Africa that is increasingly dominated by ICTs. [Reference made to the National Broadband Policy and NeSPA 2012 and 2013.]

A positive step was taken to address this challenge towards the end of 2013 - through the gazetted "South Africa Connect: Creating Opportunities, Ensuring Inclusion: South Africa's Broadband Policy." The policy incorporates and emphasises the critical need for e-skills human capacity development.

8.3. Organisational environment

8.3.1. Skills development entities to be integrated in the DTPS

Skills development for an ICT-enabled world by the Department of Telecommunication & Postal Services (DTPS) is executed by two key institutions namely NEMISA and the e-Skills Institute (eSI). Below is a high-level overview of each of these entities, as well as the Institute for Satellite and Software Applications (ISSA).

8.3.2. The Integrated Model - Distributed

The model of the Institute is based on the outcomes of a workshop held towards the end of 2012. The workshop accepted the intent of the DTPS and confirmed that the Institute must accomplish the following to radically advance the capacity development of e-skills in the country :Institute

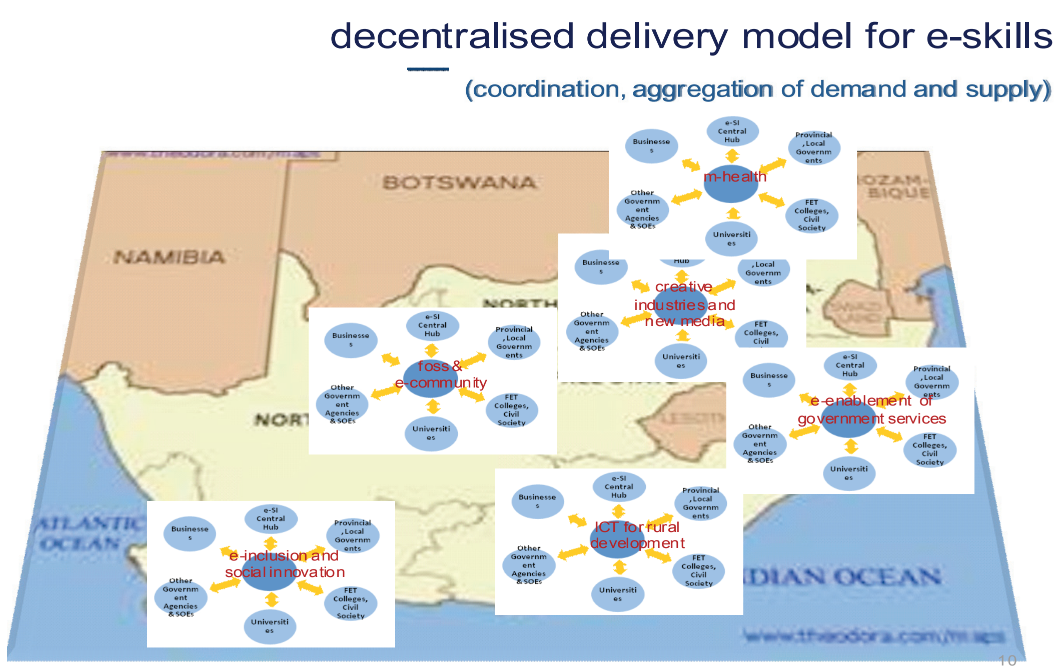
- Act as a national catalyst and change agent for the development of e-skills;
- Play a leading and advocacy role in developing users, consumers and citizens for a knowledge economy;
- Through a distributed model i.e. physical presence in each of the nine provinces allow for government, business, education, organised labour and civil society to better position South Africa for a knowledge economy;
- Collaborate with key stakeholders i.e. government, business, education, organised labour, civil society and global development partners for impact; and
- Broaden its scope to address all e-skills interventions (i.e. teaching and learning, research, innovation, monitoring and evaluation, and aggregation).

The diagram below depicts the distributed model that allows for the Institute (NEMISA, ISSA and e-SI) to carry out its mandate and activities.

8.3.3. Provincial e-Skills CoLabs

The Institute's provincial CoLabs in association with and hosted by local universities will ensure:

1) A positive engagement with stakeholder groups locally and provincially. These will bring to bear context, praxis and resource networks to existing programme delivery in subject matter that by its very nature is multidisciplinary and multilayered;
2) Develop relevant curricula and training in line with the national curriculum and competency framework and standardised curriculum guidelines;



3) Establish a sound basis for innovative research and evaluation tied to the MTSF 2015 – 2020 and NDP 2013 and which provides us with substance to develop relevant policies. Link to university networks in South Africa and across the world that can help evaluate case study approaches, provide post graduate research capacity and internships and provide new approaches to skilling existing resources in ways that are more responsive to emerging trends and technological development;
4) The means to increase the size of the national and international opportunity within a 'government recognised', 'business credible' and integrated framework that is responsive to new development and delivery approaches;
5) A collective energy for developing appropriate methodologies applicable to a range of markets in developmental states, whilst also providing a base for a collaborative approach towards these markets; and
6) A useful network across academia, business, government, international agencies and civil society for pedagogy, research, innovation and policy development in a trans-disciplinary area that has been highlighted by all evaluations of limits to growth, sustainability, equity and global competitiveness.

Currently, there are six provincial e-skills knowledge production and coordination CoLabs in the country (see table below). Each of the CoLabs supports a national thematic e-skills area.

National e-Skills Thematic Area	Hosting University	Province
Enhanced government e-enablement through skilling of employees and use of Web 2.0 technologies for service delivery, e-participation and e-democracy, and efficient use of broadband.	Durban University of Technology	KwaZulu-Natal
Creative New Media Industries including that of cyber entrepreneurship to support a connected society	University of Pretoria	Gauteng
e-Inclusion and social innovation that includes the empowerment of e-centre managers in the social sector	University of the Western Cape	Western Cape
Knowledge-based economy and e-social astuteness (e-literacy)	Vaal University of Technology	Northern Cape and Southern Gauteng
ICT for rural development including production and distribution	Walter Sisulu University	Eastern Cape
Connected Health	University of Limpopo	Limpopo

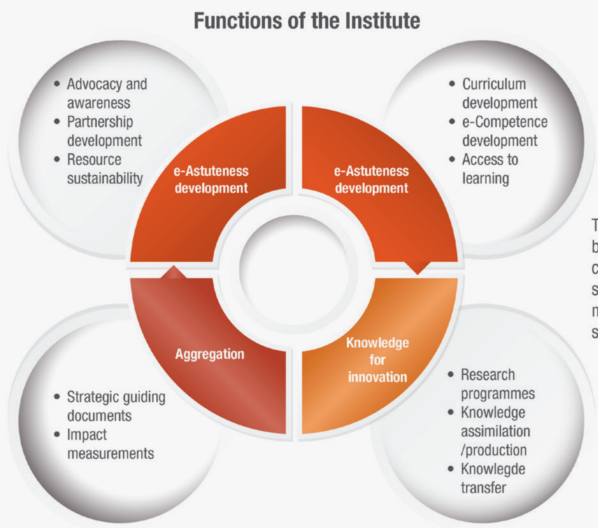
We will continue collaboration with the six CoLabs hosted in six provinces. Collaboration with the other provinces where CoLabs have not been established will be implemented incrementally as per the business case.

Functional structure

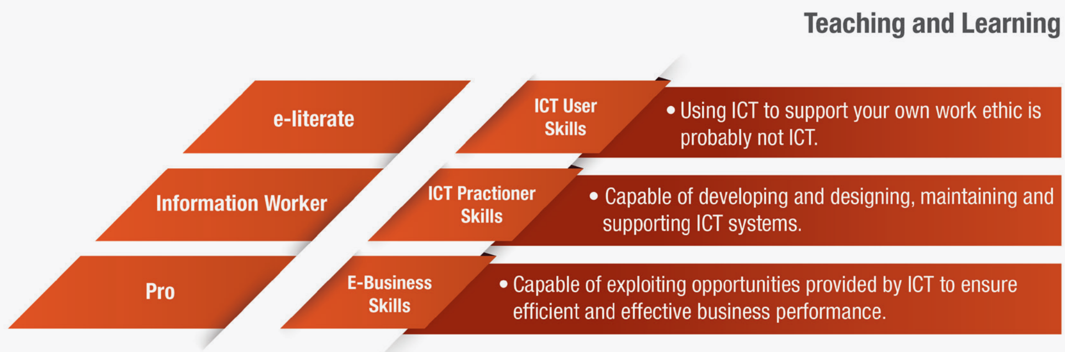
The Institute will focus on the following core functions including that of overall administration (incl. governance):

- Multi-stakeholder collaboration;
- e-Astuteness development;
- Knowledge for innovation; and
- Aggregation.

Each one of these function areas are described in greater detail below.



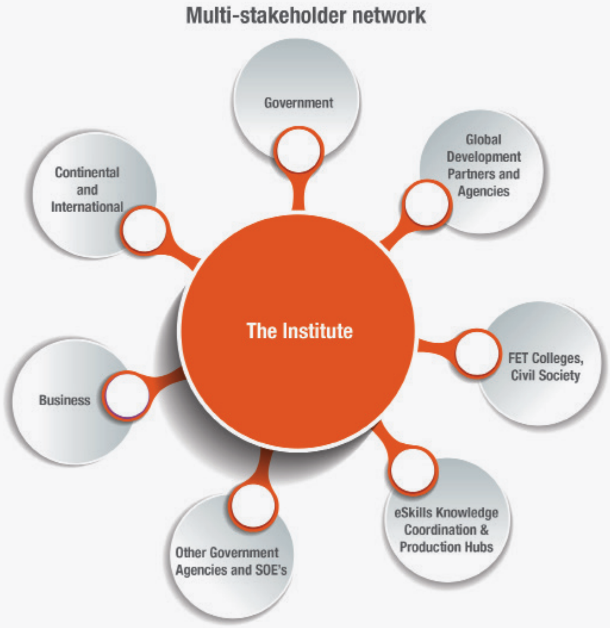
The core functions of the Institute will be supported by an administration component focusing on corporate governance support, business process support, HR management support, financial management support, technology management support and asset management support.



Supports the targeted areas of broadband, digital migration and the priority areas of the HRD workplan

1) Multi-stakeholder Collaboration

- The Institute will develop a substantive formalised multi-stakeholder collaborative network involving partners across government, business, global development partners and agencies, continental and international partners, community, organised labour and education (universities, TVET colleges, schools)



- Through its provincial e-skills knowledge production and coordination CoLabs - it will coordinate efforts across all stakeholder groups within each province and provide an operational platform to engage business, education, government, community, organised labour and international bodies across Africa and internationally. This network will coordinate and lead national efforts generally and within emerging key theme areas based on collectives of excellence.

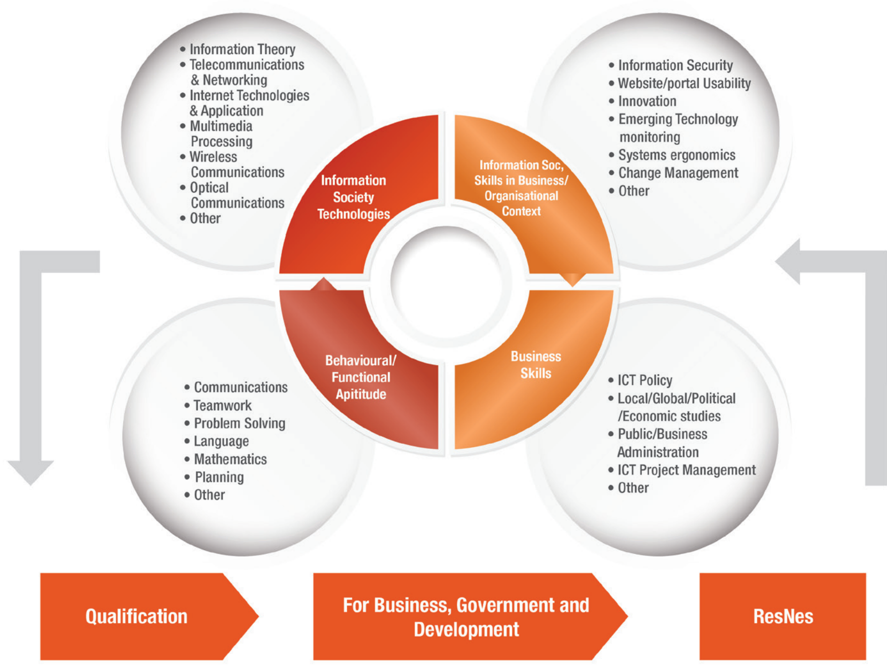
2) e-Astuteness development

- Developing taxonomy for e-skills teaching curricula and service offerings aligned to South Africa's strategic plans and ensuring that this framework is populated by all current offerings across business, government, education and civil society to produce the required e-skills competencies.
- With its established links with government, business, education, civil society and labour, the Institute curriculum framework responds to new market needs and demands in a coordinated environment with higher education institutions.
- Target e-skills delivery at all levels i.e. e-practitioners, information/ knowledge workers (e-users), thought-leaders and the ICT illiterate society (see diagram).

3) Knowledge for Innovation

- Provide a focus for continuous research in a cross disciplinary manner to concentrate on new ways to embed technology into people's lives to improve business opportunities, access government services and social cohesion.

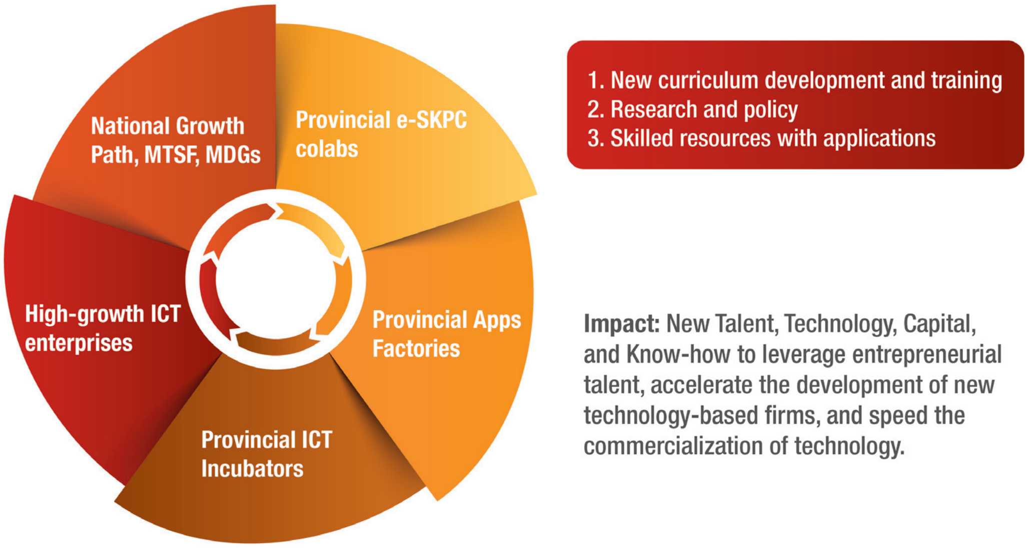
e-Skills defined



- Manage evidence-based research and development for a collaborative knowledge economy to address the national goals (MTSF 2015-2020 and NDP 2013).
- A proactive approach to environmental scanning in a rapidly changing landscape through its national platform that can more adequately assess gaps, overlaps and opportunities for collaborative approaches.
- Establish application factories to stimulate local innovation. The current technology landscape (i.e. network infrastructure and access to devices such as smart phones and tablets) in South Africa provides new entrants in the Creative New Media Industries including that of the ICT Sector and

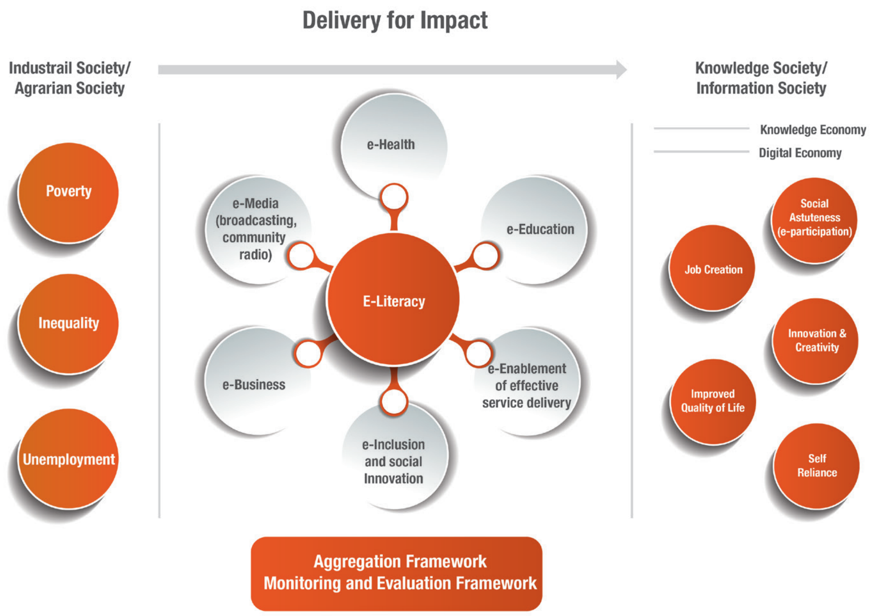
allows for localised applications for learning, effective service delivery and new job opportunities. A vital component of the production of knowledge is that of innovation and the Institute will build on the three innovation application factories to support the local socio-economic needs of the country. These factories will provide collaborative spaces for learners, entrepreneurs and the community for mutual support in skills development, idea sharing and product development and networking. Three application factories have already been established based on the model below in the Western Cape, Eastern Cape and Gauteng e-Skills CoLabs and in collaboration with key stakeholders.

Impacting the National Growth Path, MTSF and MDGs through localisation of Application Factories to support e-Skills Development



- Strengthen the establishment of a national research network for e-skills. It provides a professional platform for multi-stakeholder research collaborations to support the national e-skills drive. ResNeS is a network body of researchers across government, education, business and civil society that provides the necessary multi-disciplinary research base for the Institute.

4) Aggregation



- Growing an inclusive and vibrant knowledge economy offers an improved quality of life through a spread of opportunities: from job creation and self-reliance to innovation, creativity and social astuteness. However, to facilitate the move from industrial or agrarian society legacies towards inclusive knowledge economy opportunities, coordination and collaboration of effort across all of the key stakeholder groups are fundamental. A framework for aggregated impact focusing efforts on key areas that are aligned to the national priorities outlined in the MTSF and NDP will be developed (see figure above). This aggregation will be achieved through the established CoLabs that allow for channelled outputs, outcomes and impact at local, provincial and national levels.
- The aggregation framework for e-skills impact will address three main issues:
  i. Aggregation of efforts (collaborative approach through the e-skills collaborative networks);
  ii. Aggregation of resources (e.g. funding for impact); and
  iii. Aggregation of results and information, which are necessary for an informed strategy and policy decision-making.

This framework is also expected to address the drivers for the realisation of the goals of the e-skills agenda. Such drivers include improved ICT connectivity and the lowering of broadband costs, focused funding, thought leadership and sustainability.

- The geo-spatial scope, ensuring that peri-urban, rural and deep rural areas are catered for, is of utmost significance in an effort to use e-skills for increased opportunities in the socio-economic platform dominated by new forms of ICTs.

The monitoring and evaluation model that will support the development of the e-Skills Aggregation for Impact Framework is planned to include socio-economic parameters that can directly and indirectly align effort to the highest national socio-economic priorities outlined in the MTSF and NDP. Therefore, the monitoring and evaluation should include:

- Digital and social inclusion: the capability of all citizens to use ICT in order to play a full part in society and enjoy a fair share of wealth and opportunity (equitable development). This effort includes accessibility to digital resources and the capacity to apply this capacity to address individual, community and social needs through e-astuteness.
- Effective delivery of government services: the degree to which citizens are capable of accessing and appropriating e-government and e-governance services (e-enablement for effective service delivery). This also encompasses the use of mobile devices for utilising government services at all levels (m-government).
- Expansion and modernisation of ICT facilities: assessing the success in transforming ICT Centres into smart centres for more learning and training opportunities, access to services for work, cultural and social opportunities.
- Building the capacity of individuals, groups and communities: monitoring and evaluating progress of empowering the inherent and developed capabilities of citizens. This includes capabilities to use e-skills, e-astuteness and e-social astuteness to make decisions regarding matters of individual, economic and societal development. This also includes assessing the skills necessary to find employment or start and manage their own businesses, thereby the creation of jobs and tackling poverty.
- Re-skilling and up-skilling: monitoring and evaluating the gaps in e-skills delivery in order to advise evidence-based policy making and guide the creation of e-skills programmes that will close these gaps. In part, this will encompass regular e-skills environmental scanning.
- Supporting social capital and social cohesion: this includes:
  iv. Assessing the use of ICT and e-skills for connecting people and helping them to maintain and strengthen social ties between family members, friends and communities; and
  v. Assessing the appropriation of e-skills for participation (e.g. e-participation and e-democracy) which has an important contribution to make in the evaluation of the readiness of individuals and communities to cohesively support the national, provincial and local development agendas.

5) Administration (incl. Governance)

The administration (incl. governance) structure is designed to oversee the catalytic role of iNeSI i.e. to lead and coordinate existing efforts and develop new collaborative approaches based on identified needs at national and local levels (through its provincial CoLabs) for national impact.

The governance model below depicts the need for stakeholder engagement and cooperation to develop and give effect to policies to empower South Africans through a well-considered approach to enhance the national capacity and to respond to opportunities that now exist with new mobile converging of ICTs.

The structure includes:

- A national e-Skills Congress which is a partnership between Government, Private Sector (Business), Education, Organised Labour and Civil Society that are involved in e-skills capacity development and related matters;
- A national e-Skills Expert Advisory Council which provides advisory support (i.e. national e-skills strategy and policy) to the Board of the Institute; and
- The proposed structure for the Institute will be phased in over time and as soon as it is approved by Cabinet.


ENERGY
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PERFOMANCE AGAINST OBJECTIVES

PART B

9. PERFORMANCE INFORMATION BY PROGRAMME

9.1 PROGRAMME 1: ADMINISTRATION

The purpose of Programme 1 is to provide support to the overall management of the Institute. It consists of Departmental Management, Internal Audit, Legal Services, Corporate Management and Facilities Management.

Strategic Outcome Oriented Goal 1:	Build an Institute that will be responsive to the needs and demands of a knowledge and learning organisation
Goal Statement	Ensure internal business excellence
Strategic Objective 1.1	Corporate governance
Objective Statement	Ensure effective corporate governance within the Institute
Strategic Objective 1.2	Business support
Objective Statement	Ensure effective business support within the Institute
Strategic Objective 1.3	HR management support
Objective Statement	Ensure effective HR management support within the Institute
Strategic Objective 1.4	Financial management support
Objective Statement	Ensure effective financial management support within the Institute
Strategic Objective 1.5	Technical Management Support
Objective Statement	Ensure effective technology management within the Institute
Strategic Objective 1.6	Facilities Management Support
Objective Statement	Ensure effective asset management support within the Institute
Strategic Objective 1.7	Effective management in all units
Objective Statement	Ensure effective management in all units of the Institute

	Performance Indicator	Reporting	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation between planned target and actual achievement	Comments on deviation
1.1	Corporate Governance						
1.1.1	Compliance assessments conducted and includes Governance, Annual compliance reports and Board Assessments (n)	Quarterly	3	4	4		
1.1.2	Overall risk assessment framework in place (n)	Annually	-	1	1		
1.1.3	Corporate ICT governance framework in place (n)	Annually	1	1	1		
1.2	Business Support						
1.2.1	Organisational performance reports to the Department (n)	Quarterly	4	4	4		
1.2.2	Organisational structure review (n)	Annually	0	1	1		
1.2.3	Change management framework in support of the Business Case (Institute Image Rating) (n)	Annually	-	1	0		There was anticipation that the three entities, NEMISA, ISSA and eSI would have been integrated but this process was delayed. Target to be incorporated in the iNeSi implementation plan
1.3	HR Management Support						
1.3.1	HR strategy including the CoLabs	Annually	-	1	4		
1.3.2	HR performance report provided (n)	Quarterly	4	4	4		
1.4	Financial Management Support						
1.4.1	Institute budget submitted for approval (n)	Annually	1	1	1		
1.4.2	Annual statutory financial statements reports provided within prescribed time (n)	Annually	1	1	1		
1.4.3	Quarterly statutory financial reports provided within prescribed time (n)	Quarterly	4	4	4		

	Performance Indicator	Reporting	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation between planned target and actual achievement	Comments on deviation
1.4.4	Monthly statutory financial information provided within prescribed time (n)	Monthly	12	12	12		
1.4.5	Procurement reports provided (n)	Annually	-	1	1		
1.5	Technical Management Support						
1.5.1	ICT strategy	Annually	-	1	1		
1.5.2	ICT performance report (n)	Monthly	12	12	12		
1.6	Facilities Management Support						
1.6.1	Facilities management strategy (n)	Annually	-	1	0	1	It was anticipated that iNeSi would have been established as the Head Office and NEMISA CoLab would have shared one building. This target will only be achieved once iNeSi has been established
1.6.2	Facilities management report (n)	Monthly	-	12	12		
1.7	Effective Management of all Units						
1.7.1	Previous audit issues received and resolved by the next financial year (%)	Quarterly	-	100	100		
1.7.2	Operational plans including resource plans developed annually (n)	Annually	1	1	1		
1.7.3	Business performance reports provided (actual performance against targets set) (n)	Quarterly	1	4	4		
1.7.4	Performance review frequency (n)	Quarterly	4	4	4		

9.2 PROGRAMME 2: MULTI-STAKEHOLDER COLLABORATION

The purpose of Programme 2 is to build a substantive formalised multi-stakeholder collaborative network involving partners across government, business, state owned companies (SOCs), global development partners and agencies, continental and international partners, community, organised labour and education (universities, TVET colleges and public and private schools) that will contribute to the massification of e-skills delivery at all levels i.e. thought-leaders, e-practitioners, e-users and the ICT illiterate in society.

Strategic Outcome Oriented Goal 2:	Formalised multi-stakeholder collaborative networks for e-competence development
Goal Statement	Build a network of partnerships to stretch and combine resources to accomplish projects and objectives of mutual interest and benefit
Strategic Objective 2.1	Advocacy and awareness
Objective Statement	Ensure effective advocacy and awareness
Strategic Objective 2.2	Partnership development
Objective Statement	Ensure effective partnerships over all spheres, all sectors and CoLabs
Strategic Objective 2.3	Resource sustainability
Objective Statement	Ensure financial, technology, HR and programme resources sustainability

	Performance Indicator	Reporting	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation between planned target and actual achievement	Comments on deviation
2.1	Advocacy and Awareness (campaigns = all media e.g. broadcasts, social media, websites, seminars, publications, imbizo's, etc)						
2.1.1	Campaigns (n)	Quarterly	8	7	11	4	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
2.1.2	Consolidated campaign report provided (n)	Annually	-	1	1		
2.1.3	Institute brand visibility platforms leveraged (n)	Quarterly	20	4	11	7	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
2.1.4	Public awareness survey report provided (n)	Annually	1	1	0	-1	Unexpected delay in the establishment of iNeSi. Target to be including in the 2016/2017 financial year
2.2	Partnership Development (International, National, Provincial, Local across all sectors)						
2.2.1	New partnerships formalised (n)	Annually	20	2	6	4	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
2.2.2	Formal partnerships renewed (n)	Annually	4	6	4	-2	Two partnerships were not renewed namely, the Ghana Central University College (due to fear of xenophobic attacks) and Eastern Cape Development Corporation (due to reduced budget allocation). Renewal of other partnerships to be pursued in the 2016/2017 financial year.
2.2.3	Partnership performance report against MoU/MoA agreements (n)	Annually	-	1	1		
2.3	Resource Sustainability (Financial, technology, HR, Programme)						
2.3.1	New resource support agreements (n)	Annually	7	1	0	-1	Target not achieved as it was related to the establishment of iNeSi and the process was delayed. Target to be achieved once iNeSi has been established.

9.3 PROGRAMME 3: e-ASTUTENESS DEVELOPMENT

The purpose of Programme 3 is to leverage existing ICT education and training expertise, infrastructure and courses and help existing service providers better align to SA Connect (Broadband Policy, NeSPA 2013, MTSF 2014 -2019, NDP 2013, MDGs and the WSIS Plan of Action. It will collaborate with existing national and international institutions, civil society, organised labour and private corporations - and invite them to partner with the Institute in various ways such as contributing to new curriculum planning, course development, course presentation within a national e-skills curriculum and competency framework. It will identify the gaps, shortages and mismatches in course content vis-à-vis the demand for ICT and ICT related skills and competencies across organisational boundaries. It will do this through broad consultation between the Institute and its stakeholder community to ensure alignment between skills supply and skills demand as well as respond to futuristic needs. It will ensure that e-literacy i.e. 'the ability of individuals to use digital tools and facilities to perform tasks, to solve problems, to communicate, to manage information, to collaborate, to create and share content and to build knowledge, in all areas of everyday life and for work', forms the basis of entering the e-skilled/e-astute learning pathway. e-Skills delivery will be targeted at all levels i.e. e-practitioners, information/ knowledge workers (e-users), thought-leaders and the ICT illiterate in society.

Strategic Outcome Oriented Goal 3:	Develop e-Astuteness for socio-economic opportunities in a knowledge–driven economy
Goal Statement	Ensuring ICT education and training expertise, infrastructure and courses to deliver the requisite e-competence development that the society and economy need
Strategic Objective 3.1	Curriculum development
Objective Statement	Ensure effective e-competence curriculum development
Strategic Objective 3.2	e-Competence development
Objective Statement	Ensure effective e-competence development / learning through formal education, internships, and learnerships
Strategic Objective 3.3	Access to learning
Objective Statement	Ensure broad access to learning

	Performance Indicator	Reporting	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation between planned target and actual achievement	Comments on deviation
3.1	Curriculum Development						
3.1.1	New targeted courses available (developed / acquired / customised) (n)	Annually	7	3	3		
3.1.2	Number of e-skills curriculum competency framework reviewed (n)	Annually	1	0	0		
3.1.3	Course revision report (n)	Annually	1	0	0		
3.2	e-Competence Development (e.g. formal education, internships, learnerships)						
3.2.1	e-literacy learners trained (n)	Annually	871	1250	2033	783	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
3.2.2	Sector users trained (n)	Annually	368	625	705	80	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
3.2.3	ICT practitioners trained (n)	Annually	449	400	162	-238	The target could not be achieved due to delays and disruptions related to 'Fees Must Fall' campaigns
3.2.4	e-leaders trained (n)	Annually	11	60	104	44	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
3.3	Access to learning (e.g. virtual network)0						
3.3.1	Smart community centres (n)	Annually	4	18	21	3	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
3.3.2	Online courses available (n)	Annually	3	6	3	-3	The target could not be achieved due to delays related to 'Fees Must Fall' campaigns

9.4 PROGRAMME 4: KNOWLEDGE FOR INNOVATION

The purpose of Programme 4 is to look for appropriate and often innovative ways to address systemic problems and other inefficiencies and weaknesses in achieving learning success. This includes finding ways to identify entrants with potential that do not have the normally required entrance qualifications; supporting under-prepared students; and introducing work integrated learning and practical components into programmes. As a core function the Institute will be responsible for research and policy development and developing a citizenry for an information society and knowledge economy. This process of reflection and renewal will be central to its vision of being responsive, flexible and innovative. It will provide a focus for continuous research in a cross-disciplinary manner to concentrate on new ways to embed technology into people's lives, to improve business opportunities, access government services and social cohesion. This includes:

- The management of evidence-based research and development for a collaborative knowledge economy to address the national goals (MTSF 2014-2019 and NDP 2013) through thought leaders (policy and practice);
- Participation in the development of an evaluation and monitoring framework for collaborative knowledge economy based efforts to address national goals i.e. MTSF 2014-2019 and NDP 2013; and
- It has a proactive approach to environmental scanning in a rapidly changing landscape through its national platform that can more adequately assess gaps, overlaps and opportunities for collaborative approaches.

Strategic Outcome Oriented Goal 4:	Create knowledge for innovation
Goal Statement	Provide a focus for continuous research and innovation in a trans-disciplinary manner to concentrate on new ways to embed ICT into people's lives for socio-economic benefit
Strategic Objective 4.1	Research programmes
Objective Statement	Ensure effective research programmes
Strategic Objective 4.2	Knowledge assimilation / production
Objective Statement	Ensure effective knowledge assimilation / production
Strategic Objective 4.3	Knowledge transfer
Objective Statement	Ensure effective knowledge transfer

	Performance Indicator	Reporting	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation between planned target and actual achievement	Comments on deviation
4.1	Research Programmes						
4.1.1	Research chairs allocated (n)	Annually	-	2	1	1	Target not achieved as only one research chair has been agreed to with Tshwane University of Technology. The second research chair to be finalised with North West CoLab in the 1st quarter of the 2016/2017 financial year
4.1.2	Non degree research projects commissioned (n)	Annually	48	3	5	2	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
4.1.3	Post graduate research funded (n)	Annually	-	2	2		
4.1.4	National environmental scans conducted (n)	Annually	3	1	0	1	Target not achieved as it was realised that the target was under budgeted for. The target is planned to be delivered in the 2016/2017 financial year. A proposal was sourced from the University of Pretoria and a MoA will soon be concluded
4.2	Knowledge Assimilation / Production (e-products e.g. mobile applications, documentaries)						
4.2.1	Scholarship exchanged (n)	Annually	0	0	0		
4.2.2	New products developed (n)	Annually	6	6	1	-5	The target could not be reached due to delays and disruptions related to 'Fees Must Fall' campaigns
4.3	Knowledge Transfer						
4.3.1	Research colloquium hosted (n)	Annually	1	1	2	1	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
4.3.2	Research articles in accredited publications (n)	Annually	6	1	1		
4.3.3	Research papers delivered / presented (n)	Annually	48	4	7	3	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
4.3.4	Thought leaders engagements (n)	Annually	3	6	9	3	The institution managed to exceed the target by leveraging the existing resources of the universities (CoLabs) and platforms made available by other stakeholders
4.3.5	Research reports distributed (n)	Annually	6	1	1		

9.5 PROGRAMME 5: AGGREGATION FRAMEWORK

The purpose of Programme 5 is to build a formalised multi-stakeholder aggregation and collaborative network that allows the Institute to link outputs and impact and help existing service providers to demonstrate measurable impact against national strategic plans. It will implement a monitoring framework to aggregate the uptake of technology within society and consistently address the opportunities highlighted between supply and demand of e-skills to deliver against the MTSF 2015 – 2020 goals, the NDP 2013, the MDGs and to support the local needs of an ever-evolving information society and knowledge economy.

Strategic Outcome Oriented Goal 5:	Ensure an effectual aggregation framework n for e-competence development
Goal Statement	Provide strategic direction for e-competence development and a monitoring and evaluation framework to measure impacts
Strategic Objective 5.1	Strategic guiding documents
Objective Statement	Ensure effective e-competence development frameworks, models, policies, scenarios, strategies and plans

	Performance Indicator	Reporting	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015 /2016	Deviation between planned target and actual achievement	Comments on deviation
5.1	Strategic Guiding Documents (frameworks, models, policies, scenarios, strategies, plans)						
5.1.1	New strategic guiding documents development reports provided (e.g. e-competency framework, aggregation framework, etc)	Annually	-	1	1		


LEARNING
GLOBAL CONNECTIVI

PART C

HUMAN CAPITAL MANAGEMENT

10. HUMAN RESOURCES

10.1 Introduction

The employment of dedicated and competent staff is paramount for NEMISA to meet its goals and objectives, especially since 2015/2016 is the third year of its existence as an integrated entity. The Institute's greatest and most important asset is its staff. It is therefore committed to employing, training, utilising and retaining the best personnel available and to make diligent efforts to develop and motivate all employees towards higher standards of performance.

To implement change whilst maintaining continuity, NEMISA had to balance the imperatives of running current projects whilst taking the forthcoming implementation of the new vision of iNeSI into consideration. To ensure that the Institute is able to deliver on this new business model, amendments had to be made to the organisational structure. As a result, NEMISA was not able to enter into any new long term engagements with staff.

The Board, through the HRRC, regularly reviews existing policies and procedures in light of HR – related matters and challenges faced by the Institution. One of the challenges remains the recruitment and retention of skilled technical staff in order to meet the Institute's objectives, as set out in the strategic plan. The Board, through the HRRC, was able to stabilise the leadership of the entity by appointing the Acting Chief Executive Officer and Acting Chief Financial Officer.

The implementation of the workplace skills plan enabled NEMISA staff to participate in workplace training and development forums and helped to ensure that our HR policies and procedures are compliant with applicable prescripts.

Total expenditure for the 2015/2016 financial year amounted to R18 million. Incentives were approved for the previous financial years and these incentives are provided for in the Financial Statements.

1.1. Human Resource oversight statistics

- Personnel cost by programme /activity/ objectivity

Programme	Total expenditure (R)	Personnel expenditure (R)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R)
e-Astuteness	25,763,384	9,700,224	38	21	461,915
Administration	26,303,277	10,350,638	39	24	431,277
Multi-stakeholder Collaboration	1,059,491	671,573	63	1	671,573
Total	53,126,163	20,722,435	39	46	450,488

- Personnel cost by salary band

Occupational levels	Personnel expenditure (R)	% of personnel expenditure to total personnel cost	No. of employees	Average personnel cost per employee (R)
Top Management (level 14- 15)	2,467,657	13	2	1,233,829
Senior Management (level 13)	2,662,617	14	3	887,539
Professional qualified (level 11-12)	4,113,860	22	6	685,643
Skilled level (level 6-10)	8,408,860	35	18	240,253
Semi-skilled (level 1-5)	3,069,440	16	17	180,555
Total	**20,722,435**	**100**	**46**	**3,350,692**

- Performance rewards

Provision was made in the Annual Financial Statements for incentive pay-outs. The amount provided for in 2013/2014 and 2014/2015 amounted to R1,574,163. The amount paid in was R913,502

Occupational levels	Performance rewards (R)	Personnel expenditure (R)	% of performance rewards to total personnel cost
2013/14	459,041	18,618,854	2%
2014/15	454,462	19,001,293	2%
Total	**913,502**	**37,620,147**	**2%**

- Training costs

Programme	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No. of employees trained	Average training cost per employee (R)
e-Astuteness	9,700,224	76,339	1%	8	9,543
Administration	10,350,638	140,116	1%	12	11,676
Multi-stakeholder Collaboration	671,573	34,086	5%	1	34,086
Total	**20,722,435**	**250,541**	**7%**	**21**	**11,931**

- Employment and vacancies

Level	2014/2015 no. of employees	2015/2016 approved posts	2015/2016 no. of employees	2015/2016 vacancies	% of vacancies
Top Management (level 14)	1	2	0	2	100%
Senior Management (level 13)	4	6	3	3	50%
Professional Qualified (level 11-12)	8	9	6	3	33%
Skilled (level 6-10)	18	26	23	3	12%
Semi Skilled (level 1-5)	10	14	14	0	0%
Total	**41**	**57**	**46**	**11**	**19%**

- Reasons for leaving

Number	% of total no. of Staff leaving	
Death	0	0%
Resignation	8	57%
Dismissal	1	7%
Retirement	0	0%
Ill Health	0	0%
Expiry of Contract of Employment	4	29%
Other	1	7%
Total	**14**	**100%**

- Equity target and employment equity status

NEMISA supports transformation in the workplace through compliance with EE regulations. Though the organisation has no people with disabilities in its employment; targets are being reviewed in light of the workplace transformation agenda. The demographic composition of the Institute at the reporting date was as follows:

	African		Coloured		Indian		White		Target EAP
Gender	**Current**	**Target NEAP**	**Current**	**Target NEAP**	**Current**	**Target NEAP**	**Current**	**Target NEAP**	
	70%	40%	6%	8%	18%	10%	6%	4%	
Male	12		1		3		1		17
	78%	36%	4%	3%	0%	3%	19%	4%	
Female	21		1		0		5		27
Total	**29**		**2**	**0**	**3**	**0**	**6**	**0**	**44**

BOARD OF DIRECTORS

Board of Directors

Mr Thami ka Plaatjie

Ms Loren Braithwaite-Kobosha

Mr Lucas Mello

Mr Gaitsewe Lenapa

Khanyi Ngambi

Ndivhoniswani Tshidzumba (Resigned)

Dr Molatelo Maloka (Resigned)

Ms Moira Malakalaka (Resigned)

NeMisa Staff


Tebogo Serobatse


Doc Fick


Kuben David


Sibongile Imenda


Louis Jardine


Mosima Moleke


Robert Bocking


Keroshin Reddy


Bongiwe Kubheka


Unathi Vilakazi


Peter Jembula


Thembinkosi Sibankulu


Bheki Khumalo


Petrus Mojaki


Mohapi Moiloa


Thembi Sibeko

Jankie Ngobeni

Rofunwa Ligege

Mpho Maedi

Ferial Kaylas

Phora Moshome

Khomotso Malaka

Christopher Maluleke

Lungile Mbokazi

Thabang Phetla

Victoria Tau

Mapula Thebethe

Brenda Mfaku

Training

Facilities - Corporate Services

Information Technology-Corporate Services

Finance - Corporate Services

Marketing Business Development

Company Secretary

PART D

ADVOCACY AND AWARENESS

11. MARKETING REPORT

This report relates to e-skills brand visibility related activities and interventions aimed at promoting e-skills development.

Venue	Event	Number of Students Impacted	Period
Mphemba High School – Nkandla KZN	Youth Day – Computer Hand Over	1500	Quarter 1
Mbusi High School Nqabeni – Harding	Cyber Launch	2000	
WTIS Day – Qunu Umtata	Computer lab launch	2000	

- Nkandla - The Deputy Minister of the DTPS, Prof. Hlengiwe Mkhize, partnered with the Deputy Minister of the Department of Trade and Industry (the dti), Mr Mzwandile Masina and the Deputy Minister of the Department of Monitoring and Evaluation in the Presidency Mr Buti Manamela to celebrate Youth Month. First Lady Makhumalo Zuma was also in attendance. A computer lab was handed over by Vodacom on the day.
- In conjunction with other SOCs, NEMISA exhibited at Mphemba High School. More than 1500 people were invited to this event and we talked to the learners about programmes we have at NEMISA and at our Durban CoLab.
- The Minister of Telecommunications and Postal Services, Dr Siyabonga Cwele, launched a Cyber Lab at Mbusi High School in Nqabeni, Harding as part of the DTPS Youth Month celebration. The Minister emphasised the importance of digital inclusion to the learners. The Cyber Lab has a Telematic system installed, which enables learners to view lectures live-streamed from the University of Stellenbosch.
- The Minister of Telecommunications and Postal Services celebrated the World Telecommunication and Information Society Day (WTISD) in uMthatha on 17 May. The purpose of WTISD is to help raise awareness of the possibilities that the use of the internet and other ICTs can bring to societies and economies, as well as of ways to bridge the digital divide. The Minister's speech touched on broadband rollout and bridging this digital divide.
- The Minister launched a computer lab with internet at the Qunu Thusong Centre.

Learners and members of the community, as well as the local kings were in attendance. This included Inkosi Mandla Mandela, the leaders of the OR Tambo District Municipality and the leaders of the King Sabata Dalindyebo Local Municipality.

Venue	Event	No. of Students/ Delegates Impacted	Period
CSIR Pretoria	8th Annual Skills Summit	+_ 1200 delegates	Quarter 2
Vhembe Limpopo	Women in ICT	1000	
Sasolburg	Women's Day	2000	
Emfuleni - Vaal	Women in ICT	500	

- **Pretoria** - The Summit was held at the CSIR Convention Centre under the theme ***"Impact Through Integration"***. Part of the Summit was the Achiever Awards which acknowledge the best of the best in skills development practice.

- The keynote address was delivered by the Deputy Minister of Higher Education Minister Mduduzi Manana, who emphasised the need for business to work together with training institutions.

- **Vhembe** – NEMISA, together with other SOCs, were invited to exhibit and pledge our support as part of the Deputy Minister Prof Hlengiwe Mkhize's Women's Month celebrations. The theme for the Vhembe event was ***"Uniting Women to move South Africa into a Digital Economy".***

Bophelong - This was the national Women's Day celebration that was hosted by the Deputy Minister Prof. Hlengiwe Mkhize in Sasolburg under the theme: ***"Women united in Moving South Africa Forward"***. The event was attended by President Jacob Zuma and his cabinet ministers. On this day, the President released the first Status of Women Report.

- **DTPS Media Networking Session**

- The media networking session was an initiative by the DTPS Communications Team and its aim was to provide a platform that bridges the gap between the Department, SOCs, sectoral communicators and members of the media.
- It also served to create a platform of engagement between the various stakeholders and to build and enhance relations.

Venue	Event	No.Students/Delegates Impacted	Period
Jozini - KZN	Jozini Career Expo and Summit	4000	Quarter 3

- **Jozini** - The Office of the Deputy Minister of the DTPS, Honourable Professor Hlengiwe Mkhize, in partnership with the KZN Department of Economic Development, and the Jozini Local Municipality hosted a Youth ICT Career Exhibition at the Jozini Local Municipality.

The Jozini area is experiencing heightened poverty, unemployment and inequality.

The career expo aimed to achieve the following objectives:

- To make the youth, employed and unemployed, aware of the opportunities available in the ICT sector;
- To show-case opportunities offered by various ICT companies through a career exhibition;
- To encourage and enforce smart partnerships between government, the private sector and the civil society which will ensure the inclusion of the youth in the formal sectors of our economy;
- To promote ICT skills development for the youth in and out of school; and
- To encourage innovation and entrepreneurship in the ICT sector.

Venue	Event	No. Students/Delegates	Period
Eastern Cape	ICT & Agriculture Mini Conference	250	Quarter 4
Soweto	Youth Development Expo	1500	
Duduza Nigel	Ekurhuleni Career Expo & Job Summit	2000	

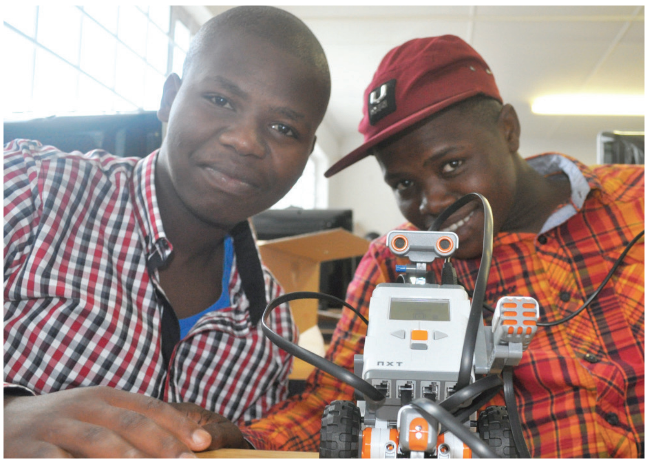
- **Eastern Cape** - The NEMISA ICT for Rural Development e-Skills CoLab in partnership with Eastern Cape Socio Economic Consultative Council (ECSECC) and the Walter Sisulu University had a one-day mini conference. This followed the successful launch seminar on "ICT and Agriculture: Realising the development Dividend" which was held in March 2015.

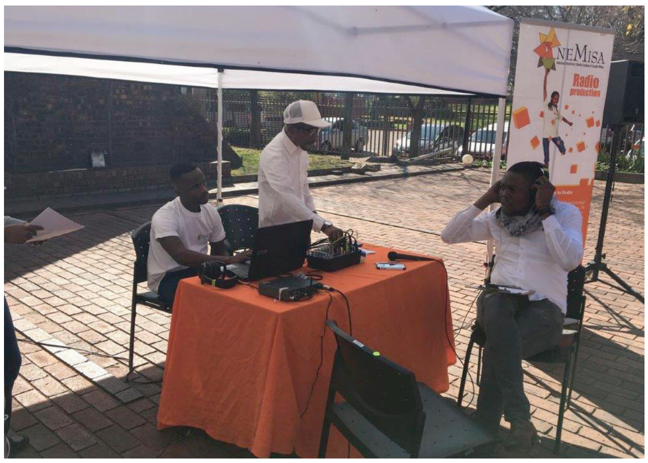
- **Soweto** - Deputy President Cyril Ramaphosa with a delegation comprising Ministers Susan Shabangu of the Presidency, responsible for Women; Dr Siyabonga Cwele of Telecommunications and Postal Services; Ms Mildred Oliphant of Labour; Ms Lindiwe Zulu of Small Business Development and Deputy

Ministers Buti Manamela of the Presidency: Performance Monitoring and Evaluation; Mduduzi Manana of Higher Education and Training; Ms Hendrietta Bogopane-Zulu of Social Development, and Ms Stella Ndabeni-Abrahams of Communications. Gauteng Education MEC Panyaza Lesufi and City of Johannesburg Executive Mayor Parks Tau interacted with grade 11 and 12 learners at the expo held at the UJ Soweto Campus.

- The Youth Development Expo was the first in a series of outreach events in which national, provincial and local government and private sector partners showcase opportunities available to young people in education, training and entrepreneurship.

- **Ekurhuleni** - The annual expo and summit was held at the Duduza Multipurpose Centre and was attended by over 2000 students/graduates and the community.





CORPORATE GOVERNANCE

PART E

12. CORPORATE GOVERNANCE REPORT

12.1 INTRODUCTION

This report sets out the key governance principles adopted by the Board of Directors in governing NEMISA.
The Board fully appreciates the growing demand for accountability, honesty and transparency in fulfilling its fiduciary duties towards the shareholder as well as the Institution.
To this end, the Board strives to comply with the best corporate governance practices in order to:-

- Promote informed and sound decision making;
- Mitigate reputational impacts;
- Gain the trust and confidence of stakeholders;
- Lead to effectiveness and efficiency; and
- Enable legal compliance.

12.2 PORTFOLIO COMMITTEE ON TELECOMMUNICATIONS AND POSTAL SERVICES

Portfolio Committees shadow the work of the various national government departments. It exercises its oversight role through the monitoring and evaluation of the performance of NEMISA quarterly and annually.
The role of Portfolio Committees is to:

- Deal with departmental budget votes;
- Oversee the work of the department they are responsible for and its entities; and
- Enquire and make recommendations about any aspect of the department, including its structure, functioning and policy.

The Portfolio Committee has been instrumental in overseeing the process of transition from NEMISA to iNeSi.

12.3 EXECUTIVE AUTHORITY

The Minister of Telecommunications and Postal Services is the sole shareholder and Executive Authority of NEMISA.

The Minister is responsible for appointing the Board of Directors and ensuring that the appointed Board members have the necessary skills and expertise to guide the Institution.

12.4 ACCOUNTING AUTHORITY

The Board is the custodian of the Institution's governance framework through its committees, its relationship with management, the Shareholder and its stakeholders. The Board remains ultimately accountable for the performance of the affairs of the institution.

The Board conducts its business in accordance with the Public Finance Management Act (PFMA), the Companies Act and the Memorandum of Incorporation. The Board also has a formal charter which sets out its roles and responsibilities which in summary include:

- Providing effective leadership based on an ethical foundation;
- Contributing to and approving the strategy of the Institute as presented by management;
- Identifying the key performance and risk areas in the business;
- Ensuring that the Institute is and is seen to be a responsible corporate citizen by not only considering the financial aspects of the business of the Institute, but also the impact that the business operations may have on the environment and societies within which it operates;
- Ensuring that the Institute has an independent and effective audit committee;

- Ensuring that the Institute complies with all applicable laws and considers adherence to non-binding rules and standards;
- Ensuring the integrity of the Institute's annual report;
- Ensuring proper management of the Institute's stakeholder relationships to protect and, where possible, enhance the reputation of the Institute; and
- Monitoring the performance of the Institute against agreed objectives and reviewing the performance of executive management against defined objectives and other applicable performance standards.

12.4.1 Board Composition

From 01 April 2015 to 31 March 2016, the Board comprised the following members:

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Other Committees or Task Teams (e.g: Audit Committee / Ministerial task team)
Dr. Molatelo Maloka	• Chairperson of the Board • Independent non-executive member	1 March 2012	31 January 2016	• Doctorate, MBCHB	• Business and Administration	• Member of the HRRC
Mr. Gaitsewe Lenepa	• Independent non-executive member	1 April 2010, Re-appointed for a second term on 1 March 2013	31 March 2016	• MBA	• Business and Administration. Public sector.	• Chairperson of BARC • Member of the NAC
Mr. Thami Ka Plaatjie	• Independent non-executive member	1 April 2012 Reappointed 1 April 2015	-	• Masters	• Public sector • Education	• Chairperson of HRRC • Member of the BARC • Member of the NAC
Ms. Loren Braithwaite Kabosha	• Independent non-executive member	1 May 2013	-	• Juris Docturis	• ICT • Public sector	• Member of the BARC • Member of the NAC
Ms. Khanyisile Ngambi	• Independent non-executive member	1 May 2013	-	• B Com Industrial and Organisational Psychology	• Public sector • Human Resources Management	• Member of the HRRC
Mr. Lucas Mello	• Independent non-executive member	1 May 2013	-	• Diploma in Education • Public Finance and Administration	• Public sector • Education and Training	• Member of the BARC

12.4.2 Director training and development

All directors are expected to remain abreast of changes in trends in the industry and in the Institutions' environment.

12.4.3 Remuneration of directors

The Minister regulates the remuneration of directors in line with National Treasury guidelines.
The remuneration of directors is set out in the Directors' Report in the Financial Statements.

12.4.4 Company secretary

The Company Secretary is responsible for providing guidance to the Board both individually and collectively, on their duties, responsibilities and powers. The Company Secretary also advises on corporate governance and compliance with legislation.

12.4.5 Conflicts of interest

The institution actively solicits from its directors on an annual basis the details regarding external directorships that have the potential to create conflicts of interest while they serve as directors on the NEMISA Board.

The declarations received from the directors are closely scrutinised by both the chairman and the company secretary. Where a conflict arises, directors are required to recuse themselves from the discussions. As far as possible, the Institution requires that directors avoid any potential conflicts of interest.

12.4.6 Committees of the Board

The Board has established a number of standing committees that are ultimately accountable to it. These committees assist the Board by focusing on specialist areas. The committees meet independently, and provide feedback to the main Board through their Chairmen.

Committee	Role	Membership
Board Audit & Risk Committee	Assists in relation to the reporting of financial information, the appropriate application and amendment of accounting policies, the identification and management of risk, the internal control systems and governing external and internal audits	Gaitsewe Lenepa*, Lucas Mello, Loren Braithwaite-Kabosha, Thami Ka Plaatjie
Academic Committee	Assists the Board on matters related to teaching and learning in accordance with the vision, mission, and core values of the Institution, the strategic goals and subsequent key performance areas and indicators and the principles of corporate governance, within the legal and management framework of the Company	Loren Braithwaite-Kabosha, Gaitsewe Lenepa*, Thami Ka Plaatjie
Human Resources Committee	Assists the Board in all matters related to human resources and remuneration. The Committee is dedicated to supporting the strategic goals of NEMISA through guidance and support in areas such as the formulation, development and implementation of human resources strategies, policies, plans and programmes	Thami Ka Plaatjie, Khanyisile Ngambi, Molatelo Maloka#

*Term ended 31 March 2016

Resigned 31 January 201

FINANCIAL MANAGEMENT

PART F

13 CFO'S FINANCIAL REVIEW

The Institute performed well in the current financial year showing a surplus of R2,051 million. This was due to additional revenue generated by offering training courses for students as well as organisations (strategic alliances) within the ICT/Multi-media sector.

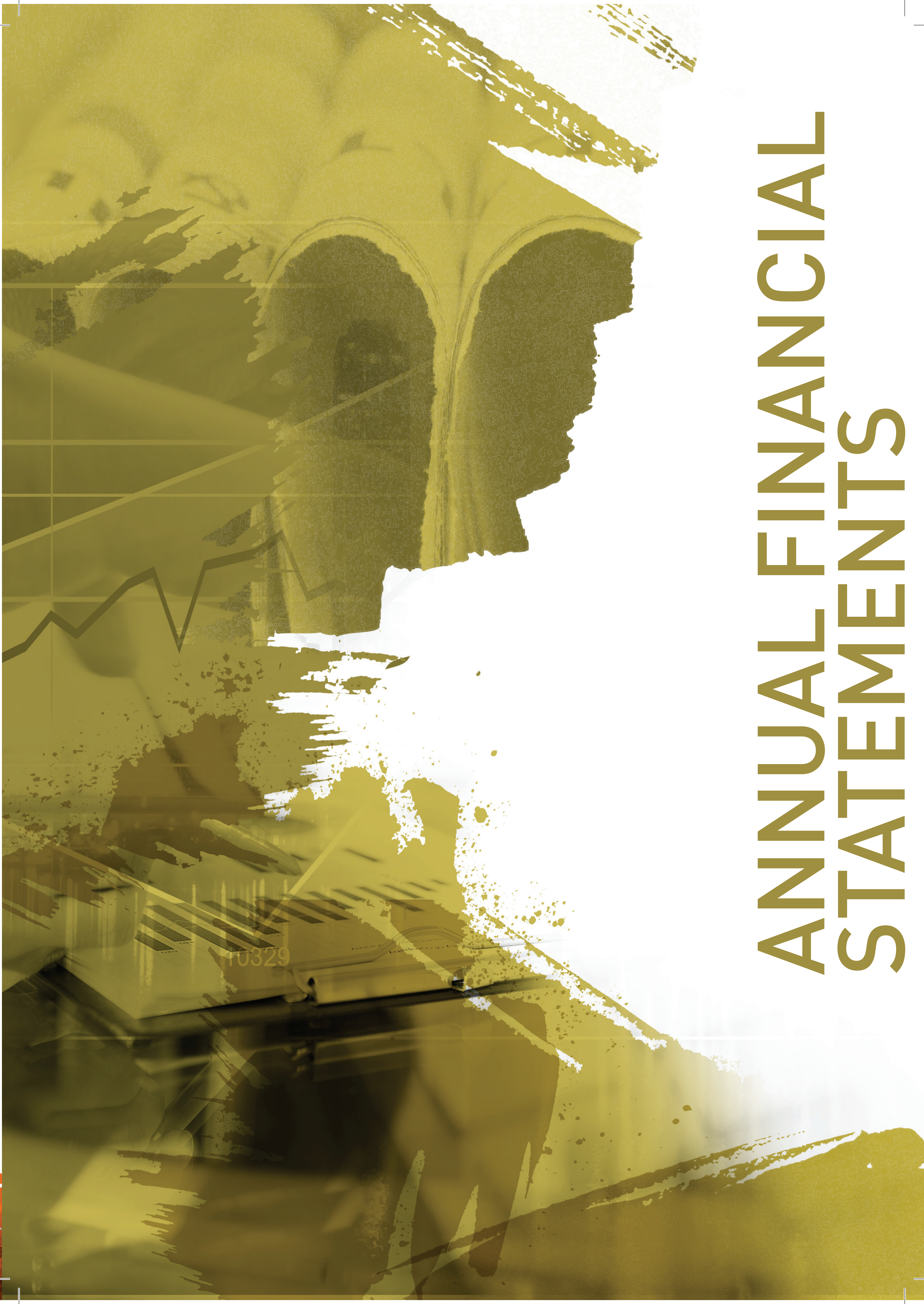
The profits generated by these revenue streams do not significantly impact the company's overhead costs. Furthermore, the Institute adopted the cost containment measures introduced by the National Treasury, which assisted with reducing expenditure as well as spending within the allocated budget.

NEMISA will continue to work closely with the internal auditors to improve on the internal control systems that are in place to ensure that measures implemented have a positive impact on the internal control environment of the Institute. This will assist in reducing the risk of material misstatement in the financial statements.

Although the Institute was incapacitated in the finance department, we were able to sustain a sound financial environment and I am confident that the Institute will improve on working towards being a benchmark of compliance and sound financial management in the public sector. It is with great pleasure that we announce that the Institute obtained an unqualified audit report. This opinion signifies that the financial statements present fairly, in all material respects, the financial position of the National Electronic Media Institute of South Africa as at 31 March 2016 and its financial performance and cash flows for the year that ended, in accordance with the standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the PFMA.

I would like to sincerely acknowledge the hard work of the Corporate Services department, and make a special mention of the finance team who worked tirelessly to ensure that the year-end process was a success.

Ms Rofunwa Ligege
Acting Chief Financial Officer



ANNUAL FINANCIAL STATEMENTS

NEMISA
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

NEMISA NPC
National Electronic Media Institute of South Africa

LEGAL FORM OF ENTITY	Public Entity listed under schedule 3A of PFMA
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Training institute
REGISTERED OFFICE	21 Girton Road Parktown Johannesburg 2193
BUSINESS ADDRESS	21 Girton Road Parktown Johannesburg 2193
POSTAL ADDRESS	P O Box 545 Auckland Park Johannesburg 2006
BANKERS	Standard Bank of South Africa 5 St David's Place Parktown 2193
EXTERNAL AUDITORS	Auditor-General of South Africa
COMPANY SECRETARY	Ms Mapula Thebethe
COMPANY REGISTRATION NUMBER	1998/014825/08

Report of the Auditor-General to Parliament on the National Electronic Media Institute of South Africa

Report on the financial statements

Introduction

1. I have audited the financial statements of the National Electronic Media Institute of South Africa set out on pages 57 to 104, which comprise the statement of financial position as at 31 March 2016, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice Standards of (GRAP)and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA), and for such internal controls as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Electronic Media Institute of South Africa as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an errors discovered during 31 March 2016 in the financial statements of the National Electronic Institute of South Africa at, and for the year ended, 31 March 2015.

Additional Matter

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

Unaudited supplementary information

10. The supplementary information is set out on pages 9 to 26 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2016:

    - Programme 2: Multi-Stakeholder Collaborationon pages 30 to 31
    - Programme 3: e-Astuteness Development on pages 32 to 33
    - Programme 4: Knowledge for Innovation on pages 34 to 35

13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

15. The material findings in respect of the selected programmes are as follows:

Programme 3: e-Astuteness Development

Usefulness of reported performance information

16. I did not identify any material findings on the usefulness of the reported performance information.

Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of 57% indicators.

Programme 4: Knowledge for Innovation

Usefulness of reported performance information

18. I was unable to obtain sufficient appropriate audit evidence to support the reasons provided for the variance between planned targets and actual achievements.

Reliability of reported performance information

19. I did not identify any material findings on the reliability of the reported performance information.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

    - Programme 2: Multi-Stakeholder Collaboration

Additional matters

21. I draw attention to the following matters:

Achievement of planned targets

22. Refer to the annual performance report on pages 27 to 36 for information on the achievement of the planned targets for the year. This information should be considered in the context of material findings on the usefulness and reliability of the reported performance information in paragraph 17 of this report.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for Programme 2: Multi-Stakeholder Collaboration, Programme 3: e-Astuteness Development and Programme 4: Knowledge for Innovation. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary schedules

24. The supplementary information set out on pages 9 to 26 does not form part of the annual performance report and is presented as additional information. We have not audited these schedules and, accordingly, we do not express a conclusion on them.

Compliance with legislation

25. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows.

Strategic planning and performance information

26. Effective, efficient and transparent systems of risk management and internal controls with respect to performance information and management was not in place as required by section 51(1)(a)(i) of the PFMA.

Annual Financial Statements

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA. Material misstatements of current assets, liabilities, and revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

28. Effective steps were not taken to prevent fruitless and wasteful and irregular expendituresas disclosed in notes 26 and 27 of the financial statements, as required by section 51(1)(b)(ii) of the PFMA.

Internal control

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

30. The accounting authority did not exercise sufficient oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure that the financial statements and annual performance report are free from material errors.

Financial and performance management

31. Inadequate processes implemented for the collection, collation, monitoring and reporting of performance information.

Auditor - General

Pretoria
31July 2016

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

The reports and statements set out below comprise the annual financial statements presented to the parliament:

INDEX	PAGE

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Board of Directors is responsible for ensuring the maintenance of adequate accounting records, the preparation and integrity of the financial statements and related information.

In order for the Board to discharge its responsibilities management has developed and continues to maintain systems of internal controls. The Board of Directors has ultimate responsibility for the systems of internal controls and reviews its operations primarily through the Board Audit and Risk Management Committee.

The internal controls include a risk-based system of internal auditing and administrative controls designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board.

The auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with Public Audit Act of South Africa, 2004 (Act No. 25 of 2004).

The annual financial statements have been prepared on a going concern basis, since the Directors have every reason to believe that the entity has adequate resources in place to continue in operation for the foreseeable future.

The Board of Directors is also of the opinion that the Code of Corporate Practices and Conduct has been adhered to. The annual financial statements for the year ended March 31, 2016 as set on pages 57 to 104, were submitted for auditing on 31 May 2016 and were approved by the Board of Directors in terms of section 51(1)(f) of the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended, and section 30(1 and (2) of the Companies Act 71 of 2008, as amended.

The annual financial statements for the year ended March 31, 2016 as set on pages 54 to 104, have been approved by the Board of Directors and are signed on its behalf by:

Mr. T. Ka-Plaatije
Acting Board Chairperson

Mr. L. Mello
Acting Board Audit and Risk Management Chairperson

We are pleased to present our report for the financial year ended March 31, 2016.

REPORT OF THE BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Audit and Risk Management Committee

The Board Audit and Risk Management Committee (BARC) consisted of the members listed hereunder and should meet 6 times per annum as per its approved terms of reference. During the current year, 6 meetings were held.

Name of member	Number of meetings
Mr G Lenepa	4
Mr T Ka PlaatjiE	3
Mr L Mello (Acting Chairperson)	3
Ms L Braithwaite Kabosha	5

Responsibilities

The Board Audit and Risk Management Committee reports that it has complied with its responsibilities arising from section 55(1)(a) of the PFMA and Treasury Regulation 27.1 and Companies Act 71 of 2008, as amended.

The Board of Directors has the general responsibility to ensure that the entity has and maintains effective, efficient and transparent systems of risk management and internal controls.

The responsibility to ensure the adequacy and effectiveness of these systems are delegated to the Board Audit and Risk Management Committee, acting in an advisory capacity to the Board and operating as overseer with an independent and objective stance.

Board Audit and Risk Management Committee Charter

The Board Audit and Risk Management Committee also reports that it has adopted appropriate formal terms of reference as its Board Audit and Risk Management Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained in it. Accordingly, the Committee operates in accordance with the terms of the said Charter and is satisfied that it has discharged its responsibilities in compliance therewith.

REPORT OF THE BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Internal Control System

Combined Assurance

In determining the need for combined assurance in terms of King III, the Board Audit and Risk Management Committee has taken into account the three pillars of combined assurance being Management, Internal Assurance providers and External Assurance providers.

Risk Management

Growing recognition and acceptance of risk management as a central element of good corporate governance and as a valid management tool to support strategic and operational planning, has many potential benefits for NEMISA. The approach encourages a more outward looking examination of NEMISA, thereby increasing strategic focus, including a greater emphasis on outcomes, and concentrating on resource priorities and performance assessment as part of management decisions. Risk governance operates within a defined structure that is agreed to by the NEMISA Board of Directors and monitored by the Executive Committee and the Board Audit and Risk Management Committee.

The NEMISA executive management has established a Risk Management Committee convened during the financial year. The committee met to develop the organisational risk register and the development of divisional risk registers that have to be identified within operations of the business. Internal Audit was invited to the meeting to assist as facilitators and advisers to the committee.

Risk governance operates within a strongly defined structure that is agreed by the Board and Executive Management and is monitored by the Board Audit and Risk Management Committee.

A risk profile is prepared on the basis of the value drivers and mandates of NEMISA. The challenge is to ensure that risk management is aligned to the strategic objectives at the various levels in NEMISA.

NEMISA has assessed its risk profile. The risk profile addresses the following elements:

- Key risk areas (e.g. strategic, operational and projects);
- Strengths and weaknesses of NEMISA;
- Major opportunities and threats;
- Materiality framework that defines the acceptable materiality levels;
- Capacity to manage risks;
- Learning needs and tools;
- NEMISA's risk tolerance levels, priority-setting and ability to mitigate risks, and
- Linkages with management processes.

During the period under review, an organisational risk assessment workshop was conducted with management of NEMISA in view of the new Strategic Plan and Annual Performance Plan. This workshop was to:

- re-evaluate the strategic and operational risks identified in the previous risk workshops,
- identify any new and any emerging risks, and
- update the risk registers and to enable risk management to be elevated to a strategic level, thus ensuring the progression of risk management maturity.

REPORT OF THE BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

In order to further improve the entity's risk management maturity, regular assessment, evaluation and prioritisation of risks with a view to ensure optimal risk management and related results should be conducted, and entity-wide risk management within the strategic and operational activities of the entity should be embedded so that it becomes part of the corporate culture.

Evaluation of annual financial statements

The Board Audit Risk Management Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the auditors;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entity's compliance with legal and regulatory provisions, and
- reviewed significant adjustments resulting from the audit.

The Board Audit Risk Management Committee concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Having reviewed and evaluated the financial statements for the year ended 31 March 2015, the members of the Board Audit and Risk Management Committee believe that the financial statements fairly present the state of affairs of the entity, its business, financial results and its financial position at the end of the financial year, and that the entity is a going-concern.

Internal audit

The Board Audit and Risk Management Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

In addition, the internal auditing function provides a supportive role to management and the Board Audit and Risk Management Committee by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.

The internal audit function, which is currently outsourced, is responsible for independently and objectively evaluating the entity's system of internal controls and for bringing significant business risks and exposures to the attention of management and the Board Audit and Risk Management Committee via comprehensive internal audit reports.

The following internal audit work was completed during the year under

- Risk Assessment - Facilitation
- External Audit Findings Follow- up;
- Internal Audit Reports Follow- up;
- Performance Information ;
- Quality Assurance and Quality Promotion;
- Procurement / SCM;
- Information Technology;
- Revenue

REPORT OF THE BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Legal and Regulatory Compliance.

Legal and regulatory compliance is monitored by the members of the Board Audit and Risk Management Committee in respect of the relevant legislation applicable to the entity's operations. Major legislation and regulations under consideration (for which the entity has achieved compliance except for those instances detailed in the Director's Report) include the Company's Act 71 of 2008,as amended, and the Public Finance Management Act 1 of 1999 as amended, and Treasury Regulations.

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Funding

Finance required to fund the operational overheads of the entity is provided for by the Department of Telecommunication and Postal services and the National Treasury. Funding is also made available through specific projects from external sources.

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The Board Audit and Risk Management committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Mr L. Mello
Board Audit and Risk Management
Committee Chairperson

ACCOUNTING AUTHORITY'S REPORT

The members submit their report for the year ended March 31, 2016.

1. REVIEW OF ACTIVITIES

Main business and operations

The 2015/16 financial year is the third year of the new integrated institute (i.e. NEMISA, e-SI and ISSA) ikamva National eSkills institute (iNeSi). The purpose of iNeSi is to promote the development of eSkills (ICT) human capacity in South Africa. This takes into account the current NEMISA mandate to train previously disadvantaged individuals, particularly women, to equip them with necessary skills to play significant role in the constant changing broadcast environment. The vision is to become a leader in the development of world class electronic media skills in the ICT sector. The Department of Telecommunications and Postal services has started a process to transfer the e-Skills Institute branch and ISSA branch to NEMISA in order to establish a new institute that will become a key national catalytic collaborator in e-skilling the nation in relation to employment readiness; effective e-governance and service delivery; business development; socio-economic development; and; research and development is critical in the development of South Africa.

Net surplus of the entity was R 2,051,256 (2015: surplus R 3,200,318), for the year ended 31 March 2016. The vacant posts of Senior Management during the financial year have contributed to the surplus along with the timing differences pertaining to the recognition of income and expenses. The Professional fees outsourced includes the cleaning and security contract, whilst the Consulting fees includes internal audit fees, HR recruitment fees and Accounting systems support services fees.

2. 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.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the entity and that the Appropriation Income from the Department of Telecommunications and Postal services mentioned in these financial statements will remain in force in the foreseeable future.

3. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The Directors are not aware of any other material circumstances arising subsequent to the end of the financial year, not otherwise dealt with in the annual financial statements and the notes thereto, that would affect the operations or the results of operations significantly.

4. DIRECTORS' INTERESTS

At 31 March 2016, the Directors had no interest in the capital of the entity. No contracts involving Directors' interests were entered into in the current period.

5. NOTE ON ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Companies Act 71, 2008, as amended.

6. LEASES

The entity's lease agreement for its premises expired on 31 May 2015. The negotiations of the new lease agreement are still underway. The entity is on a month-to-month lease agreement and provisions have been made to utilise these premises until 31 March 2017. The operating lease costs have, accordingly, been recognised at a fixed rental based on the time pattern of the benefits rather than any financial benefit that may arise from the transaction, in terms of GRAP 13 Leases, resulting in the equalisation of rental costs for the duration of the agreement.

7. MANAGEMENT AND CONTROL

NEMISA is wholly-owned by the State through the Department of Telecommunications and Postal Services.

8. COMPANY SECRETARY

The company secretary duties are duly performed by a competent and qualified Company Secretary. The company secretary is Ms Mapula Thebethe appointed as secretary of the entity on Monday, September 01, 2014.

9. ECONOMIC ENTITY

The financial statements for the previous financial year were unqualified by the Auditor- General.

10. EXTERNAL AUDITORS

In terms of Chapter 2, section 4 of the Public Audit Act, 2004 (Act 25 of 2004) the Auditor-General must audit and report on the accounts, financial statements and financial management of all national state departments and accounting entities, including NEMISA.

Auditor-General of South Africa will continue in office for the next financial period.

11. FUNDING

Finance required to fund the operational overheads of the entity is provided by the Department of Telecommunications of Postal services and the National Treasury. Project funding is also sourced from various sources to facilitate the skills development within the sector.

12. TAXATION

No provision for Income tax has been made since the entity is tax-exempt and qualifies as a Public Benefit Organisation (PBO) in terms of section 10(1)(cN) of the Income Tax Act. The entity is also exempt from Value Added Tax (VAT).

13. ACCOUNTING AUTHORITY

The members of the entity during the year and to the date of this report are as follows:

Name	Nationality	Changes
Mr. T Ka Plaatjie (Acting Board Chair)	South African	Appointed 1 February 2016
Mr. P Ramatswana (Acting CEO)	South African	Appointed 10 March 2016
Mr. L Mello	South African	
Dr. M Maloka (Board Chair)	South African	Resigned 31 January 2016
Mr. G Lenepa	South African	Contract ended 31 March 2016
Ms. L Braithwaite Kabosha	American	
Ms. K Ngambi	South African	
Ms. MM Malakalaka (CFO)	South African	Resigned 29 February 2016
Dr. NA Tshidzumba (CEO)	South African	Resigned 29 February 2016
Ms. R Ligege (Acting CFO)	South African	Appointed 10 March 2016

14. MEMBER AND EXECUTIVE MANAGERS EMOLUMENTS

Economic entity	Salary/Fee	Bonuses	Travel Expenses	Other Allowances	Total Package 2016	Total Package 2015
Non-Executive Members						
Dr. M Maloka	200,992	-	3,188	-	204,180	224,376
Mr. G Lenepa	161,568	-	5,123	-	166,691	206,353
Prof. R Marcus		-	-	-	-	62,424
Mr. T ka Plaatjie	137,280	-	9,441	-	146721	175,800
Mr. L Mello	81,312	-	22,374	-	103,686	118,519
Ms. L Kabosha	124,608	-	1,740	-	126,348	122,871
Ms. K Ngambi	73,920	-	1,332	-	75,252	78,266
	779,680	**-**	**43,198**	**-**	**822,878**	**988,609**
Executive Members						
Dr N Tshidzumba	1,148,028	-	5,775	48,208	1,202,011	39,973
Ms M Malakalaka	1,043,618	130,600	1,577	62,615	1,238,410	1,314,506
	2,191,646	**130,600**	**7,352**	**110,823**	**2,440,421**	**1,354,479**
Senior Managers						
Mr P Ramatswana	811,594	158,953	84,000	22,590	1,077,137	1,016,558
Ms M Thebethe	944,069	-	-	21,000	965,069	550,532
Ms M Cloete	78,733	-	-	10,522	89,255	210,913
Ms R Ligege	536,694	12,689	-	40,277	589,660	664,010
Mrs M Sharif	364,922	-	-	7,000	371,922	-
	2,736,012	**171,642**	**84,000**	**101,389**	**3,093,043**	**2,442,013**
	5,707,338	**302,242**	**134,550**	**212,212**	**81,052**	**4,785,101**

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a state owned entity in terms of the Companies Act and that all such returns are true, correct and up to date.

Ms Mapula Thebethe
Company Secretary

NEMISA

Annual Financial Statements for the year ended March 31, 2016

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

	Note(s)	2016 R	2015 Restated R
Assets			
Current Assets			
Inventories	3	13,528	30,513
Receivables from exchange transactions	4	5,084,471	4,946,471
Cash and cash equivalents	5	13,394,171	18,622,517
		18,492,170	**23,599,501**
Non-Current Assets			
Property, plant and equipment	6	1,365,170	1,891,088
Intangible assets	7	11,455	37,311
		1,376,625	**1,928,399**
Total Assets		**19,868,795**	**25,527,900**
Liabilities			
Current Liabilities			
Other financial liabilities	8	-	65,125
Payables from exchange transactions	9	4,541,919	6,736,531
Non-exchange revenue liability	10	1,285,700	6,030,824
Exchange revenue liability	11	3,574,636	3,574,636
Provisions	12	885,446	1,591,210
		10,287,701	**17,998,326**
Total Liabilities		**10,287,701**	**17,998,326**
Net Assets		**9,581,094**	**7,529,574**
Accumulated surplus		**9,581,094**	**7,529,574**

NEMISA

Annual Financial Statements for the year ended March 31, 2016

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2016 R	2015 R
Revenue			
Exchange revenue			
Interest received	13	6,145,665	2,132,399
Non exchange revenue	14	1,127,630	1,063,556
Total revenue	15	47,904,124	50,001,895
		55,177,419	53,197,850
Expenditure			
Staff costs/staff training expenses	16	(17,279,703)	(16,464,079)
Directors' emoluments and travel expenses Audit		(3,442,733)	(2,537,214)
Fees - external		(544,110)	(848,991)
Network expenses		(144,815)	(181,664)
Depreciation and amortisation		(464,788)	(1,132,085)
Lease rentals on operating lease		(7,033,413)	(6,707,792)
Movement in Provision for Bad debt		(19,426)	357,798
Legal Expenses		0	(10,260)
Repairs and maintenance		(134,749)	(188,480)
Consulting		(1,460,495)	(1,625,932)
Professional fees- outsourced services		(2,026,125)	(1,753,574)
Operating expenses	17	(20,561,429	(18,841,922)
Finance cost	19	(14,377)	(63,337)
Total expenditure		**(53,126,163)**	**(49,997,532)**
Operating surplus		**2,051,256**	**3,200,318**
Surplus for the year		**2,051,256**	**3,200,318**

NEMISA

Annual Financial Statements for the year ended March 31, 2016

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R	Total net assets R
Opening balance as previously reported on 1 April 2014	3,400,672	3,400,672
Adjustments		
Correction of errors	928,584	928,584
Balance at April 01, 2014 as restated*	**4,329,256**	**4,329,256**
Changes in net assets		
Surplus for the year	3,200,318	3,200,318
Total changes	3,200,318	3,200,318
Opening balance 1 April 2015 before adjustments	7,526,799	7,526,799
Adjustments		
Correction of errors	3,039	3,039
Restated* Balance at April 01, 2015 as restated*	**7,529,838**	**7,529,838**
Changes in net assets		
Surplus for the year	2,051,256	2,051,256
Total changes	2,051,256	2,051,256
Balance at March 31, 2016	**9,581,094**	**9,581,094**

CASH FLOW STATEMENT

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Receipts			
Sale of goods and services		5,969,822	4,550,272
Grants		47,904,124	44,018,600
Interest received		1,127,630	1,063,556
		55,001,576	**49,632,428**
Payments			
Employee costs		(19,572,988)	(18,431,473)
Suppliers		(40,360,702)	(31,267,571)
Finance costs		(14,377)	(63,337)
		(59,948,067)	**(49,762,381)**
Net cash flows from operating activities	20	**(4,946,491)**	**(129,953)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(281,855)	-
Net increase/(decrease) in cash and cash equivalents		**(5,228,346)**	**(129,953)**
Cash and cash equivalents at the beginning of the year		**18,622,517**	**18,752,470**
Cash and cash equivalents at the end of the year	5	**13,394,171**	**18,622,517**

1. Presentation of Annual Financial Statements

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).

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

All figures are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 INVENTORIES

Initial recognition and measurement

Inventories comprise current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent measurement

Inventories, consisting of consumable stores are measured at the lower of cost and current replacement cost. The basis of determining cost is the first-in-first-out basis. Redundant and slow-moving inventories are identified and written down from cost to replacement cost with regard to their estimated economic or realisable values. A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its current replacement cost at financial year-end.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

The carrying amount of inventories are recognised as an expense in the period that the inventory was sold, distributed, written-off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.2 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 reporting 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 entity; and
- the cost or fair value of the item can be measured reliably

1.2 PROPERTY, PLANT AND EQUIPMENT (continued)

On initial recognition, an item of property, plant and equipment is measured at cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

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.

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

Property, including buildings, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The costs of self-constructed assets include the cost of materials, direct labour and other costs incurred directly in the construction of the asset.

Subsequent expenditure

The entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the economic benefits embodied in the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Financial Performance as an expense in the period that they are incurred.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Depreciation

Improvements and interior decorating, signage and canteen equipment costs relate to the costs of revamping and preparing the office building leased under an operating lease for its intended use and are amortised over the lease period. Furniture, fittings and motor vehicles are wholly-owned, while equipment consists of both wholly-owned assets as well as assets subject to financial leases which are capitalised. These assets are stated at historical cost less depreciation calculated on a straight-line basis to write off the cost of each asset (less its residual value) over its estimated useful life, as follows:

Item	Average useful life
Improvements and interior decorating	20 years
Canteen equipment	10 years
Furniture and fixtures	10 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
Television Equipment	5 years
Radio equipment	5 years

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

1.2 PROPERTY, PLANT AND EQUIPMENT (continued)

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 or disposal of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment, lease and intangible assets is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance. Where appropriate, and if significant, expected residual values are taken into account in determining the depreciable values of assets. Where parts of an item have different useful lives, they are accounted for as separate items of property, plant and equipment.

Residual values, methods of depreciation and useful lives of all assets are reassessed annually. Depreciation of an item of property, plant and equipment begins when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date it is derecognised.

1.3 LEASES

Leases of property, plant and equipment, where the entity assumes substantially all the benefits and risks of ownership are classified as financial leases. Assets leased in terms of financial lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the property or, if lower, at the present value of the minimum lease payments and are depreciated in accordance with the policies applicable to equivalent items of property, plant and equipment. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Lease finance charges are amortised over the duration of the leases by using a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases under which the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Obligations incurred under operating leases are charged to expenses in equal instalments over the period of the lease. In keeping with International Accounting Standards, operating lease costs are recognised on the time pattern of the benefits of the lease as opposed to recognition of any financial benefit arising from the transaction.

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.

1.4 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is 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 entity 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.

1.4 INTANGIBLE ASSETS (continued)

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 entity; and
- the cost or fair value of the asset can be measured reliably.

The entity 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.

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.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.5 FINANCIAL INSTRUMENTS

Financial instruments recognised in the Statement of Financial Position include cash and cash equivalents, trade receivables and trade payables. Fair value adjustments to the annual financial statements are recognised in the Statement of Financial Performance in the period in which they occurred.

Financial instruments are initially measured at fair value plus, in the case of financial instruments not at fair value through surplus or deficit, transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data.

Financial assets

Financial assets are recognised when the entity becomes a party to the contractual provisions of the financial asset. Such assets consist of cash and cash equivalents, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially- favourable terms.

Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are provided for during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current and are present value adjusted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and are recognised at fair value. Fair value adjustments are recognised in surplus and deficit. Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly-liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to insignificant risk of change in value.

Financial liabilities

Financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities consist of obligations to delivery of cash or another financial asset or to exchange financial instruments with another entity on potentially-unfavourable terms. Financial liabilities, other than derivative instruments, are measured at amortised cost. Trade and other payables are stated at their nominal value.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

1.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are assessed at each reporting date to determine whether there is an indication that the carrying amount of the asset may be impaired. If such an indication exists, the recoverable amount of the asset is determined. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In determining the value in use, the estimated cash flow of the asset is discounted to the present value based on the time value of money and the risks that are specific to the asset. If the value in use of an individual asset for which an indication of impairment cannot be determined, the recoverable amount of the asset is determined.

An impairment loss is recognised in surplus or deficit when the carrying amount of an individual asset exceeds its recoverable amount. Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. Impairment losses are reversed only to the extent of the carrying amount that would have been determined if no impairment loss had been recognised in the past. Reversal of impairment losses are recognised directly in surplus or deficit.

1.7 IMPAIRMENT OF FINANCIAL ASSETS

Impairment losses are recognised on loans and receivables when there is objective evidence of impairment. An impairment loss is recognised in surplus and deficit when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity 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.

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.

A provision is recognised in the Statement of Financial Position when the entity has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Contingent liabilities

Contingent liabilities are not recognised. Contingent liabilities are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent liabilities are continually assessed to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements in the period in which the change in probability occurs, unless a reliable estimate can be made.

1.9 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus 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 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.

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Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

Impairment testing

The entity 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.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 12 - Provisions.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

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.

1.10 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Appropriation income is recognised at fair value where there is reasonable assurance that the income will be received and all attached conditions will be complied with and when the amount of the revenue can be measured reliably.

1.11 REVENUE FROM EXCHANGE TRANSACTIONS

- Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity 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 associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 end of the reporting period. 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 entity;
- 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 the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:-to the extent that it is probable that they will result in revenue; and-they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.11 REVENUE FROM EXCHANGE TRANSACTIONS (continued)

Equipment/ facilities hire
Revenue from Equipment/facilities hire is recognised in the accounting period in which they are hired out to customers.

Courses rendered
Revenue on courses rendered is recognised in the accounting period in which the courses are rendered.

Project administration fees
Project administration fees are recognised on completion of the project. When a project is longer than 12 months, administration fees are recognised systematically during the life of the project.

Conditional project funding
Revenues received from project funding are not conditional grants and are recognised as revenue to the extent that the entity has complied with general criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Student fees
Student course fees are accounted for on an accrual basis. The registration fee is recognised upon enrolment of a student, and the course fee is recognised over the period of the presentation of the course.

1.12 INVESTMENT INCOME

Revenue is recognised as the interest accrues (using the effective interest method, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

1.13 RELATED PARTIES

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.14 COMPARATIVE FIGURES

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

1.15 TAXATION

No provision for taxation has been made since the entity is directly funded by the government and exemption from taxation has been granted by South African Revenue Service (SARS). The company has also been exempted from Value- Added Tax (VAT) registration.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA as expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury Practice Note No. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999). All irregular expenditure is charged against income in the period in which it is incurred.

	Note(s)	2016 R	2015 R

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The ASB has issued the following additional standards of GRAP, which are not yet effective for the 31 December 2015, 31 March 2016 and 30 June 2016 year-ends:

- GRAP 20 Related party disclosures
- GRAP 32 Service concession arrangements: Grantor
- GRAP 108 Statutory receivables
- GRAP 109 Accounting by principals and agents

Effective dates for the above standards have not yet been gazette by the Minister of Finance.

The entity is currently in the process of evaluating the detail requirements of the above listed standards to assess whether they would be any impact on the financial statements when enacted.

3. Inventories

Consumable stores	13,528	30,513

4. Receivables from exchange transactions

Trade debtors	5,976,541	5,043,688
Less: Provision for doubtful debts	(2,952,785)	2,972,622)
Discounting Less: Debtors PV	(14,377)	
Deposits	1,352,082	1,352,082
Prepayments/deferred expenses	723,010	1,523,323
	5,084,471	**4,946,471**

The deposit is required in terms of the renewed lease agreement for the premises. Receivables from exchange transactions are carried at amortised cost.

Fair value of trade and other receivables

Trade and other receivables	5,084,471	4,946,471

	Note(s)	2016 R	2015 R

4. Receivables from exchange transactions (continued)

Aged trade receivables

The aged trade receivables at reporting date was:

0 - 30 days	691,244	607,170
31 - 60 days	504,637	
61 - 90 days	26,380	116,558
More than 90 days	4,754,299	4,319,960
	5,976,560	**5,043,688**

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 March 31, 2016, R1, 762,251 (2015: R 1,127,385) were past due but not impaired.

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

Trade and other receivables impaired

As of March 31, 2016, trade and other receivables of R 2,952,785 (2015: R 2,972,622) were impaired and provided for.

The ageing of these receivables are as follows:

Over 12 months	2,952,785	2,972,622

Reconciliation of provision for impairment of trade and other receivables

Opening balance	2,972,622	2,961,182
Increase/decrease in provision for impairment	(19,837)	3,440
	2,952,785	**2,972,622**

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note 17).

In determining the recoverability of trade receivables, NEMISA considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,018	1,107
Bank balances	1,878,415	1,596,902
Corporation for Public Deposits balance	11,512,738	17,024,508
	13,394,171	**18,622,517**

* See Note 25

	Note(s)	2016 R	2015 R

6. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	189,396	(78,093)	111,303	189,396	(68,623)	120,773
Improvements and interior Decoration	1,161,858	(791,899)	369,959	1,161,858	(733,909)	427,949
Furniture and fittings	279,438	(240,363)	39,075	867,317	(686,319)	180,998
Motor vehicles	1,580,237	(1,555,844)	24,393	1,580,237	(1,541,538)	38,699
Office equipment	395,237	(355,667)	39,570	908,394	(753,977)	154,417
Computer equipment	3,216,244	(2,796,846)	419,398	3,492,209	(2,918,445)	573,764
Canteen equipment	40,718	(38,499)	2,219	42,860	(39,121)	3,739
Television equipment	3,481,163	(3,141,233)	339,930	3,847,590	(3,490,845)	356,745
Radio equipment	1,414,956	(1,395,633)	19,323	1,474,294	(1,440,290)	34,004
Total assets	**11,759,247**	**10,394,077)**	**1,365,170**	**13,564,155**	**(11,673,067)**	**(1,891,088)**

Reconciliation of property, plant and equipment - 2016

	Opening Opening	Additions	Disposals	Depreciation	Total
Building	120,773	-	-	(9,470)	111,303
Improvements and interior	427,949	-	-	(57,990)	369,959
Furniture and fittings	180,998	-	(121,938)	(19,985)	39,075
Motor vehicles	38,699	-	-	(14,306)	24,393
Office equipment	154,417	-	(94,590)	(20,257)	39,570
Computer equipment	573,764	79,486	(32,608)	(201,244)	419,398
Canteen equipment	3,739	-	-	(1,520)	2,219
Television equipment	356,745	202,369	(115,909)	(103,275)	339,930
Radio equipment	34,004	-	(1,800)	(12,881)	19,323
	1,891,088	**281,855**	**(366,845)**	**(440,928)**	**1,365,170**

* See Note 25

	Note(s)	2016 R	2015 R

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening Balance	Disposals	Depreciation	Total
Buildings	130,243	-	(9,470)	120,773
Improvements and interior decorating	541,828	-	(113,879)	427,949
Furniture and fittings	270,312	(1,831)	(87,483)	180,998
Motor vehicles	148,390	-	(109,691)	38,699
Office equipment	187,287	-	(32,870)	154,417
Computer equipment	828,899	(15,062)	(240,073)	573,764
Canteen equipment	4,437	(112)	(586)	3,739
Television equipment	711,727	-	(354,982)	356,745
Radio equipment	194,193	-	(160,189)	34,004
	3,017,316	**(17,005)**	**(1,109,223)**	**1 891,088**

Details of properties

Buildings comprises of an office building in Franschoek, in the Stellenbosch Municipality, division of Paarl, Western Cape under sectional plan number SS135/2003 and held by Certificate of Registered Sectional Title No ST 5853/2003. A register is available for inspection at the registered office of the entity.

* See Note 25

	Note(s)	2016 R	2015 R

7. Intangible assets

	2016			2015		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	411,726	(400,271)	11,455	411,726	(374,415)	37,311

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software	37,311	(25,856)	11,455

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software	59,913	(22,602)	37,311

8. Other financial liabilities

At amortised cost

	2016 R	2015 R
Adjustment of straight-lined property lease	-	65,125

Straight-lining of operating lease as required by GRAP 13 Leases

9. Payables from exchange transactions

	2016 R	2015 R
Accounts payables	1,149,944	3,161,396
Prepaid student fees/income received in advance	2,538,424	2,452,428
Accrued 13th Cheque	160,493	159,752
Accrued leave pay	693,058	962,955
	4,541,919	**6,736,531**

10. Non-exchange revenue liability

	2016 R	2015 R
DTPS funds transfer e-Skills CoLab	1,285,700	6,030,824

NEMISA has been mandated by DTPS to roll-out e-skills programmes in the country. The e-skills rollout is being carried out by the COLABS located in various Universities that had partnered with NEMISA. The DTPS funded NEMISA with an amount of R6.5 million in 2015/2016 financial year to deliver on the e-skills programmed

* See Note 25

	2016 R	2015 R

11. Exchange revenue liability

Exchange revenue liability comprises of:

	2016 R	2015 R
Unspent conditional grants and receipts		
DTPS funds transfer - Community Radio	3,574,636	3,574,636
Movement during the year		
Balance at the beginning of the year	3,574,636	3,721,516
Income recognition during the year	-	(146,880)
Balance carried forward	**3,574,636**	**3,574,636**
Non-current liabilities	0	0
Current liabilities	3,574,636	3,574,636
	3,574,636	**3,574,636**

The Community Radio Project could not be completed as the costs to complete project as initially planned would be more than initially budgeted for. An agreement was reached with DOC to continue with the project in the 2016/2017 financial year.

12. Provisions

Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Staff incentives	1,591,210	207,738	(913,502)	885,446

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Staff incentives	2,453,910	823,766	(1,686,466)	1,591,210

Staff incentives, which represents management's best estimate of the liability at year end.

* See Note 25

	2016 R	2015 R

13. Exchange revenue

Training and development Sundry income from students Other income	6,115,203	1,850,710
Sundry Income from students	28,979	101,470
Other Income	1,483	180,219
	6,145,665	2,132,399

14. Interest received

Interest revenue		
Bank	1,127,630	1,063,556

15. Non-exchange revenue

Appropriation Income received -CoLabs	11,303,124	12,142,896
Appropriation Income received - DTPS	36,601,000	37,858,999
	47,904,124	**50,001,895**

16. Employee related costs

Basic	17,078,705	16,103,385
Leave pay provision charge	(180,470)	86,590
Staff cost training	324,200	89,142
Staff cost refreshments	57,268	184,962
	17,279,703	**16,464,079**

Remuneration of members and other key management are disclosed in the Report of the Directors on page 72.

	2016 R	2015 R

17. Operating expenses

	2016 R	2015 R
Direct Expenses		
Accreditation/membership fees	460,449	11,663
Colab expenditure	11,303,124	12,395,811
Productions	-	20,808
Student accommodation	1,494,994	839,249
Student meals	4,746	447,086
Student stationery and printing costs	30,643	251,077
Student training/examination costs	313,662	52,990
Student transportation costs	69,961	81,350
Student stipends	1,541,550	219,000
Overhead Expenditure		
Bank charges	58,916	40,343
Business development/marketing/communications	866,695	688,248
Equipment costs	56,620	123,272
Fines and penalties	25,000	-
Insurance	1,391,120	1,355,719
Property rates and taxes	1,183,482	1,068,047
Stationery costs	273,938	381,713
Transportation costs	101,315	113,594
Travel and accommodation costs	952,325	728,853
Project maintenance costs	66,115	6,095
Assets written off	366,774	17,004
	20,561,429	**18,841,922**

18. Operating lease

The lease agreement for the entity's premises expired on 1 December 2013. The contract was extended for an additional period of 18 months, commencing 1 December 2013 to May 2015 at R541 702 per month. The entity has embarked on the process of renegotiating the lease agreement since June 2015 whilst managing the lease on a month to month basis with rental of R591,544 per month. The entity has intentions of continuing with the lease in the foreseeable future and it is therefore anticipated that the lease will continue until 31 March 2017

Rentals are recognized on a straight line basis in alignment with GRAP 13, whereby the operating lease costs are recognized based on the time pattern of the benefits rather than any financial benefit that may arise from the transaction, resulting in an equalization of rental recognized

	2016 R	2015 R
Minimum lease payments due	-	1,183,089

	2016 R	2015 R

19. Finance costs

Fair value adjustments: Accounts receivable	14,377	63,337

* See Note 25

20. Cash used in operations

Surplus	2,051,256	3,200,318
Adjustments for:		
Depreciation and amortisation	464,788	1,132,085
Debt impairment	19,426	(357,798)
Movement in provisions	(705,764)	(862,700)
Scrapped assets	366,774	16,991
Other financial liabilities	(65,125)	-
Changes in working capital:		
Inventories	16,985	24,329
Receivables from exchange transactions	(135,672)	2,145,864
Consumer debtors	(19,426)	357,798
Payables from exchange transactions	(2,194,609)	343,336
Taxes and transfers payable (non exchange)	(4,745,124)	(5,983,296)
Exchange revenue liability	-	(146,880)
	(4,946,491)	**(129,953)**

21. Change in estimate

Property, plant and equipment

The useful life of assets was estimated at inception to be as per the accounting policies as follows, Improvement and interior decorating - 10 years, Canteen equipment - 10 years, Furniture and fittings

-6 years, Motor Vehicles -5 years, Office equipment -5 years, Computer Equipment -5 years, Television equipment - 5 years, and Radio equipment 5 years.

At the beginning of the current period management assessed each individual assets and revised the estimate of each individual asset based on historic analysis, benchmarking and latest available and reliable information. The effect of this revision has decreased depreciation charge for the current period by R614 548 and will increase the depreciation charge in the future period by R614 548

* See Note 25

	2016 R	2015 R

22. Financial instruments disclosure

Categories of financial instruments

2016

Financial assets

	At fair value	At amortised cost	Total
Receivable from exchange transactions	-	5,084,471_	5,084,471
Cash and cash equivalents	13,394,171	–	13,394,171
	13,394,171	**5,084,471**	**18,478,642**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	4,647,585	4,647,585
Non-exchange revenue liability	1,285,700	1,285,700
Exchange revenue liability	3,574,636	3,574,636
	9,507,921	**9,507,921**

2015

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	4,946,471	4,946,471
Cash and cash equivalents	18,622,516	–	18,622,516
	18,622,516	**4,946,471**	**23,568,987**

* See Note 25

	2016 R	2015 R

22. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	6,736,531	6,736,531
Non-exchange revenue liability	6,030,824	6,030,824
Exchange revenue liability	3,574,636	3,574,636
	16,341,991	**16,341,991**

Financial instruments in Statement of financial performance

2016

	At amortised cost	Total
Interest expense for financial instruments at amortised cost	14,377	14,377

2016

	At amortised cost	Total
Interest expense for financial instruments at amortised cost	63,337	63,337

23. Commitments

Authorised expenditure

Already contracted for but not provided for

Operating lease as lessee	-	1,183,089
Bids awarded	2,029,907	-
	2,029,907	**1,183,089**

Total capital commitments

Already contracted for but not provided for	2,029,907	1,183,089

* See Note 25

	2016 R	2015 R

24. Related parties

Ultimate controlling entity

The main related party with whom the entity interacted is the Department of Telecommunications and postal services, who is the sole shareholder and provides finance to fund the operational overheads of the institute. The Minister of Telecommunications and Postal services is the Executive Authority of NEMISA. NEMISA is ultimately controlled by the National Executive.

NEMISA received transfer payments of R 36.6 million funding for its administrative activities as well as R6.5 million funding for its strategic objectives from the Department of Telecommunications and Postal services.

NEMISA provides training to and on behalf of the Department of Telecommunications and Postal services in respect of Community Radio and other adhoc projects.

MICT SETA is a related party as it provides on accreditation to NEMISA. The transaction entered into with MICT SETA relates to the funding provided to train students on Radio and Television production.

NEMISA used several national public sector entities as service providers during the year. These transactions were concluded on normal operating terms. These balances are included in trade payables in the Statement of Financial Position and the income and expenditure as part of the Statement of Financial Performance.

Related party balances		
Department of Telecommunications and Postal Services		
Gross amount - Receivables	208,956	208,956
Gross amount - Income received in advance	2,004,049	1,363,561
South African Broadcasting Corporation Gross amount -		153,842
Receivables Doubtful debt provision	-	(153,842)
MICT SETA		
Gross amount - Receivables	897,300	648,900

* See Note 25

	2016 R	2015 R

24. Related parties (continued)

Related party transactions

Department of Telecommunication and Postal Services		
Revenue	43,159,000	50,148,776
Direct expenses	(11,303,124)	(12,289,776)
MICT SETA		
Revenue	4,081,000	371,000
Direct expenses	-	(346,923)

Compensation to members and other key management

NEMISA is governed by its Board of Directors as the Accounting Authority. During the financial year the Minister of Telecommunications and Postal services appointed three Non-Executive Directors. The Board of Directors along with the Acting CEO, and CFO are responsible for planning, directing and controlling of the activities of the entity. Explit details of the Emoluments paid to the Board of Directors and key management are reflected in the report of the director's page 70.

Compensation to members and other key management		
Non executive members	822,878	988,609
Executive members	2,440,421	1,354,479
Senior managers	3,093,043	2,442,013
	6,356,342	**4,785,101**

* See Note 25

	2016	2015
	R	R

25. Prior period adjustment

Prior period adjustments relate to:

Property, plant and Equipment

Property, plant and equipment was incorrectly valued in the prior years, due to the fact the residual values and useful lives of individual items of property, plant and equipment were not reviewed and assessed annually as required by GRAP 17 Property, plant and equipment. This resulted in other individual items of property, plant and equipment being valued at R1 or R0 whilst the entity was still deriving economic benefit.

Trade and other receivables

A detailed analysis and reconciliation of all debtors including student debtors at the end of the financial year was performed taking into account debtors listings and an error was discovered where debtors were excluded from debtor's balances for financial years ended 31 March 2014 and 31 March 2015 respectively.

Income received in Advance

Money received from the SABC for services rendered by NEMISA for the 2014/2015 financial years was incorrectly recognised as income received in advance instead of revenue.

Leave and Bonus Accrual

In the prior periods leave and bonus accruals were recognised as provision, instead of accruals. The entity is adjusting the financials to effect the prior year error related to the leave and bonus which are now recognised as accruals.

Employee related costs

Remuneration to fixed term contract employees were previously disclosed as Lecture facilitation fee. The entity is adjusting the financial statements to effect the prior year error relating to remuneration of fixed term contract employees which are now disclosed as employees related costs.

Intangible assets

The impact intangible assets was incorrectly valued in the prior years, due to the fact that the residual values and useful lives of individual items of Intangible assets, were not reviewed and assessed annually as required by GRAP 31 Intangible assets. This resulted in other individual items of Intangible assets being valued at R1 or R0 whilst the entity was still deriving economic benefit. The effect on the Statement of Financial Performance and Financial Position is shown below.

	2016 R	2015 R

25. Prior period adjustment (continued)

Statement of financial position

Increase in Property, plant and equipment	-	110,685
Increase in Trade and Other Receivables	-	738,797
Increase in Intangible Assets	-	23,479
Decrease in Income received in advance	-	52,833
Increase in Accruals	-	(1,122,707)
Decrease in Provisions	-	1,122,707
Increase Opening Accumulated Surplus or Deficit w.r.t PPE	-	(189,788)
Increase Opening Accumulated Surplus or Deficit w.r.t Debtors	-	(738,797)

* See Note 25

Statement of Financial Performance

Increase Depreciation expense	-	55,623
Increase in Revenue	-	(52,833)
Increase in Employee related costs	-	1,343,626
Decrease in Lecture Facilitation Fees	-	(1,343,626)

26. Fruitless and wasteful expenditure

Opening balance	2,790	2,280
Interest paid to suppliers for late payment	861	
Traffic fines	970	510
SARS penalty	83,464	
	88,085	**2,790**

At 31 March 2016, NEMISA had incurred interest and penalties of R83, 464 for late payment of outstanding amount. These funds were recovered in April 2016 from SARS after NEMISA made request to SARS waive penalty.

The traffic fines are recovered from responsible employees. The entity is investigating circumstances that lead to payment of interest to suppliers

	2016 R	2015 R

27. Irregular expenditure

	2016	2015
Opening balance	633,297	
Add: Irregular Expenditure - current year	2,450,788	633,297
	3,084,085	**633,297**

Details of irregular expenditure-current year	Disciplinary steps taken/criminal proceedings	R
Deviation from competitive bidding	Matter under investigation	2,450,788
Procurement of text books	Matter under investigation	5.250
Contract on e-literacy software	Matter under investigation	400,000
Contract on e-skills conference	Matter under investigation	100,000
Travel reimbursement for e-skills conference	Matter under investigation	48,711
Lack of tax clearance certificate	Matter under investigation	31,957
Non-submission of declaration of Interest form	Matter under investigation	38,218
Lack of written quotations	Matter under investigation	9,161
		3,084,085

28. Reconciliation between budget and statement of financial performance

	2016	2015
Reconciliation performance: of budget with the surplus/deficit in the statement of financial		
Net surplus per the statement of financial performance	2,051,256	3,200,318
Adjusted for: Difference between actual and budget	(2,051,256)	(3,200,318)
Net surplus per approved budget	-	-

* See Note 25

	2016 R	2015 R

29. Actual operating expenditure versus budgeted operating expenditure

The total appropriation funding due to NEMISA by way of transfer payments from the Department of Telecommunications and Postal services for the current year amounted to R 43 million. The negative variance on revenue is due to R12 million transferred to Colabs for funding of Department of Telecommunications and Postal services' strategic objectives of which R 6 million was deferred in the prior year. Additional funding of R6 million was received from Department of Telecommunications and Postal services. Other income exceeded the budget due to project revenue.

Statement of Financial Performance	Budget R000	Adjustment R000	Adjusted budget R000	Actual R000	Difference R000	Reference
Appropriation income	36,601	6,558	43,159	47,904	4,745	A
Interest received	-	-	-	1,127	1,127	B
Other income	-	-	-	6,145	6,145	C
Total revenue	36,601	6,558	43,159	55,176	12,017	
Personnel expenditure	(21,180)	-	(21,180)	(20,741)	439	D
Goods and services	(31,175)	-	(31,175)	(33,731)	(2,556)	E
Depreciation	(929)	-	(929)	(464)	465	F
Surplus for the period	**(16,683)**	**6,558**	**(10,125)**	**240**	**10,365**	

A) Part of Colab expenditure was funded through the non-exchange revenue liability and not appropriation fund as the funding was carried over from the prior period.

B) The interest is earned from the Corporation Public Deposit.

C) The DTPS enters into an agreement with NEMISA after the MTEF budget process, hence it was not budgeted for.

D) Minimal vacant posts during the year under review.

E) Payment to university of Western Cape for additional expenditure incurred in 2014/2015 financial year that was not budgeted.

F) Useful lives of assets were revised at the beginning of current year resulting in reduction of depreciation expenses.

* See Note 25

	2016 R	2015 R

30. Market Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

Cash flow forecasts are prepared during and submitted to the Department of Telecommunications and Postal services in the beginning of each year to determine the frequency of the drawdown of Appropriation Income.

The table below analyses the entity'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.

Credit risk

Financial assets which potentially subject the entity to concentrations of credit risk consist primarily of cash, short term deposits and trade receivables. The organisation's cash equivalents are held by high credit quality financial institutions. Credit risk with regard to receivables is limited. This is because the nature of the entity's activities for the period focused on providing training to previously disadvantaged persons. Accordingly, the entity has no significant concentration of credit risk. The carrying amounts of financial assets included in the Statement of Financial Position represent the entity's exposure to credit risk in relation to these assets.

Financial assets exposed to credit risk at year end were as follows:		
Cash and Cash equivalents	13,394,171	18,622,516
Receivables from exchange transaction	5,084,471	4,946,471

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

* See Note 25

15. ABBREVIATIONS

DoC	Department of Communications
DoL	Department of Labour
DHET	Department of Higher Education and Training
EXCO	Executive Committee
TVET	Technical and Vocational Education Training
HRDCSA	Human Resource Development Council of SA
ICTs	Information Communications Technologies
IDC	International Data Corporation
iNeSI	Ikamva National e-Skills Institute
ISAD	Information Society and Development
ISSA	Institute of Satellite Software for Space and Software Applications
ITU	International Telecommunications Union
MDGs	Millennium Development Goals
MGI	McKinsey Global Institute
MICT SETA	Media, Information Communications Technologies, Sector Education Training Authority
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NDS III	National Development Strategy
NEMISA	National Electronic Media Institute of South Africa
NeSPA	National e-Skills Plan of Action
PIAC	Presidential International Advisory Council
ResNeS	Research Network for e-Skills
SOC	State Owned Companies
UN	United Nations
UNDP	United Nations Development Programme
USAASA	Universal Service Access Agency of South Africa
WEF	World Economic Forum
WSIS	World Summit on Information Society

16. GENERAL INFORMATION

Registered name:	National Electronic Media Institute of South Africa
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External auditors:	Auditor-General of South Africa
Banker:	Standard Bank of South Africa
Company Secretary:	Mapula Thebethe

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