



**UNIVERSAL SERVICE AND ACCESS
AGENCY OF SOUTH AFRICA
(USAASA)
ANNUAL PERFORMANCE PLAN**

**for the financial year
2021/22**



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ACCOUNTING AUTHORITY AND ACCOUNTING OFFICER STATEMENT

The outbreak of the COVID 19 Pandemic has significantly changed the world we know as it drastically the South African economic performance. The rapid spread of the virus, which knows no boundaries affects every country and global markets. South African ranks amongst the infected countries in the world. The virus has set back the gains the country made in the 26 years since the dawn of democracy. It also came at a time when the South African economy was greatly challenged with pedestrian growth and limited wealth redistribution, thus making the country one of the most unequal nations in the world. The ripple effects of the virus impacted upon women more, with them having lost the most income and jobs, especially in the informal sector where there are in the majority.

The development consequences of the COVID-19 outbreak are likely to lead to a decline in real GDP growth by 3.6 per cent in 2020 resulting in an overall decline of GDP growth by 5.1 percentage points, as compared to the economy's projected performance before the onset of the COVID-19. GDP is likely to fall by 6.4 per cent, leading to a nearly 7.9 percentage point decline in 2020, compared to the economic performance projected before the onset of the COVID-19. As a result, at least five years must pass for South Africa's economy to return to pre-2019 levels – unless innovative actions are implemented. The consequences born of the COVID-19 outbreak are likely to further exacerbate poverty and inequality in South Africa.

The COVID-19 exacerbated inequality, poverty and unemployment and crowding out other public expenditure resulting from the 7 Apex Priority Areas being revised on Medium-Term Expenditure Framework (MTSF) 2019-2024.

The USAASA five-year Strategic Plan, in support of the National Development Plan, reflects USAF's contribution to strengthening the universal service and access sector, and unlocking its potential to grow the economy, create jobs, and contribute to reduced inequality and reduced poverty. This is in line with the outcome of the 2019-2024 Medium Term Strategic Framework (MTSF) to *"improve competitiveness through ICT adoption"*.

The USAASA Strategic Plan 2020-2025 responds to the following Revised Medium -Terms Strategic Framework Apex Priority Areas:

1. Priority 2: Economic Transformation and Job Creation; and
2. Priority 3: Education, Skills and Health

USAASA as an administrator as the Universal Service and Access Fund has the following key focus areas for 2021-22 Financial Year that are administrative in nature:

1. USAASA integrated plan of action in support of the implementation of National Strategic Plan (NSP) on gender-based violence developed
2. Stakeholder Engagement Strategy reviewed by Board and implemented
3. Enterprise risk maturity level from 2020/21 baseline improved
4. 100% of valid invoices paid within 30 days from date of receipt
5. Reduction of wasteful and fruitless expenditure to 20% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024

6. Reduction of irregular expenditure to 15% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024

In all that we have done to remedy the historical challenges that the Agency was marred with, I am cautiously optimistic about the sustainable future of the Agency, I believe that we have begun to realign the values of Batho Pele, Integrity, Accountability, Innovation and most notably Transparency and Teamwork.

I would like to express my sincere gratitude to Minister Stella Ndabeni-Abrahams for her resolute support and commitment to a connected South Africa vision; the management and staff for their excellent role and commitment to improving the quality of life for the indigent households and impoverished communities residing in unconnected and underserved areas. Also our governance structures and stakeholders; the Board Audit and Risk Committee, Parliamentary Committees and government departments for their invaluable contributions to the work of the Universal Service and Access Agency of South Africa through the Universal Service and Access Fund.



Ms DZ Kula-Rantho
CHAIRPERSON
UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA

OFFICIAL SIGN-OFF

It is hereby certified that this 2021/22 Annual Performance Plan (Corporate Business Plan):

- 1) Was developed by the management team of the Universal Service and Access Agency of South Africa, under the guidance of the Minister;
- 2) Takes into account all the relevant policies, legislation and other mandates for which the Universal Service and Access Agency of South Africa is responsible;
- 3) Accurately reflects the Outputs and Targets which the Universal Service and Access Agency of South Africa will endeavour to achieve over the 2021/22 financial year.



26/3/2021

Ms S. Scheepers
Date
EXECUTIVE CORPORATE SERVICES (ACTING)


26-03-2021

Mr T. Nivi
Date
EXECUTIVE OPERATIONS (ACTING)


26/3/2021

Mr F. Nieman
Date
CHIEF FINANCIAL OFFICER (INTERIM)


26-03-2021

Mr Sipho Mngqibisa
Date
HEAD OFFICIAL RESPONSIBLE FOR PLANNING


26/03/2021

Ms C. Madikizela
Date
CHIEF EXECUTIVE OFFICER (ACTING)
APPROVED BY:


30/03/2021

Ms DZ Kula-Rantho
Date
ACCOUNTING AUTHORITY (CHAIRPERSON OF THE BOARD)

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PART A:

OUR MANDATE

PART A: OUR MANDATE

In response to the strategic priorities of the 6th Administration, and informed by instructing legislation and policy, the Universal Service and Access Agency of South Africa (USAASA) has defined its role/purpose (primary object), in the 2020-2025 Strategic Plan as to:

- 1) Strive to promote the goal of universal access and universal service;
- 2) Foster the adoption and use of new methods of attaining universal access and universal service;
- 3) Conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities; and continually survey and evaluate the extent to which universal access and service have been achieved; and
- 4) Manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act.

Aligned to this understanding, USAASA then articulates its strategic focus – its vision, mission and its institutional values - for the period 2021/22–2024/25 as follows:

VISION

In delivering on its mandate/purpose, the vision of USAASA is aligned to, and supports, the vision of the Department of Communications and Digital Technologies to be “a leader in enabling a connected and digitally transformed South Africa.”

In response, USAASA has the following vision:

Universal ICT access and service for all.

MISSION

To promote and pursue the goal of universal access and service, and to contribute to building South Africa’s sustainable knowledge society through innovation, research, monitoring, evaluation and advisory services; and

To effectively manage the Universal Service and Access Fund (USAF), whose mission it is to:

- *Facilitate the roll-out of adequate Information and Communication Technology (ICT) infrastructure to enable universal access to underserved areas in South Africa.*
- *Facilitate ICT service to underserved areas and thereby contributing to the reduction of poverty and unemployment in South Africa.*

VALUES	
Value	Description - What it means in practice
Batho Pele	We believe in providing excellent, efficient and effective service to all customers and stakeholders.
Integrity	We uphold high standards of trust; condemn bribery and corruption; honesty and respect in all interactions with stakeholders.
Accountability	We foster employee ownership and responsibility in ensuring quality service.
Innovation	We support employee creativity in delivering all our services.
Transparency	We encourage openness in all our activities.
Teamwork	We strive to create a harmonious work environment, where all employees and contributors are respected.

IMPACT STATEMENT
<i>Progressive realisation of the goal of universal access and universal service in South Africa.</i>

OUTCOMES		
Outcome 1: An optimised delivery system to support the achievement of the USAF mandate	Outcome 2: A respected thought leader on universal access and universal service	Outcome 3: A well-governed and high-performance organisation, delivering on its mandate

In turn, the above strategic framework and the three Outcomes inform the alignment to the delivery structure of USAASA and the development of outputs, performance indicators and annual and quarterly performance metrics, as outlined in the rolling annual performance plans over the period of the Strategic Plan.

Reflected in this Annual Performance Plan are the 2021/22 planning priorities, outputs, performance indicators, annual targets and budget allocations for performance against the Outcomes of the Strategic Plan.

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATES

1.1. UPDATED LEGISLATIVE MANDATES

The Universal Service and Access Agency of South Africa (USAASA) was established under the Electronic Communications Act, 2005 (Act No. 36 of 2005 as amended by Act No. 1 of 2014) to promote the goals of universal access and universal service in the under-served areas of South Africa. Licensees are required to contribute to the Universal Service and Access Fund (USAF) which is intended for use in incentivising and subsidising the roll-out of electronic communications networks in under-served areas.

Name of the Act	Purpose
Electronic Communications Act, 2005 (Act No. 36 of 2005)	To promote convergence in the broadcasting, broadcasting signal distribution and telecommunications sectors and to provide the legal framework for convergence of these sectors; to make new provision for the regulation of electronic communications services, electronic communications network services and broadcasting services; to provide for the granting of new licenses and new social obligations; to provide for the control of the radio frequency spectrum; to provide for the continued existence of the Universal Service Agency and the Universal Service Fund, and to provide for matters incidental thereto.

In executing its role, the Fund is also guided, amongst others, by: -

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- The Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended)
- The Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- The Infrastructure Development Act, 2014 (Act No. 14 of 2014)

1.2. UPDATED POLICY MANDATES

The National Development Plan, Vision 2030 (NDP, 2012) is the national framework for the development of the South African economy and society broadly. The NDP describes the critical role of innovation, research and development in fostering sustained competitiveness and profitability in the economy, in the face of a world economy that is rapidly transforming into knowledge and network economy. Evidence suggests that an increase in public investment in innovation, research and development, and related infrastructure and access, will enable South Africa's economic development, competitiveness and sustainable growth.

In turn, the Medium Term Strategic Framework (MTSF) is a high-level strategic document and is the central organising framework to guide the rolling five-year implementation and monitoring of the NDP, Vision 2030.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Fund does not have a specific established policy through legislation and its mandate are derived from the following policies:

Name of the institutional policies and strategies	Purpose
South Africa's Broadband Policy: South Africa Connect, 6 December 2013	<p>In terms of the Electronic Communications Act, 2005 (Act No.36 of 2005), the Department of Communications and Digital Technologies published a policy document "South Africa Connect: Creating Opportunities, Ensuring inclusion: South Africa's Broadband Policy". This was gazetted on 6 December 2013.</p> <p>SA Connect is a four-pronged strategy, consisting of 4 "sub-strategies" which will move the country from the current state to achieving its targets over the next 10 (ten) years.</p> <p>SA Connect guides the ICT sector as a whole, and USAASA in particular, in terms of the approach that must be taken to promote broadband deployment, usage and uptake in the country.</p>
The National Integrated Information and Communication Technologies (ICT) Policy White Paper, 28 September 2016	<p>The National Integrated Information and Communication Technologies (ICT) Policy White Paper that was approved by Cabinet on 28 September 2016 will have implications on Universal Service. It proposes the revision of services and access based on the outcome of the research conducted to support the policy revision. The White Paper further suggests that USAASA should be reformulated into a Digital Development Fund and stipulates contributions by licensees into the fund. Lastly, the report revises the USAASA institutional framework.</p> <p>The establishment of a Digital Development Fund will effectively remove USAASA's policymaking and regulatory functions, leaving the organisation to focus on funding and project management. The motivation behind this shift in the institutional framework</p>

	is to allow USAASA to focus on its main priority which is service and access delivery to the nation.
Broadcasting Digital Migration Policy For South Africa, August 2008	The Government must, as a matter of policy, to consider the means to make STBs affordable and available to the poorest TV-owning households. This support by the Government should be seen as part of its commitment to bridging the digital divide in South Africa. The Government has therefore decided, as mandated by section 88(1) (a) of the Electronic Communications Act to subsidise poor TV owning households through USAF [Universal Service and Access Fund].

3. UPDATES TO RELEVANT COURT RULINGS

There are no court judgements or rulings which have a material and/or direct bearing on the mandate and/or core operations of the Universal Service and Access Agency of South Africa. However, USAASA as the administrator of the Universal Service and Access Fund might be exposed to potential litigation arising out of the previous contracts entered on procurement of set-top-boxes. Should litigation arise and the Agency will assess the legal impediments on the core operations of USAASA and mitigate the inherent risks.

PART B:

OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

4. UPDATED SITUATIONAL ANALYSIS

The following situational analysis assesses USAF's position in relation to both the external and internal forces impacting on its mandate and performance delivery environment.

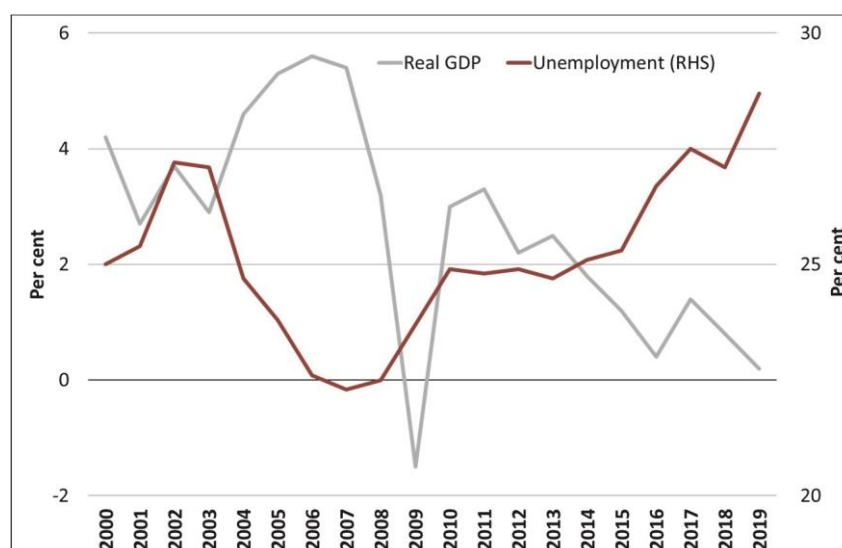
4.1. EXTERNAL ENVIRONMENT ANALYSIS

The global shock prompted by the COVID-19 pandemic, and unprecedented restrictions designed to protect public health, have led to a sharp contraction in the domestic economy. Government interventions have cushioned the impact on workers and businesses, but have not offset the full decline. South Africa's economic growth is forecast to fall by 7.2 per cent in 2020 as a result of the crisis, the March and April 2020 credit rating downgrades, and the compounding effects of weak investor confidence. The economic outlook is highly uncertain.

Yet this crisis also presents an opportunity to enact major reforms. As the President noted in his 21 April address, to break with a pattern of weak growth and overcome structural inequality, the South African economy cannot merely return to where it was before the pandemic. Forging a new economy in a changed global reality will require a social partnership between business, labour, communities and government.

The Government will take the necessary measures to stabilise mounting public debt over the medium term. And in the months ahead, it will consult with the private sector, trade unions and civil society on the reforms needed to chart a path to faster, inclusive economic growth. A package of proposed fiscal and economic reforms will be set out in the **2020 Medium Term Budget Policy Statement** (MTBPS).

Figure 3.1 GDP growth and unemployment



Economic impact and response to pandemic

The global economic contraction brought about by COVID-19 has unfolded with unprecedented speed, hitting developing countries particularly hard. In 2020, according to the World Bank, developing economy output is expected to contract for the first time in at least 60 years.

Global and domestic policy response

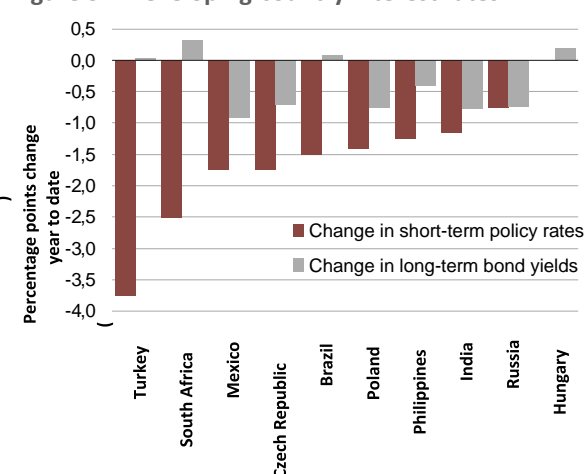
In response to the pandemic, governments worldwide have increased health spending, introduced restrictions on economic activity to limit the spread of the virus, and taken steps to alleviate the effects of lockdowns on households and businesses. Authorities have prioritised income support and wage subsidies for workers, alongside tax relief, lower interest rates and favourable loan schemes to support businesses.

Developing countries face a particular challenge in responding to the protracted effects of the coronavirus. Many governments had borrowed heavily in recent years; as a result, they had little or no fiscal space available as COVID-19 set in. While external financing of approximately US\$1 trillion from the International Monetary Fund (IMF) and the World Bank has provided support for countries in need, access to multiple funding sources is critical.

Global financial markets have been severely disrupted, with extreme volatility and capital outflows from developing countries exceeding the peaks reached during the 2008 global financial crisis. Central bank actions have helped to stabilise markets, but volatility remains high.

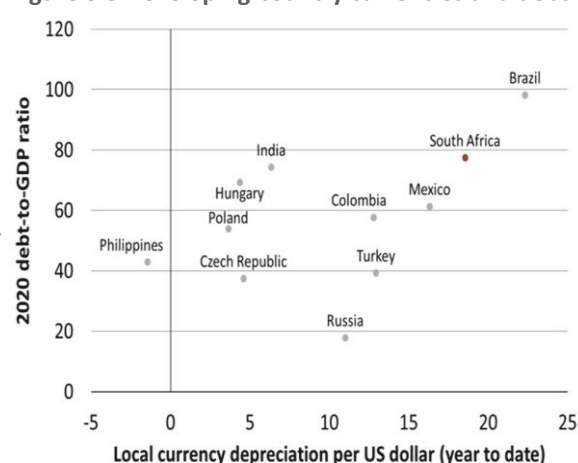
The rand has depreciated by 18.1 per cent against the US dollar since January. In comparison, an index of emerging-market currencies weakened by 4.6 per cent over the same period. South Africa's risk premium – the additional return that investors demand to compensate for higher levels of risk – stood at 5.2 per cent at 15 June 2020, compared with 3.2 per cent at the end of 2019. Bond yields have stabilised due to Reserve Bank purchases of government bonds, but remain higher than before COVID-19. This indicates uncertainty about South Africa's longer-term growth and fiscal position and means the government pays more to borrow money.

Figure 3.2 Developing-country interest rates



Source: Bloomberg

Figure 3.3 Developing-country currencies and debt



Source: IMF (debt-to-GDP forecast, April WEO), IHS Global Insight

To limit the impact of the pandemic on the economy, the Reserve Bank has reduced the repurchase rate to 3.75 per cent, its lowest level since 1973, providing relief to indebted households and businesses. Banking-sector regulations have been eased to encourage lending. Banks have provided R30 billions of relief to customers.

Government's R500 billion fiscal relief package provides significant support to households and businesses. But the government's weak fiscal position going into the crisis means that it cannot afford to fully offset the effects of the pandemic.

Steep contraction across all economic sectors

To protect South Africans and prevent the public health system from being overwhelmed, the government restricted most economic activity from 26 March to 1 June.

The lockdown has taken a severe toll on an already fragile economy. The limited data available suggests a steep contraction across all sectors over the past three months. Construction, retail and hospitality were particularly hard hit, and retail sales restrictions had significant knock-on effects across the economy. Reduced global demand and border closures, alongside uncertainty about the application of lockdown regulations, further hampered activity.

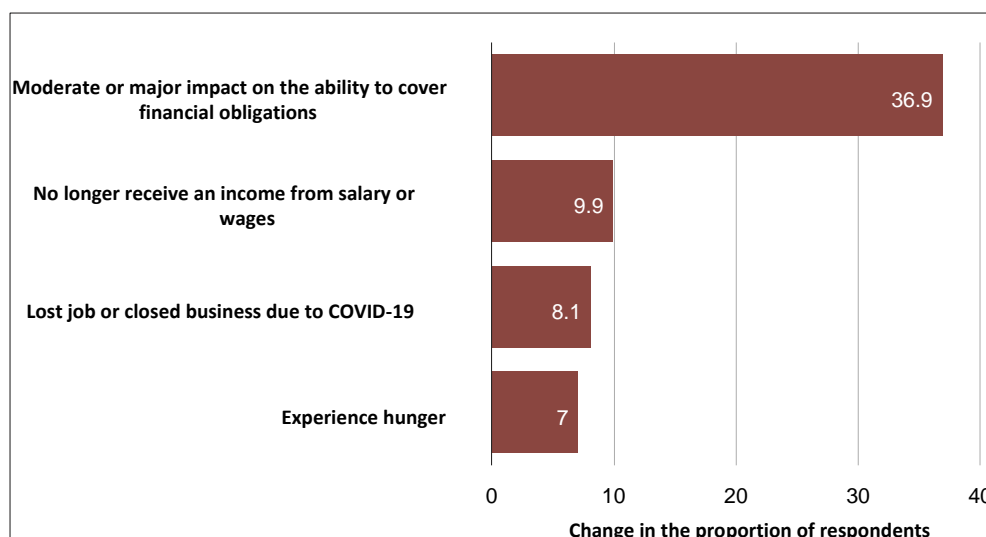
Table 3.1 Impact of the pandemic on the trading status by sector¹

	Trading at full capacity	Trading at partial capacity	Permanently ceased trading	Temporarily ceased trading
Percentage				
Agriculture, hunting, forestry and fishing	11.8	22.4	11.6	54.2
Mining and quarrying	5.6	72.2	–	22.2
Manufacturing	7.5	48.0	6.1	38.4
Electricity, gas and water supply	12.8	43.6	–	43.6
Construction	0.6	18.5	13.7	67.2
Trade	4.6	29.6	5.9	59.9
Transport, storage and communication	7.8	58.9	8.9	24.4
Real estate and other business services	13.8	57.3	4.1	24.8
Community, social and personal services	8.5	32.5	12.0	47.0
Other	6.9	35.3	6.0	51.8

1. Percentage of 2 182 respondents surveyed from 14-30 April 2020 Source: Statistics South Africa

Statistics South Africa (Stats SA) data shows that for the first two weeks of April, nearly 90 per cent of businesses reported below-normal turnover, 48 per cent ceased activity temporarily and 9 per cent permanently closed operations. Business confidence in the second quarter of 2020, as measured by the BER/RMB index, reached its lowest level since the series began in 1975.

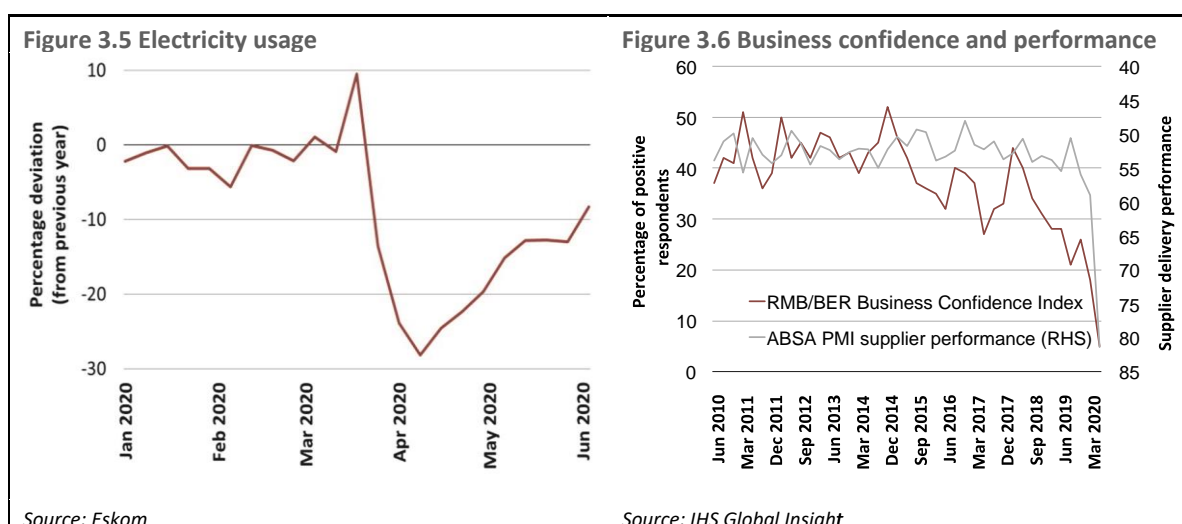
Figure 3.4 Proportion of households in financial difficulty*



*Percentage of 2 688 respondents surveyed between 29 April and 6 May 2020 Source: Statistics South Africa

Since March 2020, consumers at all income levels have reduced spending. The crisis is likely to have increased hardship particularly for those in informal or low-skilled jobs. The reduced activity has led to sharp downward pressure on pricing power for the most essential goods.

Restrictions are now easing, enabling firms to do business and allowing more workers to earn a living. There has been recovery inactivity, for example in electricity usage, but levels remain low relative to 2019.



It is too early to estimate the magnitude of the longer-term effects of the pandemic on business survival and employment. However, the weakness of the economy prior to the onset of COVID-19 suggests elevated risks of business and job destruction under current policies.

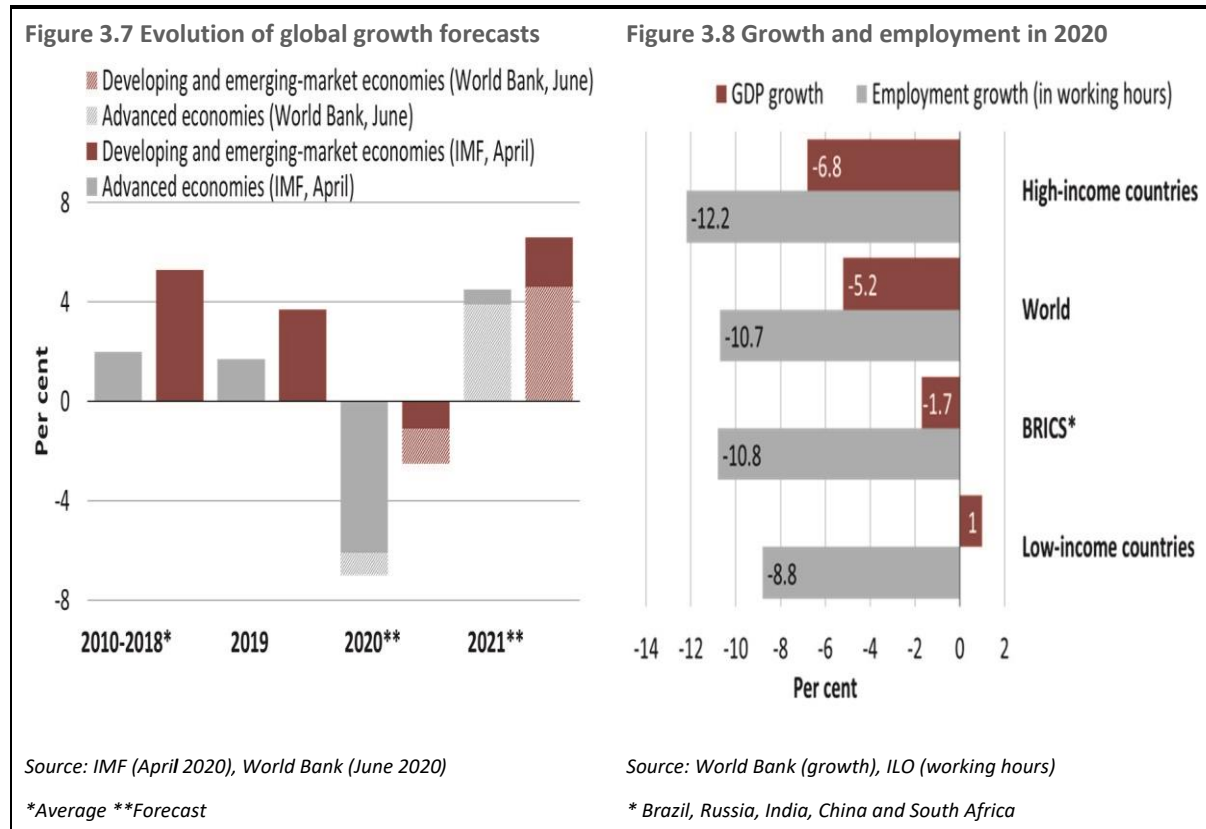
Economic outlook

High levels of uncertainty about the spread of COVID-19, and its containment and treatment, have complicated decision-making for businesses, investors and households the world over. In addition, regular economic surveys have been disrupted and delayed, making policymakers more reliant on smaller, less representative surveys. As a result, estimating the economic impact over the period ahead is exceedingly difficult. While the scenarios outlined in this

special adjustments budget are intended to illustrate potential policy outcomes, data and projections may change significantly in the months ahead.

Global outlook

In June, the World Bank forecast a 5.2 per cent contraction in global GDP in 2020. This would mark the deepest global recession since the Second World War, and the broadest collapse in per capita incomes since 1870.



Tens of millions of workers have lost their jobs and many more have seen their hours reduced. Trade tensions remain elevated, particularly between the US and China. The IMF's global forecasts, on which the National Treasury bases its projections, are likely to be revised lower later in June 2020.

Weak global growth has resulted in a decline in commodity prices since January, with oil prices down about 40 per cent. An exception has been the gold price, which has risen by 13 per cent, owing to safe-haven demand. As a result of these changes, South Africa's terms of trade are forecast to be positive in 2020, but these gains are expected to dissipate over time.

The domestic economy in 2020

The economy grew by just 0.2 per cent in 2019. As the government's fiscal position deteriorated, the ratio of investment to GDP fell to 17.9 per cent, the lowest since 2005, while the unemployment rate reached an 11-year high of 29.1 per cent. The 2020 *Budget Review* forecast growth of 0.9 per cent for 2020. That forecast proved optimistic given the unexpected

contraction in the fourth quarter of 2019, which emerged after the Budget was tabled in Parliament but before the onset of COVID-19.

The National Treasury forecasts that the economy will contract by 7.2 per cent in 2020. Business confidence will remain near historic lows, and investment and employment will drop below last year's levels.

Household consumption will remain constrained by reduced income – from wages, commissions, bonuses and financial assets – as well as low job growth. Inflation will be contained in the near term due to the collapse in demand, low imported inflation and moderate food price pressures. Weak activity will reduce the current account deficit, which is expected to be fully funded by foreign inflows.

The 2020 outlook may deteriorate further if the global economy continues to weaken, or economic activity is curtailed again to protect public health. A failure to attract sufficient international capital to finance the current account deficit would also constrain growth.

The growth trajectory beyond 2020

South Africa's economic outlook is heavily influenced by global trends. However, it is primarily domestic fiscal policy measures and implementation of economic reforms over the next six to 12 months that will determine the growth trajectory over the next several years. These will be outlined in the 2020 MTBPS.

Critical risks to the economy include continued volatility in global financial markets, sudden interruptions in capital inflows, the reliability of electricity supply, additional commitments to fund financially distressed state-owned companies, low levels of confidence, policy uncertainty and concerns about government's commitment to the independence of the central bank.

In a scenario in which tough fiscal policy and broader economic reforms are not implemented, there would be further prolonged weakness in economic growth, currency depreciation and higher borrowing costs.

To avoid these outcomes, Cabinet has endorsed an active approach that will adjust expenditure to a sustainable level and improve the efficiency of spending. This approach will build confidence and bolster investment as significant economic reforms are implemented. As confidence in the fiscal strategy grows, South Africa's risk premium will decrease and long-term savings will flow into the country. Over the longer term, fiscal policy certainty, the need to rebuild the capital stock, and new ways of working will incentivise firms to invest.

Table 3.2 shows a relatively conservative projection of medium-term economic growth, given elevated risks of global and domestic shocks, and low growth and productivity outcomes over the past several years. Concerted implementation of cross-cutting reforms could result in economic growth exceeding these estimates.

Table 3.2 Active scenario outlook

	2010-2018 ¹	2019	2020	2021	2022	2023
Percentage change						
Real GDP growth	1.9	0.2	-7.2	2.6	1.5	1.5
GDP inflation	5.7	4.0	4.0	3.9	4.4	4.6
GDP at current prices (R billion)	3 811.9	5 077.6	4 900.2	5 227.9	5 536.1	5 873.4
CPI inflation	5.3	4.1	3.0	3.9	4.3	4.5

1. Average growth rates

Sources: National Treasury, Reserve Bank and Statistics South Africa

Cross-cutting reforms to boost long-term growth

Over the past decade, South Africa has experienced weak economic growth well below the rate of population growth. COVID-19 has destroyed productive capacity and is changing the global economy. In this context, deeper reforms than previously outlined will be required to meaningfully lift growth over five years.

Raising domestic savings levels and removing the barriers to long-term investments, both domestic and foreign, are key reform objectives. South African firms need greater support to innovate, including moving towards a greener economy, raising productivity and seeking out export markets.

The government envisions a package of economic reforms that will improve productivity, lower costs and reduce demands of state-owned companies on the public purse. These measures include finalising electricity determinations, unbundling Eskom and taking other steps to open up energy markets, modernising ports and rail infrastructure, and licensing spectrum. Additional reforms, in line with *Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa* include:

- Lowering the cost of doing business, reducing red tape and improving access to development finance for small, medium and micro-enterprises.
- Support for agriculture, tourism and other sectors with high job creation potential.
- Facilitating regional trade.
- Reducing the skills deficit by attracting skilled immigrants.
- Revamping the skills framework, and undertaking a range of reforms in basic education and the post-schooling environment to improve outcomes for workers – and the firms that can employ them.

To realise the full benefits of these reforms for the economy's growth potential over the long term, the implementation should begin now.

This challenging macro-economic environment implies that USAASA needs to deploy its limited resources optimally in pursuit of its mandate, requiring efficiency, effectiveness and economy in its operations and management.

4.2. INTERNAL ENVIRONMENT ANALYSIS

The Universal Service and Access Agency of South Africa (USAASA) is established in terms of the Electronic Communications Act 36 of 2005 (ECA), which came into operation on 19 July 2006. Further new amendments to the ECA, which have a direct bearing on governance of the Agency, came into effect on 21 May 2014.

In terms of the ECA, but read together with the National Integrated Information and Communication Technologies Policy White Paper (September 2016) and related Ministerial directives, the mandate of USAASA is to:

- 1) Strive to promote the goal of universal access and universal service;
- 2) Foster the adoption and use of new methods of attaining universal access and universal service;
- 3) Conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities; continually survey and evaluate the extent to which universal access and service have been achieved; and
- 4) Manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act.

In terms of the above, the establishment mandate incurs the responsibility on USAASA to manage the Universal Service and Access Fund (USAF), which is classified as a separate public entity in terms of the Public Finance Management Act, and so must have its separate annual report, separate from the Agency, on the performance information and state of its financial affairs.

In terms of the Act and its establishment, USAASA is a public entity, listed in terms of Schedule 3A of the Public Finance Management Act 1 of 1999 (PFMA). In this regard, the Board of USAASA is the Accounting Authority in terms of the PFMA.

The Board provides leadership and oversees the strategic direction, so as to enhance shareholder value and ensure the USAASA long-term sustainable development and growth. In fulfilling its responsibilities, the Board is supported by the USAASA Chief Executive Officer and executive team, in implementing the approved strategic and corporate plans and policies, which are aligned to the key national policies and action plans.

Lastly, in finalizing its Strategic Plan and Annual Performance Plan, the Agency took into consideration the limited resources available, both financial and human, which negatively impacted on its capacity to execute and deliver on some of its 2020/21 planned targets.

Above content for Parts A and B appears as per the 2020-2025 Strategic Plan, as the 2021/22 APP is tabled in the same year, hence there are no updates.

4.3. SUMMARY OF CRITICAL ISSUES INFORMING THE 2020/21 ANNUAL PERFORMANCE PLAN

USAASA's reflection on its organisational environment, in particular, the administrative functions, its operations and the business intelligent component of the Agency resulted in identifying its strength, weakness, opportunities and threats (SWOT). The SWOT analysis was located within strategic imperatives. The key issues arising from the analysis are reflected below, as they inform this 2021/22 Annual Performance Plan:

- 1) In the area of strengthened business planning, performance monitoring and management, as well as risk management, USAASA must:
 - a) Strengthen the procurement management processes in areas of demand, acquisition, risk and supply chain performance in respect of all goods and services of the Agency.

- b) Development a smart procurement plan which is linked to the Annual Performance Plans and approved budget to drive procurement planning processes and effective execution of acquisition of goods and services and payment of service providers within the 30 days.
 - c) Strengthen the component in financial management and control in place to anticipate the realisation of fruitless and irregular expenditure and irregular expenditure.
 - d) Improve the contract management component and the monitoring of service providers to ensure the project deliverables in line with the Annual Performance Plans and the agreed service level agreements; and
 - e) With the aim of achieving a clean audit in each financial year to 2025, continually improve in the crafting of proper and well-informed performance targets and ensuring their regular monitoring, to identify project bottlenecks at an early stage and notify management and staff accordingly.
- 2) Strengthen the engagement and buy-in of all staff in planning and performance management issues by:
- a) Sharing the details of the Strategy and Annual Performance Plan process and expected outcomes with all staff in all divisions;
 - b) Ensuring the alignment of Exco's performance agreements to the approved strategic key focus areas;
 - c) Ensuring the alignment of middle management and lower staff performance agreements to the Annual Operational Plans and Implementation Plans.
- 3) Implement systems to ensure reporting that meets high standards and expectations, both for purpose of improved performance and compliance reporting.
- 4) Inculcate the culture of consequence management in order to promote taking personal and individual ownership and responsibility for delivering performance results.
- 5) Entrench risk management processes and practices in all spheres of the business of USAASA, with a particular focus on these specific areas of priority.
- 6) Conduct normal audit reviews, but putting emphasis, jointly with Risk Management, on root cause analysis for repeat audit findings.
- 7) In the area of development and management of internal business processes and systems (including technology), USAASA must:
- a) Ensure implementation of the Disaster Recovery Plan (DRP) – also applicable to risk management processes – and to strengthen in-house system support with the utilisation of the SAP ERP system;
 - b) Implement a project management framework, policies and technology - supported by a reliable management information system and in-house network monitoring system.

- 8) In the area of creating a robust human capital management environment, USAASA must:
- a) Adopt a properly balanced scorecard approach to enforce buy-in of performance requirements and expectations at an individual level, and enforce consequence management across the board;
 - b) Support skills development and career pathing to enhance critical intellectual capacity through inter alia, a timeous submission of organisational and divisional training needs;
 - c) Seek to address concerns human capital management issues to harmonise the working environment in a bid to improve staff morale and thus organisational performance; and
- 9) In the area of continuous improvement of stakeholder management, USAASA must:
- a) Strengthen, monitor and sustain strong relations and partnerships with sister entities such as BBI, SITA, ICASA, NEMISA (iNeSI), ZADNA, and Sentech; and strengthen relationships with identified municipalities and provinces where there is a service offering by the Agency;
 - b) Adopt mechanisms to regularly monitor the effectiveness of its stakeholder management efforts in order to make necessary and timeous interventions; and
 - c) Build the reputation and credibility of USAASA, and focus on strategy implementation and strengthened performance, through improved efficiencies and effective stakeholder and partnerships management.

PART C:

MEASURING OUR PERFORMANCE

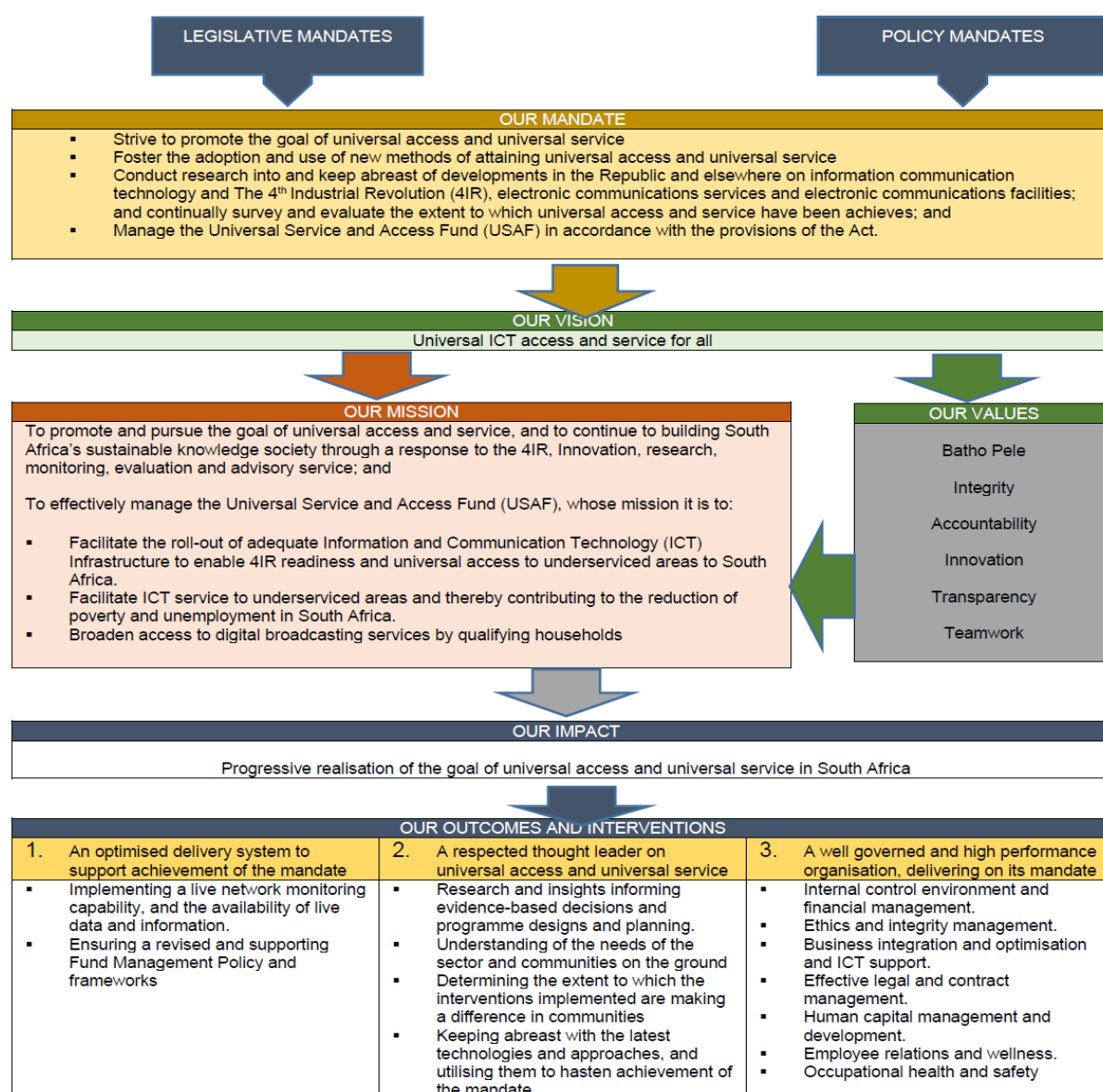
PART C: MEASURING OUR PERFORMANCE

The Universal Service and Access Agency of South Africa (USAASA) Impact and Outcomes reflected in the 2020-25 Strategic Plan are unpacked into the Annual Performance Plan for 2021/22, as reflected in the sections below.

5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The Universal Service and Access Agency of South Africa strategic focus for the period 2020-2025 is presented below:

The USAASA strategic focus to 2025



The Universal Service and Access Agency of South Africa is constituted by the following programmes and aligned business functions, which informs the packaging of this Annual Performance Plan:

Programme N ^o .	Programme Name	Sub-Programmes
Programme 1	Business Support	<ul style="list-style-type: none"> ▪ Corporate Services ▪ Communication and Marketing ▪ Information Communication Technology ▪ Finance and Supply Chain Management ▪ Company Secretariat ▪ Legal Services
Programme 2	Business Intelligence	<ul style="list-style-type: none"> ▪ Planning, Monitoring and Evaluation ▪ Research

The APP deliberately reflects data positioned at a higher level to aid clear and strategic reporting and excludes more operational processes and activities, which will be reflected in the relevant sub-programme operational plans for the period; which are aligned to internal working documents and which inform the performance agreements of the relevant managers and employees.

5.1. PROGRAMME 1: BUSINESS SUPPORT

PROGRAMME PURPOSE

The purpose of Programme 1: Business Support is to provide strategic leadership, management and support services to the Agency, and the Universal Service and Access Fund (USAF).

PROGRAMME OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

In contributing towards the Universal Service and Access Agency of South Africa (USAASA) desired impact of the “**progressive realisation of the goal of universal access and universal service in South Africa**”, the Business Support Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: A well-governed and high-performance organisation and und, delivering on its mandate

The 2021/22 performance plan of Programme 1 is then reflected in the log frame tables below:

Programme 1 - Business Support: Outcomes, Outputs Indicators and Annual Targets:

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1: A well-governed and high-performance organisation, delivering on its mandate	National Strategic Plan (NSP) on gender-based violence	Implemented National Strategic Plan (NSP) on gender-based violence	-	-	-	-	USAASA integrated plan of action in support of the implementation of National Strategic Plan (NSP) on gender-based violence developed	USAASA Strategic Plan (NSP) on gender-based violence monitored	USAASA Strategic Plan (NSP) on gender-based violence monitored
	Improved stakeholder framework management outcomes	Approved Stakeholder Framework Strategy and Plan by Board	-	-	-	-	Board approved Stakeholder Strategy and Plan implemented	Board approved Stakeholder Strategy and Plan implemented	Board approved Stakeholder Strategy and Plan implemented
	Improved risk management services	USAASA enterprise risk maturity level established	-	-	New indicator	Enterprise risk maturity assessment conducted to establish baseline	Enterprise risk maturity level from 2020/21 baseline improved	Enterprise risk maturity level from 2021/22 baseline improved	Enterprise risk maturity level from 2022/23 baseline improved
	Compliance, sound financial management and internal controls	Percentage (%) of valid invoices paid within 30 days from date of receipts	-	New indicator	100% of valid invoices paid within 30 days from date of receipt	-	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Eliminated wasteful and fruitless expenditure	Percentage (%) of the elimination of wasteful and fruitless expenditure	-	-	-	-	Reduction of wasteful and fruitless expenditure to 20% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 50% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 100% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024
	Reduced irregular expenditure	Percentage % reduction of irregular expenditure	-	-	-	-	Reduction of irregular expenditure to 15% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 50% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 75% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024

Programme 1 - Business Support: Indicators, Annual and Quarterly Targets:

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
Implemented National Strategic Plan (NSP) on gender-based violence	Board approved USAASA integrated plan of action in support of the implementation of National Strategic Plan (NSP) on	Draft USAASA integrated plan of action in support of the implementation of NSP on gender – based violence developed and approved by Board	Quarterly progress reports developed based on approved USAASA integrated plan of action in support of NSP on gender based violence.	Quarterly progress reports developed based on approved USAASA integrated plan of action in support of NSP on gender based violence.	Consolidated report developed on key interventions developed.

OUTPUT INDICATORS	2021/22 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr-Jun 2021	Q2 Jul - Sep 2021	Q3 Oct-Dec 2021	Q4 Jan - Mar 2022
	gender-based violence developed				
Approved and implemented Stakeholder Strategy and Plan	Board approved Stakeholder Strategy and Plan implemented	Draft Stakeholder Strategy and Plan approved by Exco	Stakeholder Strategy and Plan approved by Board Quarterly progress reports developed based on Board approved Stakeholder Strategy and Plan	Quarterly progress reports developed based on Board approved Stakeholder Strategy and Plan	Consolidated stakeholder engagement analysis report developed.
USAASA enterprise risk maturity level established	Enterprise risk maturity level from 2020/21 baseline improved	Monitor and evaluate progress through the Risk maturity improvement plan against the Risk maturity level assessed during Quarter four of 2020/21 baseline	Monitor and evaluate progress through the Risk maturity improvement plan against the Risk maturity level assessed during Quarter four of 2020/21 baseline	Monitor and evaluate progress through the Risk maturity improvement plan against the Risk maturity level assessed during Quarter four of 2020/21 baseline	Monitor and evaluate progress through the Risk maturity improvement plan against the Risk maturity level assessed during Quarter 4 of 2020/21 baseline and conduct a Risk Maturity Assessment for submission to Exco
Percentage (%) of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipts	100% of valid invoices paid within 30 days from date of receipts
Percentage (%) of the elimination of wasteful and fruitless expenditure	Reduction of wasteful and fruitless expenditure to 20% of R 389 00,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	5% reduction of wasteful and fruitless expenditure	8% reduction of wasteful and fruitless expenditure	12% reduction of wasteful and fruitless expenditure	20% reduction of wasteful and fruitless expenditure
Percentage (%) reduction of irregular expenditure	Reduction of irregular expenditure to 15% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	3% reduction of irregular expenditure	5% reduction of irregular expenditure	9% reduction of irregular expenditure	15% reduction of irregular expenditure

Explanation of planned performance over the medium term period:

The Agency under Programme 1: Business Support will focus on the desired impact of the “**progressive realisation of the goal of universal access and universal service in South Africa**”. The programme is mainly responsible for the following outcomes contained in USAASA Strategic Plan 2020-2025:

Outcome 1: A well-governed and high-performance organisation and und, delivering on its mandate

USAASA integrated plan of action in support of the implementation of National Strategic Plan (NSP) on gender-based violence, Stakeholder Strategy and Plan on key priority projects and Reduction of qualified audit opinion on financial performance information are the main activities to achieve the desired impact of the programme over the medium-term period.

5.1.3 UPDATED KEY RISKS

Outcomes	Annual Targets	Risk Description	Mitigation Plan
A well-governed and high-performance organisation, delivering on its mandate	Board approved USAASA integrated plan of action in support of the implementation of National Strategic Plan (NSP) on gender-based violence developed	Board approved USAASA integrated plan of action in support of the implementation of National Strategic Plan (NSP) on gender-based violence developed, or failure thereof	Establish a desk on gender-based violence and disabilities Review the organisational policies and formulate action plans Device awareness campaigns and activities
	Board approved Stakeholder Strategy and Plan Strategy implemented	Board approved Stakeholder Strategy and Plan, or failure thereof	Collaboration with all other line functions and affected stakeholders Mapping out of the stakeholders and determine their level of influence Monitoring of the stakeholder engagement plan and quarterly reporting to EXCO
	Enterprise risk maturity level from 2020/21 baseline improved	Enterprise risk maturity level from 2020/21 baseline improved, or failure thereof	Quarterly risks assessments An annual Risk Management plan Risk Maturity Improvement Plan adopted by EXCO

			Monitoring of risk profile by line function Quarterly risk reporting to the relevant committees
	100% of valid invoices paid within 30 days from date of receipt	100% of valid invoices paid within 30 days from date of receipt, or failure thereof	Dedicate personnel to monitor payment value chain Invoice register that encapsulates all the control on invoice payment protocols
	Reduction of wasteful and fruitless expenditure to 20% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of wasteful and fruitless expenditure to 20% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024, or failure thereof	Appointment of a forensic investigator to close on wasteful and fruitless expenditure The implementation of the forensic investigator outcomes Establishment of the theft and losses committee Regular meetings of the theft and losses committee
	Reduction of irregular expenditure to 15 % of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024	Reduction of irregular expenditure to 15% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024, or failure thereof	Appointment of a forensic investigator to close on wasteful and fruitless expenditure The implementation of the forensic investigator outcomes Establishment of the theft and losses committee Regular meetings of the theft and losses committee

5.1.4 PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
Not applicable – however relevant SOEs will be consulted on rollout broadband infrastructure and services to be deployed in underserved areas.			

5.1.5 INFRASTRUCTURE PROJECTS

No.	Project Name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Current Year Expenditure
Not Applicable								

5.1.6 PUBLIC-PRIVATE PARTNERSHIP

PPP	Purpose	Output	Current Value of Agreement	End Date of Agreement
Not Applicable				

PROGRAMME 1 – BUSINESS SUPPORT: EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

In fulfilling its purpose, the Business Support Programme will continue to provide business management and support to the Universal Service and Access Fund (USAF), with a focus on:

- 1) Consistently improving the enterprise risk maturity in terms of not only managing the enterprise-wide risks but also finding ways to take advantage of opportunities to advance the business objectives of USAASA and the USAF;
- 2) Sound ICT governance, which will support business operations, with a view to align the organisation to the DPSA's Corporate Governance of Information and Communication Technology Policy Framework; and to achieve continuous improvement and maintain the highest level of ICT governance maturity;
- 3) Ensuring that the organisation is implementing and enhancing its ICT systems, to ensure they are integrated and responsive to business needs, in support of the ICT strategy;
- 4) Ensuring that the organisation is utilising the available SAP ERP modules to improve the workflow processes and organisational efficiency;
- 5) Enforcing financial management and internal control measures, designed to achieve a clean audit outcome in terms of financial performance;
- 6) Ensuring that the organisation strengthens and improves its procurement and demand planning, to support strengthened budget management and financial management and planning.

5 THE USAASA FINANCIAL PLAN AND ANNUAL BUDGET FOR 2021/22 AND THE MTEF

PROJECTED BALANCE SHEET FOR 2021/2022

Financial position	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Carrying value of assets	6 000	6 000	6 000	6 270
<i>of which:</i>				
Acquisition of assets	(500)	(500)	(500)	(532)
Receivables and prepayments	230	230	230	240
Cash and cash equivalents	100	100	100	105
Total assets	6 330	6 330	6 330	6 615
Accumulated surplus/(deficit)	3 980	3 980	3 980	4 159
Trade and other payables	200	200	200	209
Provisions	2 150	2 150	2 150	2 247
Total equity and liabilities	6 330	6 330	6 330	6 615
Contingent liabilities	–	–	–	–

PROJECTED INCOME STATEMENT FOR 2021/2022

Statement of financial performance	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
R thousand				
Revenue				
Tax revenue	–	–	–	–
Non-tax revenue	800	–	–	–
Sale of goods and services other than capital assets	–	–	–	–
<i>of which:</i>				
Administrative fees	–	–	–	–
Sales by market establishment	–	–	–	–
Other sales	–	–	–	–
Other non-tax revenue	800	–	–	–
Interest, dividends and rent on land	800	–	–	–
Transfers received	264 881	177 055	86 033	86 860
Tax benefit	–	–	–	–
Outside shareholders	–	–	–	–
Interest	–	–	–	–
Total revenue	265 681	177 055	86 033	86 860
Expenses				
Current expenses	265 681	177 055	86 033	86 860

Compensation of employees	58 171	62 269	62 696	65 517
Goods and services	207 510	114 786	23 337	21 343
Depreciation	—	—	—	—
Interest, dividends and rent on land	—	—	—	—
Transfers and subsidies	—	—	—	—
Tax payment	—	—	—	—
Outside shareholders	—	—	—	—
Interest	—	—	—	—
Total expenses	265 681	177 055	86 033	86 860
Surplus/(Deficit)	—	—	—	—

OPERATIONAL BUDGET PROJECTIONS FOR 2021/2022

R thousand	Revised Estimate	Medium-term estimate		
	2020/21	2021/22	2022/23	2023/24
Administration	262 185	177 055	86 033	86 860
-	—	—	—	—
Total expense	262 185	177 055	86 033	86 860

PART D:

TECHNICAL INDICATOR DESCRIPTION

PART D: TECHNICAL INDICATOR DESCRIPTIONS
6 PROGRAMME 1: BUSINESS SUPPORT

Indicator Title	Approved and implemented National Strategic Plan (NSP) on gender-based violence by USAASA
Definition	To track and monitor the interventions and activities that are in the approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
Source of data	Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence Quarterly progress reports developed based on the interventions and activities that are in the approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
Method of Calculation / Assessment	Verification of interventions and activities on quarterly reports on the Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence The annual report on interventions and activities that are in the approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
Means of verification	Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
Assumptions	Full co-operation from all the stakeholders involved in the development and contribution of the required input and approvals related to the development and implementation of Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
Disaggregation of Beneficiaries (where applicable)	The Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence will focus on mainstreaming issues related to gender and women, disability and youth
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Board approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence Consolidated quarterly reports based on interventions and activities that are in the approved USAASA integrated plan of action in support of the implementation of NSP on gender-based violence
Indicator Responsibility	Executive – Corporate Services

Indicator Title	Approved and implemented Stakeholder Strategy and Plan
Definition	To track and monitor the identified key areas of interventions in the approved Board Stakeholder Strategy and Plan in support of the implementation of the key priority projects such as Digital Migration and Broadband.
Source of data	<p>Board approved Stakeholder Strategy and Plan with identified key areas if interventions</p> <p>Quarterly progress reports developed based on the identified key areas of interventions in the approved Board Stakeholder Strategy and Plan</p> <p>The consolidated quarterly stakeholder report</p>
Method of Calculation / Assessment	<p>Analysis of progress reports</p> <p>An analysis report on annual stakeholder strategy and plan report</p>
Means of verification	Board approved Stakeholder Strategy and Plan with identified key areas if interventions
Assumptions	Full co-operation from all the stakeholders involved in the development and contribution of the required input and approvals related to the development and implementation of the approved stakeholder strategy and plan
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	<p>An approved stakeholder strategy and plan with key priority areas of focus to be facilitated and reported.</p> <p>Quarterly progress reports developed based on the identified key areas of interventions in the approved Board Stakeholder Strategy and Plan</p> <p>Consolidated quarterly progress reports developed based on the identified key areas of interventions in the approved Board Stakeholder Strategy and Plan</p>
Indicator Responsibility	Manager: Stakeholder Engagement and Communications

Indicator Title	USAASA enterprise risk maturity level established
Definition	To track the extent of improvement in the enterprise risk maturity level in terms of not only managing the enterprise-wide risks but also finding ways to take advantage of opportunities to advance the business objectives of USAASA.

	<p>Ensuring the USAASA ERM (Enterprise Risk Management) processes achieve continuous improvement with regards to its ability to identify and mitigate against risks that may harm the organisation, and to get to the highest level of risk management maturity, as assessed against the 5 stages (levels) of risk management maturity, which are:</p> <ul style="list-style-type: none"> ▪ Level 01 (Initial) ▪ Level 02 (Fragmented) ▪ Level 03 (Defined) ▪ Level 04 (Managed) ▪ Level 05 (Optimised)
Source of data	<p>Annual Risk Maturity Assessment Report reflecting the highest level of risk management maturity level submitted to EXCO and Audit and Risk Committee for Annual reporting</p> <p>Risk Maturity Improvement Plan for quarterly reporting</p>
Method of Calculation / Assessment	<p>Verification of Risk Maturity Improvement Plan for quarterly reporting</p> <p>Enterprise Risk Maturity Level reflected in the Annual Risk Maturity Assessment Report submitted to EXCO and Audit and Risk Committee</p> <p>Risk Maturity Improvement Plan for quarterly reporting</p>
Means of verification	<p>Verification of Enterprise Risk Maturity Level reflected in the annual Risk Maturity Assessment Report, as submitted to the Audit and Risk Committee.</p> <p>Risk Maturity Improvement Plan for quarterly reporting</p>
Assumptions	<p>USAASA systems and processes, and internal controls, have been strengthened to enable an improvement in enterprise risk maturity over time</p>
Disaggregation of Beneficiaries (where applicable)	<p>Not applicable</p>
Spatial Transformation (where applicable)	<p>Not applicable</p>
Calculation Type	<p>Cumulative in the year, cumulative over annual periods</p>
Reporting Cycle	<p>Quarterly and Annually</p>
Desired Performance	<p>To track the extent of improvement by Q4 (2021-22) on the Enterprise Risk Maturity Level reflected in the Annual Risk Maturity Assessment Report, submitted to the EXCO and Audit and Risk Committee.</p>
Indicator Responsibility	<p>Manager – Risk</p>

Indicator Title	Percentage (%) of valid invoices paid within 30 days from date of receipts
Definition	To track the number of calendar days it takes the USAASA to effect legitimate payments that are due to its creditors for goods and services provided through approved internal procurement processes; calculated from

	the day of the receipt of the valid invoice, and that these are within the maximum 30 days prescribed by Treasury.
Source of data	<ul style="list-style-type: none"> Register of valid invoices due for payment, and reflecting the date of invoice receipt. Register of payments made against the valid invoice, and reflecting payment date.
Method of Calculation / Assessment	<p><u>Calculation:</u></p> <ul style="list-style-type: none"> Numerator – total number of valid invoices paid within 30 days of the date of receipt of invoice. Denominator – total number of valid invoices for the 30 days in question.
Means of verification	<p>Register of valid invoices due for payment, and reflecting the date of invoice receipt.</p> <p>Register of payments made against the valid invoice, and reflecting payment date.</p> <ul style="list-style-type: none"> <i>A "valid" invoice is defined as an invoice that is compliant to the SARS checklist for valid invoices, consistent with the Purchase Order Number provided, and accurate and consistent with the goods and services provided in terms of the Service Level Agreement/contract.</i>
Assumptions	The 30-day target is a maximum ceiling – USAASA will in fact progress to pay valid invoices in a shorter timeframe
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly and Annually
Desired Performance	100% of valid invoices paid within 30 days from date of receipt in 2021/22.
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage (%) of the elimination of wasteful and fruitless expenditure
Definition	To track and monitor the extent of compliance to expenditure by the entity on wasteful and fruitless expenditure and improvement of the year and audit outcomes on supply chain management processes
Source of data	Wasteful and Fruitless Expenditure Report SCM compliance checklist supplementing the procurement policies and procedures

Method of Calculation / Assessment	This indicator will be calculated by: <ul style="list-style-type: none"> ▪ Denominator – total number of incidence on non-compliance to legislation contained in the wasteful and fruitless expenditure report ▪ Numerator – total number of incidence on non-compliance to legislation contained in the wasteful and fruitless expenditure report addressed. i.e.(N/D) *100
Means of verification	Wasteful and Fruitless Expenditure Report listing the incidence of non-compliance to legislation on Supply Chain Management Processes
Assumptions	The Entity has an updated policy on fruitless and wasteful expenditure framework
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Reduction of wasteful and fruitless expenditure to 20% of R 389 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage % reduction of irregular expenditure
Definition	To track and monitor the percentage the extent of compliance by the entity on irregular expenditure and improvement of the end year audit outcomes on supply chain management processes
Source of data	Irregular Expenditure Report SCM compliance checklist supplementing the procurement policies and procedures
Method of Calculation / Assessment	This indicator will be calculated by: <ul style="list-style-type: none"> ▪ Denominator – total number of incidence on non-compliance to legislation contained in the irregular expenditure report ▪ Numerator – total number of incidence on non-compliance to legislation contained in the irregular expenditure report addressed. i.e.(N/D) *100
Means of verification	Irregular Expenditure Report listing the incidence of non-compliance to legislation on Supply Chain Management Processes
Assumptions	The entity has the updated policy on irregular expenditure framework

Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (in a year)
Reporting Cycle	Quarterly and Annually
Desired Performance	Reduction of irregular expenditure to 15% of R 32 196 000,00 USAASA AFS 2019-2020 incrementally from baseline of 2019 by 2024
Indicator Responsibility	Chief Financial Officer

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

Not applicable for 2021/22, as the second year of the 2020/21–2024/25 Strategic Plan.

ANNEXURE B: CONDITIONAL GRANTS

Not applicable to the Universal Service and Access Agency of South Africa.

ANNEXURE C: CONSOLIDATED INDICATORS

Not applicable to the Universal Service and Access Agency of South Africa.

ANNEXURE D: DISTRICT DEVELOPMENT MODEL

Not applicable to the Universal Service and Access Agency of South Africa.

ANNEXURE E: MATERIALITY FRAMEWORK

In terms of Treasury Regulation 30.1.3, it is hereby stated that the Universal Service and Access Agency of South Africa has a Materiality Framework in place, which is available.

ACRONYMS AND ABBREVIATIONS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BBI	Broadband Infraco SOC
BDM	Broadcasting Digital Migration
DCDT	Department of Communications and Digital Technologies
DDF	Digital Development Fund
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
ECA	Electronic Communications Act
Exco	Executive Committee
GDP	Gross Domestic Product
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
iNeSI	Ikamva National eSkills Institute
Mbps	Megabits Per Second
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NEMISA	National Electronic Media Institute of South Africa
NT	National Treasury
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
STB(s)	Set-Top Box(es)
TV	Television
UN	United Nations
USAASA	Universal Service and Access Agency South Africa
USAF	Universal Service and Access Fund
.ZADNA	.za Domain Name Authority