

OTHER ALLEGATIONS RECEIVED RELATED TO FRUITLESS AND WASTEFUL EXPENDITURE NOT COVERED BY THE AUDITOR-GENERAL

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
HUMAN RESOURCES RELATED ISSUES	Allegations related to the former Chairperson of the Board and former GCEO			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ Exco		Annexure A 3 (a) and A 3 (b)	
HUMAN RESOURCES RELATED ISSUES	Allegations related to the appointment of an alarming number of managers			Allegation will be verified once a workforce planning exercise has been undertaken.	Ron Morobe	March 2011	Annexure A 3 (c)	
HUMAN RESOURCES RELATED ISSUES	Allegations related to management reporting structures, management abilities, behaviours and employee relations			Allegation will be verified after the completion of a Skills Audit.	Ron Morobe	March 2011	Annexure A 3 (d) and A 3 (h) to (l)	
HUMAN RESOURCES RELATED ISSUES	Allegations related to absence from work by Group Executives	Allegation cannot be verified			Ron Morobe	No action possible	Annexure A 3 (f)	
HUMAN RESOURCES RELATED ISSUES	Allegations related to nepotism and favouritism in the Sales and Marketing division and payments of commission to staff			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ Exco		Annexure A 3 (g)	
HUMAN RESOURCES RELATED ISSUES	Allegations related to excessive salaries in the Content Hub	Allegation cannot be verified because salaries are in line with Policy.			Ron Morobe	No action possible	Annexure A 3 (m)	

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HUMAN RESOURCES RELATED ISSUES	An employee who received a kick back is still an employee	Unable to verify allegation			Ron Morobe	No action possible	Annexure A 3 (n)	
HUMAN RESOURCES RELATED ISSUES	Some employees are trying to stop an intended civil recovery against an employee found guilty of serious charges	Unable to verify allegation			Ron Morobe	No action possible	Annexure A 3 (o)	
HUMAN RESOURCES RELATED ISSUES	The General Manager: International programming, who incurred fruitless and wasteful expenditure of more than R100 million, resigned without any action being taken against her			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ Exco		Annexure A 3 (p)	
STATUS AT 5 NOVEMBER 2010		4	0	5				

SUSPENSION OF SABC EMPLOYEES

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
HUMAN RESOURCES RELATED ISSUES	The delays in finalising the cases should be investigated and in cases where individuals failed to exercise their management functions in an effective way they should be held accountable	The SABC outsourced the disciplinary processes for the senior management and the number of disciplinary cases has been managed down to ten Employee Relations has drafted a new disciplinary procedure for the SABC which is going through the approval process Key focus areas are on timeframes and panels Consultations with internal stakeholders (management) have been concluded	HCS provides a weekly report to the Turnaround Committee on progress made regarding disciplinary cases Employee Relations is currently intervening in all outstanding matters and the number of cases from September 2009 (AG report date) to September 2010 the overall number of DC's dropped from 54 to 12 (only 1 case is long outstanding) The draft procedure has been submitted to Exco for consideration at next meeting	Exco to consider the draft procedure The document will then be submitted to Board for mandate The last stage is to negotiate the document with trade unions	GM:Group Employee Relations	1 Apr 2011	10.3.2.4 (a)	Suspensions for the period April 06 to August 09
STATUS AT 5 NOVEMBER 2010		1	1	0				

PAYMENT OF SEVERAGE PACKAGE TO THE FORMER GCEO OF THE SABC

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
HUMAN RESOURCES RELATED ISSUES	Settlement of outstanding balance due by end of October 2009	The settlement agreement between the SABC and the former GCEO Adv Dali Mpofu was concluded		Confirm outstanding balance was paid on due date	Robin Nicholson		10.3.1.3	
STATUS AT 5 NOVEMBER 2010		1	0	1				

OTHER ALLEGATIONS RECEIVED RELATED TO FRUITLESS AND WASTEFUL EXPENDITURE NOT COVERED BY THE AUDITOR-GENERAL

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Investigate misuse of the digital technology budget			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (v)	
STATUS AT 5 NOVEMBER 2010		0	0	16				

OTHER ALLEGATIONS RECEIVED RELATED TO FRUITLESS AND WASTEFUL EXPENDITURE NOT COVERED BY THE AUDITOR-GENERAL

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate irregularities related to the 2006 Golden Platinum Awards			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (q)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate misuse of funds in Channel Africa			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (r)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate expenditure related to SABC entertainment			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (s)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Investigate if the SABC is still paying for former GCEO's home security, DSTV and fuel			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (t)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Investigate sales related to soap operas that were under priced			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (u)	

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FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to payments without preapproved purchase orders			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (j)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate losses incurred on the Green Revolution project			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (k)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate excessive discounts for TV and radio exposure outside of policy and procedures			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (l)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate claims related to content acquisitions and sports rights			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (m) to A 2 (o)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate claims related to the Siyanqoba Campaign			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (p)	

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FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to legal costs incurred by the SABC			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (b) and A 2 (i)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to extravagant and irresponsible wastage of money for conferences, entertainment, catering and gifts			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (c) (i) to (vi)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to overseas flights never approved by the Board			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (c) (i) to (vi)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to payments to consultants			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (e) to (g)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to ANC conference T-shirts			Internal Audit to investigate these allegations and recommend actions to Exco. Exco to decide on next steps.	James Mathebula/ EXCO		Annexure A 2 (h)	

SECURITY COSTS INCLUDING CAR HIRE FOR THE FORMER CHAIRPERSON OF THE SABC BOARD

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Decide whether to investigate further allegations related to the former Chairman not investigated by the Auditor-General		Internal audit to determine extent of involvement of SIU in this matter and report findings and make recommendations to Board		Board/ James Mathebula		Annexure A 2 (a)	
STATUS AT 5 NOVEMBER 2010		0	2	3				

SECURITY COSTS INCLUDING CAR HIRE FOR THE FORMER CHAIRPERSON OF THE SABC BOARD

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	The taxable benefit received by the former GCEO and the former chairperson of the Board should be dealt with in accordance with the Income Tax Act			SABC tax department to issue IT3's for the taxable benefit received by the former GCEO (Mpofu) and the former Chairperson (Mkonza) of the Board.	CFO/ Rogers Reddy	Jan 2011	10.2.6.4 (a)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Put systems in place to ensure all taxable benefits are taxed in terms of the requirements of the income Tax Act		Management has been instructed to put systems in place	Any deficiencies discovered by the SARS audit, started in April 2010, will be acted upon by management.	Rogers Reddy	Jan 2011	10.2.6.4 (b)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to determine if the security at the chairperson of the Board's house was approved at the correct level and if the SABC suffered losses because no agreements existed between the former GCEO and the former chairperson of the Board. Based on the outcome appropriate action should be taken against those responsible			Internal Audit to establish whether the correct approvals were obtained and inform Board of the outcome. Board to instruct legal to recover the monies due, if appropriate.	James Mathebula/ Ntsietso Mofokeng		10.2.6.4 (c)	

PRESIDENTIAL GOLF DAY

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Sponsorships, which include the provision of free airtime to market and which provide coverage of events should be considered and authorised with due cognisance of the financial austerity plan of the SABC. Business plans should be compiled and approved for ALL sponsorships given by the SABC as required by para, 9.6.5 of the DAF.	Business plans are mandatory for all SABC marketing events	A plan to draft SOPs is currently being developed. This should address issues of processes that are not being followed Only after processes have been reviewed will Management re-look policies for revision (if need arises). Policies were last revised in 2009. Also once processes have been reviewed Management will review Landmark to establish if system is sufficient to support processes. Note there was a plan to upgrade Landmark however this was placed on hold		GM:Finance Group Sales & Marketing	31 Dec 2010	10.2.5.4	
STATUS AT 5 NOVEMBER 2010		1	1	0				

BURSARIES

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Ensure that the former Manager: Television and Sales (Strini Naicker) signs an acknowledgement of debt for the outstanding bursary money not recovered from his salary and ensure that the money is recovered	The last pay was utilised towards settlement of the debt and the balance owing has been referred to Legal Advisory Services to institute recovery	The legal department has commenced with litigation to recover the outstanding debt from the former GM: Television Sales. A letter of demand was sent but not responded to. A summons is now in the process of being issued		Ntsietso Mofokeng		10.2.4.4	
STATUS AT 5 NOVEMBER 2010		1	1	0				

PRIVATE TRAVEL COMPANY

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to investigate and if applicable recover the overpayments for the cost of the Beijing Olympics and Paralympics from the private travel company	The process to engage law enforcement agencies is well underway to investigate and if applicable, all recoveries of overpayments from the private travel company will follow	A reconciliation of the Beijing trip was not done. The payment was made to the company to secure the bookings for the trip. Once the payment was made, if any of the travellers were unable to travel for what ever reason, the SABC would not have been able to recover the monies paid, if the cancellations were not done timeously. A list of individuals who actually travelled to the Beijing Olympics at the expense of SABC has been submitted to the SIU together with affidavits. There are discrepancies between the list of actual travellers and the list approved by the Board Chairperson (at the time).	Internal Audit to inform Board of the outcome of the law enforcement agencies investigations and make recommendations. Board to instruct legal to investigate the recovery of payments made to the travel company. Legal have indicated that the likelihood of recovery is remote as the company is in liquidation. Internal Audit to follow up to establish whether the travellers not on the original list were authorised to travel as per SABC policy	Board/ GM: Finance Content Enterprises/ James Mathebula/ Ntsietso Mofokeng		10.2.3.4.(g)	SABC Sport travel schedule for Beijing Olympics & Paralympics
STATUS AT 5 NOVEMBER 2010		6	5	7				

PRIVATE TRAVEL COMPANY

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to investigate if the total payments made for the trips (presume two Beijing trips for Olympics and Paralympics) should be regarded as irregular expenditure and if so, report such irregular expenditure in accordance with section 55(2)(b)(i) and (ii) of the PFMA relating to fruitless and wasteful expenditure		Internal Audit reported that though the business plan was not physically signed off by the GCEO and the Chairperson of the Board, there was email correspondences that indicated that the business plan and the guest list were discussed and agreed with the former Chairperson of the Board and the GCEO	The Hospitality Guest List included non executive board members. In terms of the DAF this should be approved by the Chairperson of the Board General Manager: SABC Sport: to develop Hospitality Ticket Distribution Policy, in consultation with relevant stakeholders, and obtain approval	Board/ Oupa Mahlangu/ James Mathebula		10.2.3.4.(d)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to consider appropriate disciplinary steps in terms of the PFMA if irregular expenditure was incurred	Disciplinary steps were taken against the employee the employment contract of the employee has subsequently expired and the employee left the organisation	Civil and criminal charges are being considered to establish if fraudulent or irregular expenditures were incurred	Board to instruct legal to investigate civil or criminal charges and legal to respond accordingly. Company secretariat to place on Board agenda	Board/ Ntsietso Mofokeng		10.2.3.4.(e)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Investigate the tax implications of the trips and review ALL other international trips for compliance with the Income Tax Act, including ALL international trips		The Divisional Financial Managers are responsible for reconciling travel benefits and are required to submit a report of international travel to Payroll to compute taxable benefits. SARS has taken an interest in this matter and the engagement letter to investigate, but not limited to, has been served on the SABC	One SABC Executive Board member (Fadila Lagadien) and two SABC Executives (Mvuzu Mbebe & Gab Mampone) were accompanied by partners and income tax was not deducted on the benefit received. SABC Tax department to issue IT3's to enable SARS to collect the tax. Further action dependent on SARS investigation.	Board/ Divisional Financial Managers/ Rogers Reddy	Jan 2011	10.2.3.4.(f)	SABC Sport travel schedule for Beijing Olympics & Paralympics

PRIVATE TRAVEL COMPANY

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FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to evaluate the licence agreement with the private travel company, in consultation with the National Treasury and the Department of Communications, to determine if due process was followed in entering in to this agreement. The General Manager: Business Development (Lesley Ntloko) entered into the agreement for a two year period from May 06 to July 08.	The SABC Board has evaluated the licence agreement with the private travel company and has decided to utilise Airwave Travel and withdraw the relationship with the private travel company. The license agreement was terminated on the 31 December 2009.	Subsequent to the termination of the agreement, the company filed for liquidation. Owing to the fact that the company owes the SABC outstanding revenue earned during the contract period, the matter has been handed over to the Legal Division to take action.	Submit creditors' claims to liquidator Consult with National Treasury and the Department of Communications to determine if due process was followed in entering in to this agreement	Ntsietso Mofokeng/ Robin Nicholson		10.2.3.4.(a)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	GM: Business Development to ensure travel company complies with its obligations in terms of the agreement	Content Enterprises have been instructed, in the interim, to ensure that the private travel company complies with its obligations in terms of the agreement		Put instruction on agenda of EXCO to note for the record	GM:Content Enterprises/ GM:Business Development/ Thelma Melk		10.2.3.4.(b)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Ensure adherence to the travel policy and consider disciplinary action against those who contravene the policy	The Travel office, which is situated in the Procurement Department monitors adherence to policy. No outside agency is used anymore.		General Manager: SABC Sport: to develop Hospitality Ticket Distribution Policy, in consultation with relevant stakeholders, and get approval accordingly	Board/ GM:SABC Sport	30 Nov 2010	10.2.3.4.(c)	

PETROL CARDS

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Revise the policy to include disciplinary or corrective actions for cases of excessive use	Once the new policy has been implemented this corrective action will not be required	Monthly exception reports and corrective actions taken are to be explained by the respective Group Executive at monthly financial overviews until such time as the new policy is implemented	Excessive expenditure to be escalated to Exco for corrective action	Group Executive/ Lerato Nage	Ongoing	10.2.2.4 (c)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Submit structured management information to Exco meeting for consideration	A standard format for communicating business performance has been formulated and implemented throughout the divisions A standard template for submission of approvals to Board or Group Exco has been implemented.	Monthly exception reports and corrective actions taken are to be explained by the respective Group Executive at monthly financial overviews	Excessive expenditure to be reported to Exco for corrective action	Robin Nicholson/ Thelma Melk	Ongoing	10.2.2.4 (d)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Analyse expenditure properly and investigate all excessive costs. Where appropriate take disciplinary action.	The expenditure incurred on petrol cards was properly analysed and all excessive costs were investigated. The policy is too open for disciplinary action to take effect, this is addressed by the proposed new policy and practice (see above)	Revised policy submitted to Board that will introduce a flat allowance	Company Secretariat to submit new policy to Board and record approval in minutes	Thelma Melk/ Ron Morobe		10.2.2.4 (e)	Schedule of SABC petrol cards for 07, 08 and 09 (available from Thelma Melk on request)
STATUS AT 5 NOVEMBER 2010		5	4	4				

PETROL CARDS

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Investigate the number of cards issued and verify that only qualifying members of top and senior management were allocated petrol cards	HCS keeps a record of all cards issued and confirm that only qualifying staff receive them.			Ron Morobe	Completed	10.2.2.4 (a)	Schedule of SABC petrol cards for 07, 08 and 09 (available from Thelma Melk on request)
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Reconsider the car allowance scheme: Top & Senior Management policy (as per needs analysis of travel and maintenance for business purposes) and include mandatory evaluations of monthly usage as part of the Finance Department's function and capping of the monthly amount that an employee can spend	Policy on Petrol Allowance (note petrol card to be replaced by a monthly allowance) has been through Group Exco and was to be presented to Board Sub-Committee on 30/07/2010 for approval	Board to approve Policy on petrol allowances	Once approved implementation will commence with a process of re-negotiating employee contracts	Board/Ron Morobe		10.2.2.4 (b)	

INTERNATIONAL PROGRAMME CONTENT

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FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Consider instituting legal proceedings, including civil and criminal charges against employees and former employees for transgressions with regard to international acquisitions		The SABC has engaged with the SAPS to fully investigate the allegations and other leads and where evidence exists civil and criminal charges will be laid against employees and former employees for transgressions	Internal Audit to inform Exco of outcome of investigations. Exco to instruct legal to investigate civil or criminal charges, as appropriate, and legal to respond accordingly.	James Mathebula/ Board/ Ntsietso Mofokeng		10.2.1.4 (e)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Review the financial statements of the SABC in order to ensure the effects of the findings were properly taken in to consideration	The financial statements for the year ended 2009 were reviewed and a conclusive effect of the findings could not be reached due to lack of evidence to reach such conclusion. The financial statements were subsequently qualified due to the findings. The qualifications were resolved in the financial statements for the year ended 2010			Robin Nicholson	Complete	10.2.1.4 (f)	
STATUS AT 5 NOVEMBER 2010		4	3	5				

INTERNATIONAL PROGRAMME CONTENT

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FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Use the results of the investigation into international content to determine the accuracy of financial and operational data to ensure accuracy and completeness of records		Added to Internal Audit plan 2010/2011	GM: Finance and GM: International Content to act on AG findings, conclusions and recommendations and ensure records are accurate and complete. COO to ensure audit committee allocations of responsibilities and actions to be taken as a result of the legal report of 26 Aug 2009 are implemented	Head of Content/ Charlotte Mampane/ James Mathebula		10.2.1.4 (c)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to consider disciplinary action in terms of section 51(1) (e) of the PFMA against employees for transgressions with regard to international acquisitions	The interim Board considered and instituted disciplinary action in terms of section 51 (1) (e) of the PFMA against the Group Executive: Content Enterprises and other junior staffers within the division. The GE:CE contract of employment expired and has not been renewed The possibility of civil or criminal charges is being investigated		Board to instruct legal to investigate civil or criminal charges and legal to respond accordingly. Company Secretariat to place on Board agenda	Board/ Ntsietso Mofokeng		10.2.1.4 (d)	

INTERNATIONAL PROGRAMME CONTENT

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FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Board to establish whether Policies and procedures for the Content Enterprises Division have been compiled and approved to ensure implementation		An excerpt from the minutes of the Board of the Directors dated 25 July 2008 reflects that the Board resolved to approve the policy for the Acquisition of International Content	Internal Audit to investigate adherence to policy and make recommendations to the Board	Board/ James Mathebula		10.2.1.4 (a)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Company Secretariat to keep a proper record of approved policies and Exco/Board minutes and submissions, for reference purposes and to ensure a proper audit trail and safeguarding of company records	The Company Secretariat keeps a record of approved policies and Exco/Board minutes and submissions, for reference purposes and to ensure a proper audit trail and safeguarding of company records			Thelma Melk	Ongoing	10.2.1.4 (a)	
FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE	Civil action or legal proceedings should be instituted as a matter of urgency to recover any overpayments as identified and to minimise any further losses	Creditors balances have now been reconciled and a clear record of amounts due and payable was established at 31 March 2010. The reconciliations revealed that suppliers had in fact not been overpaid.		Reconciliations of stock records are not up to date and detailed stock records (by title) are not embedded in the CRM system. Effective stock management is required to reduce risk.	Head of Content Enterprises		10.2.1.4 (b)	

APPOINTMENT OF CONSULTANTS

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
SUPPLY CHAIN MANAGEMENT	Investigate payments to consultants for R279 million between 1/9/2007 and 30/6/2009		Internal audit to determine extent of involvement of SIU and report findings and make recommendations to Board		James Mathebula		10.1.3.4.(c)	Payments made to consultants for period 1/9/07 to 30/6/09 according to SAP system
SUPPLY CHAIN MANAGEMENT	Board to note irregular procurement transactions may be voidable			Internal audit to review reporting of irregular expenditure and make recommendations to Board. Board to instruct legal to investigate possibility of voiding transactions	Board/James Mathebula		10.1.3.4.(d)	
SUPPLY CHAIN MANAGEMENT	Consider whether any procurement transactions are irregular and voidable in terms of para. 5.11.3 of the DAF			Internal audit to review reporting of irregular expenditure and make recommendations to Board. Board to instruct legal to investigate possibility of voiding transactions	James Mathebula		10.1.3.4.(d)	
STATUS AT 5 NOVEMBER 2010		4	6	5				

APPOINTMENT OF CONSULTANTS

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
SUPPLY CHAIN MANAGEMENT	Establish whether the SABC received value for money	A project plan is required for expenditure on consultants and the contract should include performance criteria and measurements		Head of Procurement to investigate embedding the monitoring of services by consultants into the procurement process and identify ways to ensure value for money is considered in the sign-off process for services delivered	Itani Tseisi		10.1.3.4.(a)	
SUPPLY CHAIN MANAGEMENT	Ensure all agreements with consultants contain measurable deliverables, performance criteria and timelines	Non standard contracts do contain measurable deliverables, performance criteria and timelines. An addendum is required for standard contracts.	Legal advisors are required to confirm that these matters are included in contracts within the first 30 days.	A contract compliance unit will monitor agreements to ensure that all actions required in terms of the contract are taken. Management will report on the usage and performance of consultants (including time duration) in monthly financial overviews. Internal Audit will conduct post implementation reviews on major capital projects	Lerato Nage/ Ntsietso Mofokeng/ James Mathebula		10.1.3.4.(b)	

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TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
SUPPLY CHAIN MANAGEMENT	Determine whether deviations from approved policies were approved in accordance with the DAF		Internal audit to determine extent of involvement of SIU and report findings and make recommendations to Board. Board to decide on actions to be taken thereafter.		Board/James Mathebula		10.1.3.4.(a)	
SUPPLY CHAIN MANAGEMENT	Consider possibility of actions against employees who appointed consultants in contravention of policies	Disciplinary action taken against CFO	Internal audit to determine extent of involvement of SIU and report findings and make recommendations to Board. Board to decide on actions to be taken thereafter.		Board/James Mathebula		10.1.3.4.(a)	
SUPPLY CHAIN MANAGEMENT	Establish whether the expenditure was irregular	The SABC reporting framework requires the General Managers: Finance in the Divisions to report identified irregular expenditure	The responsible Chief Executive is required to report irregular expenditure at Exco meetings. Internal audit keeps a register of items reported	Internal audit to evaluate whether the payments made to consultants were irregular. Company Secretariat to ensure that the reporting of irregular expenditure is a standing item on the Exco agenda	James Mathebula/ Exco/Thelma Melk		10.1.3.4.(a)	

APPOINTMENT OF CONSULTANTS

TOPIC	ACTIONS REQUIRED	ACTIONS TAKEN	ACTIONS IN PROGRESS	ACTIONS REQUIRING ATTENTION	RESPONSIBLE PERSON	EST COMPLETION DATE	AG REF	SUPPORTING SCH REF
In the areas of:								
Technology PM office			Siemens					
Risk management			Treasury Empowerment Partners (Pty) Ltd					
Debt origination			Treasury Empowerment Partners (Pty) Ltd					
Change management support services			Ray Suttner & Associates CC t/a Chrysallis					
Secondment services in the CFO's office			Ernst & Young					
Public relations services			Meropa Communications					
Fleet management services			Cebisa					
Account executives			Fullray Management instruments t/a Eclectic Management					
SABC Board investigation			Ubuntu Forensic (Pty) Ltd					
SUPPLY CHAIN MANAGEMENT			Internal audit to investigate reasons for transgressions and make recommendations to Exco on actions to be taken. Exco to instruct management on actions required to rectify transgressions and deficiencies in processes					
	Determine the reasons why consultants were appointed without following SCM policies and PFMA				EXCO/James Mathebula		10.1.3.4.(a)	