



# Portfolio Committee on Communications



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**CHAIRPERSON- Dr. Mncube**  
**Chief Executive Officer- Themba Dlamini**  
**24<sup>th</sup> February 2011**



# OUTLINE OF PRESENTATION



- 1. Chairperson's Remark**
- 2. Phase I- Auditor General Management Letter 2009/10**
- 3. Phase II-Annual Report 2009/10 matters not covered in the AG Management Letter**
- 4. Challenges**
- 5. Conclusion**



# Chairpersons Remarks

## 1. Short-Term Intervention:

### *Formulation of a Turn Around Strategy on:*

- Corporate Governance Issues - Appointment of a Corporate Secretary.
- Role clarification of the governance structures of the Regulator-Corporate Strategy.
- Harmonisation of Head Office and its Regions - Corporate Strategy.
- Developing a matrix on the Auditor Generals Report - Progress Report submitted on 20th December 2010.



# The Road Ahead-Long-Term Intervention

## 2. Long-Term Intervention

- Ramping up funding for ICASA - Activity Based (ABC) Costing Model in the development phase.
- Strategy on the allocation of frequency spectrum to support development goals - Appointment of International Research Entity.
- Positioning ICASA in the SADC region – CRASA / SAPRA AGM March 31<sup>st</sup> 2011.



## PHASE II-Progress on Audit and Rick Committee (ARC) Chairperson's Report



- 1. Refusal to utilise ARC members as part of a technical team to address any challenges identified during the Auditor General's audit process**
  - ARC members have been requested to provide the necessary support during the current audit process; and
  - First technical team meeting held 23 February 2011.



# Progress on ARC Chairperson's Report

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## **Intervention**

### **CEO role:**

- The former CEO's contract expired on the 31<sup>st</sup> August 2010.
- The new CEO was appointed on the 1<sup>st</sup> November 2010.
- Executive Management attended courses on corporate governance and an Executive Development Programme.



# Progress on ARC Chairperson's Report-

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## **Intervention (Contd)**

- The new CEO facilitated an improvement in the relationship with the ARC and is able to obtain assistance with the verification of reports and other finance outputs for quality assurance.



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### Intervention ( Contd)

- Establishment of the Budget and Finance Sub-Committee of EXCO to review financial reports.
- Compliance, Risk and Audit General Manager carries out a quality assurance on all financial, and pre-determine objectives issues prior to the approval by the ARC and Council.
- Internal Auditor executes risk based operational plans as approved by the ARC.
- Internal Project Management Team focuses on spectrum revenue in consultation with the ARC Technical team was established to trouble shoot matters arising from the Auditor General Management letter issues.





# Progress on ARC Chairperson's Report-

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### CFO AND FINANCE DEPARTMENT

- An audit of the control environment of the Finance department conducted by the DoC kick-started before ICASA could initiate an internal process to assess the competence levels of management, processes.
- The CFO's Individual Development Plan was focused on enhancing relevant financial skills (GRAP) effective leadership.
- HR has been working with the department at all levels to manage poor performance, clinically assess competence levels, strength and weakness of individual staff in the NRF unit and advice on appropriate interventions are managed with external professional assistance.
- Intensified coaching, contracted professional counselling services and re-allocation of responsibilities based on perceived strengths are part of the performance improvement plan.



# Progress on ARC Chairperson's Report-

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### Internal Audit

- With the facilitation and guidance of the ARC, several workshops to fast track the CAE's effectiveness were organised to enhance planning, effective execution and reporting skills.
- The CAE is a candidate on the EDP designed for ICASA by GIBS and has attended a number of on-the-job training courses to assist with effective execution of her duties.
- The Internal Audit unit was integrated into the CRA department and the close working relationship between the GM, CAE, CEO and the ARC has created a strong force that is now starting to lift the bar in terms of internal control monitoring, management of timeframes and quality of outputs.



# Progress on ARC Chairperson's Report-

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### Leadership and Governance

- Council resolved to recreate the position of Corporate Secretary to ensure compliance with good corporate governance and compliance with all the legislated controls affecting their execution of their fiduciary duties.
- Councillors have been attended leadership and governance courses to enhance their ability to apply oversight on corporate matters and be increasingly accountable.



# Progress on ARC Chairperson's Report-

## 2. Finance Action Plan prepared but not properly implemented

- CFO drafted Action Plan for current audit.
- Technical Team considered and approved Action Plan scheduled for 23 February 2011.
- Regular monitoring and evaluation of Action Plan to be performed by the Technical Team to assess actual progress against the plan.



***Thank you***

***Dankie***

***Re a leboha***

***Re a leboga***

***Siyabonga***

***Inkomu***

***Ro livhuwa***

***Enkosi***