

AG PROGRESS REPORT

SUBMISSION TO THE PORTFOLIO COMMITTEE ON
COMMUNICATIONS

11 SEPTEMBER 2012



BACKGROUND

At the Portfolio Committee on Communications meeting in March 2012, the SABC task team provided a detailed report outlining the tasks carried out in implementing the Auditor General's recommendations of 2009.















Since the last presentation to PCC, significant improvements have been made in the following areas, amongst others:

- Filling of vacant executive positions
- Contracts management
- Suspension of employees





The SABC task team also presented to the PCC, a project plan of outstanding items to be completed.

This report seeks to provide a status update for the items on the project plan.

PROGRESS DASHBOARD

AG FINDINGS IMPLEMENTATION TO DATE	% ACHIEVED	STATUS
LEADERSHIP (2/3 Appointed Executive Directors)	67%	
MANAGEMENT (8/12 Appointed Group Executive Members)	67%	
EFFECTIVE GOVERNANCE – ie – POLICIES AND CONTRACT MANAGEMENT	80%	
SUPPLY CHAIN MANAGEMENT - CONFLICTS OF INTEREST	90%	
SUPPLY CHAIN MANAGEMENT - PROCUREMENT OF GOODS AND SERVICES	80%	
SUPPLY CHAIN MANAGEMENT - APPOINTMENT OF CONSULTANTS	75%	
FRUITLESS AND WASTEFUL EXPENDITURE - INTERNATIONAL CONTENT ACQUISITIONS	90%	
FRUITLESS AND WASTEFUL EXPENDITURE - SENIOR MANAGERS PETROL CARDS	100%	
FRUITLESS AND WASTEFUL EXPENDITURE - PRIVATE TRAVEL COMPANY	100%	
FRUITLESS AND WASTEFUL EXPENDITURE – BURSARIES	100%	
FRUITLESS AND WASTEFUL EXPENDITURE - PRESIDENTIAL GOLF DAY	100%	
FRUITLESS AND WASTEFUL EXPENDITURE - FORMER BOARD CHAIRPERSON	100%	
PAYMENT OF SEVERANCE PACKAGE TO THE FORMER GCEO	100%	
SUSPENSION OF SABC EMPLOYEES	95%	

On track Delayed Behind Completed

Status

AG REPORT PROJECT PLAN

AG FINDING	TASKS	MONITORING RESOURCE	BUSINESS RESOURCE	START DATE	END DATE	STATUS	ANTICIPATED COMPLETION DATE
CONFLICTS OF INTEREST	CREATE ELECTRONIC REGISTER FOLDERS ON U: DRIVE PER GE	ZAKIR	BIT	27-Feb-12	08-Mar-12	COMPLETED	
	DEVELOP GUIDELINES FOR GE'S TO COMPILE PHYSICAL REGISTERS AND UPLOAD DOCUMENTS ONTO THE U-DRIVE BY DIVISION	NOMSA	COMPANY SECRETARIAT	27-Feb-12	16-Mar-12	COMPLETED	
	REVIEW CURRENT FORMS AND CONSOLIDATE (DECLARATION, APPROVAL, ADDITIONAL WORK (PS49), ADD. WORK APPROVAL)	DINGAAN	GE: HCS	27-Feb-12	16-Mar-12	COMPLETED	
	EXTEND DECLARATIONS TO PROFESSIONAL ASSOCIATIONS IN GUIDELINES	DINGAAN	GE: HCS	27-Feb-12	16-Mar-12	COMPLETED	
	ISSUE DIRECTIVE TO GE'S TO COMPILE PHYSICAL REGISTERS BY DIVISION	SULLY	COMPANY SECRETARIAT	19-Mar-12	19-Mar-12	COMPLETED	
	REVOKE DECLARATIONS THAT ARE IN CONFLICT WITH SCM POLICY	NOMPILO	HEAD: PROCUREMENT	19-Mar-12	30-Jun-12	COMPLETED	
	ENGAGE ER PROCESS FOR INDIVIDUALS CONTRAVENING SCM POLICY TO MITIGATE RISK	NOMPILO	GM: EMPLOYEE RELATIONS	19-Mar-12	30-Jun-12	COMPLETED	
	ISSUE COMMUNIQUE RELATING TO DECLARATIONS AND CONFLICTS FOR EVERY MEETING / ENGAGEMENT	SULLY	COMPANY SECRETARIAT	27-Feb-12	16-Mar-12	COMPLETED	
	DEVELOP GUIDELINES FOR GE'S TO SAVE MEETING MINUTES(DECLARATIONS) ON U: DRIVE	VERONA	COMPANY SECRETARIAT	27-Feb-12	16-Mar-12	DELAYED	30-Sep-12
	ISSUE DIRECTIVE TO GE'S TO SAVE MEETING MINUTES(DECLARATIONS) ON U: DRIVE	SULLY	COMPANY SECRETARIAT	02-Mar-12	08-Mar-12	DELAYED	30-Sep-12
	ESTABLISH SERVER CAPACITY WITH IT FOR THIS REQUIREMENT	ZAKIR	BIT	27-Feb-12	29-Feb-12	COMPLETED	
	ISSUE DIRECTIVE TO HCS TO REVIEW RECRUITMENT POLICY TO INCLUDE VETTING OF NEW EMPLOYEES	DINGAAN	GE: HCS	27-Feb-12	16-Mar-12	COMPLETED	
	INVOKE REQUIREMENTS OF NKP ACT, TO VET ALL EXISTING KEY POSITIONS	VINCENT	GE: HCS	27-Feb-12	01-Apr-12	COMPLETED	
	INCLUDE ALL GUIDELINES INTO SOP AND POLICY AND OBTAIN POLICY APPROVAL	NADA	GE: HCS	27-Feb-12	16-Mar-12	COMPLETED	
	DEVELOP BUSINESS REQUIREMENTS SPEC FOR SAP WORKFLOW PROCESS AND DECLARATION FORM STORAGE	ZAKIR	GE: HCS	27-Feb-12	16-Mar-12	DELAYED	30-Sep-12
	INVESTIGATE THE MOST APPROPRIATE MECHANISM TO ACCESS CIPC INFORMATION	NOMPILO	HEAD: PROCUREMENT	27-Feb-12	16-Mar-12	COMPLETED	
	DEVELOP INTERFACE SPEC FOR LINK TO CIPC INFORMATION	ZAKIR	GE: HCS	27-Feb-12	30-Jun-12	CANNOT BE DONE	
SUPPLY CHAIN - PROCUREMENT	ESCALATE THE RISK OF NON APPROVAL OF SCM POLICY TO BOARD	SULLY	GCFO	27-Feb-12	31-Mar-12	COMPLETED	
	ANALYSIS OF DEVIATIONS FROM CURRENT SCM POLICY (PAYMENT WITHOUT CONTRACTS)	DINGAAN & ZAKIR	CFO	27-Feb-12	30-Apr-12	COMPLETED	
	QUARTERLY REVIEW OF PROCUREMENT TRAINING	NOMPILO	HEAD: PROCUREMENT	30-Jun-12	ON GOING	ON TRACK	
SUPPLY CHAIN - APPOINTMENT OF CONSULTANTS	REVIEW OF DETAILED AG REPORT TO ENSURE ALL OTHER TRANSGRESSIONS ARE ACTED UPON	SULLY	GE: HCS	27-Feb-12	31-Mar-12	COMPLETED	
	REVIEW AG SOURCE DOCUMENTS TO VERIFY R279M CONSULTING FEES	TASK TEAM		27-Feb-12	16-Mar-12	COMPLETED	
	DEVELOP FRAMEWORK FOR CONTRACT CREATION AND MANAGEMENT (INCLUDE EXCEPTIONS)	PHIL LEAVESLEY	GE: LEGAL	27-Feb-12	30-Jun-12	COMPLETED	
FRUITLESS AND WASTEFUL EXPENDITURE: INTERNATIONAL CONTENT ACQUISITIONS	DEVELOP AND IMPLEMENT MONITORING MECHANISM FOR ALL INTERNATIONAL CONTENT CONTRACTS	VERONA	HEAD: TELEVISION	27-Feb-12	31-Mar-12	COMPLETED	
FRUITLESS AND WASTEFUL EXPENDITURE: PETROL CARDS	BENCHMARKING OF PETROL CARD MANAGEMENT AT OTHER ORGANISATIONS IN ORDER TO MAKE FURTHER RECOMMENDATIONS	NADA	GE: HCS	27-Feb-12	31-Mar-12	COMPLETED	
FRUITLESS AND WASTEFUL EXPENDITURE: PRIVATE TRAVEL COMPANY	FOLLOW UP ON THE STATUS OF THE SUBMISSION MADE TO THE LIQUIDATOR	ZAKIR	GE: LEGAL	27-Feb-12	16-Mar-12	DELAYED	AWAITING LEGAL OUTCOME
FRUITLESS AND WASTEFUL EXPENDITURE: BURSARIES	FOLLOW UP ON STATUS OF CIVIL CLAIM	ZAKIR	GE: LEGAL	27-Feb-12	16-Mar-12	DELAYED	AWAITING LEGAL OUTCOME
FRUITLESS AND WASTEFUL EXPENDITURE: PRESIDENTIAL GOLF DAY	FOLLOW UP ON STATUS OF TRADE EXCHANGE AND SPONSORSHIP POLICY	NOMSA	GM: BUSINESS DEVELOPMENT	27-Feb-12	16-Mar-12	PARTIALLY COMPLETED	30-Sep-12
FRUITLESS AND WASTEFUL EXPENDITURE: FORMER BOARD CHAIRPERSON	REQUEST SHAREHOLDER TO PROVIDE GUIDANCE ON BENEFITS TO BE GIVEN TO BOARD MEMBERS	SCFO	DS: COMMUNICATIONS	27-Feb-12	30-Sep-12	ON TRACK	
EFFECTIVE GOVERNANCE	TO DEVELOP JOB SPECIFICATIONS DIFFERENTIATING COMPANY SECRETARIAT AND BOARD SECRETARIAT	SULLY	GCFO	27-Feb-12	16-Mar-12	COMPLETED	

REASONS FOR DELAYED STATUS

Declarations of Interest

This item has been delayed due to the following reasons:

- The task team felt it was more important to implement the declarations process and securely store it on the U: drive.
- Once the process of declarations were familiar to all employees, then the meeting minutes would be implemented on the U: drive.
- This task is anticipated to be completed by 30 September 2012.

REASONS FOR DELAYED STATUS

SYSTEMISED WORKFLOW PROCESS AND DECLARATION FORM STORAGE

The intention of this task was to create workflow processes for the approval of employee declarations by the appropriate levels of management on our ERP system.

This task was not accomplished in time for the 2012/13 fiscal period. A manual form and approval process was thus implemented. The automation and systemisation will be implemented for the new fiscal period 2013/14.

DIRECT LINK TO CIPC INFORMATION

- Initially it was envisaged that a direct link could be created between our internal systems and the CIPC database. We have since ascertained that this is not possible.
- We will therefore continue to obtain the necessary information via a third party software and perform audits periodically.

REASONS FOR DELAYED STATUS

LEGAL MATTERS

These tasks have not been marked as complete as they relate to on-going legal matters.

Travel Company in liquidation, SABC has submitted its claim to the Liquidator to the value of R443, 000. We are awaiting outcome of matter.

Bursary matter: Task Team has confirmed with Legal Department that civil pleading procedures are still on-going for the recovery of R132,000.

FOLLOW UP ON STATUS OF TRADE EXCHANGE AND SPONSORSHIPS

The Sponsorship Policy has been reviewed and approved. It is currently implemented in the organisation.

The Trade Exchange Policy has undergone a review and extensive consultation is underway.

KEY HIGHLIGHTS OF SIU REPORT

In summary, the following has been identified and/or recommended by the SIU:

- R9.6m Fruitless and wasteful expenditure
- R428.6m Irregular expenditure
- Disciplinary action against more than 300 employees
- Financial misconduct in terms of PFMA
- 9 ongoing criminal investigations and prosecution