



CEO'S *report*

Introduction

In the annual report for the period 1 July 2000 to 31 March 2001, we presented a report whose primary focus was on the change management challenges and imperatives, which confronted ICASA and its leadership at the time. These challenges, as we then asserted, revolved around two conflicting cultures relating to work processes and systems. We responded to this challenge by designing a change management strategy with an emphasis on:

- > A review of ICASA's core business systems as well as a work study to define and quantify work processes;
- > A skills audit to identify the skills base and gaps in relation to ICASA's core and critical support functions;
- > Job Evaluation and Classification;
- > IT Infrastructure and Systems Assessment; and
- > Culture Audit and Change.

We are happy to report that we have achieved most of the above deliverables. Through this process, we also delivered two key additional outputs, namely, the development of a vision, mission and value statement and the capture of ICASA's key business activities on the continuum of a value chain. The vision, mission and values statement of ICASA is:

VISION

To be a strong, service-oriented and responsive communications regulator in South Africa.

MISSION

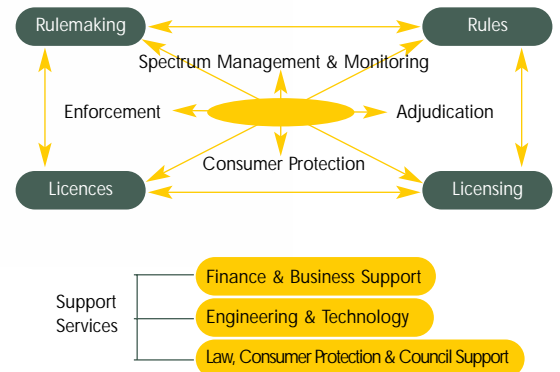
To increase access to communication services through the promotion of a competitive and socially responsive communications industry.

VALUES

The promotion of choice and diversity, both in carriage and content, as an expression of the creativity of the South African people.

Value chain

A key output - and possibly the most valuable to come out of the restructuring process - was the organisation of ICASA's business activities on the continuum of a value chain which, graphically illustrated, is as follows:



This illustration identifies the development of regulatory rules or policy and the issuing of licences as the very essence of ICASA's life, existence and business. For any rule to be developed, a rule-making process has to be followed. Regulatory rules or policy are an embodiment of the tools that ICASA requires to promote competition and product choice, increase access and enhance diversity in the communications sector of the economy. ICASA is enabled, through policies derived from its regulatory rules and primary legislation, to issue licences with conditions. Licensees are obliged to comply with licence conditions. ICASA's enforcement functions are derived from these licence conditions and legislation. Furthermore, ICASA's Council has adjudicating powers over complaints that are lodged with ICASA by industry players. Complaints arise typically when a licensee has, or is perceived to have, violated licence conditions or pre-determined regulatory rules or for that matter an ICASA determination.



The characterisation of the business of ICASA as a value chain continuum has prompted us to effect arrangements that divide the organisation into five delivery programmes, namely: Broadcasting; Telecommunications; Engineering and Technology; Law, Consumer Protection and Council Support; and the Office for Finance and Business Support. Each of these programmes is directed by a General Manager, with the exception of the Office for Finance and Business Support, which is led by a Chief Financial Officer. General Managers oversee the work of departments. Departments are managed by Senior Managers. A department constitutes a business unit or cost centre in ICASA's organisational hierarchy.

Strategy and business plan

For a variety of reasons, some political and others economic, the management of the organisation over the past two years has been undertaken in 'crisis mode'. As ICASA consolidates, we believe that it is critical that a strategic and structured approach to the management of our business is introduced. To this end, a Strategy and Business Plan has been developed covering the period 1 April 2003 to 31 March 2006 (See Appendix D). We are aware that the setting of business goals over a three-year period in a sector of the economy as fluid as communications is an ambitious project. Yet it is necessary and vital, for purposes of accountability, that the performance of a government agency like ICASA be scrutinised and measured against tangible deliverables. Despite the fact that the Strategy and Business Plan covers a three year period, it should not be seen as 'cast in stone' and will be reviewed, relentlessly, every financial year.

Review of the Auditor General's Report

As is standard practice for Public Sector Organisations, the Auditor General has audited ICASA's financial statements and our compliance with relevant primary and subordinate legislation. The Auditor General's report is recorded on page 29 of this publication. We are happy to advise that for the second year in a row the Auditor General has declared our financial statements, without qualification, to be a fair presentation of ICASA's financial position as at 31 March 2002.

The Auditor General has registered concerns relating to the absence of an Internal Audit department and Fraud Prevention Plan, as well as a few accounting errors for VAT. These concerns are receiving attention and will be addressed soon.

Conclusion

Change is a process that requires management and nurturing. We believe that the changes initiated in ICASA since its establishment on 1 July 2000 are beginning to show results; demonstrated through the overall improvement in ICASA's capacity to raise additional revenue for the National Revenue Fund ("NRF") and the concise definition of its business and organisational goals. In the financial year ended 31 March 2001, we collected and transmitted R643,052,173 to the NRF. In the year under review, there has been 22.27% increase in the license fees collected and transferred to the NRF. There is still more that we can and aim to do, but to achieve most of our goals we require enormous support from the authorising environment and a recognition that the precondition for the successful transformation of any organisation is a willingness to plough investments, before any return can be realised and counted.

Nkateko Nyoka
(Chief Executive Officer)

