

ANNUAL REPORT 2021|22



**INDEPENDENT COMMUNICATIONS
AUTHORITY OF SOUTH AFRICA**



PART A
GENERAL
INFORMATION





GENERAL INFORMATION

LEGAL FORM OF ENTITY A Chapter Nine Institution

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES ICASA is the regulator for the South African communications, broadcasting and postal services sector. ICASA was established by an Act, the Independent Communications Authority of South Africa Act of 2000, as amended.

REGISTERED NAME Independent Communications Authority of South Africa

BUSINESS ADDRESS Blocks B and C
350 Witch-Hazel Avenue,
Eco-Point Office Park,
Eco-Park, Centurion

POSTAL ADDRESS Private Bag X10,
Highveld Park,
0169

TELEPHONE NUMBERS +27 12 568 3000/1

EMAIL ADDRESS info@icasa.org.za or consumer@icasa.org.za

WEBSITE ADDRESS www.icasa.org.za

EXTERNAL AUDITORS Auditor-General of South Africa

BANKERS Nedbank
First National Bank
Investec Private Bank

ATTORNEYS Fasken Martineau
Mkhabela Huntley
Kunene Ramapala
Mashiane Moodley Monama
HM Chaane
Makhubela
Motsoeneng Bill
Verveen
Cheadle Thompson & Haysom
Thokan Attorneys
Gildenhuys Malatji

ISBN 978-0-639-70472-2



LIST OF ABBREVIATIONS AND ACRONYMS

ADR	Alternate Dispute Resolution
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
AREDC	Audit, Risk, Ethics and Disclosures Committee
ASMS	Advanced Spectrum Management System
ATU	African Telecommunications Union
BBBEE	Broad-Based Black Economic Empowerment
CAP	Consumer Advisory Panel
CAPEX	Capital Expenditure
CCC	Complaints and Compliance Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRASA	Communications Regulators' Association of Southern Africa
CRM	Customer Relationship Management
CTO	Commonwealth Telecommunications Organisation
DoC	Department of Communications
DPME	Department of Planning Monitoring and Evaluation
DSB	Digital Sound Broadcasting
DTT	Digital Terrestrial Television
DTPS	Department of Telecommunications and Postal Services
ECA	Electronic Communications Act
ECNS	Electronic Communications Network Service
ECS	Electronic Communications Service
EMF	Electromagnetic fields
FM	Frequency Modulation
FTA	Free To Air
GAAP	Generally Accepted Accounting Practice
GDP	Gross Domestic Products
GHz	Gigahertz
GRAP	Generally Recognised Accounting Practice
GSM	Global System for Mobile Communications
HDI	Historically-Disadvantaged Individual
HSDPA	High-Speed Downlink Packet Access
ICT	Information and Communications Technology
IEC	International Electrotechnical Commission
IIA	Institute of Internal Auditors
IMT	International Mobile Telecommunication
IIC	International Institute of Communications
ISDN	Integrated System Digital Network
IT	Information Technology
ITA	Invitation To Apply

ITR	International Telecommunications Regulation
ITRC	Information Technology Review Committee
ITU	International Telecommunications Union
LTE	Long Term Evolution
MHz	Megahertz
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NATJOINTS	National Joint Operational and Intelligence Structure
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
Opex	Operational Expenditure
OTT	Over The Top
PA	Political Advertisement
PAJA	Promotion of Administrative Justice Act
PAPU	Pan African Postal Union
PBS	Public Broadcasting Service
PEB	Party Election Broadcast
PFMA	Public Finance Management Act
PPCC	Parliamentary Portfolio Committee on Communications
QoE	Quality of Experience
QoS	Quality of Service
REMCO	Human Resources and Remunerations Committee
RF	Radio Frequency
RFID	Radio Frequency Identification
RFSAP	Radio Frequency Spectrum Assignment Plan
RIA	Regulatory Impact Assessment
RRB	Radio Regulations Board
SAPO	South African Post Office
SABC	South African Broadcasting Corporation
SABPP	South African Board for People Practices
SADC	Southern African Development Community
SATRA	South African Telecommunications Regulatory Authority
SKA	Square Kilometre Array
SLA	Service Level Agreement
SMP	Significant Market Power
SOOGs	Strategic Outcomes Oriented Goals
UPU	Universal Postal Union
USAO	Universal Service and Access Obligations
WRC	World Radio Conference
WWRF	Wireless World Research Forum



FOREWORD BY THE CHAIRPERSON

It is a great honour to present the Independent Communications Authority of South Africa's Annual Report for the 2021/2022 financial year. The presentation and tabling of the Annual Report to Parliament and the Minister of Communications and Digital Technologies affords the Authority an opportunity to showcase work conducted by the Authority in fulfilling its mandate of regulating the telecommunications, broadcasting and postal sectors in the public interest.

Upon reflection, it is not only our triumphs that stand out but our rapid response when called upon by industry and citizens. This is evident in how management implemented an effective strategy of a hybrid working model to ensure business continuity, since the start of the pandemic.

In addition, we published the ICT COVID-19 National State of Disaster Regulations, the Authority continued to ensure access to broadband connectivity for the increased usage associated with more people working from home and university students conducting online studies. We assigned temporary radio frequency spectrum for the following bands; 700MHz, 800MHz, 2300MHz, 2600MHz and 3500MHz to all stakeholders up to the period ending 30 June 2022.

I am proud to have steered and witnessed ICASA achieve a first for South Africa, the licensing of the much anticipated IMT spectrum. The Minister of Finance, Hon. Enoch Godongwana 2021, during his Medium-Term Budget Policy Statement, identified the release of Spectrum as one of the key structural reforms that will accelerate the South African government's economic recovery plans. The spectrum auction yielded over R14 billion for the National Fiscus. The licensing of the Spectrum

will go a long way in bridging the digital divide gap, facilitating the deployment of digital infrastructure for consumers and the business sector, enabling the digital economy, and participating in the fourth industrial revolution.

SUPPORTING SOUTH AFRICA'S MUNICIPAL ELECTIONS

On 01 November 2021, South Africans took to the polls to vote in the local government municipal elections. The elections are a pivotal historical event for our young democracy and a right that many have fought for. The Electronic Communications Act calls upon the Authority to allocate airtime to political parties and independent candidates to ensure fair coverage of the various political campaigns throughout the broadcasting period. Guided by the regulations, ICASA allocated PEB (s) and PA(s) to ensure that our citizens were equipped and informed in deciding whom they elect as their political representatives.

A FIRST FOR SOUTH AFRICA _ SPECTRUM LICENSING

For the year under review, one of the Authority's main victories was the licensing of high-demand radio frequency spectrum. The journey, in the end, may have seemed like a walk in the park however, this process was marred with various litigation activities as a result of our important work in defending the decisions made within the confines of our regulatory framework.

The spectrum auction was completed in three-phases, the first phase was the Opt-In phase which

“Upon reflection, it is not only our triumphs that stand out but our rapid response when called upon by industry and citizens. This is evident in how management implemented an effective strategy of a hybrid working model to ensure business continuity.”

consisted of a single bidding round where eligible bidders submitted bids to achieve a minimum spectrum portfolio (MSPs). The IMT spectrum bands made available for the auction were the 700 MHz, 800 MHz, 2600 MHz, and 3500 MHz bands

The eligibility to participate in the Opt – In phase of the auction was only reserved for Tier-2 Operators. It is prudent to note that only three bidders submitted valid bids, namely Cell C, Rain Networks and Telkom. Rain Networks and Telkom were declared winners and raked in R 2,656,089,512.60

The Opt-in phase was proceeded by the main auction which comprised of 58 rounds of bidding between the six bidders, namely Cell C, Liquid Intelligent Technologies, MTN, Rain Networks, Telkom and Vodacom. The final phase is the Frequency assignment phase where the Authority would determine the actual spectrum ranges to be assigned for all the lots bought in the various bands.

In the end, we endured through litigation but victory became imminent not only for ICASA but the people of South Africa, who will can reap the benefits derived from the auction.

IN THE END...

Despite the challenges faced due to operating within the regulatory environment and the pandemic, ICASA’s role remained centred on regulating the communications sector in the public interest. I would like to take this opportunity to thank all fellow Councillors, CEO, management and staff at ICASA for their sacrifice, endurance

and support. Without each and every one of you, our delivery on the Authority’s mandate would not be possible.

I would like to thank the Governance committees for their diligence and dedication in performing their oversight function over ICASA’s regulatory and operational activities.

I would like to take this opportunity to thank the Minister of Communications and Digital Technologies, Hon. Khumbudzo Ntshavheni and Deputy Minister, Hon. Philly Mapulane under whose leadership and support we were able to achieve so much during my tenure as Chairperson.

During the year under review, the Authority bid farewell to three members of Council Adv Qocha, Palesa Kadi, and Thembeke Semane. I would like to express my gratitude to them for the time and effort they put into serving in leadership roles across a number of Council committees, their efforts were important in delivering on ICASA’s mandate.

To quote Mike Rowe, “I’m looking forward to the future, and feeling grateful for the past.”

Kea Leboga



Dr. Keabetswe Modimoeng

Chairperson



REPORT OF THE CHIEF EXECUTIVE OFFICER

The 2021/22 financial year ended on a high note for ICASA as the auctioning of the much anticipated high-demand spectrum was concluded. The revenue collected from the Auction was more than R14.4 billion, from a base target of R 8 billion.

The continued existence of the COVID-19 pandemic remained a challenge for the country including, ICASA. We pride ourselves on being a responsive and progressive organisation, and as such, we set up systems to implement a hybrid working model to ensure business continuity. After all, ours is to ensure that we deliver on our mandate to our customers. During the period under review, we set a target to deliver 53 outputs as part of the organisation's Annual performance. I am happy to report that we delivered 46 key outputs; which translates to an overall annual achievement of 86.8%.

This report concludes the second year of the five-year strategic plan for the Authority. The presentation of the Annual Report provides ICASA with an opportunity to highlight the implementation of our mandate in terms of regulating the telecommunications, broadcasting and postal sectors in the interest of the public.

During the year under review, our objective was to review various regulatory interventions to ensure continued customer service. We did so by engaging various stakeholders in the form of public hearings, responses to questionnaires, comment solicitations and one-on-one meetings held to assist us in making informed regulatory decisions.

One of our key documents is the annual State of Information and Communications Technology (ICT) Report. For the sector that we regulate, we continue

to recognise that access to a comprehensive and timely set of ICT indicators is important for the proper regulation of the telecommunications, broadcasting, and postal services sectors. These indicators are used to benchmark values, inform sector policy analysis and ensure compatibility with the global environment and data compiled by other regulators. South Africa's ICT sector generated R243.6 billion in revenue in 2021. The broadcasting services revenue increased by 2.8% from R 35 billion in 2020 to R 36 billion in 2021, and postal services revenue increased by 11.1% from R 5.9 billion in 2020 to R 6.6 billion in 2021. The only slight decrease experienced was in telecommunications revenue by 0.5% from R 201 billion in 2020 to R 200 billion in 2021. We also note the significant reduction in the number of people employed across the sector from 34,329 in 2020 to 22 055 in 2021. Female employees as a proportion of the total employment pool also decreased by 32.9%, from 12,820 in 2020 to 8,603 in 2021. Gender Equality is an essential developmental agenda for South Africa, and the Sector must heed the call to promote women's empowerment in the workplace.

SOME OF THE KEY REGULATIONS WE REVIEWED AND PUBLISHED

MUST-CARRY REGULATIONS

The Authority amended these regulations by inserting Regulation 6A, which aligns the regulations with section 60(3) of the ECA. The purpose of the amended regulations is to promote access to the public broadcasting programmes by members of the South African public. Subscription broadcast service licensees must carry television programmes

“The continued existence of the COVID-19 pandemic remained a challenge for the country including, ICASA. We pride ourselves on being a responsive and progressive organisation, and as such, we set up systems to implement a hybrid working model to ensure business continuity.”

provided by public broadcasting service licensees subject to commercially negotiable terms.

MOBILE BROADBAND SERVICES REGULATIONS

The Authority published the final Regulations and Reasons Document following the conclusion of the market inquiry into mobile broadband services. This marks the end of the process, which included an extensive public consultation. The purpose of the inquiry was to assess the state of competition in the mobile broadband services sector and to determine whether there are markets or market segments that may require regulation in the context of a market review in terms of section 67(4) of the ECA.

EQUIPMENT AUTHORISATION REGULATIONS

The Authority published the above Regulations in support of the Conformity Assessment Framework for Equipment Authorisation published in 2020. The Regulations streamline the regulatory framework in accordance with the law and reduce the regulatory burden for equipment manufacturers and suppliers.

The safety of consumers in their utilisation of communication devices remains a key priority for ICASA. The Regulations ensure that all communications equipment manufactured and distributed for use by consumers is safe, has gone through proper approvals and is in line with the regulated standards.



“During the year under review, our objective was to review various regulatory interventions to ensure continued customer service. We did so by engaging various stakeholders in the form of public hearings, responses to questionnaires, comment solicitations and one-on-one meetings held to assist us in making informed regulatory decisions.”

DRAFT RADIO FREQUENCY SPECTRUM ASSIGNMENT PLANS FOR INTERNATIONAL MOBILE TELECOMMUNICATIONS (IMT)

The Authority approved the publication of the Draft Radio Frequency Spectrum Assignment Plans for IMT for public consultation. This regulatory project seeks to achieve a two hundred and fifteen Megahertz (215 MHz) increase in the available high-demand spectrum for licensing through a competitive process in terms of section 31(3) (a) of the ECA, by the 2024/2025FY. In 2020, we estimated that 1011-1136 MHz could be used for IMT (including GSM) as well as IMT700 and IMT800 based on the forecasts for South Africa.

INTERNATIONAL FORA

ICASA’s continued participation in the International Fora, coupled with the confidence displayed by our counterparts, demonstrates how our capabilities are viewed internationally and validate South Africa’s standing in the global ICT arena. Members of Council, and ICASA staff participated in several international engagements, these included the GSMA Mobile World Congress, World Telecommunication Standardization Assembly hosted by the ITU and the Communications Regulators Association of Southern Africa (CRASA).

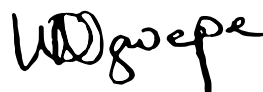
One of the key highlights in the international programme was the signing of the Memorandum of Understanding with the United States Federal Communications Commission. Such agreements affirm ICASA’s footprint and standing in the

global ICT arena. The Authority is on solid ground to achieve the best practice and cutting-edge regulatory approaches, which will place us at the forefront of innovation.

IT TAKES A VILLAGE

I wish to extend my heartfelt gratitude to the Chairperson and his Council team for their vision, support, leadership and wisdom in guiding ICASA to greater heights. Your diligence and motivation in maintaining and advancing a well-regulated ICT industry sector is inspiring.

I want to thank my Executive Management team, Senior Managers, Managers and staff for all your effort, dedication, perseverance, commitment, and sheer grit in achieving our objectives and mandates. Each one of you contributed towards a year that will stand out for our successes and forward trajectory.



Willington Ngwepe

Chief Executive Officer



STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General. The annual report is complete, accurate and free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury. The Annual Financial Statements (Section F) have been prepared in accordance with the standards applicable to ICASA.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of ICASA for the financial year which ended on 31 March 2022.

Dr. Keabetswe Modimoeng
Chairperson

Wellington Ngwepe
Chief Executive Officer



STRATEGIC OVERVIEW

1. VISION

An inclusive digital economy.

2. MISSION

To regulate electronic communications, broadcasting and postal services in the public interest.

3. VALUES

All ICASA's regulatory activities are centred on five core values, which are innovation, collaboration, accountability, results-driven and stakeholder-centric.



INNOVATION

Willingness and ability to generate viable new approaches and solutions
Finding different and better ways of applying best solutions to meet stakeholder needs



COLLABORATION

Eradicate 'silos' by developing a conscious mind-set that aligns our work to organisational vision and strategy
Create synergies internally to fast-track organisational performance



ACCOUNTABILITY

Execution of daily work in a proactive manner
Taking full responsibility for the work that we do in collaboration with others



RESULTS DRIVEN

Achieving high quality results that are consistent with organisational standards
Coaching and performance assessment against goals, as well as identifying areas of improvement



STAKEHOLDER CENTRIC

Carrying out our duties with the stakeholders in mind. Stakeholders are central to what we do and we welcome their feedback for consistent and effective partnerships.



THE MANDATE OF ICASA

ICASA or 'the Authority' falls under schedule 1 of the Public Finance Management Act No 1 of 1999 (PFMA). ICASA's mandate is set out in the Independent Communications Authority of South Africa Act, Act No 13 of 2000, (ICASA Act), Electronic Communications Act, Act No 35 of 2005, as amended (the EC Act), the Postal Services Act No 24 of 1998 (the Postal Services Act) and the Broadcasting Act, Act No 4 of 1999, (the Broadcasting Act) for the regulation of electronic communications, broadcasting and the postal services in the public interest. The legislation empowers ICASA to grant licenses, monitor compliance with licence terms and conditions, develop regulations, plan and manage the radio frequency spectrum and protect consumers.

THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

- The Constitution of the Republic of South Africa (RSA) mandates Parliament to establish an independent regulatory institution to regulate broadcasting in the public interest and to ensure fairness and a diversity of views broadly representing South African society (S 192).

THE INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA ACT 13 OF 2000, AS AMENDED

The Act establishes ICASA as an institution and provides that it must:

- perform its functions through Council as contemplated in section 5,
- be independent and subject only to the Constitution and the law,
- be impartial and perform its functions without fear or favour.
- act in a manner that is consistent with the obligations of the Republic under any applicable international agreement, according to section 231 of the Constitution.
- conclude concurrent jurisdiction agreements with any regulator in respect of areas of regulatory overlaps.

THE BROADCASTING ACT 4 OF 1999

- The Act clarifies the powers of the Minister and ICASA respectively and provides for the regulation of broadcasting activities in the public interest.

THE ELECTRONIC COMMUNICATIONS ACT, NO. 36 OF 2005, AS AMENDED

- The ECA provides the legal framework for convergence of the telecommunications, broadcasting and information technology services. More importantly, it also sets out ICASA's detailed powers for regulations of the electronic communications and broadcasting sectors.
- ICASA has concurrent regulatory oversight/ jurisdiction with the Competition Commission on competition matters in terms of Chapter 10 of the ECA read with 4B(8)(b) of the ICASA Act.

THE POSTAL SERVICES ACT, NO. 124 OF 1998

- The Postal Services Act requires the Authority to licence and monitor SAPO in relation to minimum service standards and the fulfilment of universal service obligations, including the roll-out of street addresses and the provision of retail postal services in underserved areas.

THE PROMOTION OF ADMINISTRATIVE JUSTICE ACT, NO. 3 OF 2000

- PAJA gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action, as contemplated in section 33 of the Constitution.

ELECTRONIC COMMUNICATIONS AND TRANSACTIONS ACT, 2002 (ACT NO.25 OF 2002) (ECTA)

The Electronic Communications and Transactions Act provides for the facilitation and regulation of electronic communications and transactions. It provides for the development of a national e-strategy for the Republic, the promotion of universal access to electronic communications and

transactions, and the use of electronic transactions by SMMEs. The legislation further provides for human resource development in electronic transactions sector, aims to prevent the abuse of information systems, and encourages the use of e-government services. 18

The Authority is enjoined in terms of section 4(3) (o) of the ICASA Act, to make recommendations to the Minister on matters dealt with or to be dealt with under the ECTA.

ASTRONOMY GEOGRAPHIC ADVANTAGE ACT, 2007 (ACT NO.21 OF 2007) (AGA)

Sections 22 and 23 of the AGA apply to the Authority. The Act requires that the Authority protects the Square Kilometre Array (SKA) radio telescope and associated radio telescopes from harmful radio frequency interference.

DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

The DCDT policy framework is embedded within and aligned to broader government priorities and policy, as promulgated.

The Authority believes its strategic objectives will contribute directly to the DCDT's outcomes, relating specifically to Outcome 12 and Outcome 14.

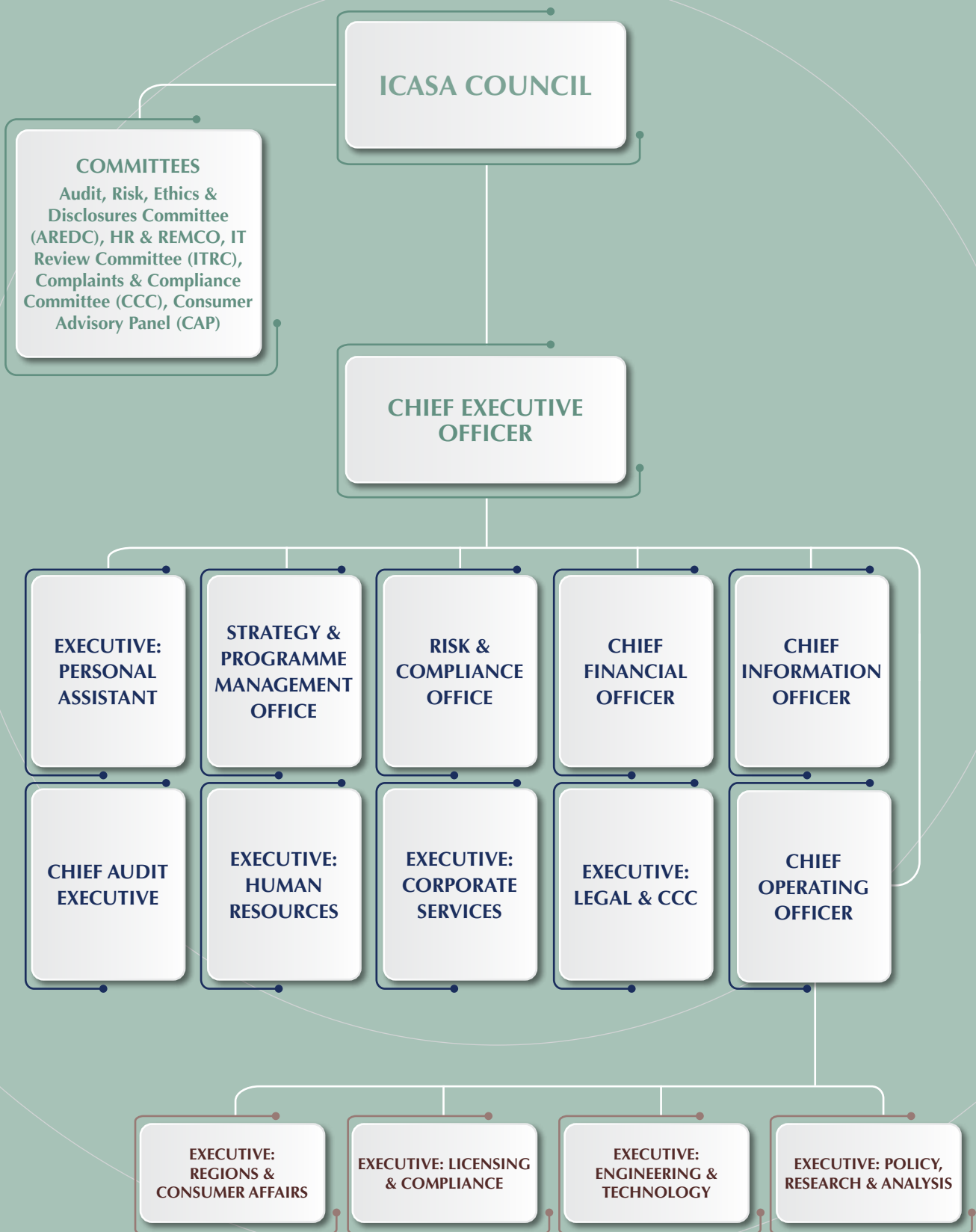
GOVERNMENT PRIORITY OUTCOMES ICASA CONTRIBUTES TO

- Outcome 4: Decent employment through inclusive economic growth
- Outcome 6: An efficient, competitive and responsive economic infrastructure network
- Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship
- Outcome 14: Fostering constitutional values of social cohesion and a common identity





ORGANISATIONAL STRUCTURE





MEMBERS OF THE ICASA COUNCIL



DR KEABETSWE MODIMOENG
CHAIRPERSON



PALESA KADI
COUNCILLOR



DR CHARLEY LEWIS
COUNCILLOR



YOLISA KEDAMA
COUNCILLOR



**ADV. LUTHANDO SIMPHIWE
MKUMATELE**
COUNCILLOR



ADV. DIMAKATSO QOCHA
COUNCILLOR



THEMBEKA SEMANE
COUNCILLOR



PETER ZIMRI
COUNCILLOR



THE ICASA EXECUTIVE COMMITTEE



WILLINGTON NGWEPE
CHIEF EXECUTIVE OFFICER



JOSEPHINE MEYER
CHIEF FINANCIAL OFFICER



TSHIAMO MALULEKA-DISEMELO
CHIEF AUDIT EXECUTIVE



ANELE NOMTSHONGWANA
EXECUTIVE: REGIONS AND CONSUMER AFFAIRS



PHIL MOLEFE
EXECUTIVE: ENGINEERING AND TECHNOLOGY



LEAH MAINA
EXECUTIVE: LICENSING AND COMPLIANCE



NDIVHUO RABULI
EXECUTIVE: LEGAL, RISK AND CCC



NKHETHELENI GIDI
EXECUTIVE: POLICY, RESEARCH AND ANALYSIS



ZAKHELE KGANAKGA
EXECUTIVE: HUMAN RESOURCES



JULIA KENYANE
EXECUTIVE: CORPORATE SERVICES

PART B
PERFORMANCE
INFORMATION





1. AUDITOR GENERAL'S REPORT PREDETERMINED OBJECTIVES

The AGSA performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit opinion. The audit opinion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 85 of the Report of the Auditor General, published as Part E: Financial Information.



2. OVERVIEW OF ORGANISATIONAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The performance of the Authority being presented was realised against a service delivery environment which the Authority updated at the beginning of the 2021/22 financial year as per the national planning legislative prescripts, and which changed as the 2021/22 financial year proceeded.

One of the key changes in the Authority's service delivery environment which the Authority would not have considered in updating its service delivery environment when planning for the 2021/22 financial year was the unrest of July 2021, which occurred in the Kwazulu-Natal and Gauteng provinces and resulted in an estimated damage in excess of R35 billion to the national economy. However, the unrest did not warrant a re-tabling of the Authority's strategic plan. Although the on-site activities of the Authority's Kwazulu-Natal and Gauteng regional offices could not be executed at the height of the unrest, they resumed soon after the unrest was contained. As a result, not much negative impact was realised on the work of the Authority in general. Therefore, the Authority continued as in the previous financial year to execute on its outputs for the 2021/22 financial year in alignment with the Authority's unchanged long-term impact statement as outlined below:

Access for all South Africans to a variety of safe, affordable & reliable communication services for inclusive economic growth

In order to realise the aforementioned impact, the following five (5) outcomes are planned for the achievement in terms of the Authority's Strategic Plan 2019/20 – 2024/25:

- increased access to quality broadband services,
- enhancement of social cohesion,
- protection of consumer rights,
- promotion of competition in the ICT sector and;
- maintenance of organisational service delivery.

During the implementation of the Annual Performance Plan 2021/22, the service delivery environment remained relatively stable except for challenges at the tactical level, the main challenge being the litigations the Authority had to deal with regarding the licensing of the high-demand spectrum via an auction. The challenges were ultimately resolved, with the Authority successfully auctioning the high-demand spectrum and raising in excess of R14.4 billion in auction revenues for the national fiscus.

Another tactical challenge in the service delivery environment was the court judgement on the validity of the Preferential Procurement Regulations of 2017, which was issued on 16 February 2022. The Minister of Finance made an application to the Constitutional Court to review the judgement of the Supreme Court of Appeal. Organs of state were advised that while awaiting the outcome of the Constitutional Court application, tenders advertised before 16 February 2022 be finalised in terms of the Preferential Procurement Regulations of 2017, tenders advertised on or after 16 February 2022 be held in abeyance and no new tenders be advertised. This affected the Authority's operations for the latter part of Quarter four (4) of the financial year.

The service delivery environment was further altered at the tactical level by the Cabinet's decision to approve the amendment of the policy on high demand spectrum and the policy direction on the licensing of the individual electronic communications network service operator which the Authority had planned as one of its outputs for the 2021/22 financial year. Based on the Cabinet's decision, the Authority could not deliver on the individual electronic communications network service operator output. The Authority will keep an eye on policy developments of the individual electronic communications network service operator during the 2022/23 financial year whilst concluding its benchmark studies during the same period to inform its next steps in this regard.

The service delivery environment remained affected by the changing computations and implications of COVID-19 across the country. The number of COVID-19 infection cases kept oscillating between high and low and government reacted by adjusting alert levels as necessary. The COVID-19 interventions implemented by the Authority during the 2020/21 financial year remained resilient. Thus, the proliferation of COVID-19 did not have any significant negative impact on the work of the Authority in delivering its annual outputs linked to the Authority's medium-term outcomes and long-term impact statement.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

Based on the highly encapsulating way the Authority updated its service delivery and organisational environments during planning, which included analysis of the main services and standards; the Batho Pele principles which are covered in its shared-values and its consumer complaints resolution mechanism as required by the ICASA Act of 2000, the Authority did not find it compelling to come up with a service delivery improvement plan outside of its annual performance plan 2021/22.

2.3 ORGANISATIONAL ENVIRONMENT

The Authority's organisational environment was reviewed for update during planning for the 2021/22 financial year in line with government legislative prescripts on planning. The review found the environment relatively stable and needing little update. The organisational formation in terms of skills, staff, systems, shared-values, style, strategy and structure was found still fit for purpose to support the Authority's core business and enable it to deliver on its 2021/22 annual outputs aligned to its medium-term outcomes and long-term impact statement as spelt out in its Strategic Plan 2019/20 – 2024/25. However, as the financial year proceeded, notable changes occurred in the organisational environment, most of which were at tactical and operations levels.

COVID-19 continued to be the main unstable factor within the Authority's internal environment. The Authority kept recording sporadic COVID-19 positive cases at different intervals throughout the year. However, most of the cases were of employees who contracted the virus outside the organisation's premises. The workplace protocols the Authority put in place proved resilient and the virus did not spread within the organisation nor affect productivity adversely. As at the end of the financial year, the Authority had eight (8) positive cases.

Besides the workplace protocols, the rest of the COVID-19 interventions implemented by the Authority in the 2020/21 financial year continued to support the Authority's business continuity. The measures implemented to support remote working

were maintained and enhanced. COVID-19 Work Guidelines to mitigate the spread of COVID-19 when carrying out work outside the Authority's premises protected the employees from potential infections when out on duty. Regular procurement of PPE, cleaning, hygiene materials, equipment, consumables and related services was continued to keep the work environment safe for all.

The group email for submission of tender bids ensured the bidders continued to participate in the Authority's processes remotely and there was no disruption to the Authority's procurement activities.

The work-from-home policy which the Authority began implementing in 2020/21 financial year, has now become an alternative way of working which the Authority has become comfortable with and which will come in handy in case the country experiences another pandemic of COVID-19's nature.

Wellness programmes are a legal requisite for all business entities in South Africa. However, they are a bugbear of many business entities. The Authority was not an exception until COVID-19 became a reality. The COVID-19 focussed wellness programmes which the Authority instituted in 2020/21 continued to provide the safety net whenever the Authority's employees and their family members got adversely affected by COVID-19.

Several changes occurred in the skills section of the organisational performance environment. The term of office of four Councillors came to an end at different times during the financial year leaving five Councillors to continue with the strategic leadership work of the Authority. The Authority appreciates the speed at which Parliament responded to fill the vacancies and notes that the Portfolio Committee on Communications has already recommended seven candidates for filling the four vacancies.

Another change involved the end of contract of the Chief Financial Officer which was filled within the year under review. The Authority also welcomed two new employees at the executive level for Legal Risk & CCC and Policy Research and Analysis Programmes.

From the staff section of the organisational environment, unionised members of staff under NEHAWU approached the CCMA after discussions with the Authority stalled regarding cost-of-living adjustment (COLA) negotiations and a grievance which the unionised members had levelled at the Authority regarding their merit increases and payment of performance bonuses. The Authority had taken a decision not to pay out merit increases and performance bonuses due to the Authority's failure to achieve its annual target for the 2020/21 financial year.

The CCMA issued a certificate to unionised members to embark on industrial action with regards to the COLA. However, the unionised members called off the industrial action before it could become pronounced, opting instead to accept the COLA offer that was put forward by the organisation. In terms of the merit increases and the performance bonuses pay out for the 2020/21 financial year, the Authority has completed a mediation process with the unionised members at the CCMA and it is awaiting the outcome which will inform the way forward on the matter.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

PENDING POLICY CHANGES

On 11 March 2022, the Minister of Communications and Digital Technologies published the proposed Amendment Policy on High Demand Spectrum and Policy Direction on the Licensing of the individual electronic communications network service operator published in the Government Gazette, for public comment ("the Draft Policy"). The Authority notes that the aim of the Draft Policy is to remove the requirements to license the individual electronic communications network service operator as the available spectrum for licensing of the individual electronic communications network service operator does not meet the viability threshold as determined in the study conducted by the Council for Scientific and Industrial Research (CSIR) on behalf of the Department of Communications and Digital Technologies.



3. ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

In terms of the Department of Planning Monitoring and Evaluation Revised Framework for Strategic Plans and Annual Performance Plans, December 2019, the outputs a government institution delivers on an annual basis must contribute towards the realisation of its medium-term outcomes and long-term impact outlined in its strategic plan. Therefore, the Authority's outputs delivered under the year in review were geared at contributing to the Authority's medium-term outcomes and long-term impact which are stated below.

3.1 IMPACT STATEMENT

IMPACT STATEMENT	Access for all South Africans to a variety of affordable & reliable communication services for inclusive economic growth
-------------------------	--

3.2 OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	TARGET
Access to quality broadband services increased	Average download speed	15Mbps	50Mbps
Status of Social Cohesion (Inclusive of Diversity of Views) enhanced	Percentage of status of Social Cohesion (inclusive of Diversity Views) enhanced	-	50%
Rights of Consumers Protected	Level of Consumer Rights Protection	-	5
Competition in the ICT Sector Promoted	Number of procompetitive Regulatory interventions	3	15
Organisational Service Delivery Maintained	Organisational Service Delivery Maintained	91%	91%

3.3 OVERALL PERFORMANCE

The Authority planned to deliver fifty-three (53) outputs during the year under review. Forty-six (46) were delivered and seven (7) were not delivered which translated to an overall annual achievement of eighty-six-point-eight percent (86.8%).

PROGRAMME	PLANNED OUTPUTS	DELIVERED OUTPUTS	OUTPUTS NOT DELIVERED	DELIVERED OUTPUTS (%)
PROGRAMME 1: ADMINISTRATION				
Corporate Services	8	7	1	88%
Finance	2	2	0	100%
Human Resources	3	2	1	67%
Internal Audit	2	1	1	50%
Legal, Risk & CCC	5	5	0	100%
Programme 2: Licensing and Compliance				
Licensing and Compliance	10	10	0	100%
Programme 3: Policy Research and Analysis				
Policy Research and Analysis	9	8	1	89%
Programme 4: Engineering & Technology				
Engineering & Technology	10	7	3	70%
Programme 5: Regions and Consumer Affairs				
Regions and Consumer Affairs	4	4	0	100%
Total	53	46	7	86.8%

The forty-six (46) outputs the Authority has delivered through various Programmes during the year under review, have contributed to different medium-term outcomes in different ways.

ACCESS TO QUALITY BROADBAND SERVICES

One of the key projects the Authority implemented to ensure access to quality broadband services was the assignment of the IMT spectrum, whose output for the year under review was the completion of IMT spectrum licensing via an auction. The other project was the licensing of the individual electronic communications network service operator. The auctioning of the IMT Spectrum was concluded for the bands – IMT700, IMT800, IMT2600 and IMT3500 - on 17 March 2022. The auction for the licensing of the IMT spectrum has generated in excess of R14.4 billion for the national fiscus. The Cabinet resolved to review its decision to license

the individual electronic communications network service operator.

SOCIAL COHESION AND DIVERSITY OF VIEWS

In responding to the enhancement of social cohesion, diversity and plurality of views, the Authority embarked on the review of the Must-Carry Obligations with a view to assess the impact and relevance of the obligation on both broadcasters and audiences in the context of the current market and technological trends. The project was successfully completed with the publication of the Must-Carry Amendment Regulations, 2022.

Furthermore, the delivery of Optimisation of the Frequency Modulation Sound Broadcasting output will increase the amount of spectrum to be availed for the Triple Tiers of Broadcasting in future i.e. Public, Commercial and Community Broadcasting.

PROMOTION OF COMPETITION (COST TO COMMUNICATE)

The Authority continued to pursue its mandate to promote competition and reduce the cost to communicate. One of the key outputs delivered towards promotion of competition was the completion of the process to develop the Equipment Authorisations Regulations designed to facilitate competition in the ICT sector by developing a more robust and accessible regulatory framework that is responsive to the dynamic ICT sector and achieve the objectives of the Electronic Communications Act, 2005 (Act No. 36 of 2005) (the ECA), as amended.

The Authority also produced a Findings Document on the review of the 2018 Call Termination Regulations. Call Termination Rates Regulations promote effective competition between operators and facilitate the reduction in the call termination rates, thus, benefiting the consumers.

The Authority was not able to successfully execute the Inquiry into Subscription Broadcasting Television Services. The purpose of the inquiry was to enable the Authority to understand the factors that may have contributed to new subscription broadcasting service licensees' inability to launch their services. It was decided that, based on ongoing developments in what is a rapidly changing market, current policy developments and recent technological trends, the consultation process in respect of the inquiry must be extended into the 2022/23 financial year.

PROTECTION OF CONSUMERS

The Authority's mandate is to regulate in the interest of all South African consumers and protect them against harmful business practices by licensees and illegal operators within the sector.

In the year under review, the Authority continued to ensure that the resolution of reported cases of interference is done in an efficient and effective manner, thus resolving ninety-nine percent (99%) of the Radio Frequency Interference cases within 30 working days. Furthermore, the Authority resolved ninety-five percent (95%) of complaints received during the financial year. All the delivered outputs have contributed to the protection of consumers.

MAINTENANCE OF ORGANISATION SERVICE DELIVERY

The Authority as a regulator, interacts with other regulators and ICT associations around the world. In the financial year under review, the Authority's officials were able to attend the ITU World Telecommunications Standardisation Assembly. They contributed to the development of international standards, which acts as defining element in the global infrastructure of ICTs. The Standards are critical to the interoperability of ICTs, among others.

The Authority managed to maintain a low vacancy rate of 3.06%, which is below the targeted 7%. This helped sustain the desirable productivity levels across the various Programmes and ensure that the strategic priorities of the Authority are met.

A mid-term review will be done at the end of the 2022/23 financial year as per the prescripts of the DPME Revised Framework for Strategic Plans and Annual Performance Plans December 2019 to determine the degree of achievement in terms of realisation of the Authority's medium-term outcomes based on the year-on-year outputs the Authority would have delivered by the end of the 2022/23FY in total.



4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

Purpose: The Programme provides coordinated strategic leadership, management and support to the Authority to deliver on its mandate.

4.1.1 SUB-PROGRAMME: CORPORATE SERVICES

Purpose: To provide corporate support services to the Authority through communications, information technology and facilities, security, and administration of high quality.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Corporate Services Sub-programme contributes to the outcome 'Organisational Service Delivery Maintained'. In order to contribute towards the outcome, the Sub-programme planned eight (8) outputs for the 2021/22FY. The outputs included amongst others, communication services provided through monitoring of the media environment, international engagements facilitated, and IT Systems efficiency. The Sub-programme was able to deliver seven (7) outputs out of the eight (8) planned. The achieved outputs have enabled the Authority to increase its share of voice across traditional media and new media platforms. The Authority also launched the organisation's quarterly newsletter named "The Focus" to keep employees informed of the developments at the Authority and promote information sharing amongst employees.

The International Relations Unit within the Sub-programme saw an increased participation since most of the engagements were conducted

virtually. With the lifting of travel restrictions, the Authority officials attended the ITU World Telecommunications Standardisation Assembly. They contributed to the development of international standards, which act as a defining element in the global infrastructure of ICTs. The Standards are critical to the interoperability of ICTs, among others.

The IT Unit introduced integrated reporting to the Authority with the first phase being the development of dashboards and reports covering the new Advanced Spectrum Management System as well as the Complaints Management System. This new reporting methodology will form the basis upon which other Authority systems' reporting will be done in future.

Due to the marked increase of cybercrimes, especially during the COVID-19 pandemic and the resulting lockdown, the IT Unit increased its security monitoring across its network and IT systems. During the year under review, cybersecurity workshops were held with each Authority Programme and security alerts were set for any security-related events that required investigations. Furthermore, weekly security reports were produced and reviewed to safeguard the Authority's IT environment.

Despite the lockdown and the requirement for staff to work from home or on a rotational basis at the office, the IT Unit still managed to meet its target of ninety-eight percent (98%) for systems efficiency. This included resolving all IT calls logged with the IT helpdesk, the uptime of key systems and networks as well as the availability of the links to each of the nine (9) Authority's regional offices.

SUB-PROGRAMME: CORPORATE SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Maintained organisational service delivery	Communication services provided through monitoring of the media environment	Value of communication services provided through monitoring of the media environment			R6 mil	R78 104 318,74	R72 104 318,74	The RF Spectrum Auction attracted attention in tier 1 media both broadcast and print. This resulted in increased coverage on high-rate card publication
Maintained organisational service delivery	Communication products published to grow the share of voice of ICASA	Number of communication products published to grow the share of voice of ICASA			9	9		
Maintained organisational service delivery	International engagements facilitated	Number of International engagements facilitated			20	20		
Maintained organisational service delivery	Complied with Occupational Health & Safety (OHS) regulations and guidelines	Percentage of OHS Annual Plan achieved			85%	85%		
Maintained organisational service delivery	EDRMS roll-out plan implemented	Percentage of EDRMS roll-out plan achieved			85%	82%	-3%	This was a dual target where EXCO was meant to sign performance contract on the EDRMS project. However, this was not accepted since they were already Sponsors of the project.
Improved organisational service delivery	Integration across systems	Number of integration modules implemented			2	2		
Improved organisational service delivery	Security reports on IT Systems	Number of security reports on IT Systems			52	52		
Improved organisational service delivery	IT Systems efficiency	Percentage of IT Systems efficiency			98%	99.01%	1.01%	Server uptime and internet availability was higher than expected

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against the allocated budget for the financial year under review as well as for the previous financial year. The Corporate Services Sub-programme was allocated R112million, R89million was spent towards the achievement of outputs which were mostly achieved. These included expenditure on the maintenance of office premises, facilities & equipment. The Sub-programme ended the year with an under-expenditure of R22million which was due to vacant posts, consultancy costs, renewals on software licenses and security costs which were not executed.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 1 SUB- PROGRAMME: CORPORATE SERVICES	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Corporate Services	97 425	79 679	17 745	112 226	89 257	22 969
Total	97 425	79 679	17 745	112 226	89 257	22 969

STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The Corporate Services Sub-programme did not have major deviations from its planned annual targets. The one target not achieved was due to a planning oversight for one activity that was beyond the control of the Sub-programme. Moving forward, the Sub-programme will ensure that it has control over all its planned activities or spread them over a reasonable period that will allow it to deal with any unforeseen eventualities.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The COVID-19 pandemic necessitated several changes in Programme 1 sub-programmes. As a result, the Authority adopted a hybrid model.

All employees were capacitated with laptops to enable them to work from home. This was also supplemented by an increase in the amount of data received per employee. Employees working in critical positions such as those investigating radio frequency interference cases and those who conduct regular inspections were given additional PPE to ensure business continuity. Several changes were implemented in the office environment. These included the frequent disinfection of office space and ensuring that the offices and boardrooms with insufficient ventilation were fitted with HEPA filters for the purification of the air. The interventions related to COVID-19 were implemented at the Head Office and across all the Authority's regional offices in the country. All necessary measures were implemented to ensure that Authority's premises complied with the COVID-19 precautionary measures and protocols standards set.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
Reprioritisation of the allocated CS budget items: Communications Costs, Travel Costs, Printing and Stationery costs	60 laptops were rented for 12 months in March 2020. The contract was extended for 6 months until Sep 2021. The Authority has since purchased 300 laptops, and these were delivered to all employees.	ICASA employees Nationally	95 ICASA employees	Availability of tools of trade for all categories of employees to ensure business continuity	R410 688 over 12 months for laptop rentals	Laptop rentals - R102 762 Wi-Fi 33 network adapters - R4 900	Ability for key staff to deliver on projects on the APP	Continued provision of ICT services to consumers
R00.00	Development of COVID-19 Work Guidelines to mitigate the spread of COVID-19 when carrying out work outside ICASA's premises	ICASA employees (Nationally)	All ICASA employees	Implementation of Workplace Protocols in the workplace	R00.00	R00.00	Risk Maturity of the Organization. Compliance Maturity of the Organisation.	Compliance to Disaster Management Regulations & Guidelines

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
2021/22 Budget Allocation (COVID-19 cost centre)	Procurement of PPE, cleaning, hygiene materials, equipment, consumables and related services (e.g., office disinfection)	ICASA employees (Nationally)	All ICASA employees	Availability of PPE, cleaning, hygiene materials/ consumables and related services	R00.00	R75 754.00	Risk Maturity of the Organisation. Compliance Maturity of the Organisation.	Compliance to Disaster Management Regulations & Guidelines
R00.00	Workplace protocols	ICASA employees (Nationally)	All ICASA employees	Implementation of COVID-19 guidelines/ protocols & revised business processes	R00.00	R00.00	Risk Maturity of the Organisation. Compliance Maturity of the organisation.	Compliance to Disaster Management Regulations & Guidelines

4.1.2 SUB-PROGRAMME: FINANCE

Purpose: To provide efficient and effective support services to the Authority from a finance perspective, through implementation of sound financial management and ensuring compliance with all applicable legislation and policies.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Finance Sub-programme contributes to the 'Organisational Service Delivery Maintained' outcome. The outputs that the Sub-programme planned to contribute to the outcome were an unqualified audit and licence fees collected. The Authority plans to achieve a clean audit over the MTSF period.

The output "Licence Fees Collected" is the Authority's mandate as derived from section 4(1) (c) of the ECA read with section 15(3) of the ICASA Act. To this end, the Authority is duty bound to

ensure that all charges and fees levied in respect of licences granted, authorisations issued, and any other activities are collected. The Authority planned to collect ninety-nine percent (99%) of the revenue in licence fees in the financial year under review. One hundred and one percent (101%) was collected instead. The overachievement was as a result of under accrued license fees from the licensees. The revenue collection achievement is critical for the sustainability of the national fiscus.

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review as well as the previous financial year. The Sub-programme was allocated R62million and R58million was spent towards the delivery of the Sub-programme outputs, which were all delivered. The Sub-programme has an under expenditure of R4million which was due to the moratorium on vacant posts, insurance and consultancy services on which funds could not be expended.

SUB-PROGRAMME: FINANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Maintained organisational service delivery	Audit	Audit opinion	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified Audit	None	None
	Licence Fees Collected	Percentage of Licence Fees Collected			99%	101%	2%	Overall deviation was because of under accrued license fees collection based on the information provided by the Licensees.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 1 SUB- PROGRAMME: FINANCE	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Finance	64 264	53 216	11 047	62 211	58 116	4 094
Total	64 264	53 216	11 047	62 211	58 116	4 094

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Sub-programme achieved all its set targets and did not have any deviations.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The COVID-19 interventions implemented within the Sub-programme were aimed mainly at continued support to line Programmes on salaries payment and supply chain management activities.

They were also aimed at ensuring absence of disruptions on payment of suppliers within the Public Finance Management Act No. 1 of 1999 (PFMA) prescribed 30 days period.

The interventions contributed to the following annual outputs:

- License fees collection and transfer,
- Execution of projects related to APP from user departments, and
- Activities leading to finalisation of quarterly Annual Financial Statements reporting.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
Communication budget for Q4 R448k	<p>1. SCM had to introduce group emails for the responses relating to RFQs from the services providers responding to ICASA invites.</p> <p>2. Essential staff of 35 were identified and have been working interchangeably at the offices whilst the other 12 are working from home. Both groups are provided with data to enable seamless connectivity.</p>	Working from homes and offices	35 + 12	All Finance employees All service providers doing business with ICASA	R448k	R448k	<p>1. License fees collection and transfer.</p> <p>2. Execution of projects related to APP from user departments.</p> <p>3. Compliance with PFMA and treasury regulations</p>	<p>Collection and transfer achieved</p> <p>Payment of suppliers within 30 days, 55% of suppliers were paid within 30 days.</p>

4.1.3 SUB-PROGRAMME: HUMAN RESOURCES

Purpose: To ensure that the Authority can plan for required human resources, recruit the right talent in the right positions at the right time, continuously develop the talent to maintain the required levels of competence and create a conducive environment that enables employee engagement and a high-performance culture.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Human Resources Sub-programme contributes to the 'Organisational Service Delivery Maintained' outcome. In the 2021/22FY work was done towards the achievement of the outcome by executing the following outputs: Staff Vacancies Maintained, SABPP Audit Completed, and Workplace Skills Plan implemented.

The Authority believes that a human resources division that can achieve a low vacancy rate is an essential element of any successful and sustainable business. In the year under review, the HR Sub-programme managed to maintain a low vacancy rate of three-point-six percent (3.6%), which was below the targeted seven percent (7%). This helped to sustain the desirable productivity levels

across the various Authority Programmes and ensure that the strategic priorities of the Authority are met.

Furthermore, the Authority prioritises diversity and development of women, youth and persons with disabilities in filling vacant positions. This helps the Authority strengthen its workforce and ensure that it reflects the diversity of South Africa.

Developing employees' skills also helps maintain a high level of employee productivity, which in turn helps the Authority achieve its strategic priorities. The Human Resources Sub-programme achieved one hundred percent (100%) compliance for workplace skills plan implementation. The Sub-programme focused on developing women's skills as well as those of young people and people with disabilities through various training interventions.

The Sub-programme missed the output on the SABPP Audit because the South African Board for People Practitioners (SABPP) is the only professional institution certified in South Africa to conduct HR standards audits and the professional institution was not tax-compliant until March 2022. As a result of its non-compliance status, it could not be appointed to conduct the audit of the Human Resources Sub-Programme as planned for in the year under review.

SUB-PROGRAMME: HUMAN RESOURCES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Maintained organisational service delivery	Staff vacancies maintained	Staff vacancy rate maintained	3.7%	4.2%	7%	3.06%	3.94%	Over achievement because new recruits did not need to serve notice and thus started earlier than anticipated
Comply with SABPP standards	SABPP Audit Completed	Number of SABPP audits completed			1	0	-1	SABPP which is the sole provider of the service was not compliant with SARS. As a result, ICASA could not contract them for the audit.
Maintained organisational service delivery	Workplace Skills Plan implemented	Percentage of process to complete Workplace Skills Plan	100%	100%	100%	100%	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the year under review and the previous year. The Human Resources Sub-programme was allocated R26million for the year under review. The Sub-programme used R42million of the allocated funds to achieve its goals for the year, which included staff training, bursaries, recruitment processes and fulfilling other HR services. The Sub-programme has also been able to help employees improve their productivity by offering them training courses on different topics.

PROGRAMME 1 SUB- PROGRAMME: HUMAN RESOURCES	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Human Resources	25 720	36 807	-11 087	26 588	42 675	-16 086
Total	25 720	36 807	-11 087	26 588	42 675	-16 086

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Authority will contract with SABPP to conduct the pending Human Resources standards audit in 2022/23 financial year.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

To cope with the COVID-19 pandemic, the Authority implemented wide-ranging flexible work practices to enable employees to remain productive while avoiding infection. They include working from home arrangements, adjusting of the leave policy,

employee wellness services, reviewing of the disciplinary code and engaging and encouraging employees to vaccinate.

In addition to the above measures, the Authority has also engaged with its employees through regular communication and workshops to ensure that they are aware of the risks associated with COVID-19. These were rolled out via digital platforms such as email groups and divisional WhatsApp groups as well as Microsoft Teams meetings.

The Authority has also developed a range of information and support material to assist employees in taking precautions against spreading or contracting the COVID-19 virus. They include posters displayed throughout the organisation.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
0	Approved leave policy	National	341	All employees benefit from this intervention.	0	0	0	Employees can apply for quarantine leave to self-isolate by staying home
0	Approved work from home policy	National	341	All employees benefit from this intervention.	0	0	0	The Authority reduced the number of employees in the office, thus reducing risk of Covid-19 infection.
0	Available employee wellness services.	National	341	All employees benefit from this intervention.	R55,811.34	R55,811.34	0	Psychological, emotional and well-being support services for employees affected by Covid-19 as well as awareness workshops for all employees on Covid-19.
0	Approved disciplinary code	National	341	All employees benefit from this intervention.	0	0	0	Measures put in place to adequately address employees that are non-compliant to Covid-19 regulations
0	Engagements on Mandatory Vaccination	National	All employees, Union & Management Forum	All employees benefit from this intervention.	0	0	0	Management was able to receive an overview on employees' perceptions about a Covid-19 Mandatory vaccination through a Covid-19 survey and meetings that were conducted

4.1.4 SUB-PROGRAMME: INTERNAL AUDIT

Purpose: To provide reasonable assurance to Audit, Risk, Ethics and Disclosures Committee (AREDC) and management by evaluating the adequacy and effectiveness of the governance, risk management and internal control processes.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Internal Audit Sub-programme contributes to the 'Organisational Service Delivery Maintained' outcome. In contributing to the outcome, the Sub-programme planned the two outputs for the financial year under review, Assurance provided, and Consulting assignments completed. Internal Audit's assurance annual target was a Level 4 achievement which it achieved. The Sub-programme only achieved the quarters 1 (Level 1 being 30%) and 2 (Level 2 being 50%) targets and did not achieve those set for quarters 3 (Level 3 being 70%) and 4 (Level 4 being 100%).

The non-achievement was due to the fact that one of designated auditee departments (IT Unit) was not ready for a follow-up audit as remedial interventions to remedy previously identified control weaknesses (as per prior findings) were yet to be implemented. As a result, a decision was taken to defer the follow up and reprioritise the Internal Audit resources to conclude priority projects based on client requests. The approved

plan detailed 15 assurance projects, 11 of these being normal projects while 4 were cyclical projects. Approval was granted for the deferral of one project (IT Network Security Audit) to a later date as the previously reported issues were yet to be remediated by management. As of 31 March 2022, Internal Audit completed fourteen (14) of the fifteen (15) assurance projects, constituting an achievement level of 93,3% missing the target by 6.7 percentage points.

The target on consulting assignments was four (4) consulting assignments and/ or ad hoc projects. It was achieved and exceeded by six (6) as the Sub-programme concluded consulting assignments on ten (10) projects. The over achievement is attributed to the expansion of the client expectations and scope.

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the year under review and the previous year. The Internal Audit Sub-programme was allocated R15million for the year under review. The Sub-programme utilised R12million to deliver the two planned outputs. The underspending was attributable to staff costs (R1,7million) due to two vacancies, the Data Analytics Internal Auditor and the Senior Internal Auditor. Furthermore, the budget for consultants (R1,6million) could not be utilised due to the National Treasury's directive to halt the procurement processes.

SUB-PROGRAMME: INTERNAL AUDIT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Maintained organisational service delivery	Assurance provided	Level of assurance provided		Level 4	Level 4	Level 3	Level 4 required 100% completion of assurance, whilst Level 3 is 70%. Completed 93.3%, variance 6.7%	As recommended by AREDC, the use of panel of consultants has been considered and approved by EXCO to augment the Division's capacity and ascertain a broader audit coverage especially on regulatory work conducted by the Authority.
	Consulting assignments completed	Number of consulting assignments completed	4	21	4	10	6	Expansion of client's expectations and scope

SUB-PROGRAMME EXPENDITURE

PROGRAMME 1 SUB- PROGRAMME: INTERNAL AUDIT	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Internal Audit	14 487	12 098	2 388	15 572	12 002	3 569
Total	14 487	12 098	2 388	15 572	12 002	3 569

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Having considered the root cause for the under achievement, a mitigation plan has been developed. It includes the capacitation and support for the Internal Audit Sub-programme through a panel of experts and specialists for future needs.

The mitigation intervention is on the procurement plan for the 2022/2023 financial year. In respect of the consulting and ad hoc requests, a formal client request including expansion of scope shall be accompanied with a risk assessment by management and tabled at AREDC for approval. Upon receipt of AREDC approval, such requests will be considered amongst other priorities and resources.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The Sub-programme did not have any COVID -19 interventions planned for the year under review.

4.1.5 SUB-PROGRAMME: LEGAL RISK & CCC

Purpose: The Legal, Risk and Complaints and Compliance Committee sub-programme's primary role is to safeguard the Authority's interests and to ensure that all its actions and decisions are legally compliant with the Constitution, enabling legislation and other applicable laws. The ICASA Act provides that the actions, findings or decisions of the Authority are subject to judicial review. The sub-Programme advises the Authority and ensures that the Authority is properly represented in judicial reviews. The sub-Programme also promotes good governance through ensuring effective risk management, including fraud risk management, regulatory compliance and business continuity.

The sub-programme also supports the Complaints and Compliance Committee (CCC) in discharging its mandate as prescribed in terms of the ECA and the ICASA Act.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The LRCCC Sub-programme contributes to two outcomes in the Strategic Plan 2019/20 -2024/25 namely: 'Protection of Consumer Rights' and 'Organisational Service Delivery Maintained'. The contribution to the outcomes was done through the Sub-programme's five outputs planned for the year under review: Legal services provided to client within SLA turnaround times, Risk maturity of the organisation, Compliance maturity of the organisation, Cases assessed for adjudication by the Complaints and Compliance Committee (CCC), and Amendment of the CCC Regulations.

The Sub-programme has maintained last year's performance in the financial year under review by achieving all its planned targets. The performance can be attributed to the dedication of the employees within the Sub-programme in meeting the turnaround times set out in the Processes and Procedure Manuals and the CCC Handbook. In order to address its thin staff-complement, the Sub-programme augmented it by employing five (5) temporary staff. It allowed the Sub-programme to have the necessary capacity to deliver on its annual outputs.

In procurement of services, the Sub-programme endeavours to have on its panel of attorneys, service providers from the previously disadvantaged groups. In respect of the public interest value and in adherence to the application of the Batho Pele principle, the Sub-programme endeavours to ensure that consumers have access to the Administrative Tribunal of the sector and the complaints are redressed and adjudicated in a transparent and efficient manner.

SUB-PROGRAMME: LEGAL RISK & CCC								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Maintained organisational service delivery	Legal services provided to client within SLA turnaround times	Percentage of legal services provided to client within SLA turnaround times	85%	95%	80%	93%	13%	The overachievement is attributed to the Unit's consistency in meeting the turnaround times set out in the LRCCC Processes and Procedure Manual, and the provision of more resources with the appointment of three temporary specialists
	Risk maturity of the organisation	Risk maturity level of the organisation	Level 3	Level 3	Level 3	Level 3	None	None
	Compliance maturity of the organisation	Compliance maturity level of the organisation	Level 2	Level 2	Level 3	Level 3	None	None
	Cases assessed for adjudication by the Complaints and Compliance Committee (CCC)	Percentage of cases assessed for adjudication by the CCC in accordance with the CCC Handbook	100%	100%	90%	100%	10%	The overachievement is attributed to the Unit's consistency in meeting the turnaround times set out in the CCC Handbook.
Rights of Consumers Protected.	Amendment of the CCC Regulations	Number of amended CCC Regulations			1	1	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review as well as for the previous financial year. In delivering on the planned targets, the Sub-programme used R31million against the allocated budget of R40million. It was used for the appointment of external attorneys and consultants amongst other things.

The underspending of R8million was mainly due to lesser costs incurred (not related to spectrum matters) on litigation, regulatory matters and vacant posts.

SUB-PROGRAMME EXPENDITURE

PROGRAMME 1 SUB- PROGRAMME: LEGAL RISK & CCC	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Legal, Risk and Compliance	33 428	26 864	6 563	40 211	31 443	8 768
Total	33 428	26 864	6 563	40 211	31 443	8 768

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of under performance in the Sub-programme during the year under review, the Sub-programme managed to achieve on all its planned targets.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The continued interventions from the Crisis Management Committee through the implementation of adequate measures assisted in ensuring business continuity within the Authority. Throughout the year, assessments were conducted which involved controls such as rotational plans being implemented for all the Programmes, and it minimised the impact of the risk of infections within the Authority's premises.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
Within the allocated budget	Drafting amendments to the ICT National State of Disaster Regulations.	The Regulations apply nationally	Licenseses (i.e. Broadcasting, ECS and ECNS service providers); and the consumers	The public, including persons with disabilities	0	0	Legal services provided to client within SLA turnaround times.	Continued provision of ICT services to consumers
	Crisis Management Interventions	ICASA employees nationally	All ICASA employees	All categories of employees	0	0	Risk Maturity of the Organization.	Availability of tools of trade for business continuity for internal and external stakeholders

4.2 PROGRAMME 2: LICENSING AND COMPLIANCE

Purpose: To issue, renew, amend, and transfer broadcasting service, electronic communications service, electronic communications network service, postal service and radio frequency spectrum licenses; authorise use of numbering and other scarce resources; grant equipment type approval; authorize channels as well as licence exemptions for the purposes of facilitating socio-economic development and promotion of competition. This Programme also monitors compliance by licensees with licence terms and conditions, the requirements of the enabling legislation and underlying regulations.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Licensing and Compliance Programme is one of the core Programmes and contributes to three of the five outcomes stated in the Authority Strategic Plan 2019/20 – 2024/25, namely: 'Access to quality broadband Services Increased', 'Status of Social Cohesion (inclusive of Diversity of Views) enhanced', and 'Competition in the ICT Sector Promoted'. To contribute to the outcomes, the Programme

planned ten (10) outputs which included: Process to assign Broadband Spectrum completed, Process to develop Equipment Authorisations Regulations completed, and Elections monitoring plan to name three key outputs. The Programme managed to achieve all its ten (10) planned targets for the year under review.

The Programme led assignment of the IMT spectrum through an auction that concluded on 17 March 2022. The auction involved six qualified bidders and a total revenue of over R14.4 billion was raised for the national fiscus.

The Authority is mandated to regulate and monitor Party Elections Broadcasts ("PEBs"), Political Advertisements ("PAs") and the equitable treatment of political parties by broadcasting Licensees during the election period by the ECA. In the year under review, the Authority successfully implemented its Elections monitoring plan with respect to the 2021 Municipal elections.

The Authority also completed the process to develop the Equipment Authorisations Regulations designed to facilitate competition in the ICT sector by developing a more robust and accessible regulatory framework that is responsive to the dynamic ICT sector and achieve the objectives of the ECA.

PROGRAMME 2: LICENSING AND COMPLIANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Access to quality broadband services increased	Process to assign Broadband Spectrum completed	Percentage of the process to assign broadband spectrum completed	10%	0%	100%	100%	None	None
Competition in the ICT Sector promoted	Process to develop Equipment Authorisations Regulations completed	Percentage of the process to develop the Regulations on Equipment Authorisations completed	100% (conformity assessment framework for Equipment Authorisation Developed)	50% (Publication of draft Regulations on Equipment Authorisation)	100%	100%	None	None
Competition in the ICT Sector promoted	Process to review the Numbering Plan Regulations	Percentage of the process to review the Numbering Plan Regulations completed			50%	50%	None	None
Competition in the ICT Sector promoted	Process to amend Standard Terms and Conditions Regulations for Individual Licences	Percentage of the process to amend the Standard Terms and Conditions Regulations for Individual Licences completed			50%	50%	None	None

PROGRAMME 2: LICENSING AND COMPLIANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Competition in the ICT Sector Promoted	Process to amend Processes and Procedures Regulations for Individual Licences	Percentage of the process to amend Processes and Procedures Regulations for Individual Licences completed			50%	50%	None	None
Status of Social Cohesion, Diversity and Plurality of Views enhanced	Process on the Licensing of digital community television broadcasting services on MUX 1 completed	Percentage of the process for licensing of digital community television broadcasting services on MUX 1 completed	25%	50%	100%	100%	None	None
Competition in the ICT Sector Promoted	Process on the Licensing of an Individual Electronic Communications Network Service completed	Percentage of the process for licensing of an Individual Electronic Communications Network Service Licence completed	25%	50%	100%	100%	None	None
Status of Social Cohesion, Diversity and Plurality of Views enhanced	Process on the Licensing of Commercial Sound broadcasting services in the Northern Cape completed	Percentage of the process on the Licensing of Commercial Sound broadcasting services in the Northern Cape completed			50%	50%	None	None
Broadcasters' compliance monitored	Elections monitoring plan achieved	Percentage of Elections monitoring plan implemented			50%	50%	None	None
Access to quality broadband services increased	Final specifications for connectivity of TVET campuses and Community Education and Training sites developed	Percentage of the Process to develop final specifications for connectivity of TVET campuses and Community Education and Training sites completed			100%	100%	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review and the previous financial year. The Licencing and Compliance Programme was allocated R70million for the year under review. The Programme used R60million of the allocated funds to achieve its planned outputs for the financial year, which included conducting of the auction process of the IMT spectrum and the gazetting/publishing amongst other planned activities.

Under spending was mainly due to the following: Moratorium on vacant budgeted posts, travel costs which could not be incurred due to less travel because of COVID – 19 and planned consultancy assignments which could not be executed.

PROGRAMME EXPENDITURE

PROGRAMME 2: LICENSING AND COMPLIANCE	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Licensing and Compliance	69 531	66 658	2 872	70 856	60 648	10 208
Total	69 531	66 658	2 872	70 856	60 648	10 208

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of under performance in the Programme during the financial year under review, the Programme managed to achieve all its targets on planned outputs.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The Authority promulgated the ICT COVID-19 National State of Disaster Regulations in Government Gazette Number 43207 dated 6 April 2020 ("the Regulations"). The purpose of the Regulations was to prescribe minimum standards that Licensees would adhere to during the subsistence of the National State Disaster in order to –

- (a) facilitate the dissemination of information required for dealing with the National Disaster.
- (b) enable the facilitation of the national response to the National Disaster and post-disaster recovery and rehabilitation.
- (c) enable implementation of measures that may be necessary to prevent an escalation of the National Disaster or to alleviate, contain and minimise the effects of the National Disaster; and
- (d) ensure that there is continuation of the provision of services in the Republic.

Five (5) special event licences for community sound broadcasting services and associated radio frequency spectrum were issued in quarter one of the 2020-21FY which enabled their respective communities to get COVID -19 information through radio. The licences remained valid throughout the 2021/22 FY.

Learners across the country received education programmes through the Educational TV channels that were authorised for broadcast: SABC, On-Digital Media and Multichoice since quarter one of 2020-21FY. The authorisation remained valid for the 2021/22FY.

On 22 September 2020, the Authority published a notice in Government Gazette No. 43729 to

mandate short code "139" in terms of regulation 4(3) for COVID-19 national emergency services during the National State of Disaster. The COVID-19 national emergency services centre is accessed either by call or short messaging services (SMS), through the service code. No charges are incurred by the caller, sender, or between service providers in line with paragraph 10.2 of the Electronic Communications, Postal and Broadcasting Directive issued Under Regulation 10.8 of the Disaster Management Act of 2002 (Act 57 of 2002), as amended.

Five (5) temporary Radio Frequency Spectrum licences were issued in the high demand spectrum bands and three authorisations granted for the use of Television White Spaces in quarter one of 2020-21FY. The Authority resolved, through various amendment regulations, to extend access to the temporary assigned spectrum to 30 November 2021. The Authority further amended the Regulations to require holders of temporary assigned spectrum to provide connectivity to virtual classrooms for a period of up to 17 months from the date of confirmation of deployment. The assigned temporary spectrum continued to ensure continued service provision during the quarter under review by enabling operators to maintain a good quality service and create space for innovative deployment of services.

On 11 November 2021, the Authority published the ICT COVID-19 National State of Disaster Regulations, 2021 which repealed the 2020 Regulations. In addition to prescribing the minimum standards that Licensees must adhere to during the National State of Disaster, which was declared on 15 March 2020, they invited applications for the provisional assignment of a radio frequency spectrum after the expiry on 30 November 2021 of the assignments made in terms of the 2020 Regulations.

The Authority received applications and subsequently awarded the spectrum as follows:

- i. Four (4) applications for provisional radio frequency spectrum assignment in the IMT700 band were received from: MTN, Telkom, Vodacom and Rain Networks and all four applicants were assigned a spectrum within the band.

- ii. Five (5) applications for provisional radio frequency spectrum assignment in the IMT800 band were received from: MTN, Telkom, Vodacom, Rain Networks and Cell C. A spectrum was assigned to MTN, Telkom, Vodacom and Cell C.
- iii. One (1) application for a provisional radio frequency spectrum assignment in the IMT2300 band was received from Telkom, which was subsequently assigned all available spectra in the band.
- iv. Five (5) applications for provisional radio frequency spectra assignment in the IMT2600 band were received from: Telkom, MTN, Vodacom, Rain Networks, and Cell C. All five (5) applicants were assigned spectra in the band; and
- v. Five (5) applications for provisional RFS assignments in the IMT3500 band were received from: Telkom, MTN, Vodacom, Liquid Intelligent Technologies, Rain Networks and Cell C and all five (5) applicants were assigned spectra in the band.

The above assignments and corresponding licences remain valid until 30 June 2022.

The Authority issued forty-three (43) type approval certificates in terms of the ICT COVID-19 Regulations, to support access to both high demand spectra and Television White Space (TVWS). The type approvals have enabled the incumbent spectrum Licensees to deploy new network infrastructure to increase capacity of their constrained networks. The above-mentioned type approval certificates remain valid until 30 June 2022.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
Within the allocated budget	Issued 5 special event licences (service and radio frequency spectrum licences)	Mpumalanga, Free State and Eastern Cape	Beneficiaries in Mpumalanga, Free State and Eastern Cape	All South African Citizens	N/A	N/A	N/A	Communities able to get Covid-19 information through radio
	Authorised educational TV channels for SABC, On-Digital Media and MultiChoice	National	All Leaners able to get educational programmes during lockdown	All South African Citizens	N/A	N/A	N/A	Leaners able to get educational programmes during lockdown.
	Issued 5 temporary Radio Frequency Spectrum licences in the high demand spectrum bands, including waiver of spectrum fees	National	All users of ICT services	All South African Citizens	N/A	N/A	N/A	Access to broadband services during Covid-19 National Lockdown, including Schools' internet connectivity
	Issued 3 Authorisations for the use of Television Whites Spaces	KwaZulu Natal, Eastern Cape (King Sabata Dalindyebo Local Municipality)	Beneficiaries in KwaZulu Natal, Eastern Cape (King Sabata Dalindyebo Local Municipality)	All South African Citizens	N/A	N/A	N/A	Access to broadband services during Covid-19 National Lockdown, in the under-served areas.
	Developed and published the National ICT National State of Disaster Regulations	National	All users of ICT services	All South African Citizens	N/A	N/A	Developed and published the National ICT National State of Disaster Regulations and subsequent amendments	Regulatory Relief to Licensees during Covid-19 National Lockdown. Provided framework for temporary licensing of IMT Spectrum

4.3 PROGRAMME 3: POLICY RESEARCH AND ANALYSIS

Purpose: To conduct research and policy analysis into all the regulatory sectors in line with the mandate of the Authority.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The Policy, Research and Analysis Programme ("PRA") is one of the core Programmes and contributes to three of the five planned outcomes in the Authority's Strategic Plan 2019/20 – 2024/25, namely: 'Status of Social Cohesion (inclusive of Diversity of Views) enhanced', 'Rights of Consumers Protected', and 'Competition in the ICT Sector Promoted'. In the year under review, work was done towards the achievement of the outcomes by executing the nine (9) outputs of which it delivered eight (8).

The Programme ("PRA") embarked on the review of the Must-Carry Obligations with a view to assess the impact and relevance of the obligation on both broadcasters and audiences in the context of current market and technological trends. The project was successfully completed with the publication of the Must-Carry Amendment Regulations, 2022. The Must-Carry Amendment Regulations enhances social cohesion, diversity and plurality of views.

The Programme successfully executed the following four (4) projects aimed at protecting the rights of consumers:

- (a) SAPO tariffs – aims to protect the rights of consumers by ensuring affordable postal services in the reserved postal services market by regulating and monitoring prices charged by SAPO in each financial year.
- (b) Regulations on customer care in the postal sector – deals with customers care standards in the postal sector – to ensure that postal services cater for the needs of, inter alia, people with disabilities.
- (c) Bi-annual tariff analyses reports which promote the transparency of telecommunications tariffs charged by licensed operators to assist consumers to make better choices; and

- (d) Findings document on Regulations relating to the definition of advertising and the regulation of Infomercials and Programme Sponsorships in respect of Broadcasting Activities, which aims to protect viewers from both excessive advertising in programming and from surreptitious advertising.

The Programme also successfully executed the following three (3) projects aimed at promoting competition in the ICT sector:

- (a) Findings document on the review of the 2018 Call Termination Regulations – Call Termination rates regulations promote effective competition between operators and the reduction in the call termination rates has benefited consumers as the lower rates are passed on though lower voice call rates.
- (b) Discussion document on Signal Distribution Services – aims to analyse the competitive landscape in the signal distribution market considering the importance of the signal distribution services as an input for the provision of broadcasting services; and
- (c) Regulations on Mobile Broadband Services Market - aims to address competition concerns in the mobile broadband service market.

The Inquiry into Subscription Broadcasting Television Services project was not completed. It was decided that, based on ongoing developments in what is a rapidly changing market, the consultation process in respect of the Inquiry must be extended into the 2022/23 financial year. The project has been included in the Annual Performance Plan for the 2022/23 financial year.

Two out of the nine projects address the needs of children and people with disabilities. The projects are Regulations on customer care in the postal sector and Findings Document on Regulations relating to the definition of advertising and the regulation of Infomercials and Programme Sponsorships in respect of Broadcasting Activities.

PROGRAMME 3: POLICY RESEARCH AND ANALYSIS								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Status of Social Cohesion, Diversity and Plurality of Views enhanced.	Final regulations on the Must Carry obligations	Number of final regulations on the Must Carry Obligations developed	0	1	1	1	None	None
Rights of Consumer Protected.	SAPO tariffs approved	Number of SAPO tariffs approved	1	1	1	1	None	None
Rights of Consumer Protected.	Final regulations on customer care in the postal sector developed	Number of final regulations on customer care in the postal sector developed		1	1	1	None	None
Rights of Consumers Protected.	Findings documents on Regulation relating to the definition of advertising and the regulation of Infomercials and Programme Sponsorship in Respect of Broadcasting Activities	Number of findings documents on Regulation relating to the definition of advertising and the regulation of Infomercials and Programme Sponsorship in Respect of Broadcasting Activities developed	1	1	1	1	None	None
Rights of Consumers Protected.	Bi-annual tariff analysis	Number of bi-annual tariff analyses developed	2	2	2	2	None	None
Competition in the ICT Sector Promoted	Draft regulations on subscription television broadcasting market	Number of draft regulations on subscription television broadcasting market developed	1	0.8	1	0	-1	The Draft Regulations were produced and considered by Council. However, given the changes in the market dynamics further consideration is required on the data on which the draft regulations and findings document are premised. The committee will workshop the Council on the findings of the inquiry in Q1 of the 2022/23 FY.
Competition in the ICT Sector Promoted	Review of 2018 Call Termination Regulations	Number of 2018 Call Termination Regulations reviewed			1	1	None	None
Competition in the ICT Sector Promoted	Discussion document on Signal Distribution Services	Number of Discussion documents on Signal Distribution Services produced			1	1	None	None
Competition in the ICT Sector Promoted	Final Regulations on Mobile Broadband Services Market	Number of Final Regulations on Mobile Broadband Services Market promulgated	1	1	1	1	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review and the previous financial year. The Programme was allocated R22million for the year under review. The Programme has spent in line with the budget to achieve its planned outputs for the financial year. The main expenditure was on the publications, public hearing and appointment of consultants.

PROGRAMME EXPENDITURE

PROGRAMME 3: POLICY RESEARCH AND ANALYSIS	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Policy Research & Analysis	25 337	21 374	3 963	22 609	22 255	353
Total	25 337	21 374	3 963	22 609	22 255	353

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Council Committee on Subscription Television Broadcasting conducted a workshop with Council wherein Council was appraised on the findings and draft regulations of the Subscription Television Broadcasting. It was then decided that the project should be "rebooted" to take into consideration the changes in the market and the policy framework. The project has been included in the APP for the 2022/23 financial year.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The ICT Covid-19 National Disaster Regulations, which relaxed the timelines required from licensees to notify the Authority of any tariffs which are aimed at supporting consumers during the COVID-19 pandemic, from 7 days to 1 day, have continued to allow the licensees the flexibility to respond to the challenges brought about by the lockdown for the benefit of consumers.

PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
Prioritisation within allocated funds	Allowing Operators to launch COVID-19 related products and services within 24 hours of Notification instead of 7 days.	National	All consumers of communications services	All consumers of communications services	0	0	Bi-annual tariff analysis (Rights of Consumer Protected)	Reduced prices, increased quality of service and consumer choice. A total 226 notifications were filed using the ICT COVID-19 Regulations

4.4 PROGRAMME 4: ENGINEERING AND TECHNOLOGY

Purpose: To develop, coordinate and manage the regulatory framework for management of a radio frequency spectrum including development of equipment technical standards and representing ICASA at international regulatory forums.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Engineering and Technology (E&T) is one of the core Programmes and contributes to three of the five planned outcomes in the ICASA's Strategic Planning 2019/20 – 2024/25, namely: 'Access to quality Broadband Services Increased', 'Status of Social Cohesion (inclusive of Diversity of Views) enhanced', and 'Rights of Consumers Protected'. During the financial year under review, the Programme delivered seven (7) outputs out of ten (10) planned, namely, National Radio Frequency Plan Updated, Radio Frequency Migration plan implemented, IMT Roadmap implemented, Migration of the Reference Geolocation Spectrum Database completed, Recommendations towards enabling South Africa's uptake of 5G technologies produced, Discussion Document for Optimisation of the Frequency Modulation Sound Broadcasting produced and Provinces Monitored for Quality of Service.

The National Radio Frequency Plan updated, Frequency Migration Plan implemented and IMT Road Map implemented outputs culminate in regulatory frameworks that enable access to broadband wireless services and improved quality of services by consumers. They contribute to South Africa's access to quality broadband services increased outcome. The Programme published updated National Radio Frequency Plan on 25 March 2022 (Government Gazette No. 46088 (Notice 911 of 2022)), Notice on consultation on implementation of frequency migration plan on 24 December 2021 (Government Gazette No. 45690 (Notice 739 of 2021)) and Draft Radio Frequency Spectrum Assignment Plans (RFSAPs) for IMT on 31 March 2022 (Government Gazette No. 46160 (Notices 1961 to 1970)).

The Reference Geolocation Spectrum Database was hosted by the Council for Scientific and Industrial Research (CSIR) for a period of 3 years and handed over to the Authority in the 2012-22FY. The migration of the reference geolocation database enabled the system and services to be under the Authority's Information Technology platform. Migration was conducted by the Authority team and the CSIR. In line with the Technical Indicator Description (TID) for the output, the Programme produced a Handover Report on the migration of the Reference Geo-location Spectrum Database and the report considered by Council on 28 March 2022. The achievement ensures continued access to broadband wireless services using TV whitespaces.

Fifth Generation Technology (5G) is one of those emerging ICT technologies that will have a positive impact on improved societal services and disruptive effect on several key industries. South Africa stands to benefit from the 5G wave early and has already begun a 5G Forum with public and private sector participation. Recommendations towards enabling South Africa's uptake of 5G technologies are aimed at providing guidance to the Authority for the improvement of 5G deployments. In line with the Technical Indicator Description (TID) for the output, the Programme produced Recommendations towards enabling South Africa's uptake of 5G technologies and were considered by Council on 29 March 2022. The recommendations promote the deployment of high-capacity mobile networks to enable access to high quality broadband services.

The Migration of the Reference Geolocation Spectrum Database and the Recommendations towards enabling South Africa's uptake of 5G technologies delivered contribute towards South Africa's access to the increased outcome of quality broadband services.

In line with the TID for the Discussion Documents for Optimisation of the Frequency Modulation Sound Broadcasting produced output, the Programme published a Discussion Document (Government Gazette No. 46152 (Notice 1957 of 2022)) on 31 March 2022.

The delivery of the Optimisation of the Frequency Modulation Sound Broadcasting output contributes to the Social Cohesion, Diversity and Plurality of Views enhanced outcome as the output will increase the amount of Spectrum to be availed for the Triple Tiers of Broadcasting (i.e. Public, Commercial and Community Broadcasting) in future.

The Programme exceeded the set target of planned six (6) Provinces monitored for Quality-of-Service output. The Programme monitored seven (7) provinces for Quality-of-Service. The monitoring was aimed at assessing the performance of voice and data services by the

Mobile Network Operators. Six (6) provinces were monitored by a consultant appointed by the Authority. An additional monitoring was conducted in Gauteng province by the Authority's team. This achievement has contributed to the protection of rights for the telecommunication services and to increased customer satisfaction for the customers. Furthermore, the output delivered ensured compliance with the provisions of End-User Subscriber Service Charter Regulations by the Mobile Network Operators in respect of quality of service for voice and data offered to consumers by mobile network operators.

PROGRAMME 4: ENGINEERING AND TECHNOLOGY								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Access to quality Broadband Services Increased	National Radio Frequency Plans updated	Percentage of the National Radio Frequency Plan updated	100%	0%	100%	100%	None	None
	Radio Frequency Migration plan implemented	Percentage of Radio Frequency Migration plan implemented			50%	50%	None	None
	IMT roadmap implemented	Percentage of IMT roadmap implemented	100%	0%	75%	75%	None	None
	Migration of the Reference Geolocation Spectrum Database providers completed	Percentage of the Migration of the Reference Geolocation Spectrum Database completed		50%	100%	100%	None	None
	Network Performance Management System (NPMS) developed	Percentage of Network Performance Management System developed		0%	40%	0%	-40%	The bid was advertised as a Multi-Modular Compliance system in which NPMS is one of the modules of the proposed system. The BEC recommended bidder has proposed two pricing models which are revenue sharing and upfront purchase. After Supply Chain engagement with the National Treasury, the National Treasury was not in support of the revenue sharing model, and the upfront purchase bid price was much higher than the project budget.
	Recommendations towards enabling South Africa's uptake of 5G technologies produced.	Number of recommendations produced, towards enabling South Africa's uptake of 5G technologies		2	1	1	None	None

PROGRAMME 4: ENGINEERING AND TECHNOLOGY								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Status of Social Cohesion, Diversity and Plurality of Views enhanced.	Discussion Document for Optimisation of the Frequency Modulation Sound Broadcasting produced	Number of Discussion Documents for Optimisation of the Frequency Modulation Sound Broadcasting		1	1	1	None	None
Rights of consumers protected	Spectrum Monitoring capacity (sites) commissioned	Number of fixed spectrum Monitoring sites around Karoo Central Astronomy Advantage Area (KCAAA) commissioned		1	4	0	-4	The BAC requested verification of the bidders' reference letters. However, there was a delay in receiving responses from some of the bidders' referees. Consequently, this resulted in delays with the appointment of service provider and contract finalisation
	Provinces monitored for Quality of service	Number of provinces monitored for Quality of Service		4	6	7	1	There was an additional province monitored.
Access to quality broadband Services Increased	Regulations on Rapid Deployment as required under Chapter 4 of the ECA completed	Number of Draft Regulations on Rapid Deployment as required under Chapter 4 of the ECA completed			1	0	-1	The Minister had not finalised the Policy and Policy Direction contemplated in Chapter 4 of the ECA. In terms of the ECA, the Regulations must follow only after promulgation of the Policy and Policy Direction.

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review as well as for the previous financial year. Actual expenditure of R14million (68.8%) was spent to date against the full year funds available of R20million towards the delivery of the planned outputs. The underspending of R6million (31.2%) was mainly due to some of the work performed by appointed services providers spanning over a 2-year period with the remainder of deliverables being due in the 2022-23FY. Funds have been budgeted to deliver the remaining projects' deliverables in 2022/23FY.

PROGRAMME EXPENDITURE

PROGRAMME 4: "ENGINEERING AND TECHNOLOGY	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Engineering and Technology	21 887	15 349	6 537	20 865	14 358	6 507
Total	21 887	15 349	6 537	20 865	14 358	6 507

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Programme did not achieve the annual targets set for three (3) outputs out of ten (10), namely, Network Performance Management System (NPMS) developed, Spectrum Monitoring capacity (sites) commissioned, and Regulations on Rapid Deployment as required under Chapter 4 of the ECA completed.

Non-achievement of Network Performance Management System (NPMS) developed, and Spectrum Monitoring capacity (sites) commissioned outputs targets was due to supply management challenges:

- The bid was advertised as a Multi-Modular Compliance system in which NPMS is one of the modules of the proposed system. The Bid Evaluation Committee recommended bidder had proposed two pricing models which are revenue sharing and upfront purchase. After Supply Chain engagement with the National Treasury, the National Treasury was not in support of the revenue sharing model, and the upfront purchase bid price was much higher than the project budget.
- The bid to procure NPMS as part of the multi-Modular will be re-advertised as advised by National Treasury during the 2022/23 financial year.
- The Bid Adjudication Committee requested verification of the bidders' reference letters, in relation to the bid for Spectrum Monitoring capacity (sites) commissioned output. However, there was a delay in receiving responses from some of the bidders' referees. Consequently, this resulted in delays with the

appointment of service provider and contract finalisation.

- The contracting process was finalised during Q4 of the 2021/22 FY and the appointed service provider is to commence the work during Q1 of the 2022/23 FY. It is envisaged that the installation of the 4 sites, commissioning and final On-Site Acceptance Test will be completed in Q4 of 2022/23 FY.

Non-achievement of the Regulations on Rapid Deployment target as required under Chapter 4 of the ECA completed was due to non-finalisation of the Policy and Policy Direction contemplated in Chapter 4 of the ECA. In terms of the ECA, the Regulations must follow only after promulgation of the Policy and Policy Direction. The project deliverables were deferred to the 2022/23 FY. It is anticipated that the Policy and Policy Direction will be finalised during quarter one of the 2022/23 FY.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

In terms of the National State of Disaster Regulations, licensees are required to notify the Authority regarding new installations of electronic communications facilities during the period of the National State of Disaster on their networks. This gives the Authority a picture or an indication of the network infrastructure expansion and the usage of the spectrum. A list of sites where the electronic communications facilities are deployed, including applicable technical parameters such as site GPS coordinates, radio frequency channels and technology deployed were monitored on a quarterly basis. Most of the operators made new installations of electronic communications facilities.

BUDGET PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP	IMMEDIATE OUTCOMES
Prioritisation within allocated funds	Mapping of ICT infrastructure deployment: Two licensees (Telkom and Vodacom) reported deployment of ICT infrastructure and were mapped	National	All South African Citizens And Licensees	All South African Citizens And Licensees	0	0	Access to quality Broadband Services Increased	Improved capacity in the network, which leads to better quality of service

4.5 PROGRAMME 5: REGIONS AND CONSUMER AFFAIRS

Purpose: To enable unimpeded national provision of electronic communications, broadcasting and postal services through compliance monitoring and enforcement.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Regions and Consumer Affairs is one of the core Programmes and contributes to two of the five planned outcomes in the ICASA's Strategic Plan 2019/20 – 2024/25, namely: 'Rights of Consumers Protected', and 'Organisational Service Delivery Maintained'. In the year under review, work was done towards realisation of the outcomes by working towards delivery of four (4) outputs namely, Reported Radio Frequency interference cases resolved in 30 working days, Processed licence applications / registrations within turn-around time, Consumer complaints resolved, and Consumer Advisories provided to ICASA by the Consumer Advisory Panel (CAP). All four outputs were delivered successfully.

The Regions and Consumer Affairs Programme's mandate is enforcement to protect consumers against harmful business practices by licensees and illegal operators within the sector. This is achieved by ensuring resolution of reported cases of interference and conducting of inspections on licensees to ensure that they adhere to consumer protection regulations. The Programme resolved ninety-nine percent (99%) of Radio Frequency Interference cases within 30 working days.

The Programme also achieved level 2 of service delivery with respect to license applications and registrations processed within turn-around

time. Ninety-nine (99%) of Class ECS/ECNS and/or unreserved postal license applications were processed within 30 working days (new, amendments, transfer, renewal, and exemptions applications); ninety-nine percent (99%) of pre-assigned applications were processed within 15 working days; hundred percent (100%) of Maritime Mobile Service Identify (MMSI) numbers issued within 7 working days and ninety-eight percent (98%) of type approval applications processed within 30 working days

The Programme also managed to resolve ninety-five percent (95%) of complaints received during the financial year.

The set target on resolution of consumer complaints was eighty-seven percent (87%) during the financial year, however, the Programme managed to overachieve on the target with an eight percentage points (8%) margin despite the many complaints received during the financial year.

The CAP which the Programme supports also achieved its target. It provided its annual advisory to the Authority as expected. The CAP did engage with the organisations for persons with disabilities and visited schools for persons with disabilities in order to understand the broader challenges they face in relation to Telecommunication, Broadcasting and Postal services in South Africa.

The Programme also led the review and amendment process on the Code for Persons with Disabilities. The Code will be coming into effect in October 2022 and will bring a lot of developments aimed at addressing challenges faced by persons with disabilities. One of the most important services the regulations will bring into the country is the National Relay System (NRS) which will ensure that the service needs of persons with disabilities are addressed through the NRS centre, once operational.

PROGRAMME 5: REGIONS AND CONSUMER AFFAIRS								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Rights of consumers protected	Reported Radio Frequency interference cases resolved in 30 working days	Percentage of reported Radio Frequency interference cases resolved in 30 working days	96%	99.5%	97%	99%	None	None

PROGRAMME 5: REGIONS AND CONSUMER AFFAIRS								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATION
Maintained organisational service delivery	Processed licence applications / registrations within turn-around time	Level of service delivery with respect to Licence applications / registrations processed within turn-around time			Level 2	Level 2	None	None
Rights of consumers protected	Consumer complaints resolved	Percentage of consumer complaints resolved	96%	95%	87%	95%	None	None
	Consumer Advisories provided to ICASA by the Consumer Advisory Panel	Number of Advisories produced by CAP for consumer protection	1	1	1	1	None	None

LINKING PERFORMANCE WITH BUDGETS

The table below depicts expenditure against allocated budget for the financial year under review and the previous financial year. The Regions and Consumer Affairs Programme spent R82million against the allocated R112million for the year under review. Under spending of R29million was recorded mainly due to the moratorium on vacant posts, and non-expenditure on travel costs and protective clothing

PROGRAMME EXPENDITURE

PROGRAMME 5: "REGIONS AND CONSUMER AFFAIRS"	2020/2021			2021/2022		
	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000	FINAL APPROPRIATION R'000	ACTUAL EXPENDITURE R'000	(OVER)/UNDER EXPENDITURE R'000
Regions and Consumer Affairs	101 704	81 423	20 280	112 041	82 561	29 479
Total	101 704	81 423	20 280	112 041	82 561	29 479

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of under performance in the Programme during the year under review, the Programme managed to deliver on all its planned outputs. Strategies were employed during the year under review which ensured success will be carried into the 2022/23FY.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The Programme did not have any COVID-19 Interventions planned for the year under review.



5. TRANSFER PAYMENTS

The Authority's grant is received on a quarterly basis from the (DCDT). A total amount of R 459 990 000 relating to the normal grant was received cumulatively in the fourth quarter from the DCDT and was in line with the annual drawdown schedule. It represented one hundred percent (100%) of the full year allocation. Stringent financial measures were in place to provide necessary controls to

further enable monthly and quarterly reporting and compliance with section 38 of the PFMA and its sub-sections.

A second tranche of R48 200 000 was received in the first quarter as part of the ring-fenced funding towards the licensing of the IMT Spectrum project and WOAN licensing.

NAME OF PUBLIC ENTITY	KEY OUTPUTS OF THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY	AMOUNT SPENT BY THE PUBLIC ENTITY	ACHIEVEMENTS OF THE PUBLIC ENTITY
ICASA	Process to assign broadband spectrum completed	508.190 mil	441.767 mil	High demand spectrum that generated R14.4 billion for the national fiscus.
	Licensing of digital community television broadcasting services on MUX 1 completed.			Licensing of digital community television broadcasting services on MUX 1 completed.
	Licensing of Commercial Sound broadcasting services in the Northern Cape completed			Licensing of Commercial Sound broadcasting services in the Northern Cape completed
	2 Bi-annual tariff analyses developed			2 Bi-annual tariff analyses completed
	6 Provinces monitored for Quality of Service			7 Provinces monitored for Quality of Service
	Regulations on pricing of reserved postal services reviewed.			Gazetted regulations on pricing of reserved postal services
	Licensing revenue collected			R2.1 billion of licensing revenue collected
	Advanced Spectrum Management System (ASMS) developed			ASMS fully developed.
	Recommendations towards enabling South Africa's uptake of 5G technologies produced.			Recommendations towards enabling South Africa's uptake of 5G technologies produced.

CHALLENGES:

- Incessant litigation by operators
- Inadequate resources due to the Authority's funding model.
- Inevitable external dependencies on certain outputs that the Authority must deliver.
- Turnaround times on Councillors' appointment into office.



6. CONDITIONAL GRANTS

The Authority has not received any conditional grants during the year under review.



7. DONOR FUNDS

The Authority has received a conditional grant of R48.2 million from the DCDT



8. CAPITAL INVESTMENT

The Authority did not make any capital investments during the year under review.

PART C

GOVERNANCE



INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance about public entities is applied through the precepts of the PFMA and run in tandem with the principles contained in the King Report on Corporate Governance.

THE ACCOUNTING AUTHORITY

The Council of ICASA acts as the Accounting Authority and is accountable to the Executive Authority. The Council provides leadership and is responsible for monitoring the implementation by management of its decisions and strategies. The Council ensures that ICASA adheres to good governance practices and that it complies with all relevant legislation and underlying statutes.

Regulatory role

- Licensing of electronic communications
- Licensing of broadcasting services
- Licensing of postal services
- Development of regulations for all regulated sectors

GOVERNANCE ROLE

- Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the Minister and Parliament, as well as other stakeholders along corporate governance principles;
- Provide effective leadership on an ethical foundation;
- Ensure that ICASA is, and is seen as, a responsible organisation by having regard to not only the financial and regulatory aspects of ICASA, but also the impact ICASA's operations have on the environment and the society within which it operates;
- Ensure that ethics are effectively managed within ICASA;
- Ensure that ICASA has an independent and effective Audit, Risk, Ethics and Disclosures Committee;

- Responsible for the governance of risk;
- Responsible for information technology governance;
- Ensure that ICASA complies with applicable laws and considers adherence to non-binding rules and standards;
- Ensure that there is an effective risk-based internal audit;
- Appreciate that stakeholders' perceptions affect ICASA's reputation;
- Ensure the integrity of ICASA's integrated report;
- Act in the best interests of ICASA by ensuring that individual Councillors adhere to legal standards of conduct;
- Ensure that ICASA Council and Councillors take independent advice in connection with their duties following an agreed procedure;
- Disclose real or perceived conflicts to Council and deal with them accordingly;
- Appoint and evaluate the performance of the CEO;
- Ensure that disputes, including labour disputes, are resolved effectively, efficiently and expeditiously;
- Monitor management in implementing Council decisions and strategy; and
- Develop ICASA's strategy and vision.

THE COUNCIL CHARTER

The Council of the Authority endorses the principles recommended in the King Code of Good Governance. The Council applies these principles where appropriate and applicable, on the condition that the King Code is not in contravention with constitutional and legislative mandates. The Council has an approved Council Charter that sets out policies to guide it, as well as the management and staff to effectively discharge their duties.

The Council Charter outlines:

- The demarcation of roles, responsibilities and powers of the Chairperson;
- Councillors and the Chief Executive Officer;
- Powers delegated to various committees of the Authority;

- Matters reserved for final decision-making by Council; and
 - Roles and procedures of meetings of Council and its committees.
- ICASA Councillors are appointed through a public parliamentary process outlined in the ICASA Act. The term of office of the Chairperson is five years and that of Councillors is four years.

COMPOSITION OF COUNCIL

NAME	DATE APPOINTED	QUALIFICATIONS	NO. OF COUNCIL MEETINGS ATTENDED
Dr Keabetswe Modimoeng (Chairperson)	15/09/2020	<ul style="list-style-type: none"> • PhD (Management Sciences) • MBA • Certificate in Applied Project Management (Cum Laude) • National Diploma in Public Relations Management 	
Palesa Kadi¹	26/09/2017	<ul style="list-style-type: none"> • MA in Visual and Heritage Studies • BA (Honours) in Political Studies and Comparative Economic Systems • BA in Political Studies • Advanced Post-Graduate Diploma in Public and Development Sector Monitoring and Evaluation • Certificate in Scenario Planning 	
Yolisa Kedama	15/09/2020	<ul style="list-style-type: none"> • MA in ICT Policy and Regulation • BSc (Applied Mathematics and Chemistry) • National Diploma in Electrical Engineering • Certificate in Financial Management • Certificate in Project Management 	
Dr Charley Lewis	24/08/2020	<ul style="list-style-type: none"> • PhD (Information and Communications Technologies) • M.Comm in Management of Information Systems • BA Hons in English • Higher Education Diploma • Published author, with his book, Regulating Telecommunications in South Africa: Universal Access and Service (Palgrave Press, 2020) following on from the research for his award-winning PhD thesis. 	
Adv. Luthando Simphiwe Mkumatela	01/09/2020	<ul style="list-style-type: none"> • LL.M in International Law • LL.M in Aviation and Space Law • Certificate in Telecommunications Regulation 	
Adv. Dimakatso Qocha²	21/09/2017	<ul style="list-style-type: none"> • LLB degree • Postgraduate Diploma in Interpretation and Drafting of Contracts • Certificate in Telecommunications Policy, Regulation and Management • Certificate in Broadcasting Policy, Regulation and Management 	
Thembeke Semane³	01/02/2018	<ul style="list-style-type: none"> • Post Graduate Diploma in Business Administration • BCom in Accounting • Certified Associate of the Institute of Bankers 	
Peter Zimri	24/08/2020	<ul style="list-style-type: none"> • MA in ICT Policy and Regulation • Holds various electronic-engineering qualifications and credits in telecommunications and broadcasting 	

	First name	Date engaged	Date terminated
1	Adv. Dimakatso Qocha	2017/09/21	2021/11/25
2	Ms Palesa Kadi	2017/09/26	2021/11/29
3	Ms Thembeke Semane	2018/02/01	2022/01/31

DETAILS OF COUNCIL-LED REGULATORY PROJECTS FOR 2021/22 FY

DIVISION	PROJECT	PROJECT SUMMARY
Licensing	Licensing of broadband spectrum	This is a multi-year project which aims to license IMT spectrum. The process was initiated by the publication of the Invitation to Apply on 10 December 2021. The process was concluded by the Project Closure Report in the 2021/22 FY.
	Licensing of an Individual Electronic Communications Network Service	This project is a multi-year project through which the Authority seeks to licence an Individual Electronic Communications Network Service Licence ("I-ECNS") and Radio Frequency Spectrum ("RFS") Licence for the purpose of providing Wireless Open Access Network ("WOAN") Services. The process was initiated by the publication of the Invitation to Apply (ITA) in the 2020/21 FY. The process was concluded by the Report regarding applications for Individual Electronic Communications Network Service Licence in the 2021/22 FY.
	Amendment of the Standard Terms and Conditions Regulations for Individual Licences	This project seeks to amend the Standard Terms and Conditions Regulations that are applicable to Individual Licences to take into account any changes in the legislative and regulatory environment since their promulgation in 2016. The process was initiated by the publication of a draft Regulation for public comment in the 2021/22 FY and the Amended Regulations will be published by the end of the 2022/2023 FY.
	Amendment of the Processes and Procedure Regulations for Individual Licences	This project is aimed at amending the Processes and Procedure Regulations that are applicable to Individual Licences to take into account any changes in the legislative and regulatory environment since their promulgation in 2016. The process was initiated by the publication of a draft regulation for public comment in the 2021/22 FY and the Amended Regulations will be published by the end of the 2022/23 FY.
	Licensing of Digital Community Television Broadcasting services on MUX 1	This is a multi-year project through which the Authority seeks to licence Digital Community Television Broadcasting services on MUX. The Process was initiated by the publication of The Invitation to Pre-register (ITPR) in the 2020/21 FY and the process was concluded with the Report regarding the licensing process for Digital Community Television Broadcasting Services on MUX 1) in the 2021/22 FY.
	Licensing of Community Sound Broadcasting Services	This is a multi-year project for licensing of Community Sound Broadcasting Services. The licensing process was initiated by the publication of the Invitation to pre-register and concluded with the Authority's decision in the 2021/22 FY.
	Licensing of Commercial Sound broadcasting services in the Northern Cape	The licensing process was initiated by the publication of the Invitation to Apply in the 2020/21 FY and the process was concluded with the publication of the notice regarding applications in the 2021/22 FY.
	Development of the Regulations on Equipment Authorisation	This is a multi-year project to develop the Regulations on Equipment Authorisation. The process was initiated by the publication of the draft Regulation in the 2020/21 FY. The process was concluded by a Council approval to publish the Regulation on Equipment Authorisation in the 2021/22 FY.
	Review of the Numbering Plan Regulations	This is a multi-year project for the development of the Regulations on Equipment Authorisation. The process was initiated by the publication of a Draft Regulation in the 2021/22 FY. The process will be concluded by the publication of the Final Numbering Plan Regulations in the 2022/23 FY.
	Implementation of Elections Monitoring Plan	The process was initiated by the development and approval of the Elections Monitoring Plan and concluded by the adoption of the Draft Elections Monitoring Report by the Council Committee in the 2021/22 FY.
	Development of final specifications for connectivity of TVET campuses and Community Education and Training sites	The process to develop final specifications for connectivity of TVET campuses and Community Education and Training sites by selected licensees was concluded by the publication of final specifications in the 2021/22 FY.

DIVISION	PROJECT	PROJECT SUMMARY
Regions and Consumer Affairs	Code for Person with Disabilities (Published in Government Gazette No.44427 of 09 April 2021.)	<p>The purpose of the Regulations is to ensure that persons with disabilities, specifically those that are deaf/hard of hearing and blind/visually impaired, have equal access to broadcasting and telecommunications services.</p> <p>The final Regulations will apply to broadcasting and telecommunications services upon coming into force. The regulations require Broadcasting Service Licensees to implement the following Accessibility Services on Applicable Channels:</p> <ul style="list-style-type: none"> (a) Audio Description; (b) Sign Language; (c) Subtitles; and (d) Closed Captioning. <p>The Regulations further require an Electronic Communications Service licensee to ensure that all electronic communications devices ready for purchase are Universally Designed to cater for the needs of persons with Disabilities.</p> <p>The Regulations further require an Electronic Communications Service licensee to provide a National Relay Service (NRS) which translates voice to text and vice-versa, on calls made by persons who are deaf or have a hearing or speech impairment.</p> <p>The NRS must offer the following relay services:</p> <ul style="list-style-type: none"> (a) Type and read; (b) Speak and listen; (c) SMS or text based services; (d) Video; and (e) Captioned telephony. <p>The regulations were published in Government Gazette No.44427 of 09 April 2021 and will come into effect or force in October 2022.</p>
Engineering and Technology	Commissioning of Fixed spectrum Monitoring sites around Karoo Central Astronomy Advantage Area (KCAAA).	<p>This project aims to install four (4) fixed spectrum monitoring sites in the Central Astronomy Advantage Area (CAAA), to protect the Square Kilometre Array (SKA) project and to prevent unwanted emissions and Radio Frequency Interference to the telescope during 2021-22 FY. This project was not completed by end 2021-22 FY because of the delay in procurement process, mainly due to receiving responses from some of the bidders' referees. The procurement process was finalised by end of 2021-22 FY.</p> <p>The Authority has planned to commission these four (4) sites in the KCAAA during 2022/23 FY.</p>
	Monitoring of provinces for Quality of Service	<p>The Authority sets out an annual target to conduct QoS monitoring by quarterly drive tests in six (6) provinces based on the annual monitoring plan. The QoS monitoring is aimed at assessing the quality of service provided by the mobile operators as perceived by the users. The drive testing route covers areas where most operators claim to have network coverage through their own network and roaming arrangements with other network owners.</p> <p>In 2021/2022 the Authority conducted QoS monitoring in 7 provinces (Gauteng, Free State, Northern Cape, Eastern Cape, KwaZulu-Natal, Mpumalanga and Limpopo) for voice services and 3 provinces for data (Gauteng, Northern Cape and Eastern Cape). The monitoring reports were shared with the Mobile Operators to effect remedial actions in areas where QoS was poor.</p>
	Regulations on Rapid Deployment as required under Chapter 4 of the ECA completed	<p>This project aims to expand access to affordable, high-quality internet connectivity by developing regulations on rapid deployment of electronic communications infrastructure and facilities. The Authority planned to develop and publish draft Regulations on Rapid Deployment as required under Chapter 4 of the ECA for public consultation by end of 2021-22 FY. However, the development and publication of the draft Regulations were not achieved by end of 2021-22 FY because the Minister had not finalised the Policy and Policy Direction during 2021-22 FY.</p> <p>The project deliverables were deferred to the 2022-23 FY in anticipation that the Policy and Policy Direction will be finalised during Q1 2022-23FY.</p>

DIVISION	PROJECT	PROJECT SUMMARY
Engineering and Technology (continued)	Update of National Radio Frequency Plan (NRFP)	<p>The project aims to review and update the NRFP in force as contemplated in section 34 of the Electronic Communications Act 36 of 2005 (ECA).</p> <p>The NRFP updates are done pursuant to the World Radio Conference(s) (WRC) outcomes to include provisions in the latest edition of the ITU Radio Regulations. Further, NRFP updates ensure harmonisation with the SADC Frequency Allocation Plan.</p> <p>During 2021-22 FY, the Authority published the Draft NRFP -2021 for public consultation on 09 July 2021 and the Final NRFP-2021 on 25 March 2022.</p> <p>The International Telecommunications Conference (ITU) Radiocommunication Sector (ITU-R) will hold the 2023 (WRC-23) in Dubai, United Arab Emirates (UAE) between 20 November and 15 December 2023, in order to review and if necessary, revise the Radio Regulations Edition 2020.</p> <p>The Authority will initiate process to review and update the NRFP-2021 pursuant to outcomes of WRC-23 and in line with the Final Acts of WRC-23, and latest version of the ITU-Radio Regulations.</p>
	Radio Frequency Migration Plan 2019 Implementation	<p>The Radio Frequency Migration Plan 2019 governs the migration of the services identified in the National Radio Frequency Plan (NRFP) 2018. This process is followed to avail the identified broadband spectrum including International Mobile Telecommunications (IMT) allocated spectrum in the IMT roadmap 2019. The availability of broadband services to the entire population of South Africa will drive active participation in the digital economy as envisaged by the Fourth Industrial Revolution which will be enabled by 5G technology.</p> <p>The process to implement the Radio Frequency Migration Plan 2019 spans a period of two financial years. The process was initiated by conducting study within and amongst affected users and users in the identified radio frequency bands and public consultation process on implementation of the Radio Frequency Migration Plans 2013 and 2019 (Phase 1) in 2021/22 FY. The process will be concluded by implementing the Radio Frequency Migration Plan 2019 (Phase 2) in 2022/23FY.</p> <p>Phase 1 of the process was completed by end 2021-22 FY.</p>
	International Mobile Telecommunications (IMT) Roadmap 2019 Implementation	<p>The International Mobile (IMT) roadmap identifies frequency bands for IMT services as per International Telecommunication Union Radio Communications Sector (ITU-R) Recommendations. The process spans a period of two financial years. The process was initiated by conducting Feasibility studies on bands identified and public consultation process on implementation of the IMT Roadmap (Phase 1) in 2021/22 FY. The process will be concluded by implementing the IMT Roadmap (Phase 2) of the process in 2022/23FY.</p> <p>Phase 1 of the process was completed by end of 2021-22 FY.</p>
	Recommendations towards enabling South Africa's uptake of 5G technologies	<p>Recommendations produced towards enabling South Africa's uptake of 5G technologies during 2021-22 FY.</p> <p>5G services now widely available, and mobile 5G deployments under way in all regions, where operators, service providers and users alike are facing the early phase of massive 5G adoption.</p> <p>The aims of the Authority are to conduct an impact analysis on the early phase of the deployment and experiences during 2022-23. Therefore, provide a monitoring report to assist with future recommendations.</p>
	Optimisation of the Frequency Modulation Sound Broadcasting	<p>The Optimisation of the Frequency Modulation Sound Broadcasting aims to optimise the sound broadcasting plan with the view of re-planning the terrestrial broadcasting frequency plan 2013 in accordance with the re-planning process of the Geneva 84 plan regarding FM.</p> <p>The project spans a period of two financial years. The project is initiated by publishing a Discussion Document on the Optimisation of the Frequency Modulation Sound Broadcasting by end of 2021-22 FY. The project was concluded by publishing a Position Paper for the Optimisation of the Frequency Modulation Sound Broadcasting.</p> <p>The Authority published Discussion Document on the Optimisation of the Frequency Modulation Sound Broadcasting on 31 March 2022 (Government Gazette No. 46152) for public consultation.</p>

DIVISION	PROJECT	PROJECT SUMMARY
Engineering and Technology (continued)	Dynamic Spectrum Access and Opportunistic Spectrum Management	<p>The Dynamic Spectrum Access aims to develop the framework for the second phase of Dynamic Spectrum Access and Opportunistic Spectrum Management. The first phase was the framework for the Television White Spaces (TVWS), which has been developed and implemented. The Authority plans to commence with the second phase, looking into introducing Dynamic Spectrum Access beyond the TVWS bands in 2022-23 FY.</p> <p>During 2021-22, the Authority planned and executed the migration of the Reference Geolocation Spectrum Database (R-GLSD) from the service provider's platform onto ICASAs systems platform and to be hosted by ICASA.</p>
Policy, Research and Analysis	Must-Carry Amendment Regulations	The project reviewed the Must-Carry Obligations with the view to assess the impact and relevance of the obligation on both broadcasters and audiences in the context of current market and technological trends. The project was successfully completed with the publication of the Must-Carry Amendment Regulations, 2022..
	Regulations on customer care in the postal sector	deals with customer's care standards in the postal sector – to ensure that postal services cater for the needs of, inter alia, people with disabilities;
	Findings document on Regulations relating to the definition of advertising and the regulation of Infomercials and Programme Sponsorships in respect of Broadcasting Activities	The project aims to protect viewers from both excessive advertisements in programming and from surreptitious advertising.
	Regulations on Mobile Broadband Services Market	The project aims to address competition concerns in the mobile broadband service market.
	Findings document on the review of the 2018 Call Termination Regulations	Call Termination rates regulations promote effective competition between operators and the reduction in the call termination rates has benefited consumers as the lower rates are passed on through lower voice call rates
	Discussion document on Signal Distribution Services	The project analysed the competitive landscape in the signal distribution market in light of the importance the signal distribution services as an input for the provision of broadcasting services; and



THE CONSUMER ADVISORY PANEL REPORT

The Consumer Advisory Panel (CAP) was established by the Independent Communications Authority of South Africa in terms of Section 4 read with Section 71 of the Electronic Communications Act, 2005 (Act No. 36 of 2005, as amended) and the Amended Regulations on the establishment of CAP, Government Gazette, no 40725 of 2017.

The 11-person Panel advises the Authority on consumer issues resulting from Electronic Communications, Broadcasting and Postal Services usage by performing the following functions: providing commentary on relevant regulations from a consumer perspective; liaising with consumers on issues impacting the sector, and must report quarterly and annually to the ICASA Council on activities and findings for the year; and suggesting consumer research areas that will contribute to the improvement in consumer experience across the sectors.

On behalf of the Consumer Advisory Panel, we are honoured to present our annual report, which details the activities and progress made during the past fiscal year.

It is important to first note that the CAP reached a major milestone during the year, celebrating its fourth anniversary since inception back in 2018. We are very impressed to observe that during that short time period, the CAP has had an impact on not only internally within ICASA in that consumer perspectives are eagerly included in formulation of regulations and lives of consumers in our sector. We are excited and optimistic about the future of the CAP's work and look forward to seeing this work continue, particularly contributing to strong protections implemented that will protect consumers in our rapidly changing marketplace as we move towards the realisation of an information society.


In this reporting for the period under review year, the Consumer Advisory Panel:

- Held four meetings – 24 June 2021; 23 September 2021, 2 December 2021; and 23 March 2022.
- Held consumer engagements and advocacy work in the following areas:

- Eastern Cape Province (23-27 August 2021). Over a period of five days the team visited Dutywa, Butterworth, Centane, Mdantsane, Dimbaza, King Williams Ttown, Alice, Peddie, and Port Elizabeth. We held roundtable discussions, as well as informal engagements with consumers. We also made some observations of network and broadcasting coverage issues as reported in our quarterly reports.
- North West Province (25–30 October 2021). CAP visited Potchefstroom, Klerksdorp, Christiana, Hartswater, Taung, Vryburg, Mafikeng, and Zeerust to Rustenburg on the platinum belt of Royal Bafokeng, Sun City and Marikana.
- Examined and discussed a variety of topics and issues. In terms of trends and themes in the sector and technology, CAP identified the following consumer trends and their possible implications on consumer protection for ICASA to take note of:
 - Dramatic Increase in Cybercrime during Covid-19;
 - Over-the-top (OTT) and Video Bundling Growth;
 - SA e-commerce market growth and implications for consumers;
 - Increased usage of mobile data during Covid-19 pandemic; and
 - Disconnect/connection fees that ISPs charge customers for fibre internet installation.
- Consumer Research Areas: The Consumer Advisory Panel identified the following consumer protection areas for consumer research:
 - SABC proposal to introduce a licensee fee for laptops, decoders, and other devices;
 - Review of E-rate Implementation and Impact on Consumers.
- Review of ICASA's Complaints Handling Mechanism. CAP conducted a review of the complaints handling mechanism by analysing complaints data reported by the CCA and CCC between 2017 and 2021.

“We are very impressed to observe that during that short time period, the CAP has had an impact on not only internally within ICASA in that consumer perspectives are eagerly included in formulation of regulations and lives of consumers in our sector.”

- **Effective Collaboration Recommendations.** CAP identified several bodies for ICASA to collaborate with. The guiding principle was that increased collaboration among government and industry/self-regulatory bodies is key to dealing with concurrent areas of jurisdictions that impact on consumer’s protection.
 - Council for Scientific and Industrial Research and the South African Bureau of Standards for website accessibility standards;
 - Direct Marketing Association of South Africa. To address the issue of Silent Calls / Nuisance Calls and Messages.
 - Information Regulator. Licensees are obliged to be POPIA compliant. Synergies in areas of research in cyber security and ICTs.
- **Making Commentaries on Regulations:** CAP provided consumer perspectives through commentary on ICASA regulations during the period:
 - Draft Amendment Regulations Governing Aspects of the Procedures of the Complaints and Compliance Commission of the Independent communications Regulatory Authority of South Africa, 26 November 2021; and
 - Commentary on ICASA Review of ICT Covid-19 National Disaster Regulations.
- **Advisory to Council:** The advisories emanated from CAP’s activities which included stakeholder engagements and consumer advocacy initiatives, commentaries on ICASA regulations; the identification of consumer research areas and consumer issues covered in print and social media. The following were key advisories provided to Council:
 - Accessibility of websites/online content for Persons with Disabilities;
 - Preferential Pricing of Broadband Packages for vulnerable groups;
 - Investigate the need to expand access to a physical address system for all citizens to enable participation in e-commerce/on-line shopping;
 - Address consumer unhappiness about ISP switching costs for Fibre Service; and
 - Contribute towards addressing cybercrime awareness and digital literacy skills to vulnerable groups such as senior citizens and the youth.



Mr. J Sikhosana

Chairperson: Consumer Advisory Panel



AUDIT, RISK, ETHICS AND DISCLOSURES COMMITTEE REPORT

We are pleased to present the Audit, Risk, Ethics and Disclosures Committee (AREDC) Report for the financial year ended 31 March 2022, as required by the Public Finance and Management Act 1 of 1999 (PFMA) as amended.

AREDC is an independent statutory committee appointed by the Authority's Council. The duties of the Committee have been discharged in line with the approved terms of reference.

AREDC'S COMPOSITION AND MEETINGS' ATTENDANCE

The Audit, Risk, Ethics and Disclosures Committee (AREDC) consists of five (5) members made up of three (3) independent Non-Executive members and two (2) Councillors.

The Committee meets at least four times per year, as specified in its terms of reference (Charter). The following officials are standing invitees to the committee meetings:

- Chief Executive Officer,
- Chief Financial Officer,
- Chief Audit Executive,
- Executive: Legal, Risk & Complaints and Compliance Committee (CCC),
- The Risk and Compliance Specialist,
- Senior Manager – Strategy and Programme Management, and
- The Auditor General's team.

During the 2021/2022 financial year, twelve meetings were held. Apologies were tendered for meetings not attended.

The number of meetings was exacerbated by the following:

- Special meetings for the approval of the 2021 Annual Financial Statements, the approval of the quarterly Performance Information Reports for submission to the ministry and the deliberations on outcomes of investigations conducted on ethics.

The meetings' attendance details are depicted here below:

MEMBERS' DETAILS, APPOINTMENT DATES AND MEETINGS' ATTENDANCE				
MEMBERS		MS. J NKOSI	MR. K MAJA	MR. Z MYEZA
Appointment date		01 December 2018	01 December 2018	01 December 2018
MEETING DATES	NATURE OF THE MEETING	AREDC MEMBERS' ATTENDANCE		
26 April 2021	Ordinary	✓	✓	✓
26 May 2021	Special	✓	✓	✓
27 July 2021	Special	✓	✓	✓
27 August 2021	Ordinary	✓	✓	✓
26 October 2021	Ordinary	✓	✓	✓
25 November 2021	Special	✓	✓	✓
25 January 2022	Special	✓	✓	✓

✓ denotes attendance ✗ denotes non-attendance

CORPORATE GOVERNANCE

The committee acknowledges management interventions in introducing proactive measures for monitoring employee and leadership's ethical conduct. The commitment towards maintaining an ethical culture is demonstrated by the existence of the Fraud and corruption hotline managed by an external service provider and embedding the annual financial disclosure in the risk and compliance process. Despite this, it is concerning that a risk of fraud has materialised due to cyber-attacks, this led to a financial loss.

The committee commends management for the implementation of consequence management and establishing the Loss Control Function. The finalised condonation process for the previously incurred and reported Irregular Expenditure and the write off process for irrecoverable debts was noted as an improvement.

FINANCIAL MANAGEMENT

An improvement is required to ensure that the financial statements submitted to the Auditor General are prepared in accordance with the financial reporting framework and free from material statements. An urgent need exists to capacitate the Finance Division and train the existing staff, the skills gap analysis should be performed, and an action plan developed. Despite the use and appointment of an independent service provider, the quality of the submitted financial statements was not satisfactory.

Management was urged to improve on measures to deter recurrence of the impairment of receivables from non-exchange transactions which were reported as potentially irrecoverable. Efforts are also required to improve the detective controls to avert the recurrence of the financial loss due to fraud.

COMPLIANCE MANAGEMENT

Assurance has been provided on monitoring compliance with applicable Laws and Regulations. The compliance maturity was maintained at level 3.

A concern was raised on non-compliance with Public Finance Management Act and Treasury Regulations, in that, effective and appropriate steps were not taken to prevent irregular, fruitless and wasteful expenditure. This included the payment of invoices after 30 days after receipt of an invoice. Despite interventions such as an organisation-wide training and updating of the SCM policy, the Auditor General raised findings that could have been avoided.

The committee acknowledges the progress made to significantly decrease the incurrence of irregular expenditure. This was attributed to the implemented corrective actions and collaborative effort between the SCM team & Internal Audit in averting the risks and ensuring continuous compliance. It is worth noting that the Auditor General's review did not identify irregular expenditure during the year under review.

Furthermore, a need exists to ascertain an effective system for receiving and recoding invoices to ensure that payments to suppliers are made within the regulated payment period (30 days). The conclusion of the review of Finance policies should be expedited.

The process to assess the Authority's compliance with the POPI Act should be finalised as a matter of urgency.

AUDIT OF PREDETERMINED OBJECTIVES

The organisation attained an audited annual performance of 86.8%, the achievement level is applauded given that officials were working from home and the lean? team within the Strategy & Programme Management Unit.

RISK MANAGEMENT

The Committee noted the efforts in embedding risk management into the organisational culture. The risk management maturity was maintained at level 3. The Committee continued to monitor the implementation of risk management action plans on a quarterly basis.

The management of potential and perceived conflict of interest remains a risk that should be urgently addressed to avoid legal ramifications. This includes investigation and providing feedback on incidents reported through the Fraud hotline.

It is our view that the Risk and Compliance Management Unit should be adequately capacitated to proactively assist with the management and monitoring of emerging risks, the reporting line should administratively be directly to the Chief Executive Officer.

The Audit, Risk, Ethics and Disclosures Committee is satisfied that the actual management of risks is receiving attention and has noted areas of improvement.

EFFECTIVENESS OF INTERNAL CONTROLS

Internal Audit provides proactive and reactive reasonable assurance to the committee on the adequacy and effectiveness of internal controls. Our attention was drawn to its continued efforts to prevent the incurrence of irregular expenditure which yielded positive results.

The audit reviews highlighted that significant improvement is required in the following areas:

- Management and regulation of the payment of suppliers within 30 days;
- Timely development of an audit action plan and monitoring thereof;
- Preparation of the financial statements that are free from material misstatements;
- Filling of vacant positions within IT, review of system administrator activities, Disaster Recovery testing and the Cybersecurity Information Technology controls.

A concerted effort is required to invest in the IT infrastructure to prevent recurrence of the cyber attacks and ascertain security of the processed information. In line with the ITRC's view, skills and capacity assessment and management is conducted continuously..

IN-YEAR MANAGEMENT QUARTELY REPORTING

The committee has consistently reviewed the financial, non-financial management and reporting practices. Significant improvement is required in the financial environment, due to high staff turnover and lack of capacity.

The committee acknowledges the stakeholder engagement that is currently in progress.

INTERNAL AUDIT

The committee is satisfied that Internal Audit properly discharged its functions and responsibilities during the year under review.

Internal Audit is commended for gearing up to the provisions of the newly amended Public Audit Act, in providing the alignment of the disclosed irregular, fruitless and wasteful expenditure to the National Treasury Framework.

An improvement has been noted within the SCM environment, this is attributable to the proactive assurance conducted by Internal Audit and management's efforts to implement the provided recommendations. An aggressive approach is however required to detect and prevent the incurrence of irregular expenditure in line with Section (1) c of the PFMA.

Reviews were concluded on performance management, compliance, governance, general controls, and security. Furthermore, value adding consulting engagements were also completed.

EXTERNAL AUDIT

We acknowledge management efforts in the establishment of the Audit Steering committee that continuously ensures the seamless statutory audit process noting the challenges posed by the pandemic.

The Committee has noted the Auditor General's concerns on the material amendments to the financial statements and non-compliance with the SCM prescripts, Laws and Regulations and internal controls which were not always effective in detecting and recording irregular expenditure.

“An improvement has been noted within the SCM environment, this is attributable to the proactive assurance conducted by Internal Audit and management’s efforts to implement the provided recommendations.”

Having considered the Auditor General’s final draft Management and Audit Reports, the Committee concurs with the Auditor General on the urgency to implement effective controls to detect and prevent irregular expenditure, including the adherence to the prescribed payment periods. Management is urged to improve on processes to adhere to set audit deadlines and to effectively address disputes.

The committee applauds the team in efficiently conducting the audit.

COMBINED ASSURANCE

Collaborative efforts amongst various assurance providers are acknowledged with a noted area of improvement. A draft combined assurance framework has since been developed, same shall be monitored and continuously improved.

Internal Audit is urged to hone its methodology and approach to minimise duplicated efforts with the Auditor General and create efficiencies. The employed direct assistance by the Internal Audit for the Auditor General is acknowledged as progress in improving the combined assurance.

To strengthen management assurance, the committee has resolved to elevate and closely monitor compliance reporting for all procurement by supply chain management until stability is attained within the Unit.



Ms. JA Nkosi CIA, CISA

Chairperson of the Audit, Risk, Ethics and Disclosures Committee



RISK MANAGEMENT OVERVIEW

ICASA is exposed to inherent risks in many of its core and non-core functions. The PFMA requires Accounting Officers to have effective, efficient and transparent systems of financial and risk management and internal control. ICASA adopted an enterprise-wide risk management approach to the management of risks. The enterprise risk management (ERM) methodology is followed across all divisional areas.

ICASA's Risk and Opportunity Management Framework ensures that the risks that may threaten the achievement of its strategic outcome, output and operational objectives are identified, and effectively managed within the ICASA's risk tolerance levels

Implementation of ERM is in line with the approved Risk and Opportunity Management Policy and Strategy which assists ICASA to, inter alia, make informed decisions to enhance the achievement of the organisation's strategic outcomes and priorities. ICASA actively identifies and assesses risks arising from internal and external environments and takes a proactive approach to identify emerging risks. During the year under review, some new emerging risks were identified.

The consolidated response to these risks is monitored for effective implementation through:

- An integrated and dynamic governance structure which continues to monitor the outcome, output and operational risks at business levels, and promote a sound risk culture.
- Well-defined material risk categories, known as outcome risks, for complete risk coverage.
- Comprehensive and structured processes for evaluating, responding to and monitoring risks.
- An efficient risk culture stipulating an effective risk operating model and appropriate risk practices, tools and techniques to support ICASA's strategy.

The Audit, Risk, Ethics Disclosure Committee (AREDC) held quarterly meetings to provide its oversight role and ensure efficient and effective management of ICASA's risk management activities.

The model of Risk champions for the business units continues to provide critical roles in the monitoring and reporting of risks facing the business. All the risks identified by the business units were captured and reviewed on a quarterly basis. The risk registers are updated with the emerging risks, with medium to high risks reported at EXCO, AREDC and Council for action.

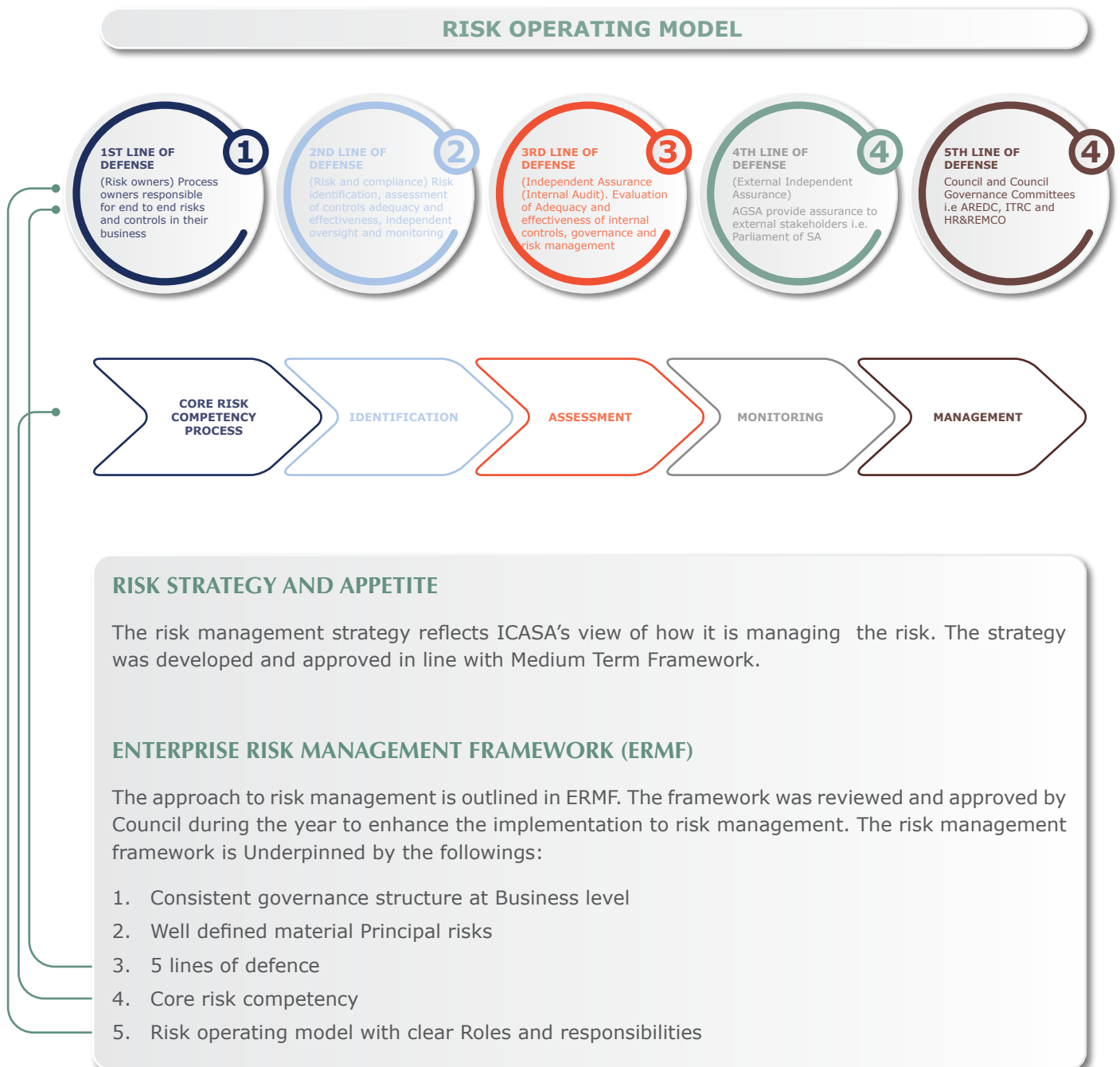
A Risk Key Performance Area continues to form part of all managers' performance contracts so as to ensure effective risk management within the organisation.

The Authority has implemented risk action plans and maintained the organisation's risk maturity at level 3.

During the year, the Crisis Management Committee (the Committee) continued to oversee the ICASA's response to COVID-19, with guidance from health and labour authorities, and to ensure continuity of operations. The response includes the safeguarding of ICASA's resources in compliance with COVID-19 regulations, protecting the physical and mental well-being of the ICASA's employees, and ensuring the safety of its external contractors and visitors. Regular risk assessments were conducted to ensure Business Continuity during the national state of disaster. The Committee, through Risk and Compliance department, provides centralised coordination of ICASA's Business Continuity Management Framework and conducts business continuity impact assessments for all departments.

BUSINESS PERFORMANCE AND RISK MANAGEMENT FRAMEWORK

ICASA applies a 4 lines of defence model, which ensures the provision of independent and coordinated assurance within the organisation. The graphic below represents the ICASA Enterprise Wide Risk Management Framework (ERM).



Identifying and understanding the organisation's material risks is critical in the development and delivery of ICASA's strategy. In line with best-practice corporate reporting, ICASA's integrated annual report includes a comprehensive assessment of the principal risks facing the business, as well as those matters that both stakeholders and ICASA's Council believe have a material bearing on the success of the business in both short and long term. The risks identified through the risk assessment process were numerous and wide-ranging. The mitigation plans thereof were analysed and prioritised by senior management; and reviewed and approved by Council.

ICASA recognises that risks are inherent in all its business activities. If not managed properly, it can result in safety, financial, operational or reputational impacts. As understanding the risks

and developing appropriate responses are critical to the future success, ICASA is committed to an effective, robust system of risk identification, and an effective response to such risks, in order to support the achievement of our objectives.

The Authority takes a holistic risk management approach and all risk management activities are aligned to corporate goals, objectives and priorities with the aim of protecting and enhancing the reputation of the Authority.

The Authority identified (six) 6 strategic risk outcomes which may hinder the achievements of strategic outcomes and outputs.

The table below provides the risk mitigation measures implemented during the current financial year in respect of ICASA strategic outcome risks.

NO	OUTCOME	RISK AND RISK DESCRIPTION	MITIGATION PLANS IMPLEMENTED
1.	<p>Outcome 1: Access to quality broadband Services Increased.</p> <p>Outcome 2: Status of Social Cohesion, Diversity and Plurality of Views enhanced</p> <p>Outcome 3: Rights of Consumer Protected</p> <p>Outcome 4: Competition in the ICT Sector Promoted</p>	<p>Potential delays in regulatory interventions due to litigation by stakeholders resulting in delays to achieve ICASA mandate</p> <p>Root cause:</p> <ul style="list-style-type: none"> • Non-compliance with PAJA, ICASA and ECA processes; • Dissatisfied stakeholders about ICASA decisions; and • Non-adherence to legal advice 	<p>Mitigation</p> <p>Provision of legal advice to Divisions, Committees and Council to safeguard the Authority's interests and to ensure that all its actions and decisions are legally compliant with the Constitution, enabling legislation and</p> <p>Out of court settlement reached between ICASA and Telkom on IMT spectrum.</p>
2.	<p>Outcome 1: Access to quality broadband Services Increased.</p>	<p>Inability/Limitation to execute our mandate independently due to political interference and/or undue influence (lobbying)</p> <p>Root cause:</p> <ul style="list-style-type: none"> • Pressure from external parties with a vested private interest in the sector • Political influences • Contract term of top management (incl Councillors) expiring • Personal interest for employment 	<p>Mitigation plans implemented</p> <ul style="list-style-type: none"> • Effective Monitoring and Enforcement of the Code of Ethical Conduct and Disclosure of Interest. • Disclosure of financial interest in Council meetings, Council Committee meetings and Governance Committee meetings. • Implementation of Financial Disclosure system started, and all employees are now disclosing using the financial disclosure system. Training of employees on the use of the system completed.

NO	OUTCOME	RISK AND RISK DESCRIPTION	MITIGATION PLANS IMPLEMENTED
3.	<p>Outcome 1: Access to quality broadband Services Increased</p> <p>Outcome 2: Competition in the ICT Sector Promoted</p>	<p>Possible delays in the assignment of spectrum to radio communication in SA due to late approval of the National Radio Frequency Plan which may have an impact on the implementation of spectrum that supports broadband</p> <p>Root cause: Delays in the Approval process of the National Radio Frequency Plan</p>	<p>Mitigation plans implemented</p> <ul style="list-style-type: none"> • Adherence to Process and Procedures • Effective engagement with the policy makers. • Regular engagement between ICASA and the ministry in terms of Section 34 of the EC Act
4.	<p>Outcome 1: Access to quality broadband Services Increased.</p> <p>Outcome 2: Status of Social Cohesion, Diversity and Plurality of Views enhanced</p> <p>Outcome 3: Rights of Consumer Protected</p>	<p>Non-adherence by licensees to licence terms and conditions and regulatory requirements</p> <p>Root cause:</p> <ul style="list-style-type: none"> • Lack of resource capacity. • Language proficiency. • Poor corporate governance by licensees. • Poor consequence management. 	<p>Mitigation plans implemented</p> <ul style="list-style-type: none"> • Implementing transparent processes • Adherence to Processes and Procedures • Effective engagement with the policy makers. • Effective Monitoring and Enforcement of regulations. • Periodic review of regulatory measures in place
5	<p>Outcome 5: Maintain organisational service delivery</p>	<p>Failure to achieve regulatory targets due to inadequate funding, reductions in MTEF allocations and mandate changes due to reconfiguration of entities and or policy/legislative changes</p> <p>Root cause: Inadequate funding model - ICASA is funded through appropriations from Parliament (National Treasury).</p>	<p>Mitigation plans implemented</p> <p>Funding model proposal submitted to National Treasury and Department of Communications and Digital Technologies and there is continuous engagement on the submission.</p> <p>Reprioritisation of spending is done.</p>
6	<p>Outcome 5: Maintain organisational service delivery</p>	<p>Failure to ensure business continuity due to the COVID-19 pandemic which may result in low productivity and poor service delivery.</p> <p>Root cause: COVID-19 pandemic</p>	<p>Mitigation plans implemented</p> <ul style="list-style-type: none"> • Current COVID-19 trends are assessed by Crisis Management Committee • Provided tools necessary for remote working to all staff • Provided protective clothing and associated tools to all field workers • Implementation of a cleansing routine to keep the premises clear of potential infections

"Identifying and understanding the organisation's material risks is critical in the development and delivery of ICASA's strategy. In line with best-practice corporate reporting, ICASA's integrated annual report includes a comprehensive assessment of the principal risks facing the business, as well as those matters that both stakeholders and ICASA's Council believe have a material bearing on the success of the business in both short and long term."

FRAUD MANAGEMENT

The Authority's Fraud and Corruption Prevention Policy aims to create a culture of zero tolerance for fraud and provide guidelines on the prevention, detection and investigation of incidents of corruption/fraud. The Authority has Fraud and Corruption Prevention Policy and strategy approved by Council. This Fraud and Corruption Prevention Policy is clear. The offering, soliciting or receiving of bribes is unacceptable, and the Authority will not engage in corruption or bribery. Assessment of fraud and corruption risks within business units is robust and management implements mitigation plans to address the risks in cases where these were identified. The controls include having relevant policies, standards, procedures, and guidelines. ICASA's independent external whistleblowing hotline service (fraud hotline) continues to guarantee employees, suppliers, consultants, and members of the public their anonymity when reporting any incidents of fraud. Awareness newsletters are issued through internal news to provide awareness on fraud and encourage effective whistleblowing. Council has a zero tolerance for fraud against employees and other stakeholders. During the year in review, no fraud incidents were reported against ICASA employees or any of the stakeholders. However, where fraud incidents are reported, they are investigated, and action is taken against perpetrators.

CODE OF ETHICS

ICASA subscribes to and promotes the principles of good ethical conduct in line with good governance principles, as set out in the Code of Ethical Conduct and Disclosure of Interest. The Code outlines the minimum ethical standard of behavior that is expected from all Officials of ICASA, which include honesty, fair dealing, integrity, good morals and ethical values in their conduct.

All officials are required to disclose any financial or business interest on an annual basis or when a conflict arises. The Code also sets stringent standards relating to the acceptance of gifts from third parties and declarations of potential conflict of interests. During committee meetings, members are required to declare any potential or perceived conflict of interest. In instances where potential conflict is declared, members will recuse themselves from deliberations on the matters. Our employees, as well as service providers, must comply with the Code and policies, as well as applicable laws and regulations. The Code sets out the expectations we have for all service providers when dealing with ICASA officials, including expectations regarding ethical business practices.

ICASA only accepts reasonable, appropriate, and lawful gifts that satisfy the general principles of the Code, which are not received with the intent

or prospect of influencing an official's decision-making or other conduct.

The fraud hotline is established and can be used by officials, stakeholders and members of the public to report suspected unethical conduct.

During the year under review, ICASA introduced the electronic financial disclosure system to assist officials to declare their interest. The system allows timeously monitoring disclosures of interest, approval of other remunerative work and registration of gifts.

Workshops were conducted with all the officials on the use of the system. AREDC oversees ethics management, including ethics risk assessments as well as employee declarations on financial interests.

Officials are required to undertake an annual mandatory declaration of their financial interests.

COMPLIANCE

The Risk and Compliance department's coordinating role on compliance extends to ensure compliance obligations are met by developing and maintaining an appropriate Compliance Policy and framework to address the following

- Identifying, assessing and monitoring compliance with applicable regulatory requirements;
- Promoting a culture of compliance and ethics;
- Reporting on compliance risks to the EXCO, AREDC and Council; and

- Compliance with laws and regulations applicable to ICASA operations is critical as non-compliance may have potentially serious consequences.

Council approved the Risk and Compliance Plan for implementation during the year to assist in ensuring that activities are performed in line with the plan. Legislations and policies identified as high risks were prioritised by management and included in the Annual Compliance Management Plan for further monitoring purposes. During the year under review, reports were submitted to AREDC and Council on ICASA's compliance with relevant legislations and required actions.

As part of a broader review of the ICASA policies framework, the review of policies was done to ensure that they are clear, comprehensive and accessible. Policies are shared with all employees to provide inputs before approval through relevant structures. Employees can access approved policies, standards, procedures, and guidelines through the intranet.

Policy owners are responsible for ensuring employees understand and comply with the policies, standards and procedures. Our policy framework is comprehensive and addresses all relevant compliance risks, with a strong emphasis on key risks.

During the year, seventeen (17) policies were reviewed and approved by Council.



HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

ICASA is committed to providing and maintaining a safe and healthy working environment for all its employees, stakeholders and interested parties. ICASA continues to comply with the Occupational Health and Safety (OHS) Act number 85 of 1993 as amended, Hazardous Biological Agents Regulations, the Disaster Management Act and related Regulations on COVID-19. To ensure employees and stakeholders' safety in ICASA's workplace, various measures, listed below, were put in place to minimise and/or eliminate OHS related incidents and the spread of COVID-19 in the workplace:

- Occupational Health & Safety (OHS) Policy;
 - Personal Protection Equipment (PPE) Policy;
 - OHS Policy Statement, displayed in all ICASA's premises as per OHS Act;
 - COVID-19 Workplace Protocols;
 - COVID-19 Precautionary Measures;
 - Crisis Management Committee;
 - Occupational Health & Safety Committee;
 - OHS Representatives, First Aiders & Fire Marshalls, appointed as per OHS Act;
 - Awareness in all aspects of safety, health and environment to assist the Authority in fulfilling its statutory and common law duty of care;
- Training of OHS Committee members and OHS representatives on Level 1 First Aider and on the responsibilities of the SHE Representatives, employer responsibilities, OHS legal appointments and OHS compliance, monitoring & reporting.
 - Monitor compliance, investigate and report OHS incidents at Head Office and Regional offices.
 - Providing advice and awareness on a range of safety, health and environmental issues taking place within ICASA; and
 - Overseeing the provision of Personal Protective Equipment (PPE) to employees whose work required it.

As an ongoing process of maintaining and improving OHS awareness, the Crisis Management Committee and Corporate Services: Security unit issued:

- Internal news bulletins to staff members pertaining to OHS and COVID-19 updates;
- Updates on general safety at work; and
- Updates on employees who tested positive for COVID-19

The Human Resources Division notifies the relevant government institutions whenever ICASA employees test positive for COVID-19. OHS awareness workshops were conducted at Head Office and regional offices. Regular inspections were conducted and SHE checklists were submitted monthly to ensure statutory OHS compliance at Head Office and regional offices. OHS monthly and quarterly reports were submitted to EXCO and Council for noting.

A centralised COVID-19@icasa.org.za email address continued to be used to send all COVID-19-related communiques. This was done to ensure proper coordination of messages in line with the government's priorities and efforts to raise awareness around the effect of the virus; and preventative measures required to curb the spread thereof.

OCCUPATIONAL HEALTH & SAFETY COMMITTEE (OHS)

The purpose of the Committee is to monitor and implement OHS related business decisions and oversee compliance with the OHS Policy and the Act. Some of the operational activities undertaken by the Committee in the financial year include:

- Scheduling OHS Committee meetings and actioning resolutions in line with statutory requirements.
- OHS appointments in line with section 16(2), section 8(1), section 8(2), section 19(3) of the OHS Act, as well as General Safety Regulation 3 and First Aiders.
- Conducting emergency evacuation drills at Head Office and Regional Offices, preparing employees, contractors, stakeholders and/or

PART D

HUMAN RESOURCES MANAGEMENT



1. INTRODUCTION

The Authority has a responsibility of regulating the sector in the interest of the public and other stakeholders. It must fulfil its obligations by delivering high-quality services. To do this, it relies on its employees, who, in turn, need to have a healthy work environment where they can thrive and deliver superior performance.

To ensure that this takes place, ICASA's Human Resources Division (HR) works with other divisions and line managers to create an environment where employees thrive and deliver superior and sustained performance. The HR function also supports the Authority's mandate and strategic goals by ensuring its employees are equipped with the knowledge, skills, and abilities needed to deliver on those commitments.

Human Resources identified three strategic priorities for the fiscal year 2021/2022:

1. Maintain high standards of organisational service delivery by maintaining a vacancy rate of 7% or less.
2. Ensure that ICASA complies with all SABPP standards.
3. Ensure compliance with SETA by implementing a Workplace Skills Plan.

The Authority's low vacancy rate has allowed it to maintain a consistent and reliable employee pool, which has resulted in high organisational performance. This means that the Authority is able to deliver consistent regulatory services, thereby preserving its current pool of highly qualified employees.

STRATEGIC INTENT

The Human Resources Division is committed to maintaining the highest standards of professional excellence. The Authority strives to comply with the South African Board for People Practices (SABPP) standards as the body certifies the competence of HR Professionals in the country.

The Media, Information and Communication Technologies (MICT) SETA sets forth its members' Workplace Skills Plan (WSP) requirements. As a member of the sector, the Authority needs

to comply with these requirements to provide occupationally directed learning for individuals and teams based on current and future needs, ultimately driving optimal performance.

Along with the aforementioned strategic aims, HR has the following ongoing goals:

1. an efficient approach to workforce management;
2. effective performance management;
3. employee health, safety, and social well-being; and
4. adherence to the Employment Equity Act (Act No. 55 of 1998).

WORKFORCE PLAN

To ensure that ICASA's workforce is aligned with the Authority's strategic goals and that the right number of people are in place at the right time, ICASA uses a systematic approach to identify and analyse organisational workforce needs. This results in a workforce plan that ensures efficient workforce management. The resulting workforce plan allows ICASA to pursue and achieve its operational and strategic goals.

The process of developing a workforce plan requires achieving the following sub-objectives:

1. Consulting with line managers to develop a workforce strategy meeting the Authority's needs and considering labour market trends;
2. Aligning the workforce planning cycle with ICASA's strategic planning and budget cycle;
3. Ensuring an appropriate budget or cost model is in place to implement the workforce plan successfully;
4. Ensuring an adequate supply of qualified staff by finding and developing a future supply of the right skills to meet ICASA's needs.

PERFORMANCE MANAGEMENT PROCESS

ICASA has implemented a rigorous performance management process to ensure that it can achieve its goals and objectives. Performance Management at ICASA is designed to develop, support, and improve individual and team performance,

allowing the Authority to achieve sustained excellence in achieving organisational goals. The Authority implements this process through comprehensive performance management. Performance management includes the following sub-objectives:

1. Cascade performance goals from the Authority to teams' and individuals' deliverables and measure progress against the agreed goals;
2. Establish a performance management system, process, and methodology appropriate for the needs, size, and complexity of ICASA;
3. Motivating employees to meet their goals with incentives and addressing poor performance with consequence management;
4. Integrate fairness and ethical practices into the performance management process aligned with the organisation's culture enhancing achieving sustainable performance targets.

EMPLOYEE VALUE PROPOSITION

One of the Authority's primary goals is to ensure that all employees have a safe, healthy, and socially conducive work environment. To achieve this objective, we have developed a set of sub-objectives:

1. Encourage employees to take charge of their physical, emotional, spiritual, financial, and social well-being.
2. Handle staff wellness issues that may influence employee performance.
3. Maintain a safe and healthy working environment that promotes high productivity

while also protecting employee health and well-being.

4. Encourage an environment of individual health and fitness to improve the Employment Value Proposition (EVP).

DIVERSITY

ICASA values employees from varied backgrounds' contributions to the Authority. As a result, it is bound by the Employment Equity Act (Act No. 55 of 1998) (EEA). Under this pledge, we actively support diversity, equality, and inclusion in all aspects of the workplace.

1. ICASA's transformation initiatives must be consistent with its business strategy.
2. Increasing workforce diversity through attracting, developing, and retaining employees from defined groups.
3. Creating and sustaining an inclusive culture that fosters transformation through diversity management efforts.
4. Making reasonable accommodations for employees from designated groups.

IN CONCLUSION

HR's dedication to a fair, just, and pragmatic approach to workforce management is exemplified by the following: During the fiscal year 2021/22, the HR division attained an annual performance target of 66.7 per cent. This includes reaching a vacancy rate of 2.8 per cent and full compliance with MICT SETA.



HUMAN RESOURCE OVERSIGHT STATISTICS

EMPLOYEE COST

PROGRAMME	2020/21 EMPLOYEE COSTS	2021/22 EMPLOYEE COSTS	2020/21 NO. OF EMPLOYEES	2021/22 NO. OF EMPLOYEES	2020/21 AVERAGE EMPLOYEE COST	2021/22 AVERAGE EMPLOYEE COST	% VARIANCE
Basic	309 272 040	306 191 336	354	341	873 650	897 922	-1,01%
Training	611 058	5 707 797	87	210	7 024	27 180	89,29%
Grand Total	309 883 098	311 899 133	354	359	875 376	868 800	0,65%

Staff costs decreased by 0.65% from R309 883 098 in 2020/21 to R311 899 133 in 2021/22. The Authority achieved this by reducing the training budget due to a directive issued by the National Treasury to cut spending at all government institutions. Even with the reduced training budget, employees could attend courses deemed a priority.

STAFF COMPLEMENT

CRITERIA	2020/21	2021/22	% VARIANCE	MOVEMENT
Approved posts	359	359	0,0%	0
Number of employees in the approved structure	318	307	-3,5%	-11
Total number of employees	354	341	-3,7%	-13
Vacancies	15	10	-33,3%	-5
Vacancies (vacancy rate percentage)	4,2%	2,8%	-33,3%	-1%

Despite a slight increase in vacancy rates from 4.2% to 2.8%, this low rate remains remarkable, given how competitive the South African job market is in the telecommunications sector.

DIVISIONAL STAFF COSTS

DIVISION	2020/21	2021/22	IN(DE)CREASE	IN(DE)CREASE %
Regions & Consumer Affairs	60 664 660	68 452 561	7 787 901	11%
Corporate Services	27 617 527	28 602 764	985 237	3%
Engineering & Technology	14 750 892	13 728 129	-1 022 763	-7%
Finance	27 218 691	26 812 107	-406 584	-2%
Human Capital Management	33 583 408	35 618 361	2 034 953	6%
Internal Audit	11 820 663	11 988 484	167 821	1%
Legal, Risk & CCC	15 282 973	13 388 373	-1 894 600	-14%
Licensing & Compliance	71 818 733	59 583 333	-12 235 400	-21%
Policy Research & Analysis	21 323 573	22 218 174	894 601	4%
Council & Secretariat	19 596 553	19 976 679	380 126	2%
CEO	5 185 033	5 822 372	637 339	11%
COO	409 335	0	-409 335	
Grand Total	309 272 041	306 191 336	-3 080 705	-1,01%

There was a decrease of 1.01% in personnel costs from R 309 272 040 in 2020/21 to R 306 191 041 in 2021/22. This conservative decrease further illustrates that ICASA is committed to the National Treasury's austerity measures.

TRAINING COSTS FOR EMPLOYEES

DIVISION	NO. OF EMPLOYEES TRAINED	TRAINING EXPENDITURE R	AVERAGE OF TRAINING COST PER EMPLOYEE R
CEO Office	6	133 025	22 171
COO Office	0	0	0
Corporate Services	24	664 729	27 697
Council & Secretariat	7	183 473	26 210
Engineering & Technology	14	364 423	26 030
Finance	26	642 986	24 730
Human Resources	5	114 576	22 915
Internal Audit	8	214 361	26 795
Legal, Risk & CCC	6	175 036	29 173
Licensing & Compliance	45	1 471 409	32 698
Policy Research & Analysis	12	392 846	32 737
Regions & Consumer Affairs	57	1 350 932	23 701
Grand Total	210	5 707 797	24 571

ICASA spent an amount of R5 707 797 on training in the fiscal year 2021/22. Based on these figures, the average cost spent on training per employee is R24 571. Despite the restrictions brought by the COVID-19 pandemic, the amount spent on training remains generous as it improves ICASA's Employee Value Proposition. Training interventions benefited 210 employees.

HEADCOUNT AND VACANCIES PER OCCUPATIONAL LEVEL

OCCUPATIONAL LEVEL	APPROVED STRUCTURE	2020/21 NO. OF EMPLOYEES IN APPROVED POSITIONS	2020/21 ACTIVE VACANCIES	2021/22 NO. OF EMPLOYEES IN APPROVED POSITIONS	2021/22 ACTIVE VACANCIES	% OF VACANCIES
Top Management	10	9	0	6	0	0,0%
Senior Management	11	7	3	9	0	0,0%
Professional qualified	111	101	4	93	7	6,3%
Skilled	172	154	6	151	2	1,2%
Semi-skilled	53	45	2	46	1	1,9%
Unskilled	2	2	0	2	0	0,0%
TOTAL	359	318	15	307	10	2,8%

The Authority implemented austerity measures and imposed an internal moratorium on recruitment. ICASA has 359 approved positions; 10 were open at the end of the 2021/22 fiscal year, translating to a vacancy rate of 2,8%. Since ICASA did not budget for some posts, HR excluded them from the above calculation of vacancy rates.

EMPLOYMENT CHANGES

SALARY BAND	EMPLOYMENT AT THE BEGINNING OF THE PERIOD	NEW APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	9	0	3	6
Senior Management	8	2	1	9
Professional qualified	104	0	8	96
Skilled	166	5	10	161
Semi-skilled	65	3	1	67
Unskilled	2	0	0	2
Total	354	10	23	341

A recent recruitment drive resulted in 10 new employees being hired by the Authority, contributing to a lower vacancy rate. ICASA will be able to fulfil its mandate more efficiently with the new employees.

REASONS FOR STAFF ATTRITION

REASON	NUMBER 2020/21	NUMBER 2021/22	% VARIANCE	% OF TOTAL NO. OF STAFF TERMINATED STAFF
Dismissal	2	0	-100%	0%
Deceased	2	3	50%	13%
End of Contract	7	4	-43%	17%
Resignation	11	14	27%	61%
Medical Boarding	0	0	0%	0%
Retirement	2	2	0%	9%
Total	24	23	-4%	100%

Businesses consider a turnover of more than 10% to be high. The turnover rate at ICASA has been below ten per cent since 2016/17. The Authority recorded a 6% turnover at the end of 2021/22 financial year. Resignations are the most common reason for employees leaving ICASA, citing better career opportunities elsewhere.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

NATURE OF DISCIPLINARY ACTION	2020/21 NUMBER	2021/22 NUMBER	% VARIANCE
Labour Court	2	2	0%
High Court	1	1	0%
CCMA	2	1	-50%
Disciplinary	3	5	67%
Grievance	1	1	0
Total	9	10	11%

Regarding labour relations cases involving external dispute resolution institutions, the Authority had two labour court cases and one high court case pending at the end of the 2021/22 financial year. Furthermore, the Authority had five disciplinary cases and one grievance issue. Additionally, CCMA cases declined to one in the year under review, signalling a stable relationship between employees and the Authority.

TRAINING COSTS FOR EMPLOYEES

OCCUPATIONAL LEVELS	MALE								FEMALE								FOREIGN NATIONAL		GRAND TOTAL
	AFRICAN	TARGET	COLOURED	TARGET	INDIAN	TARGET	WHITE	TARGET	AFRICAN	TARGET	COLOURED	TARGET	INDIAN	TARGET	WHITE	TARGET	MALE	FEMALE	
Top management	3	3	1	1	0	0	1	1	1	5	0	0	0	0	0	0	0	0	6
Senior management	3	3	0	1	0	1	0	1	4	2	1	0	0	0	0	1	0	1	9
Professionally Qualified	48	50	4	5	4	4	5	5	26	34	3	4	1	1	1	2	3	1	96
Skilled Technician and academically qualified workers	65	67	11	9	2	3	7	9	64	64	5	7	3	2	4	6	0	0	161
Semi-skilled and discretionary decision-making	13	19	1	3	1	1	3	4	39	38	3	3	2	1	5	3	0	0	67
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	2
Grand Total	132	100	17	8	7	9	16	23	136	113	12	8	6	4	10	8	3	3	341

The above table compares the demographics of ICASA's headcount to targets based on the Economically Active Population (EAP) of South Africa. The above table shows that there is generally a fair balance of representation at all levels and across all groups within ICASA. However, women are slightly under-represented at the skilled and professionally qualified levels. On the other hand, women dominate the semi-skilled and unskilled levels. During the hiring process, the Authority will prioritise hiring females for professional jobs and skilled occupations.

Africans are well represented at all levels, with a slight over-representation at the senior management level. Moreover, whites and coloured's, both men and women, are under-represented in most management levels, especially at the executive level. The Authority has plans, approved by the department of labour, to ensure equal representation of racial and gender groups at different occupational levels.

EMPLOYEES LIVING WITH A DISABILITY PER GENDER

OCCUPATIONAL LEVEL	MALE	FEMALE	GRAND TOTAL
Top management	0	0	0
Senior management	0	0	0
Professionally Qualified	1	0	1
Skilled Technician and academically qualified workers	2	1	3
Semi-skilled and discretionary decision-making	1	0	1
Unskilled	0	0	0
Grand Total	4	1	5

Five members of the Authority are living with a disability, which translates to 1.4% of the Authority's staff complement and is below the 2% threshold. ICASA is always seeking to employ more people living with a disability. Likewise, plans are in place to ensure preference is given to people living with disabilities in the hiring process.

PART E

COMPLAINTS AND COMPLIANCE COMMITTEE



INTRODUCTION

The Complaints and Compliance Committee ("the CCC"), was established by the Independent Communications Authority of South Africa ("ICASA") in terms of section 17 of the ICASA Act No 13 of 2000. The CCC is composed of seven members, one of whom is the Chairperson. I have had the privilege and the honour to serve as the CCC Chairperson during the period under review.

Other CCC members are

- Councillor Yolisa Kedama,
- Mr Peter Hlapolosa,
- Mr Thato Mahapa,
- Mr Paris Mashile,
- Mr Monde Mbanga and
- Ms Ngwako Molewa.

Section 17B of the Act sets out the functions of the CCC which is to investigate and hear, if appropriate, and make a finding on complaints that fall within its jurisdiction. The legal framework within which the CCC operates includes the ICASA Act No. 13 of 2000 and three underlying statutes, namely the Electronic Communications Act No. 36 of 2005 (ECA), the Broadcasting Act No 4 of 1999 and the Postal Services Act. In carrying out its functions, the CCC always has regard to the Constitution. It is also guided by its Oath of Office as well as its Code of Conduct.

Bearing in mind that the Authority is there to regulate the industry in the public interest, during the year under review, the CCC ensured that this was reflected in a manner it handled the cases that came before it and especially in the sanctions imposed on Respondents. Without interfering with the internal business affairs of the Respondents, the CCC tried to assist various Respondents to take remedial action which would not have a negative impact on the consumers of their services.

A sizeable number of complaints that come before the CCC involve technical issues. Fortunately, members of the CCC come from different backgrounds with varied expertise. It is this diversity that assists the CCC in reaching, what I believe to be, balanced and just decisions. This is because, as members of the CCC, we work as

a team while we take pride in being independent thinkers.

The CCC has been fortunate to have support from ICASA in the form of the Office of the CCC. Lindisa Mabulu and her team deserve a big thank you for always going the extra mile in assisting the CCC. They really make the work of the CCC not only easier but also enjoyable.

SUMMARY OF THE COMPLAINTS HEARD

During the period under review, the CCC was seized with a total of 28 complaints. Twenty-three (23) of these were complaints against broadcasters, while the remaining 5 concerned electronic communications network licensees. There were no complaints heard concerning Postal Services.

The nature of complaints varied from the simple and short cases; these took only a day to be heard. The CCC also dealt with a number of involved and complicated matters, one of which was heard over four days.

While in the majority of matters that the CCC adjudicated, both the Complainants and the Respondents were legally represented, there were a few matters where the parties were not legally represented. This meant more time was required to assist the parties as some were not familiar with the procedures. It is commendable that the average person can approach the CCC with a complaint and be afforded a hearing, as this is in alignment with the purpose of the ICASA Act that the Authority must regulate the ICT environment in the public interest. This also serves to increase the public confidence in the Authority.

THE ELECTRONIC COMMUNICATIONS ACT NO. 36 OF 2005

Although the focus is always on the applicability of the ICASA Act and the underlying statutes, occasionally, there is a need for the CCC to have regard to and to interpret other laws which may or may not have a direct impact on the case in question.

What comes to mind is a complaint that the CCC heard recently between two electronic communications network service licensees. The complaint was that the Respondent, MFN, failed to comply with Section 43 of the ECA read with regulation 3 of the Electronic Communications Facilities Leasing Regulations in that it had failed to request the Complainant, Telkom, to lease its electronic communications facilities to it before it could install its fibre optic cabling in Telkom's facilities. MFN did not deny that it had installed its fibre optic cables in Telkom's infrastructure without following the prescribed procedures. Its position was that it had not been necessary for it to follow the prescribed procedure as it had obtained permission from the respective HOAs. The basis of this stance was that the infrastructure, (which was movable property) had acceded to the land (immovable property) that was owned by the HOA. As a result, ownership of the infrastructure now vested in the HOAs. Hence the belief that all that was required was permission from the HOAs.

Since there were almost no factual disputes, the matter looked simple, but it was not. Eventually, the CCC had to examine the relationship between statutory law and common law before it could come to a conclusion.

BROADCASTING ACT NO. 4 OF 1999

Out of the 23 complaints heard against broadcasters, 8 were heard on an urgent basis. These matters concerned non-compliance with Election Regulations by sound broadcasting licensees during the Municipal Elections, 2021. A common feature among these cases was that in all but one, the Respondents admitted to the non-compliance, expressed remorse and undertook to take remedial action so as to avoid similar transgressions in the future. The admission of non-compliance made it possible for the CCC to hear more than one case in a day. This enabled the CCC to save costs and resources. Sanctions against the Respondents varied depending on the seriousness of the non-compliance as well as the mitigating and aggravating factors. An order that was recommended in all cases was that the Respondent make a public apology to ICASA and to its listeners for having failed to comply with the relevant provisions of the law and/or regulations.

We believe that while this will not break a licensee financially, it will assist in acting as a deterrent as no one likes to lose face.



"Bearing in mind that the Authority is there to regulate the industry in the public interest, during the year under review, the CCC ensured that this was reflected in a manner it handled the cases that came before it and especially in the sanctions imposed on Respondents."

POSTAL SERVICES ACT

During the period under review, there were no complaints against Postal Services brought before the CCC.

IN CONCLUSION

During the year under review, the work of the CCC was both interesting and challenging at the same time. Covid-19 and its ramifications meant that the CCC had to hear all the complaints online. While this saved everyone involved from the stress of travelling to and from work, it also meant learning the intricacies of virtual meetings, overnight.

In addition, the CCC had to contend with loadshedding. Some hearings/meetings started a little late or people were disconnected midway a hearing, but a way was always found to proceed, thanks to the efficient and professional assistance from the Office of the CCC. It also helped that the bundles for the hearings were sent to the members well in advance and that proper preparation had taken place. This made the unpredictable disruptions caused by loadshedding bearable and the work manageable despite the interruptions.

What also assisted was the remarkable work ethic of all the members of the CCC. Their readiness to attend all meetings and deliberate on issues thoroughly each time is commendable. Credit goes to all of them, the CCC was able to make decisions and submit reports within the stipulated deadline. In all but one, the decisions taken were unanimous.

Lastly, this report would be incomplete without a mention of my predecessor, Professor Kobus van Rooyen, who for many years was the Chairperson of the CCC and from whom I have had the privilege of learning the ropes. The smooth handover and his willingness to assist me are highly appreciated.

In addition, the decisions of the outgoing CCC also came in handy when we were seized with matters where similar issues had been decided, as these acted as a precedent where appropriate.

TMMasipa

Judge Thokozile Masipa

CCC Chairperson

COMMITTEE MEMBERSHIP AND ATTENDANCE

TERMS OF OFFICE

The members depicted in Table 1 served on the CCC during the period under review:

COMMITTEE MEMBER	COMMENCEMENT OF TERM	EXPIRY DATE OF TERM
Prof. JCW Van Rooyen	18 December 2014	Until new member appointed
Judge Thokozile Masipa	1 January 2021	31 December 2023
Dimakatso Qocha		
Yolisa Kedama		
Peter Hlapolosa	1 January 2021	31 December 2023
Thato Mahapa	1 January 2021	31 December 2023
Ngwako Molewa	1 January 2021	31 December 2023
Paris Mashile	1 January 2021	31 December 2023
Monde Mbanga	1 December 2021	31 December 2023

	MEMBER	4 INTERNAL MEETINGS	1 QUARTERLY MEETINGS	25 DELIBERATIONS	25 HEARINGS	TOTAL
1	Judge Thokozile Masipa	4	1	25	25	55
2	Dimakatso Qocha	1	0	10	10	21
3	Yolisa Kedama	1	1	15	15	32
4	Peter Hlapolosa	1	1	25	25	52
5	Thato Mahapa	1	1	23	23	48
6	Ngwako Molewa	1	1	21	21	44
7	Paris Mashile	1	1	25	25	52
8	Monde Mbanga	1	1	7	7	16

Number of Complaints adjudicated by the CCC during the period under review

POSTAL	BROADCASTING	TELECOMMUNICATIONS
0	23	5
TOTAL = [28]		

PART F

FINANCIAL INFORMATION





REPORT BY THE ACCOUNTING OFFICER

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999) (PFMA), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring

the Authority's business is conducted in a manner that in all reasonable circumstances is beyond reproach. The focus of risk management in the Authority is that of identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit. The auditors are responsible for auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented below.

The annual financial statements set out in the Annual Report, which have been prepared on the going concern basis, were approved by the accounting officer on 31 July 2022 and were signed on its behalf by:

Willington Ngwepe

Chief Executive Officer

31 July 2022



REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Independent Communications Authority of South Africa (Icasa) set out on pages 91 to 141, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Icasa as at 31 March 2022, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the institution in accordance with the *International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTER

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

MATERIAL IMPAIRMENTS - NATIONAL REVENUE FUND

7. As disclosed in note 9 to the financial statements, the entity has impaired receivables from non-exchange transactions amounting to R87 770 681 (2021: R71 692 160) because of potential irrecoverable receivables from non-exchange transactions.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the institution's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the institution or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the institution's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the institutions enabled service delivery. My procedures do not extend to any disclosures or assertions

relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the institution's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 4: Engineering and technology	43-46

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not find any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 4: Engineering and technology.

OTHER MATTERS

17. I draw attention to the matters below. Achievement of planned targets
18. Refer to the annual performance report on pages 25 to 48 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the institution's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislation are as follows:

EXPENDITURE MANAGEMENT

21. Effective and appropriate steps were not taken to prevent irregular expenditure of R33 034 478, disclosed as part of note 38 to the financial statements, as required by section 38(1)(c) of the PFMA and treasury regulation 9.1.1. Majority of the irregular expenditure was caused by non-compliance with supply chain management laws and regulations.
22. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

ANNUAL FINANCIAL STATEMENTS

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA.
24. Material misstatements of current assets and non-current liabilities identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

OTHER INFORMATION

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective

was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

30. Controls were not always effective to ensure oversight, monitoring and review of compliance with laws and regulations.
31. Management did not implement adequate controls to prevent and detect non-compliance with laws and regulations, which resulted in irregular expenditure.
32. Management did not implement adequate controls to ensure that payments to suppliers are made within 30 days after receipt of an invoice.

33. Management did not implement adequate controls to ensure that the submitted annual financial statements are free from material misstatement.

Auditor-General

Pretoria
30 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the institution's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institution's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
- Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of

Icasa to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an institution to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

INDEX

Statement of Financial Position	91
Statement of Financial Performance	92
Statement of Changes in Net Assets.....	93
Cash Flow Statement	94
Statement of Comparison of Budget and Actual Amounts	95
Accounting Policies	96
Notes to the Annual Financial Statements	119



STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	NOTES	2022 R	2021 R
ASSETS			
CURRENT ASSETS			
Inventories	7	458 352	505 885
Receivables from exchange transactions	8	7 668 882	10 801 373
Receivables from non-exchange transactions	9	9 625 353 183	971 383 299
Prepayments	6	5 881 237	4 374 035
Cash and cash equivalents	10	915 800 787	489 728 765
		10 555 162 441	1 476 793 357
NON-CURRENT ASSETS			
Property, plant and equipment	3	110 355 030	109 363 404
Intangible assets	4	18 869 565	23 026 987
		129 224 595	132 390 391
Total Assets		10 684 387 036	1 609 183 748
LIABILITIES			
CURRENT LIABILITIES			
Finance lease obligation	11	3 134 168	391 263
Operating lease liability	5	2 284 330	3 644 046
Payables from exchange transactions	14	54 856 125	37 960 421
Taxes and transfers payable (non-exchange)	15	-	3 374 575
National Revenue Fund payable	16	10 248 734 355	1 233 099 345
Unspent conditional grants and receipts	12	134 440 299	112 209 788
Provisions	13	44 028 304	38 112 274
		10 487 477 581	1 428 791 712
NON-CURRENT LIABILITIES			
Finance lease obligation	11	3 977 777	130 068
Operating lease liability	5	17 904 326	12 614 245
Provisions	13	2 690 831	2 513 052
		24 572 934	15 257 365
Total Liabilities		10 512 050 515	1 444 049 077
Net Assets		172 336 521	165 134 671
Accumulated surplus		173 246 591	165 134 671
Total Net Assets		173 246 591	165 134 671



STATEMENT OF FINANCIAL PERFORMANCE

	NOTES	2022 R	2021 R
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Other income	19	14 559 809	9 774 279
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Revenue from non-exchange transactions	20	459 990 000	459 019 000
Other revenue from non-exchange transactions	17	27 047 345	10 758 657
Total revenue from non-exchange transactions		487 037 345	469 777 657
Total revenue		501 597 154	479 551 936
EXPENDITURE			
Employee related costs	21	(321 483 327)	(312 628 877)
Depreciation and amortisation	22	(22 242 741)	(18 716 601)
Impairment Loss	23	(5 445)	-
Finance costs	24	(602 639)	(240 725)
Lease rentals on operating lease	18	(38 916 784)	(38 501 063)
General expenses	25	(108 229 269)	(67 015 498)
Repairs and maintenance	26	(2 005 029)	(3 664 772)
Total expenditure		(493 485 234)	(440 767 536)
Surplus for the year		8 111 920	38 784 400



STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R	Total net assets R
Opening balance as previously reported	129 724 846	129 724 846
Adjustments		
Correction of errors	(3 374 575)	(3 374 575)
Balance at 01 April 2020 as restated*	126 350 271	126 350 271
Changes in net assets		
(Deficit) surplus for the year	38 784 400	38 784 400
Total changes	38 784 400	38 784 400
Restated* Balance at 01 April 2021	165 134 671	165 134 671
Changes in net assets		
(Deficit) surplus for the year	8 111 920	8 111 920
Total changes	8 111 920	8 111 920
Balance at 31 March 2022	173 246 591	173 246 591

* See Note 33



CASH FLOW STATEMENT

	NOTES	2022 R	2021 R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Other income		14 549 519	9 774 279
Grants		508 190 000	543 719 000
Other receipts		650 973	568 606
Cash received by Administered Revenue for NRF		2 138 697 694	2 147 900 716
		2 662 088 186	2 701 962 601
PAYMENTS			
Employee costs		(299 115 253)	(291 416 131)
Suppliers		(130 433 534)	(95 805 344)
Finance costs		(31 674)	(10 717)
Cash paid by Administered Revenue for NRF		(1 781 796 143)	(2 159 786 003)
Other cash item		(3 374 576)	-
		(2 214 751 180)	(2 547 018 195)
Net cash flows from operating activities	28	447 337 006	154 944 406
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(19 110 906)	(3 213 752)
Proceeds from sale of property, plant and equipment	3	427 875	-
Purchase of other intangible assets	4	-	(5 038 901)
Net cash flows from investing activities		(18 683 031)	(8 252 653)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(2 581 955)	(112 887)
Net increase/(decrease) in cash and cash equivalents		426 072 020	146 578 866
Cash and cash equivalents at the beginning of the year		489 728 765	343 149 899
Cash and cash equivalents at the end of the year	10	915 800 785	489 728 765

The accounting policies on pages 96 to 118 and the notes on pages 119 to 141 form an integral part of the annual financial statements.



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Other income	16 084 265	-	16 084 265	15 637 664	(446 601)	38
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Funding from the Department of Communications and Digital Technologies	459 990 000	-	459 990 000	459 990 000	-	38
Government/ Deferred Grants	155 052 602	-	155 052 602	27 047 345	(128 005 257)	38
Total revenue from non-exchange transactions	615 042 602	-	615 042 602	487 037 345	(128 005 257)	
EXPENDITURE						
Personnel	(348 001 246)	(28 028 110)	(376 029 356)	(321 483 327)	54 546 029	38
Depreciation and amortisation	(20 543 193)	-	(20 543 193)	(22 242 741)	(1 699 548)	38
Finance costs	(6 073)	-	(6 073)	(119 422)	(113 349)	38
General Expenses	(318 951 866)	43 725 408	(275 226 458)	(139 394 809)	135 831 649	38
Repairs and maintenance	(2 268 313)	(67 000)	(2 335 313)	(2 005 029)	330 284	38
Total expenditure	(689 770 691)	15 630 298	(674 140 393)	(485 245 328)	188 895 065	
Surplus before taxation	(58 643 824)	15 630 298	(43 013 526)	17 429 681	60 443 207	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(58 643 824)	15 630 298	(43 013 526)	17 429 681	60 443 207	
Reconciliation						



ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the authority.

1.2 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the authority will continue to operate as a going concern for at least the next 12 months.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

TRADE RECEIVABLES / HELD TO MATURITY INVESTMENTS AND/OR LOANS AND RECEIVABLES

The authority assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE STOCK

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

IMPAIRMENT TESTING

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

ALLOWANCE FOR DOUBTFUL DEBTS

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the authority; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the diminishing balance method over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Diminishing balance	8 - 31 years
Motor vehicles	Diminishing balance	10 - 20 years
Office equipment	Diminishing balance	3 - 30 years
IT equipment	Diminishing balance	5 - 26 years
Computer software	Diminishing balance	5 - 22 years
Leasehold improvements	Diminishing balance	Depreciated over the lease period

Item	Depreciation method	Average useful life
Technical equipment	Diminishing balance	9 -32 years
Dismantling and Restoration Asset	Diminishing balance	Depreciated over the lease period
Office and computer equipment under finance lease	Diminishing balance	Depreciated over the lease period

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the authority. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The authority assesses at each reporting date whether there is any indication that the authority expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the authority revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the authority holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The authority separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 26).

The authority discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.5 SITE RESTORATION AND DISMANTLING COST

The constitutional institution has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a constitutional institution incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the constitutional institution considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

- (a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
 - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- (b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- (c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.6 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the authority or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the authority; and
- the cost or fair value of the asset can be measured reliably.

The authority assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a diminishing balance method, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Diminishing balance	5 - 22 years

The authority discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

1.7 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.8 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

OPERATING LEASES - LESSOR

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

OPERATING LEASES - LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the authority incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the authority.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the authority; or
- the number of production or similar units expected to be obtained from the asset by the authority.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

Nil

1.11 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the authority; or
- the number of production or similar units expected to be obtained from the asset by the authority.

1.12 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

POST-EMPLOYMENT BENEFITS

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

1.13 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the authority settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the authority

No obligation arises as a consequence of the sale or transfer of an operation until the authority is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 30.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The authority recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the authority for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the authority considers that an outflow of economic resources is probable, an authority recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.14 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the authority receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

MEASUREMENT

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

SALE OF GOODS

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the authority has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the authority retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the authority; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

RENDERING OF SERVICES

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the authority;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

INTEREST, ROYALTIES AND DIVIDENDS

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the constitutional institution, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the constitutional institution's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.16 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a constitutional institution, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the constitutional institution can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a constitutional institution either receives value from another constitutional institution without directly giving approximately equal value in exchange, or gives value to another constitutional institution without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting constitutional institution.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

RECOGNITION

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the constitutional institution satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

MEASUREMENT

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the constitutional institution.

When, as a result of a non-exchange transaction, the constitutional institution recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

TAXES

The authority is exempted from paying Income Tax in terms of section 10 (1) (cA) of the Income Tax Act (Act no 58 of 1962).

FINES

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the constitutional institution.

Where the constitutional institution collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

1.17 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 ACCOUNTING BY PRINCIPALS AND AGENTS IDENTIFICATION

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

IDENTIFYING WHETHER AN ENTITY IS A PRINCIPAL OR AN AGENT

When the constitutional institution is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a constitutional institution is a principal or an agent requires the constitutional institution to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

BINDING ARRANGEMENT

The authority assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

ASSESSING WHICH ENTITY BENEFITS FROM THE TRANSACTIONS WITH THIRD PARTIES

When the authority in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the authority concludes that it is not the agent, then it is the principal in the transactions.

The authority is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the authority has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The authority applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the authority is an agent.

RECOGNITION

The authority, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The authority, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The authority recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.19 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 UNAUTHORISED EXPENDITURE

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.21 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.23 BUDGET INFORMATION

Authority is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by authority shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.24 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the authority, including those charged with the governance of the authority in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the authority.

The authority is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the authority to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the authority is exempt from the disclosures in accordance with the above, the authority discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.25 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The authority will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The authority will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 ADMINISTERED REVENUE ON BEHALF OF THE NATIONAL REVENUE FUND

In terms of section 15(3) of the Independent Communications Authority of South Africa (Act No 13 of 2000), the authority is required to pay all fees received and held on its behalf to the National Revenue Fund within 30 days after receipt of such revenue, through the Department of Communications and Digital Technologies.

Separate bank accounts are held for the purpose of collecting these revenues and paying them across to the National Revenue Fund. The authority has an obligation in terms of statute to administer these funds on behalf of National Treasury to pay them across within the prescribed time limit.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The authority has not applied the following standards and interpretations, which have been published and are mandatory for the authority's accounting periods beginning on or after 01 April 2022 or later periods:

STANDARD/ INTERPRETATION:	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT:
GRAP 104 (amended): Financial Instruments	01 April 2099	Unlikely there will be a material impact
Guideline: Guideline on Accounting for Landfill Sites	01 April 2099	Unlikely there will be a material impact

The objective of this guideline: Entities in the public sector are frequently involved in the construction of houses as part of government's housing policy, implemented through the national housing programme, which is aimed at developing sustainable human settlements. The Housing Act, Act No. 107 of 1997 provides information about the housing programmes that fall within the scope of the national housing programme. Concerns were raised by preparers about the inconsistent accounting applied to housing arrangements undertaken by entities under the national housing programme. Different accounting may be appropriate where there are differences between the terms and conditions of arrangements concluded by entities. However, under housing arrangements that are undertaken in terms of the national housing programme, there are common features and issues that need to be considered. As a result, the Board agreed to develop high-level guidance for arrangements undertaken in terms of the national housing programme.

It covers: Background to arrangements undertaken in terms of the national housing programme, Transactions that affect the accounting of housing arrangements, Consider whether the municipality undertakes transactions with third parties on behalf of another party, Accounting by municipalities appointed as project manager, Disclosure requirements, Accounting by municipalities appointed as project developer, Accounting for the accreditation fee, commission, administration or transaction fee received, Land and infrastructure, Conclusion and Application of this Guideline to existing arrangements.

The effective date of the guideline is for years beginning on or after 01 April 2021.

The authority expects to adopt the guideline for the first time in the 2022/2021 annual financial statements.

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for years beginning on or after 01 April 2021.

The authority expects to adopt the standard for the first time in the 2021/2022 annual financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated depreciation and accumulated impairment R	Carrying value R
Furniture and fixtures	13 758 183	(6 011 400)	7 746 783	13 758 183	(4 558 128)	9 200 055
Motor vehicles	22 848 229	(10 153 821)	12 694 408	18 707 358	(8 981 768)	9 725 590
Office and computer equipment	62 245 407	(45 692 305)	16 553 102	59 387 558	(40 634 636)	18 752 922
Leasehold improvements	19 756 512	(7 518 106)	12 238 406	18 951 703	(5 433 951)	13 517 752
Test equipment	119 748 059	(66 947 149)	52 800 910	117 303 588	(61 181 099)	56 122 489
Dismantling and restoration Asset	2 047 431	(699 876)	1 347 555	2 047 431	(495 446)	1 551 985
Office equipment under finance lease	9 846 604	(2 872 738)	6 973 866	1 165 643	(673 032)	492 611
Total	250 250 425	(139 895 395)	110 355 030	231 321 464	(121 958 060)	109 363 404

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2022

	Opening balance R	Additions R	Disposals R	Other changes, movements R	Depreciation R	Impairment loss R	Total R
Furniture and fixtures	9 200 055	-	-	-	(1 453 272)	-	7 746 783
Motor vehicles	9 725 590	4 140 871	-	-	(1 172 053)	-	12 694 408
Office and computer equipment	18 752 922	2 941 373	(83 524)	55 008	(5 107 232)	(5 445)	16 553 102
Leasehold improvements	13 517 752	804 809	-	-	(2 084 155)	-	12 238 406
Test equipment	56 122 489	2 444 470	-	-	(5 766 049)	-	52 800 910
Dismantling and restoration asset	1 551 985	-	-	-	(204 430)	-	1 347 555
Office and computer equipment under finance lease	492 611	8 779 383	(98 422)	98 422	(2 298 128)	-	6 973 866
	109 363 404	19 110 906	(181 946)	153 430	(18 085 319)	(5 445)	110 355 030

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2021

	Opening balance R	Additions R	Disposals R	Depreciation R	Impairment loss R	Total R
Furniture and fixtures	10 600 938	62 962	-	-	(1 463 845)	9 200 055
Motor vehicles	10 984 977	42 043	(385 873)	205 979	(1 121 536)	9 725 590
Office and computer equipment	21 853 779	2 454 420	(111 871)	56 554	(5 499 960)	18 752 922
Leasehold improvements	14 990 039	631 441	-	-	(2 103 728)	13 517 752
Test equipment	62 195 521	22 886	(499)	235	(6 095 654)	56 122 489
Dismantling and restoration asset	1 756 415	-	-	-	(204 430)	1 551 985
Office equipment under finance lease	945 511	-	-	-	(452 900)	492 611
	123 327 180	3 213 752	(498 243)	262 768	(16 942 053)	109 363 404

PLEGDED AS SECURITY

No assets pledged as security.

ASSETS SUBJECT TO A LEASE (NET CARRYING AMOUNT)	2022 R	2021 R
Leasehold improvements	12 238 406	13 517 752
Other leased assets	6 973 866	492 611
	19 212 272	14 010 363

4. INTANGIBLE ASSETS

	2022			2021		
	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R	Cost / Valuation R	Accumulated amortisation and accumulated impairment R	Carrying value R
Computer software	41 443 638	(22 574 073)	18 869 565	23 772 290	(18 416 651)	5 355 639
Work in Progress	-	-	-	17 671 348	-	17 671 348
Total	41 443 638	(22 574 073)	18 869 565	41 443 638	(18 416 651)	23 026 987

RECONCILIATION OF INTANGIBLE ASSETS - 2022

	Opening balance R	Additions R	Amortisation R	Total R
Computer software	5 355 639	17 671 348	(4 157 422)	18 869 565
Work in Progress	17 671 348	(17 671 348)	-	-
	23 026 987	-	(4 157 422)	18 869 565

RECONCILIATION OF INTANGIBLE ASSETS - 2021

	Opening balance R	Additions R	Amortisation R	Total R
Computer software	7 130 187	-	(1 774 548)	5 355 639
Work in Progress	15 889 021	1 782 327	-	17 671 348
	23 019 208	1 782 327	(1 774 548)	23 026 987

PLEGGED AS SECURITY

There are no intangible assets pledged as security.

5. OPERATING LEASE LIABILITY

	2022 R	2021 R
Non-current liabilities	(17 904 326)	(12 614 245)
Current liabilities	(2 284 330)	(3 644 046)
	(20 188 656)	(16 258 291)

6. PREPAYMENTS

Software licence and support	873 449	1 002 492
Library subscription	64 718	530 459
Rental payments	2 544 781	605 078
Conferences and exhibitions	-	161 423
Consultants	482 238	-
Bursary	239 400	-
IT storage	17 828	-
Deposits	1 658 823	2 074 583
	5 881 237	4 374 035

7. INVENTORIES	2022 R	2021 R
Groceries	98 430	115 159
Stationery	359 922	390 726
	458 352	505 885
Inventories recognised as an expense during the year	-	146 814

8. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Staff Receivables	6 442 733	9 460 618
Other receivables	1 226 306	1 340 912
Less: Provision for impairment of receivables	(157)	(157)
	7 668 882	10 801 373

Receivables from exchange transactions pertain to staff bursaries, subsistence & travel and cellular phones. In the event a staff member decides to deregister and leaves the employment of the authority or change the courses for which the staff member was initially sponsored the bursary is recouped. The employee is expected to serve a term equivalent to the period sponsored alternatively the total amount due will be deducted from the employee's salary or final payment.

Cell phone, subsistence and travel receivables pertain to amounts that the employee owes the authority after a business trip or excess/personal usage of a cell phone provided to the employee by the authority. No impairment is provided for on these receivables as these are recoverable from the employees on a regular basis. The employees sign contracts for bursaries, standing advances and cell phones which provide the authority permission to deduct outstanding amounts. International travel is administered through signed letters from employees granting the authority permission to deduct such amounts should an employee decide to leave before the stipulated period of time.

CREDIT QUALITY OF TRADE AND OTHER RECEIVABLES

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The authority does not hold any collateral security:

TRADE RECEIVABLES

The rating of other receivables was as follows:		
Medium Risk	11 364 408	10 174 342
High risk	(157)	(157)
	11 364 251	10 174 185

TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2022, R 6 453 421 , (2021: 6 396 521) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	232 567	(108 977)
2 months past due	432 579	552 521
3 months past due	5 788 274	5 952 977

**8. RECEIVABLES FROM EXCHANGE TRANSACTIONS
(CONTINUED)**

2022 R	2021 R
-----------	-----------

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2022, trade and other receivables of R 157 - (2021: (R 157) were impaired and provided for.

The amount of the provision was R 157 as of 31 March 2022 (2021: (R 157)).

The ageing of these loans is as follows:

Over 6 months	(157)	(157)
---------------	-------	-------

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

Opening balance	(157)	27 157
-----------------	-------	--------

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Broadcasting services	150 086 626	120 694 256
Spectrum receivables	805 924 348	65 833 098
ECS and ECNS services	8 726 054 870	835 255 746
Postal services	31 058 020	21 292 359
Allowance for impairment of NRF Receivables	(87 770 681)	(71 692 160)
	9 625 353 183	971 383 299

Receivables from non-exchange transactions pertain to licence fees accruals that were raised at the end of the reporting period but due for settlement after the end of the reporting period. These are based on either the results of the licensee, where the licensee has finalised its financial statements however in instances where actual results are not available at the end of the reporting period the licensee submits the expected financial results.

ECN and ECNS receivables relates to all the amounts that had been billed to but not settled by the Electronic Communications Services and the Electronic Communications Network Services licensees. The broadcasting receivables are all outstanding licence fees for broadcasting licences.

The authority acts as an agent for the National Revenue Fund. The transfer of licence fees received is paid over to the Department of Communications and Digital Technologies hence receivables on behalf of the National Revenue Fund.

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS PAST DUE BUT NOT IMPAIRED

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March 2022, - (2021: 6 396 521) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	8 641 728 849	34 461 645
2 months past due	415 905	7 256 696
3 months past due	121 006 059	245 325 890

9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

	2022 R	2021 R
--	-----------	-----------

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS IMPAIRED

As of 31 March 2022, other receivables from non-exchange transactions of - (2021: 157) were impaired and provided for.

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Opening balance	(71 691 939)	(280 971 396)
Provision for impairment	(22 570 206)	(24 762 425)
Amounts written off as uncollectible	-	232 343 166
Unused amounts reversed	6 491 685	1 698 716
	(87 770 460)	(71 691 939)

The licences are granted to various customers with different credit profiles. Customer profiles include successful multinational corporations, big security companies, medium-sized entities and very small entities. The credit profiles of these entities vary significantly and in terms of the legislations the authority is not permitted to refuse to grant any entity licences due to its credit rating.

Despite the fact that no credit vetting is conducted before licences are issued, all licences are granted after they have lodged their applications with the authority. In instances where the licensee fails to comply with its licence condition which include payment terms, the licensee is referred to the Complaints and Compliance Committee or has its equipment sealed. Amounts written-off during the year were previously included in the impairment provision. All amounts written off are duly approved by Council.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Bank balances	292 340 239	227 921 755
Administered revenue cash balance	623 381 172	261 717 936
Other cash and cash equivalents (bank)	21 458	29 650
Other cash and cash equivalents (other)	57 918	59 424
	915 800 787	489 728 765

11. FINANCE LEASE OBLIGATION

MINIMUM LEASE PAYMENTS DUE

- within one year	3 384 879	413 300
- in second to fifth year inclusive	4 066 228	131 787
	7 451 107	545 087
less: future finance charges	(339 162)	(23 569)
Present value of minimum lease payments	7 111 945	521 518

11. FINANCE LEASE OBLIGATION (CONTINUED)	2022 R	2021 R
PRESENT VALUE OF MINIMUM LEASE PAYMENTS DUE		
- within one year	3 134 168	391 449
- in second to fifth year inclusive	3 977 777	130 068
	7 111 945	521 517
Non-current liabilities	3 977 777	130 068
Current liabilities	3 134 168	391 263
	7 111 945	521 331

The authority entered into a finance lease agreement with Bytes Documents Solutions (Pty) Ltd for office equipment. The monthly instalments are fixed and do not contain any escalation clauses. The extended lease expires on 30 September 2023.

The lease term was extended for 2 years and the average effective borrowing rate was 10%. Interest rates are at the contract date.

The authority's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 3.

12. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises of:

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent grants	134 440 299	112 209 788
----------------	-------------	-------------

MOVEMENT DURING THE YEAR

Balance at the beginning of the year	112 209 788	37 699 839
Additions during the year	48 200 000	84 700 000
Income recognition during the year	(25 969 489)	(10 190 051)
	134 440 299	112 209 788

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the authority has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 12 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

13. PROVISIONS

RECONCILIATION OF PROVISIONS - 2022

	Opening balance R	Additions R	Utilised during the year R	Change in discount factor R	Total R
Provision for Dismantling and Restoration	2 513 052	-	-	177 779	2 690 831
Bonus provisions	38 112 274	22 422 807	(16 506 777)	-	44 028 304
	40 625 326	22 422 807	(16 506 777)	177 779	46 719 135

RECONCILIATION OF PROVISIONS - 2021

	Opening balance R	Additions R	Change in discount factor R	Total R
Provision for Dismantling and Restoration	2 339 688	-	173 364	2 513 052
Bonus provisions	17 415 810	20 696 464	-	38 112 274
	19 755 498	20 696 464	173 364	46 719 135

	2022 R	2021 R
Non-current liabilities	2 690 831	2 513 052
Current liabilities	44 028 304	38 112 274
	46 719 135	40 625 326

PROVISION FOR DISMANTLING AND RESTORATION

The provision for dismantling and restoration costs relates to the Head office lease agreement signed and effective from 1 November 2018 which impose an obligation on the authority to restore the building on termination of the lease agreement on 30 September 2028.

BONUS PROVISION

The bonus provision is based on the key performance bonuses criteria that have to be met in order for the cash pay-out to be made. The amount of the performance bonus incentives paid to employees is always subject to approval by Council. This then results in uncertainty regarding the amount of the liability to be recognised in the financial statements.

14. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	13 033 331	5 128 693
Structured savings	329 950	366 880
Third-party payables	(281 402)	711 201
Accrued leave pay	17 227 604	18 984 003
Accrued expenses	24 546 642	12 769 644
	54 856 125	37 960 421

15. TAXES AND TRANSFERS PAYABLE (NON-EXCHANGE)	2022 R	2021 R
VAT on imported services	-	3 374 575

The VAT obligation was in respect of imported services from non-resident suppliers for the period 2015-11-01 to 2019-03-31. This VAT obligation was settled during the year ended 31 March 2022.

16. NATIONAL REVENUE FUND PAYABLES

National Revenue Fund payables	9 624 373 388	630 869 169
Receipt in advance and other payables	624 360 967	602 230 176
	10 248 734 355	1 233 099 345

17. OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS

Unspent Grants of prior year recognised	25 969 490	10 190 051
Miscellaneous income	649 979	495 445
Insurance claim settlements	427 876	73 161
	27 047 345	10 758 657

18. LEASE RENTALS ON OPERATING LEASE

PREMISES		
Contractual amounts	33 314 255	33 413 331
EQUIPMENT		
Equipment	1 176 681	850 249
PARKING		
Contractual amounts	4 326 772	4 336 559
Parking	-	-
	38 916 784	38 501 063

19. REVENUE FROM EXCHANGE TRANSACTIONS

Interest income	14 549 519	9 774 279
Other income	10 290	-
	14 559 809	9 774 279

20. REVENUE FROM NON - EXCHANGE TRANSACTIONS

Grant - Department of Communications and Digital Technologies	459 990 000	459 019 000
---	-------------	-------------

21. EMPLOYEE RELATED COSTS	2022 R	2021 R
Basic	240 901 406	238 903 847
Bonus	21 940 395	20 696 464
UIF	807 029	648 700
WCA	427 681	485 993
SDL	2 166 009	1 668 896
Leave pay provision charge	681 672	6 560 150
Defined contribution plans	41 710 352	41 883 978
Overtime payments	122 731	72 476
Long-service awards	72 867	100 629
Graduates Development Programme	2 250 156	442 566
Structured savings	142 677	-
Temporary Staff	10 260 352	1 165 178
	321 483 327	312 628 877

22. DEPRECIATION AND AMORTISATION		
Property, plant and equipment	18 085 319	16 942 053
Intangible assets	4 157 422	1 774 548
	22 242 741	18 716 601

23. IMPAIRMENT OF ASSETS		
IMPAIRMENTS		
Property, plant and equipment	5 445	-

24. FINANCE COSTS		
Finance leases	393 186	56 645
Unwinding of Dismantling and Restoration Costs	177 779	173 363
Interest Paid	31 674	10 717
	602 639	240 725

25. GENERAL EXPENSES	2022 R	2021 R
Advertising	5 298 297	2 352 856
Auditors remuneration	6 502 368	3 376 231
Bank charges	83 738	94 409
Cleaning	2 291 778	1 719 338
Consulting and professional fees	19 910 609	7 810 981
Legal fees	33 476 255	21 622 689
Training and conferences	2 094 157	850 751
Publications	1 458 220	1 312 017
Insurance	1 276 215	932 217
IT expenses	11 720 553	9 976 529
Motor vehicle expenses	1 181 088	663 869
Recruitment costs	444 047	497 959
Security	2 660 349	2 276 605
Telephone and fax	1 827 862	1 717 103
Travel and subsistence	3 535 566	990 513
Assets expensed	898 919	933 481
Electricity	3 817 971	3 267 793
Rates and taxes	3 478 270	2 629 360
Loss on disposal of assets	28 515	228 191
Printing and stationery	299 379	312 625
Operating lease maintenance costs	181 338	141 056
General and administrative expenses	1 142 393	1 106 769
Other expenses	4 621 382	2 194 873
	108 229 269	67 008 215

26. REPAIRS AND MAINTENANCE

SALE OF GOODS		
Office and computer equipment	1 519 607	1 020 577
Spectrum management system	-	2 192 057
Monitoring equipment	143 020	65 273
Motor vehicles	342 402	386 865
	2 005 029	3 664 772

27. AUDITORS' REMUNERATION

External audit fees	6 502 368	3 376 231
---------------------	-----------	-----------

28. CASH GENERATED FROM (USED IN) OPERATIONS	2022 R	2021 R
Surplus	8 111 920	38 784 400
Adjustments for:		
Depreciation and amortisation	22 242 741	18 716 601
Finance costs - Finance leases	393 186	56 645
Impairment deficit	5 445	-
Movements in operating lease assets and accruals	11 402 515	5 432 552
Movements in provisions	6 093 809	20 869 828
Loss on disposal of assets	-	228 191
Other non-cash items	-	(450 552)
Changes in working capital:		
Inventories	47 533	131 010
Receivables from exchange transactions	3 132 491	(2 237 973)
National Revenue Fund receivable	8 653 969 884)	(42 795 772)
Prepayments	(1 507 202)	2 290 014
Payables from exchange transactions	16 895 704	5 123 876
National Revenue Fund payables	9 015 632 812	30 911 062
Payables from non-exchange transactions	(3 374 575)	3 374 575
Unspent conditional grants and receipts	22 230 511	74 509 949
	447 337 006	154 944 406

29. COMMITMENTS

AUTHORISED CAPITAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR

Property, plant and equipment	751 506	12 819 229
Intangible assets	31 368 434	3 087 627
	32 119 940	15 906 856

NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS

Property, plant and equipment	63 828	2 984 704
Intangible assets	1 351 175	393 990
	1 415 003	3 378 694

TOTAL CAPITAL COMMITMENTS

Already contracted for but not provided for	32 119 940	15 906 856
Not yet contracted for and authorised by members	1 415 003	3 378 694
	33 534 943	19 285 550

29. COMMITMENTS (CONTINUED)	2022	2021
	R	R
AUTHORISED OPERATIONAL EXPENDITURE NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS		
Consultants	7 239 803	12 457 789
TOTAL OPERATIONAL COMMITMENTS		
Not yet contracted for and authorised by members	7 239 803	12 457 789
TOTAL COMMITMENTS		
TOTAL COMMITMENTS		
Authorised capital expenditure	33 534 943	19 285 550
Authorised operational expenditure	7 239 803	12 457 789
	40 774 746	31 743 339

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

OPERATING LEASES - AS LESSEE (EXPENSE)

Minimum lease payments due		
- within one year	30 058 149	27 729 920
- in second to fifth year inclusive	124 212 210	119 929 331
- later than five years	53 593 778	86 586 495
	207 864 137	234 245 746

Operating lease payments represent rentals payable by the authority for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

30. CONTINGENCIES

CONTINGENT LIABILITIES

On 14 March 2019, the Authority received summons from Two Step CC ("Two Step"), seeking a court order to compel the Authority to pay Two Step an amount of R321,519.30 and legal costs in respect of customer satisfaction survey devices supplied and delivered to the Authority in terms of a request for quotations issued by the Authority. The Authority had interpreted Two Step's quotation of R96, 238.60 to include set-up and twelve month rentals, and awarded the contract to Two Step on that basis. Two Step argued that the R96,238.60 included only one month's rental.

78 584

321 519

A former employee of ICASA was dismissed. The employee referred the dispute to the CCMA. The CCMA issued an award in favour of the employee for reinstatement and backpay. ICASA approached the Labour Court for a review of the decision of the CCMA. To this end, ICASA paid security for an amount of R1 421 436.

1 421 436

1 421 436

A former employee was dismissed. The employee referred the dispute to the CCMA. The CCMA issued an arbitration award in favour of the employee for reinstatement and for ICASA to pay an amount of R588 207.87 for backpay, study loan and leave due to the employee. ICASA is reviewing the decision of the CCMA. The hearing was held on 3 February 2022.

1 798 164

588 208

On 2 May 2019, the Authority received an application for review of the CCMA arbitration award delivered on 9 March 2019. In terms of the CCMA award, the former employee was awarded one month's salary totaling R64 226.55. The employee is challenging the decision of the arbitrator in that they believe the appropriate relief for the finding that the dismissal was substantively unfair should have been retrospective reinstatement and full back pay. The Authority is reviewing the CCMA award.

64 227

64 227

On 15 June 2020, ICASA received a letter of demand for an amount of R71 378.20 from Exhibitionist due to services for a stand installation at the ITU Conference that took place in Durban in 2018. On 29 November 2021 the Authority settled the outstanding amount.

-

71 378

3 362 411**2 466 768**

CONTINGENT ASSETS

On 3 May 2019 the authority received the Public Protector report which stipulated remedial action including, amongst others, that ICASA institutes civil proceedings against a former employee for the recovery of funds irregularly incurred during their tenure at ICASA

On 31 July 2019 the authority issued summons against the employee. On 20 August 2019 the defendant served their appearance to defend the matter and thereafter, the defendant's attorneys withdrew as attorneys of record on 08 October 2019. On 29 October 2019 the authority proceeded with an application for default judgement. The matter has been referred to open court for end of March 2020. Due to the lockdown period, a new hearing date will have to be secured.

31. RELATED PARTIES

RELATIONSHIPS

Controlling entity Department of Communications and Digital Technologies

ICASA is a schedule 1 entity in terms of the Public Finance Management Act (PFMA). The related party disclosure is required in terms of GRAP 20 issued by National Treasury.

NATIONAL DEPARTMENTS

DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

The authority receives its budget allocation from the Department of Communications and Digital Technologies Services which is based on the approved allocation from Parliament therefore this is at arms length. The Authority collects the licence fees from communication licensees and application fees on behalf of the National Revenue Fund and transfers this to the Department of Communications and Digital Technologies which is all done at arms length.

The following departments are licensed under the Electronic Communications Act. All the transactions and the issued licences are at arms length:

- South African Police Services;
- Department of Water Affairs;
- Department of Environmental Affairs;
- Department of Defence and Military Veterans;

ENTITIES

The following government entities are licensed under the Electronic Communications Act and Postal Services Act. All the transactions and the issued licenced are at arms length:

- Sentech;
- Transnet;
- Broadband Infracore;
- South African Post Office;
- State Information Technology Agent;
- South African Broadcasting Corporation.

The Authority acquires services at arms length from the following entities;

- Telkom SA Limited;
- South African Post Office;
- Government Printing Works;
- State Information Technology Agent;
- South African Broadcasting Corporation.

31. RELATED PARTIES (CONTINUED)

REMUNERATION OF MANAGEMENT

MANAGEMENT CLASS: COUNCILLORS

2022	Basic Salary R	Post- employment benefits R	Termination benefits R	Subsistence Travel R	Other benefits received R	Total R
Kadi P	876 726	66 485	189 041	-	94 218	1 226 470
Modimoeng K	1 743 089	225 751	-	-	45 000	2 013 840
Qocha DS	787 582	116 528	185 516	47 261	73 985	1 210 872
Semane T	1 339 244	145 660	16 691	-	84 041	1 585 636
Zimri PJ	1 243 307	174 792	-	-	144 111	1 562 210
Mkumatela LS	1 349 618	174 792	-	-	37 800	1 562 210
Kedama YY	1 207 280	174 792	-	-	180 138	1 562 210
Lewis CALM	1 531 916	-	-	-	37 800	1 569 716
	10 078 762	1 078 800	391 248	47 261	697 093	12 293 164

2021	Basic Salary R	Acting Allowance R	Post- employment benefits R	Termination benefits R	Travel Allowance R	Other benefits received R	Total R
Gongxeka Seopa NP	331 270	-	58 264	189 995	-	47 843	627 372
Kadi P	1 324 722	-	99 728	-	-	137 010	1 561 460
Mashile P	286 362	-	-	184 156	-	22 957	493 475
Modimoeng K	1 313 901	52 499	180 596	176 786	-	34 048	1 757 830
Mokhele BC	247 003	-	43 698	181 341	-	16 741	488 783
Qocha DS	1 206 506	24 590	174 792	-	72 000	108 162	1 586 050
Semane T	1 288 676	-	174 792	-	-	97 992	1 561 460
Zimri PJ	1 007 440	-	149 693	188 529	-	97 538	1 443 200
Mkumatela LS	787 277	-	101 962	-	-	22 050	911 289
Kedama YY	661 712	-	101 962	-	-	87 435	851 109
Lewis CALM	928 970	-	-	-	-	22 811	951 781
Matthews ZK	651 245	-	87 396	35 881	-	18 392	792 914
	10 035 084	77 089	1 172 883	956 688	72 000	712 979	13 026 723

31. RELATED PARTIES (CONTINUED)

MANAGEMENT CLASS: EXECUTIVE MANAGEMENT

2022	Basic Salary R	Bonuses and performance related payments R	Acting Allowance R	Post- employment benefits R	Termination benefits R	Travel Allowance R	Other benefits received R	Total R
Gidi NN	1 738 946	152 316	-	231 571	-	-	81 486	2 204 319
Kganakga MD	1 686 344	-	-	126 679	-	-	155 754	1 968 777
Khumalo AJ	-	77 905	-	-	-	-	-	77 905
Maina LW	1 826 690	147 410	-	127 868	-	-	32 400	2 134 368
Maluleka-Disemelo T	1 701 513	-	-	123 155	-	-	90 240	1 914 908
Matabane TBA	419 429	77 540	-	31 228	221 403	21 000	28 797	799 397
Meyer JL	972 011	-	-	71 840	-	-	73 178	1 117 029
Mngomezulu PB	-	80 119	-	-	-	-	-	80 119
Ngwepe WA	2 234 018	146 369	-	305 362	-	-	161 571	2 847 320
Nomtshongwana AZ	1 811 921	103 482	-	131 515	-	-	99 261	2 146 179
Rabuli N	293 225	-	-	20 526	-	-	6 235	319 986
Ruplal PH	-	113 357	-	-	-	-	-	113 357
Kenyane Julia	1 591 656	-	-	215 852	-	75 000	32 400	1 914 908
Molefe PD	568 155	-	111 925	78 155	-	-	44 100	802 335
Makola BD	-	-	58 745	-	-	-	-	58 745
Msibi LN	-	-	39 576	-	-	-	-	39 576
Seleke MJ	-	-	26 590	-	-	-	-	26 590
Molete MV	-	-	37 721	-	-	-	-	37 721
	14 843 908	898 498	274 557	1 463 751	221 403	96 000	805 422	18 603 539

2021	Basic Salary R	Acting Allowance R	Post- employment benefits R	Termination benefits R	Travel Allowance R	Other benefits received R	Total R
Gidi NN	1 740 908	-	231 571	-	-	78 624	2 051 103
Kganakga MD	1 691 618	-	126 679	-	-	149 580	1 967 877
Khumalo AJ	990 734	-	128 312	198 163	-	18 000	1 335 209
Maina LW	1 826 690	-	127 868	-	-	31 500	1 986 058
Maluleka-Disemelo T	1 679 289	-	123 155	-	-	111 564	1 914 008
Matabane TBA	1 618 686	-	124 913	-	84 000	113 292	1 940 891
Mngomezulu PB	363 000	-	26 568	219 773	104 084	7 200	720 625
Ngwepe WA	2 239 301	-	305 362	-	-	155 538	2 700 201
Nomtshongwana AZ	1 877 248	-	135 888	-	-	95 508	2 108 644
Ruplal PH	1 075 590	-	138 762	218 249	153 000	79 332	1 664 933
Kenyane Julia	416 664	-	53 963	-	-	8 100	478 727
Molefe Philemon Dipolelo	-	21 643	-	-	-	-	21 643
Maine Champagne Sempene	-	72 700	-	-	-	-	72 700
Algu Roshanchand	-	23 498	-	-	-	-	23 498
Masombuka Stanley Vusimuzi	-	19 788	-	-	-	-	19 788
Molete Masabata Violet	-	43 904	-	-	-	-	43 904
Ntuli Zanele Ketji	-	26 590	-	-	-	-	26 590
	15 519 728	208 123	1 523 041	636 185	341 084	848 238	19 076 399

32. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

Management determines the estimated useful lives and related depreciation charges for property, plant and equipment. The estimates are based on the assessed conditions of the assets, changes in technology such as new technical innovations being introduced in the industry thus rendering old assets obsolete, as well as expected future spending on capital assets.

In accordance with the prescribed treatment per GRAP 17, the authority re-assessed the remaining useful lives of all assets resulting in a revised estimate. The effect of this revision has resulted in overall decrease in depreciation charge for the current and future period as follows:

	Before changes in residual values and useful lives R	After changes in residual values and useful lives R	Value impact of change in estimate R
Technical Equipment	6 150 411	5 766 049	(384 361)
Leasehold Improvements	2 005 428	2 084 155	78 726
Computer Equipment	5 087 560	4 308 210	(779 350)
Dismantling	204 430	204 430	-
Furniture & Fittings	1 470 625	1 453 272	(17 353)
Computer software	4 426 218	4 157 422	(268 796)
Motor Vehicles	1 130 185	1 172 053	41 868
Leased Assets	2 308 707	2 298 128	(10 579)
Office Equipment	903 707	796 711	(106 996)
	23 687 271	22 240 430	(1 446 841)

33. PRIOR PERIOD ERRORS

The Authority incorrectly accounted for the operating lease.

The correction of the error(s) results in adjustments as follows:

STATEMENT OF FINANCIAL POSITION	2022 R	2021 R
Operating lease assets	-	(3 644 045)
Operating lease liability	-	3 644 045

34. RISK MANAGEMENT

LIQUIDITY RISK

Liquidity is the risk that the authority will not be able to meet its financial obligations as they fall due. The authority finances its operations through grants received from the Department of Communications and Digital Technologies and interest earned on positive bank balances. These are the only sources of finance for the authority due to the fact that the Public Finance Management Act prohibits the authority from raising loans and other forms of short and long-term borrowings.

The authority's risk to liquidity is a result of the funds available to cover future commitments. The authority manages liquidity risk through an ongoing review of future commitments and funding through quarterly tranches received from the Department of Communications and Digital Technologies. The entity maintains a reasonable balance between the period over which the assets generate funds and the period which the respective assets are funded. Furthermore the moratorium on vacant budgeted positions also aided the authority in managing the liquidity risk.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

AT 31 MARCH 2022	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R	Over 5 years R
Payables from exchange transactions	(52 406 152)	-	-	-
Operating leases	(30 058 149)	(29 850 101)	(94 362 109)	(53 593 778)
National Revenue Fund payables	(10 235 691 233)	-	-	-
Finance lease obligation	(3 134 059)	(3 977 777)	-	-

AT 31 MARCH 2021

Payables from exchange transactions	(38 296 967)	-	-	-
Operating leases	(27 729 920)	(28 709 838)	(91 219 493)	(86 586 495)
National Revenue Fund payables	(1 233 099 346)	-	-	-
Finance lease obligation	(391 263)	(130 068)	-	-
Taxes and transfers payable (non-exchange)	(3 374 676)	-	-	-

CREDIT RISK

Financial assets exposed to credit risk at year end were as follows:

FINANCIAL INSTRUMENT	2022 R	2021 R
Cash and cash equivalents	915 800 787	489 728 765
Receivables from exchange transactions	7 668 882	10 801 373
Receivables from non-exchange transactions	9 612 310 062	1 043 075 459

34. RISK MANAGEMENT (CONTINUED)

Credit risk is the risk that the Administered Revenue may suffer a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations mostly attributable to Administered Revenue's trade receivables. The licensees of Administered Revenue have to apply in terms of the relevant legislations in order to be authorised to conduct any activities.

Financial assets which potentially exposes to the Administered Revenue to a significant credit risk consists mainly of cash and cash equivalents and trade receivables. The authority only invests cash with major reputable financial institutions with high quality credit standing and limits exposure to any one counter party thus poses minimum risk. Therefore the high concentration of credit risk is mainly attributable to revenue from non-exchange transactions. Trade and other receivables are presented net of the allowance for doubtful receivables.

ICASA Administered Revenue collects the majority of its revenue from the major mobile and fixed line telecommunications companies that have excellent reputations with regard to compliance with regulatory obligations for the payment of both the annual licence and spectrum fees. However the authority is exposed to risk in the collection of spectrum fees owed due to the diverse nature of entities able to apply and utilise the available spectrum. Such licensees include government departments, major telecommunications companies, broadcasting licensees, security companies, individuals etc.

There is no significant exposure from major corporations and government departments. However there is risk associated with the collection of revenue owed by those spectrum licensees who are not required to hold an ECNS licence, as these licensees are mainly small companies with geographically diverse locations. The resources available to ICASA signify a significant risk in its ability to collect all outstanding revenues from such licenses.

The broadcasting and postal services licensees do not pose any risk regarding the collection of annual or spectrum licence fees.

MARKET RISK

INTEREST RATE RISK

The authority has no significant interest-bearing assets, the authority's income and operating cash flows are substantially independent of changes in market interest rates.

FOREIGN EXCHANGE RISK

The authority operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The authority does not hedge foreign exchange fluctuations.

The authority reviews its foreign currency exposure, including commitments on an ongoing basis. The constitutional institution expects its foreign exchange contracts to hedge foreign exchange exposure.

35. GOING CONCERN

We draw attention to the fact that at 31 March 2022, the constitutional institution had an accumulated surplus of R173 246 591 and that the constitutional institution's total assets exceed its liabilities by R173 246 591.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

36. EVENTS AFTER THE REPORTING DATE

In May 2022, the ICASA Council decided to no longer pursue the contingent asset case as the employee having passed away.

The performance rewards for the 2020/21 financial year is still under consideration by the Board. A proposal was presented to the Board by the HR&REMCO in July 2022.

37. FRUITLESS AND WASTEFUL EXPENDITURE

	2022 R	2021 R
Opening balance as previously reported	7 605 147	7 520 109
Opening balance as restated	7 605 147	7 520 109
Add: Expenditure identified - current	498 474	85 038
Closing balance	8 103 621	7 605 147

Expenditure identified in the current year include those listed below:

	Disciplinary steps taken/ criminal proceedings		
The changes to the supplier's banking details were not valid resulting in funds paid to a fraudulent bank account	A forensic investigation was instituted and the recommendation of the report is currently being implemented	461 837	-
Interest on late payment of supplier invoices	Reported to loss control for investigation	36 637	7 678
Incorrect payment of salary	Reported to the Loss Control Committee	-	72 066
Interest on arrears lease rentals	The CEO is considering the internal audit report on the matters identified	-	5 294
		498 474	85 038

38. IRREGULAR EXPENDITURE

Opening balance as previously reported	167 119 726	136 326 283
Opening balance as restated	167 119 726	136 326 283
Add: Irregular Expenditure - current	33 034 478	30 793 443
Closing balance	200 154 204	167 119 726

38. IRREGULAR EXPENDITURE (CONTINUED)2022
R2021
R

Incidents/cases identified in the current year include those listed below:

	Disciplinary steps taken/ criminal proceedings		
Functionality incorrectly calculated for a bid	The matter has been reported to the Loss Control Committee for further processing	31 672 362	28 023 641
The supplier has been providing a service to the authority for 19 years and this is not fair and competitive to the other role players in the industry	The matter has been reported to the Loss Control Committee for further processing	415 094	1 776 963
No evidence that the deviation was approved by the accounting officer or his delegate when it is not possible to obtain at least three quotations	The matter has been reported to the Loss Control Committee for further processing	696 501	483 662
Tax non-compliant at Award stage	The matter has been reported to the Loss Control Committee for further processing	250 521	410 689
Contract period extension not approved	The matter has been reported to the Loss Control Committee for further processing	-	51 793
Contract period extension not approved	The matter has been reported to the Loss Control Committee for further processing	-	46 695
		33 034 478	30 793 443

39. BUDGET DIFFERENCES

MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS

OTHER INCOME

The authority did not have sufficient cash reserves to invest during the year

GOVERNMENT/ DEFERRED GRANTS

The deferred grant is realized when capital expenditure is incurred.

PERSONNEL

The authority is managing its personnel costs versus total budget spending as has placed a moratorium on the filling of posts.

DEPRECIATION AND AMORTISATION

Expenditure higher due to acquisitions (additions).

39. BUDGET DIFFERENCES (CONTINUED)

FINANCE COSTS

Overspending due to higher interest paid than anticipated and dismantling costs.

GENERAL EXPENSES

Less expenditure due to the lockdown.

REPAIRS AND MAINTENANCE

Some repairs didn't take place due to the lockdown.



ICASA REGIONAL OFFICES

**CENTURION
(HEAD OFFICE)**

350 Witch-Hazel Avenue, Eco Point Office Park
Eco Park, Centurion
Phone: +27 (0)12 568 3060
Email: info@icasa.org.za

CAPE TOWN

Phone: +27 (0)21 561 6800

DURBAN

Phone: +27 (0)31 334 9500
Email: icasakzn@icasa.org.za

GQEBERHA

Phone: +27 (0)12 568 3060
Email: info@icasa.org.za

BLOEMFONTEIN

Phone: +27 (0)51 411 5900
Fax: +27 (0)51 447 3099

LIMPOPO

Phone: +27 (0) 15 001 0041
Email: limpopo@icasa.org.za

MMABATHO


Phone: +27 (0) 12 568 3251
Email: icasanwregionaloffice@icasa.org.za

KIMBERLEY

Phone: +27 (0)12 568 3042
Email: icasanc@icasa.org.za

MPUMALANGA

Phone: +27 (0)12 568 4054/2
Email: mpumalanga@icasa.org.za



HEAD OFFICE

350 Witch-Hazel Avenue
Eco-Park Estate
Centurion
0144

Private Bag X10
Highveld Park
0169

Tel: (012) 568 3000/1
info@icasa.org.za

ISBN No: 978-0-639-70472-2