

Acting Chief Executive Officer's Overview



*Acting Chief Executive Officer, Bruce Jooste
1 July 2006 – present*



*Acting Chief Executive Officer, Eric Nhlapo
November 2005 – June 2006 (Resigned)*



Chief Executive Officer, Jackie Manche

I hereby present the Independent Communications Authority of South Africa's 2006 Annual Report.

The past financial year has indeed been challenging to the Authority with numerous staff resignations and resultant vacancies, cautionary suspensions of some staff members, as well as our internal processes being scrutinised in the public domain.

Financial Performance

The Auditor-General's audit qualification highlights the shortcomings which occurred in the management of the Authority's finances during the period under review. Whilst Council took corrective action during the latter part of 2005, the knock-on effect on financial commitments manifested itself towards the end of the financial year.

The Authority has, however, instituted legal action in certain matters relating to contracts that have been entered into irregularly. These matters have already been identified and provided for in the annual financial statements.

The delay in redrafting and implementation of policies and procedures, especially in the procurement process, also contributed to the poor control environment.

Human Capital

The Authority implemented a new salary structure in the past financial year for employees up to management level, with the intention that a similar exercise would be undertaken for senior management as part of the organisational transformation process. However, this exercise has not been completed due to problems identified in the initial process. A new job evaluation exercise is therefore currently under way, covering all levels of employees in the organisation, including the Postal Regulator staff members joining the Authority as a result of the promulgation of the Independent Communications Authority of South Africa Amendment Act 3 of 2006 and the Electronic Communications Act 36 of 2005 on 19 July 2006.

The implementation of a performance management system was also delayed.

Strategic Overview

The current changes to the legislative environment, accompanied by new roles and responsibilities, resulted in ICASA changing its

strategic formulation during the year 2004/2005 to being a functionally effective, continually relevant and credible regulator of the South African Communications sector as well as developing the following three drivers of value, viz:

- In-depth understanding and effective regulation of the communications sector;
- Functional effectiveness; and
- World-class execution of all its functions.

To this end, the Executive Management and the staff of ICASA will ensure that the above value drivers are the cornerstones of the Authority's interaction with all stakeholders.

Corporate Governance

Council is acutely aware and sensitised to ensuring that corporate governance values are being upheld at the Authority. Regular meetings are therefore held at Executive Management, Committee and Council level. Meeting decisions are recorded and effected by way of resolutions.

An internal audit function has also been fully operational and effective as highlighted by the numerous internal audit reports and *ad hoc* investigations that were undertaken during the year under review. An external fraud-hotline has been operational since June 2006 and is being managed by an external service provider, Whistle Blowers (Pty) Ltd.

Current Objectives

In addition to ensuring compliance with the new legislative imperatives, the following operational initiatives are currently under way:

- Concluding the successful incorporation of Postal Regulator staff into ICASA;
- Improved systems to ensure the efficient management of ICASA's finances;
- Finalising and implementing the revised job grading evaluation exercise;
- Recruitment of staff to fill all the vacancies and new positions identified;
- Review of existing policies;
- Implementation of both existing and new policies and procedures;
- Implementing a performance management system; and
- Improved roll-out of the Fraud Prevention Plan.

Appreciation

I would like to express my sincere appreciation to the staff of ICASA who, despite all the challenges surrounding the Authority during the past year, have shown their mettle in performing and still achieving delivery on the Authority's mandate. Their commitment and participation in tackling the challenges facing the Authority bode well for the future.

I also wish to thank the ICASA Chairperson and Council for their continued support to the Executive Management in addressing the immediate challenges facing the Authority. In addition, my gratitude goes to the Minister, Deputy Minister, Director-General as well as staff in the DoC and the National Treasury.



Bruce Jooste
Acting Chief Executive Officer