



**PORTFOLIO COMMITTEE ON
TELECOMMUNICATIONS AND POSTAL
SERVICES
21 OCTOBER 2014**

Chief Executive Officer's Report

- **Building e-astuteness to address unemployment, inequality and poverty**
- **Collaboration, responsive, being a catalyst**
- **Major achievements:** increase number of e-skills stakeholders; targeted new courses; increased research capacity; increased awareness; better analysis of impact data to influence policy
- **2014/15 and beyond:** better align collective e-skills efforts; develop evidence based policy, youth intervention; funding
- **Acknowledge** the contribution by all staff and our stakeholders in confronting the country's e-readiness challenge

Performance Information

- **High-level Environmental Scan**

- Internationally

- WEF Reports shows that South Africa's e-Readiness rankings is on the decline
- McKinsey report (2013) shows SA's ranking in terms of iGDP
- Shift away from building e-skills for the ICT Sector towards e-skills for society as a whole
- Integration of ICT across various disciplines

- Continentially

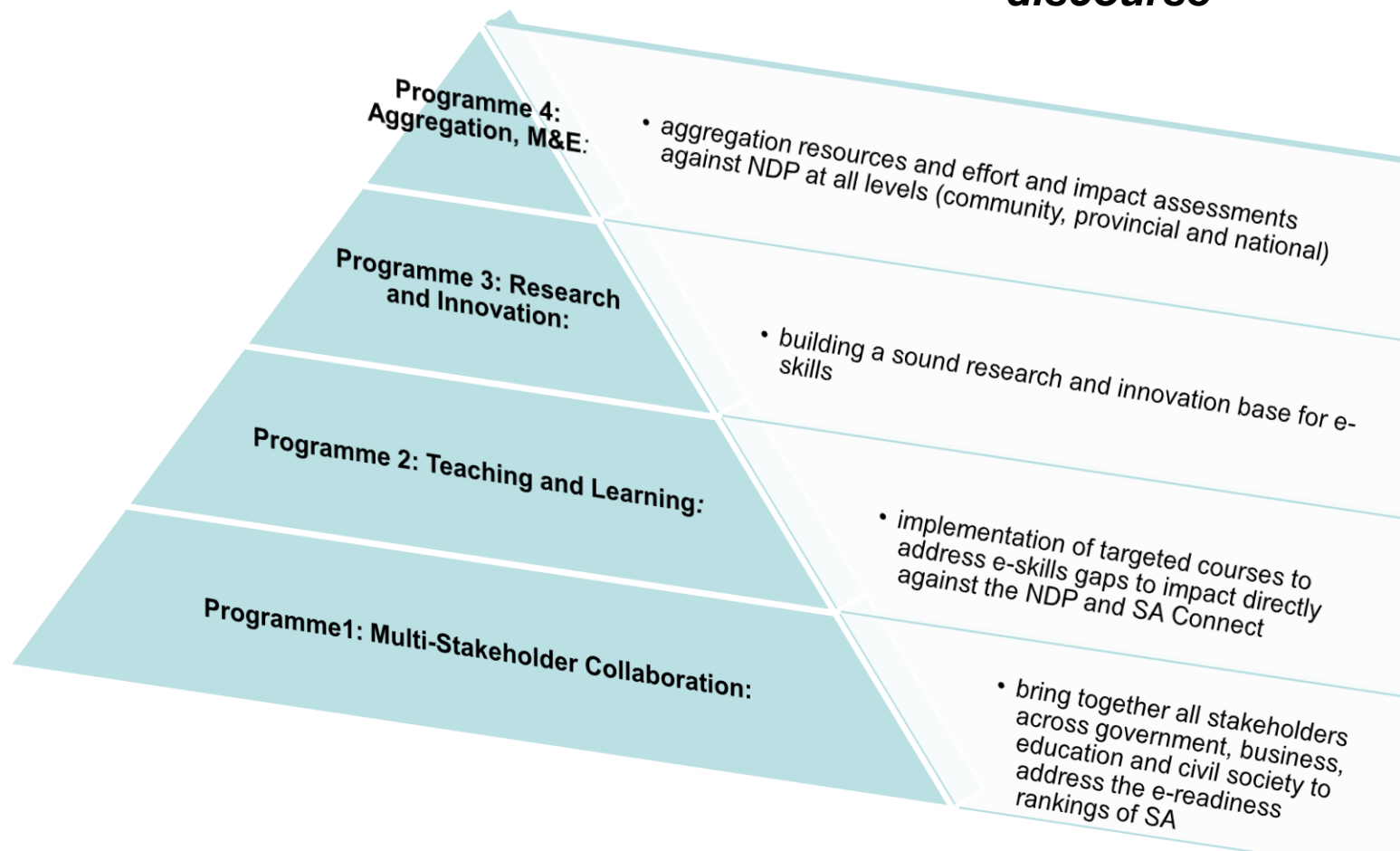
- Foreign Direct Investment is moving to East and West Africa
- Still lack of e-skills human capacity leadership on the African continent thus positioning the Institute well

- Locally

- The Institute is gaining traction amongst the key stakeholders across Government, Business, Education and Civil Society
- The Institute's model of collaboration ('doing with') allows key stakeholders to become actively involved either through direct investment of human resources, access to global expertise and global networks. More importantly the need for a national catalyst to drive a coordinated e-skills discourse is evident.

Performance Information

Key Programmes Driving the e-skills discourse



Impact

| PROGRAMMES | INDICATORS | Eastern Cape | Gauteng | KwaZulu-Natal | Limpopo | Northern Cape | Western Cape | National |
|--|--|---------------------------|-------------------------------|--|------------------|--|-----------------------------------|-------------|
| | | ICT for Rural Development | Creative New Media Industries | e-Enablement of Effective Service Delivery | Connected Health | Knowledge Society (e-literacy/ e-astuteness) | e-Inclusion and Social Innovation | |
| Multi-stakeholder Collaboration | | 206 | 150 | 67 | 6 | 12 | 111 | 552 |
| | Provincial stakeholder members (n) | 200 | 150 | 67 | 6 | 12 | 100 | 535 |
| | Partnerships formalised (n) | 6 | 0 | 0 | 0 | 0 | 11 | 17 |
| Teaching and Learning | | 1605 | 276 | 1064 | 169 | 266 | 118 | 3498 |
| | Targeted courses developed and implemented (n) | 2 | 5 | 7 | 1 | 1 | 4 | 20 |
| | Learners trained including mobile apps & e-literacy (n) | 1600 | 268 | 1054 | 156 | 262 | 110 | 3450 |
| | Smart Community Knowledge Centres (n) | 3 | 3 | 3 | 12 | 3 | 4 | 28 |
| Research and Innovation | | 8 | 70 | 21 | 1 | 3 | 43 | 146 |
| | Research projects initiated/completed - masters, honours (n) | 0 | 25 | 3 | 0 | 3 | 8 | 39 |
| | PhD students (n) | 0 | 10 | 2 | 1 | 0 | 0 | 13 |
| | Publications - journals/conference papers (n) | 5 | 18 | 16 | 0 | 0 | 11 | 50 |
| | Mobile apps developed/initiated (n) | 3 | 17 | | 0 | 0 | 24 | 44 |
| Advocacy and Awareness | | 7 | 1401 | 3 | 3 | 1 | 106 | 1521 |
| | Campaigns/workshops (n) | 6 | 0 | 3 | 3 | 1 | 0 | 13 |
| | Mobile Apps Development Campaign (n) | 1 | 1 | | 0 | 0 | 1 | 3 |
| | No of Mobile Apps Development learners | 0 | 1400 | 0 | 0 | 0 | 105 | 1505 |
| Aggregation | | 1 | 0 | 0 | 0 | 0 | 1 | 2 |
| | | 1827 | 1897 | 1155 | 179 | 282 | 379 | 5719 |

Performance Information

- **Going Forward**
- Ikamva National e-Skills Institute (iNeSI) to be established – *business case supports this*
- Enabling legislation to be put in place for iNeSI to carry out its mandate - *business case supports this*
- Appropriate Funding Allocation to be made available to ensure impact especially among NEETs and deep rural, rural and peri-urban communities – *business case supports this*

Human Resources

| Level | 2012/2013 No. of Employees | 2013/2014 Approved Posts | 2013/2014 No. of Employees | 2013/2014 Vacancies | % of vacancies |
|---------------------------------|----------------------------|--------------------------|----------------------------|---------------------|----------------|
| Top Management | 2 | 3 | 1 | 2 | 67% |
| Senior Management | 3 | 5 | 2 | 3 | 60% |
| Professional qualified | 8 | 8 | 7 | 1 | 13% |
| Skilled | 38 | 27 | 24 | 3 | 11% |
| Semi Skilled | 14 | 14 | 9 | 5 | 36% |
| Total | 65 | 57 | 43 | 14 | 25% |
| Teaching and Learning | 0 | 29 | 21 | 8 | 28% |
| Administration | 0 | 28 | 22 | 6 | 21% |
| Multi stakeholder collaboration | | | | | |
| Total | 0 | 57 | 43 | 14 | 25% |

Corporate Governance

- **Board committees**
 - BARC
 - HRRC
 - Academic Committee
- **Approved Code of conduct**
- **Approved Health and Safety**
- **Risk management – Fraud and ethics hotline**

Report of the Board Audit and Risk Management Committee

for the year ended 31 March 2014

- **BARC CHARTER** (*Adopted section 55(1)(a) of the PFMA and TR 27.1*)
- **EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS**
- **ADOPTED RISK MANAGEMENT**
- **INTERNAL CONTROL**
- **FUNCTIONING INTERNAL AUDIT** *OUTSOURCED TO ORCA*
- **COMBINED ASSURANCE**
 - BARC has taken into account three pillars of assurance (Management, Internal audit and external audit in terms of King III)
- **LEGAL AND REGULATORY COMPLIANCE**

Report of the Directors

for the year ended 31 March 2014

- **REVIEW OF ACTIVITIES**

- **OPERATING RESULTS**

- The company's net surplus amounted to R 559 095 (2013: deficit of R 950 991) for the year ended 31 March 2014.

- **REVIEW OF OPERATIONS**

- Total income received for the year (in the form of government funding, interest receivable and sundry income) amounted to R42 988 638 (2013: R40 862 778). These funds are recognised on a systematic basis over the periods necessary to match the grants with the related costs which they are intended to compensate. Operational expenditure amounted to R 42 429 543 (2013: R41 813 769) for the period.
- NEMISA received an additional income in a form of projects which were signed off at the end of the last quarter of the financial year. Although this is income minimal, it assists in supplementing the deficit. (note 10)

Report of the Auditor-General

for the year ended 31 March 2014

- **REPORT ON THE FINANCIAL STATEMENTS**

In my opinion, the financial statements present fairly, in all material respects, the financial position of NEMISA as at 31 March 2014, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the Public Finance Management Act, 1999(Act No.1 of 1999) (PFMA).

- **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.
 - Predetermined objectives
 - Compliance with laws and regulations
 - Internal control