

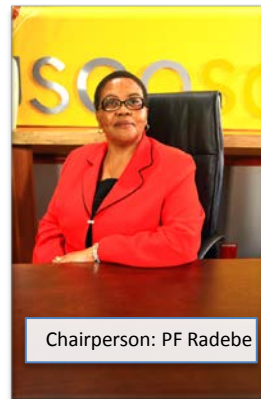
2013/2014 Annual Report

Presentation to Parliament

20 October 2014



The USAASA & USAF Board



Management



Chief Executive Officer: Mr. Zami T. Nkosi

Mr. Zane Mheyamwa: Chief Financial Officer

Ms. 'Makhotso Moiloa: Performance Management

Mr. Peter Moitse: Corporate Services

Mr. Winile Lamani: Business Development Services (USAF Projects)

2013/2014 Annual Report

The Universal Service & Access Fund

A schedule 3(b) entity



Under Performance



	Performance Target	Reason for Under Achievement
USAF	Not Achieved. 6% of 5 million Set Top Box (300 000) installations at approved households.	100% Variance. DTT had not been launched commercially by then Minister of Communications and therefore subsidy programme could not be implemented
	Partial Achievement. 100% of projects funded under USAF in compliance with the fund manual.	The Fund Manual has been developed during the 2013/14 financial year. Although the funding processes have been developed, their implementation can only take place during the 2014/15 financial year planning.
	Not Achieved. 100% direct jobs created through the installations of the Set Top Boxes following Sentech's infrastructure rollout.	100% Variance. DTT had not been launched commercially by then Minister of Communications and therefore subsidy programme could not be implemented
<p>Result: 30% under achievement on planned targets Under spending of R240 million due to DTT project</p>		

Attained Performance

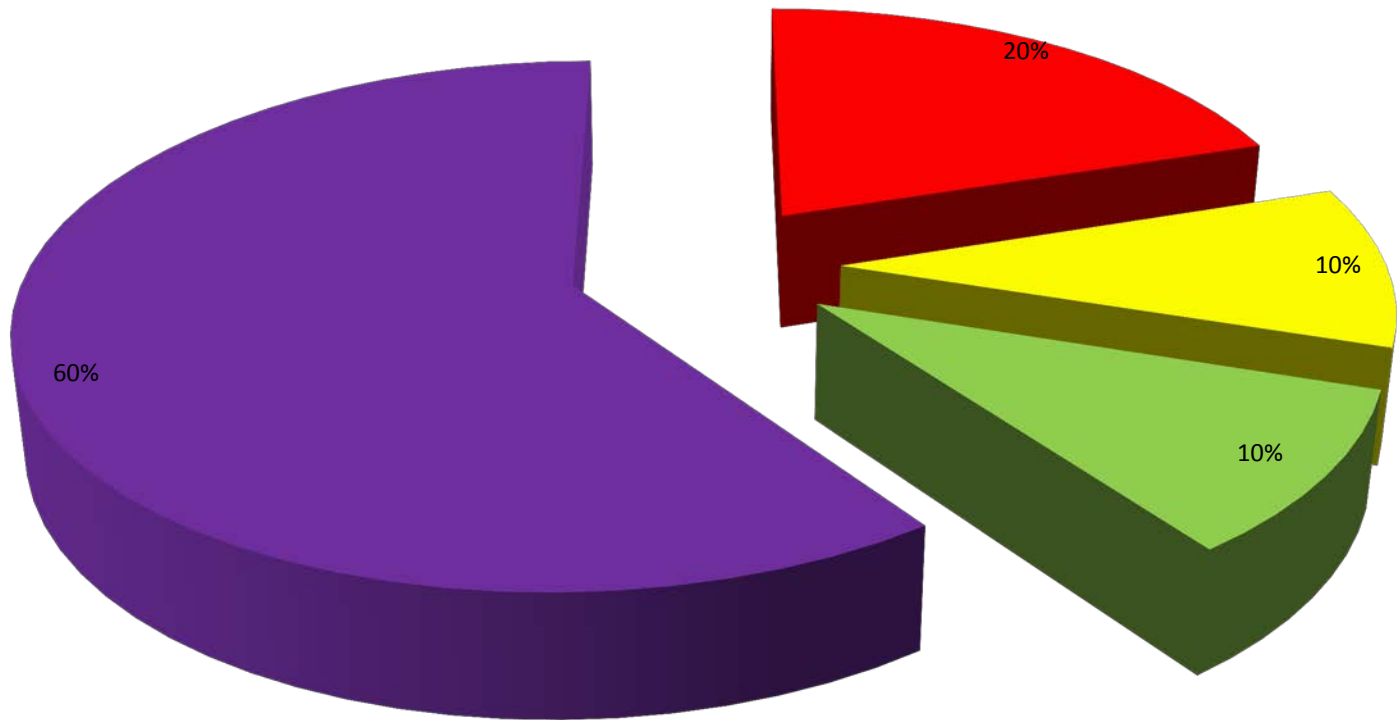


	Performance Target	Reason for Achievement
USAF	Exceeded Achievement. 30 universal access school cyberlabs with internet connection established	41 new school cyberlabs commissioned, installed & connected due to roll-over approval
	Exceeded Achievement. 30 SMME support initiatives facilitated through access centres	33 SMME support initiatives achieved as a result of the increase in the number of centres commissioned
	Exceeded Achievement. 260 centres connected including cyberlabs and access centres	271 centres and cyberlabs connected as a result of the roll-over of funds
	Exceeded Achievement. 1 municipality grade 10 learners provided with devices for internet connectivity	2 local municipalities learners & teachers provided mobile devices in Msinga and Emalahleni
	Exceeded Achievement. 5% usage of accessible and affordable ICT services in underserviced areas	Msinga: 86% was not covered. New network covers 83% of previously uncovered population Emalahleni: 83.8% of population was not covered. New network covers 86% of previously uncovered population.
	Exceeded Achievement. 10% adoption and usage of ICT technologies	11% adoption rates recorded
	Achieved. 2 sustainable broadband networks initiated	
Result: 70% achievement of planned targets		

Overall Fund Performance

2013/14 Annual Performance on Targets

■ Not achieved ■ Partially achieved ■ Achieved ■ Over achieved



USAF



**A U D I T O R - G E N E R A L
S O U T H A F R I C A**

Auditing to build public confidence

Comments

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Universal Service Access Fund (USAF) as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act, (Act No.1 of 1999) (PFMA).

I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

I identified material misstatements in the annual performance report submitted for auditing on the reported performance information

I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

I did not identify any significant deficiencies in internal control.

The investigation by Special Investigating Unit (SIU) on the open letter written to the President at the beginning of the financial year was still in progress at year end.

UNQUALIFIED WITH NO MATTERS OF EMPHASIS

2013/2014 Annual Report

The Universal Service & Access Agency of
South Africa

A schedule 3(a) entity





Performance Monitoring
framework/Policy developed,
approved & implemented

Achieved

2 approved strategic plans submitted
to DoC [now DTPS] & Parliament

Achieved

**PLANNING,
ENGAGEMENT,
INTERNAL CONTROL**

60% cumulative improvement on
stakeholder perceptions

Achieved

100% compliance to internal controls
& prescripts

Achieved



100% access to electronic & print documentation

Achieved

5% reduction in prior year's legal fees

Achieved

LEGAL, IT

98% availability & uptime: Disaster Recovery plan implementation

Partial Achievement

98% availability & uptime: Business process automation

Partial Achievement



100% Compliance to management and financial reporting requirements e.g GRAP, NT

Achieved

100% Compliance to prescripts on procurement, PFMA, NT Regs, BEE

Achieved

SCM & FINANCE

100% tenders awarded within prescribed 90 days

Achieved

80% spend of USAASA Opex spent in line with PPPFA & BBEE

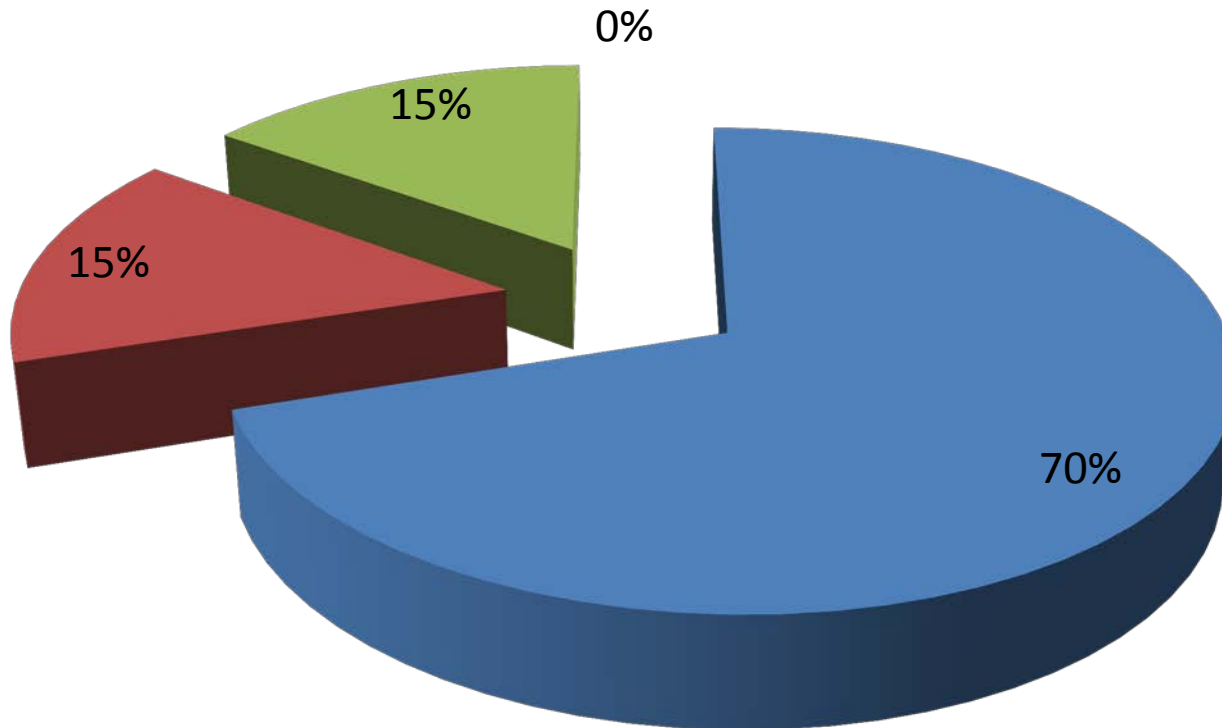
Achieved



Overall Fund Administration Performance

Annual Performance on Targets

■ Achieved ■ Partially Achieved ■ Not Achieved ■ Over Acheved



USAASA



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Comments

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Universal Service and Access Agency of South Africa (USAASA) as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act, (Act No.1 of 1999) (PFMA).

I did not raise any material findings on the usefulness and reliability of the reported performance information for all selected objectives.

The accounting authority did not take effective steps to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the Public Finance Management Act.

Management did not ensure that adequate processes are in place to enable proper implementation of supply chain requirements.

The investigation by Special Investigating Unit (SIU) on the open letter written to the President at the beginning of the financial year was still in progress at year end.

UNQUALIFIED WITH MATTERS OF EMPHASIS



Thank You