NEMISA NPC
National Electronic Media Institute of South Africa

ANNUAL REPORT 2021|22

CONTENTS

PART A

GENERAL INFORMATION

GENERAL **INFORMATION**

Chairperson of the Board	Ms Molebogeng Leshabane
Registered Office Address	26 Canary Street, Auckland Park, Johannesburg 2006
Postal Address	PO Box 545, Auckland Park, 2006
Telephone Number	+27 11 484 0583
Fax Number	+27 11 484 0615
Website Address	www.nemisa.co.za
Auditors	Auditor-General South Africa
Bankers	Standard Bank
Company Secretary	Ms Fahmida Valla

ABBREVIATIONS

AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CEO	Chief Executive Officer
DCDT	Department of Communications and Digital Technologies
DPME	Department of Planning, Monitoring and Evaluation
Exco	Executive Committee
ICT	Information and Communication Technology
M&E	Monitoring and Evaluation
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NEMISA	National Electronic Media Institute of South Africa
NT	National Treasury
PFMA	Public Finance Management Act
Q	Quarter
SA	South Africa
SCM	Supply Chain Management
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SOE	State-Owned Enterprise
SOP	Standard Operating Procedure
UN	United Nations
USAASA	Universal Service Agency of South Africa
WEF	World Economic Forum
WSIS	World Summit of Information Society

FOREWORD BY THE CHAIRPERSON

MS MOLEBOGENG LESHABANE

The 2021/22 financial year presented NEMISA with an opportunity to implement its plans to expand the scale of its offerings, improving the learning content, expanding partnerships and implementing the strategy on the organisational transformation. The expansion of the training programmes is encapsulated in the 2021/22 APP which for example expanded the target for digital literacy from 30 000 people to be trained in the 2020/21 financial year to 60 000 people to be trained in the 2021/22 financial year. Other APP targets for 2021/22 financial year were also increased. This was in recognition that NEMISA should be positioned to increase its reach across South Africa given economic challenges that the country faces, especially youth unemployment.

In keeping up with the dynamic nature of the creative media and the ICT industries, NEMISA reviewed all its existing courses with the view to keep them updated. In addition, new courses such as Digital Photography and Digital Entrepreneurship were developed in the financial year 2021/22.

Further, NEMISA continued expanding its partnerships with the belief that it is through them that the Institute will leverage on such partners to achieve its objectives. A new CoLab was also established at the Central University of Technology and more partnerships with entities such as SITA, BANKSETA, The British High Commission, GIZ, Microsoft and Google South Africa were established. NEMISA also worked closely with several district and local municipalities to expand its programmes.

The highlight for the year under review was the partnership with the Department of Basic Education which enabled the training of Teacher Assistants in digital literacy. Through its vast network of partnerships, NEMISA is strategically positioned to shape the development of a collaborative training ecosystem that can reach as many people as possible and offer the support required by students instead of positioning itself as a competitor to existing training providers.

The analysis of the environment points to a vast demand for the skills development programmes offered by NEMISA in South Africa. It is also recognised that there are many interested stakeholders including but not limited to communities, government entities, industry and SMEs. The 2021/22 financial year was a year to build a strong NEMISA that can deliver large scale programmes and a year of learning to rapidly digitize NEMISA's operation. It was also a year to leverage on partners' strengths to exponentially access more beneficiaries to be trained. NEMISA is growing rapidly to ensure that the public and private sector beneficiaries are equipped with the much-needed skills to take South Africa forward.

I would like to express NEMISA's gratitude for the Honorable Minister of Communications and Digital Technologies, Ms. Khumbudzo Ntshavheni, and Deputy Minister of Communications and Digital Technologies, Mr. Philly Mapulane, and the DCDT team for the support and leadership provided to NEMISA, including the vision to expand digital skills to South Africans in a revolutionary manner. The Board, Management and staff are appreciated for their contribution to NEMISA's achievements in the year under review and special appreciation to the partners and the learners.

Ke a leboga! Together we can!

Ms Molebogeng Leshabane
Chairperson of the Board

OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

MR. TREVOR RAMMITLWA

NEMISA is honoured to present its 2021/22 Annual Report and to report on its performance against the mandate given to the Institute to deliver digital and creative media skills for the financial year 2021/22. NEMISA's 2021/22 APP and in particular Programme 3 aimed to substantially increase its digital skills delivery in order to make headway towards its five-year targets as stated in the 2020 -2025 Strategic Plan.

The operating environment in the year under review demanded for NEMISA to strengthen its operational capacity and implement improvements in its operating model to enable expansion of its training programmes. These included scaling up the adoption of its digital learning platforms. The increase in youth unemployment and the need for digital skills for reskilling and upskilling demanded for the Institute to drastically scale up its digital skills delivery in support of South Africa's Economic Reconstruction and Recovery Plan following the devastating COVID-19 pandemic.

NEMISA further expanded the Ya-Rona Digital Literacy Training Programme and Coursera online learning platform that provided opportunities for young people and communities to acquire basic digital literacy and more specialised technology skills. NEMISA recognises that its delivery in the year under review has improved with recognition that more work still needs to be done in the journey to massively skilling the youth, women, people with disabilities, unions and SMEs in order for them to thrive in the digital economy. NEMISA successfully delivered a Data Science Datathon that produced high quality innovations that are being harnessed further and more than 800 young hackers participated in the hybrid event that was held across the nine provinces.

NEMISA's Learning Management System was further upgraded, coupled with an increase in its usage. For the year under review NEMISA met all the governance requirements of the Shareholder and risk management has also been strengthened. The Institute was able to achieve 21 out of 22 of its APP targets which translates into a 95% achievement. NEMISA management would like to thank the Honorable Minister of Communications and Digital Technologies, Ms. Khumbudzo Ntshavheni, and Deputy Minister of Communications and Digital Technologies, Mr. Philly Mapulane, for their unwavering support during the year, NEMISA Board of Directors for the leadership and steadfast guidance, NEMISA management team and staff for their dedication and commitment to grow the Institute towards a high performing organisation. The team is even more dedicated to delivering more in the remaining MTSF years.

Mr. Trevor Rammitlwa
Chief Executive Officer

CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I 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 is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

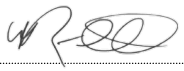
The accounting authority is responsible for preparing the annual financial statements and the judgements made in this information.

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.

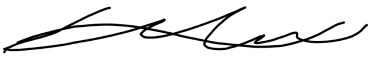
The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the entity's financial affairs for the financial year ended 31 March 2022.

Yours faithfully



Mr. Trevor Rammitlwa
Chief Executive Officer
22 September 2022



Ms Molebogeng Leshabane
Chairperson of the Board
Date

STRATEGIC **OVERVIEW**

LEGISLATIVE AND POLICY MANDATE

The National Electronic Media Institute of South Africa was established as a non-profit institute for education in terms of the Companies Act (1973) and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The institute's programmes are structured to enhance the market readiness of students in a wide range of broadcasting disciplines. Its mandate was expanded to include the development of South Africans' digital skills capacity, and it is accordingly responsible for the implementation of digital skills programmes, inclusive of broadcasting, in collaboration with its partners.

Below are some of the national policies recognising the need for development of digital skills in South Africa to which the mandate of NEMISA is derived from:

- National Development Plan 2030
- National Skills Development Plan
- 2014 SA Connect Broadband Policy
- 2016 National Integrated ICT Policy White Paper
- White Paper on Post-School Education and Training
- Digital Skills Strategy
- National Human Resources Development Strategy
- National Digital Skills Partnership

VISION

A digitally transformed society

MISSION

To catalyse national digital skills for meaningful use of technologies in order to improve the quality of life of all people in South Africa.

VALUES AND VALUES STATEMENTS

Agility	NEMISA upholds a principle of flexibility, adapting to accelerating changes without losing our identity.
Collaboration	We believe in the power of working across multiple organisations, individuals and constituencies in order to co-create ideas and innovations that will improve our human capital through partnerships that work. We espouse values of inter programme collaboration so that we create a united workforce that will sustain the organisation throughout the VUCA world with communication as a strong vehicle.
Integrity	NEMISA strives to be the epitome of honesty through sound, moral and ethical principles which all employees will uphold in our dealings with a variety of stakeholders .
Professionalism	In everything we do we strive to maintain a professional etiquette when dealing with our stakeholders.
Commitment to excellence	We are committed to excellence, to always providing value to our customers, partners and stakeholders. We set and achieve ambitious goals, we pursue high expectations, innovate by trying new ways of doing things and model a positive example.

IMPACT STATEMENT

Accelerated use of digital technologies to improve quality of life.

OUTCOMES

Outcome 1	Transformed Organisation
Outcome 2	Digitally skilled citizens
Outcome 3	Improved applied research & innovation outcomes
Outcome 4	Aggregated digital skills programmes
Outcome 5	Expanded Digital Skills Delivery Model

SITUATIONAL **ANALYSIS**

In line with its mandate, NEMISA operates in the creative media, and digital technologies industries and the overarching thrust in these industries is communications. In order to be strategically positioned to succeed in the delivery of its mandate it is pertinent that a situation analysis be undertaken.

ALIGNMENT WITH NATIONAL POLICY DIRECTION

NEMISA recognises that the Presidential Commission on the 4th Industrial Revolution and the gazetting of its report created a base from which NEMISA could launch an ambitious effort to digitally skill South African citizens. The launch of the Digital and Future Skills Strategy for South Africa by the Department of Communications and Digital Technologies was furthermore significant and continues to provide guidance to NEMISA to digitally skill citizens from foundational education, post schooling, government and industry-based interventions.

NEMISA's 2021/22 APP and in particular Programme 3 aimed to substantially increase its digital skills delivery in order to make headway towards its five-year targets as stated in the 2020 -2025 Strategic Plan.

The Economic Reconstruction and Recovery Plan continues to serve as a guide to NEMISA's activities as it clarifies that during the past decade, the South African economy has experienced stagnation which has put a strain on the effort to tackle the historical structural inequalities, unemployment and poverty. The Plan recognises that substantial structural change in the economy that would unlock growth and allow for development should be made. The Plan has among others also identified Skills Development and capacitating communities to adapt to the new normal as one of the enablers to rebuild the economy.

NEMISA strives to make a contribution to the NDP 2030 and the National Skills Development Plan 2030 which aims to create an educated, skilled and capable workforce for South Africa. In the year under review NEMISA embarked on a journey to significantly scale up its skills development programme to create awareness, demystify technologies and extend the use of technology in order to promote the uptake and usage of ICTs in the country while taking advantage of what emerging digital technologies bring for South Africa's economy and the unemployed.

Following the publication of the National Integrated ICT policy white paper and the recognition for the need for a new skills dispensation to drive heightened innovation, NEMISA has embraced the need to increase digital skills across all spheres of society, and this includes basic digital literacy as well as youth development and sectoral programmes.

2021/22 EXTERNAL ENVIRONMENT ANALYSIS

CREATIVE MEDIA INDUSTRY

The Creative Media industry is central to the rapidly evolving interconnected world as it enables various mediums and channels to reach audiences. Audio and visual mediums of communication remain to be key drivers of the industry and what has rapidly changed is the improvement in the quality, speed and access to content produced by the industry and the democratisation of content development itself.

Technology, globalisation and increasing social diversity have played a major role in advancing the industry. Through technological advancements such as the game changing introduction of the internet the creative media industry has evolved rapidly including introduction of a multiplicity of channels such as social media and streaming services in the recent years. The creative media industry therefore requires new skills as it evolves.

The end of analogue transmission will have a huge impact on broadcasters including community radio and television stations in South Africa as they will have to change some of their infrastructure. There will be a need for training to keep up with the developments in the sector. Content generation and management in the creative media space is emerging as one of the key drivers of activities and is becoming a product that can be exchanged and monetised. The reliance of advertising as the main driver of revenue is changing.

ICT INDUSTRY

The ICT industry is also rapidly changing and disrupting not only itself but other industries. Digital technologies continue to advance and bring with them economic opportunities and challenges that force many countries to adapt and position themselves to take advantage of the said technological developments.

With South Africa's policy firmly recognising the need to position the country in the advent of the technological changes and be among the leading countries in innovation and preparing the citizens to be part of the evolution, provision of digital skills at different levels of competencies is critical. The convergence of digital technologies makes it even more urgent to focus on the development of appropriate digital skills and ensure that these skills are continually developed.

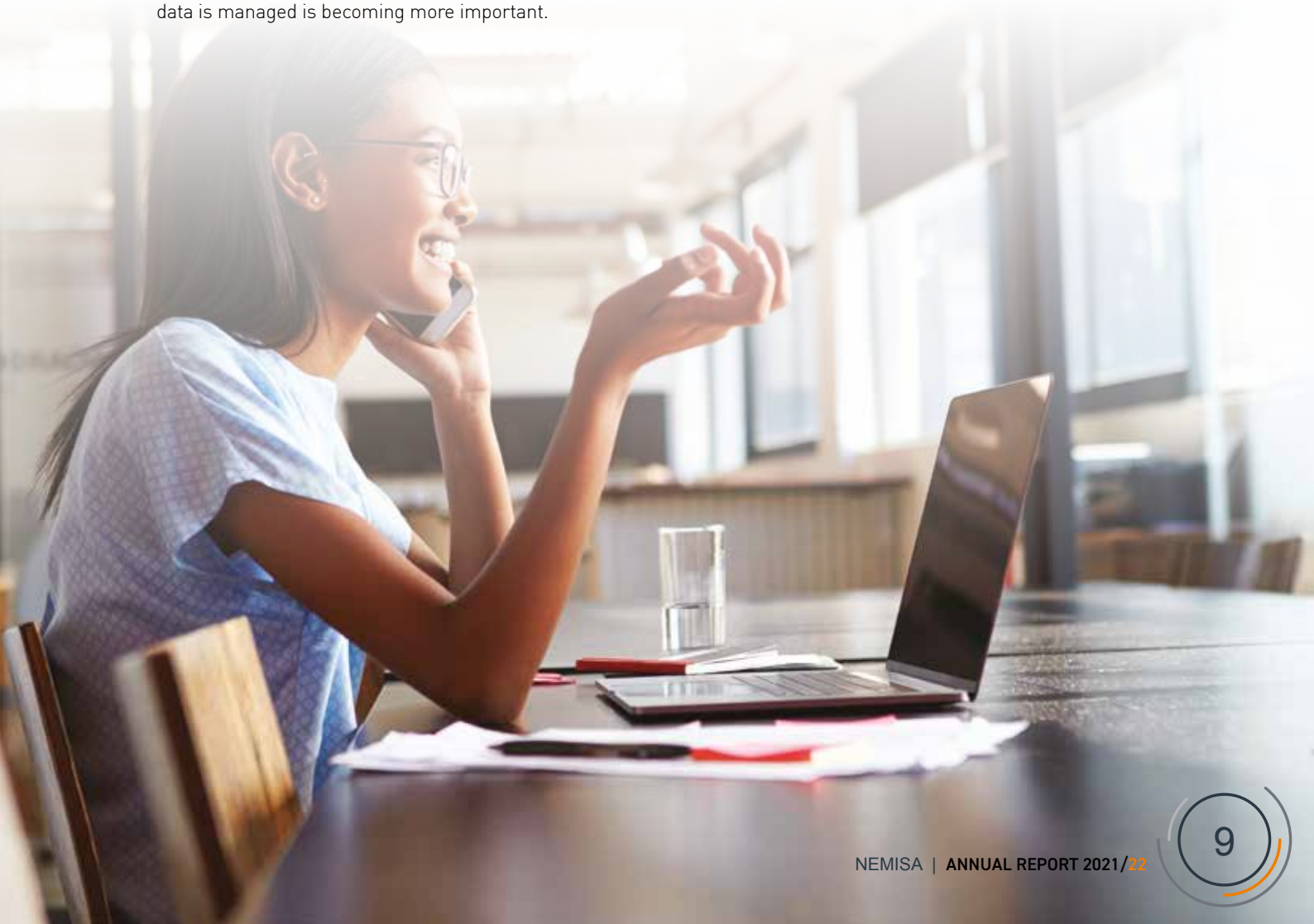
Artificial Intelligence is increasingly becoming central in how the new technologies evolve. Most of these technologies are centred around their increasing ability to learn and carry out tasks that require human intelligence. It is expected that in the future (Industry 4.0) more complex and dynamic technologies will emerge. Also at the heart of these technologies is the important role that data plays. Most of the new technologies are driven by data and therefore how data is managed is becoming more important.

According to the IMD 2021 World Digital Competitiveness Report South Africa ranks 60 out of 64 countries in terms of Digital Competitiveness. The IMD World Digital competitiveness ranking assesses the capacity and readiness of an economy to adopt and explore digital technologies as a key driver for economic transformation in business, government and wider society.

For South Africa to improve its ranking in the digital economy, it is crucial that its citizens acquire the digital skills they need to fully participate in the economy. The economy is increasingly moving to an online world whilst a significant part of the population remains digitally excluded. Many adults have never used the Internet. These individuals are missing the many opportunities the digital world has to offer, whether through lack of connectivity, lack of digital skills or a lack of motivation.

Other developments in the landscape within which NEMISA operates include the following:

- **Sustainability and the environment –** shift towards greater environmental awareness precipitated by climate, sustainability and protection of environmental ecosystems. As a result, green economies continue to grow, demanding green skills and technologies that can support environmental sustainability.



- **Consumption and the economy –** population growth, economic development and industrialisation all require resources and are drivers of development. South Africa will need increased food security, sustainable energy supply, water supply for all and more goods to meet the growing demands. Technology and digital skills have become critical enablers in addressing this challenge.

- **Rising unemployment –** In 2021/22 unemployment continued to increase especially among the youth. Statistics South Africa reported a 6.3% increase in unemployment compared to the previous year. This poses a major challenge to the economy and government and the basic income grant as introduced by government assisted to alleviate the situation. However, more needs to be done. A more sustainable solution is required and skills development promises to make a significant contribution in this regard. NEMISA has recognised the need to integrate its programmes with work or entrepreneurial opportunities to improve chances of economic benefits for its learners.

- **The future of work -** Digital skills are at the center of new work practices that are driven by emerging technologies and South Africa desperately needs these skills to meet the demand to transform the country's economy while closing the digital divide which has been a major impediment. South Africa's education system also requires more work to be done to promote Science, Technological, Environmental, Mathematical, Innovation and Economic studies (STEMIE). This includes preparing learners with critical thinking and problem solving skills. Considering that there are many learners who have exited the schooling system without ready to work skills, there is a need to top up skills.

- **COVID-19 –** The emergence of the Corona Virus and its spread across the world, including South Africa, significantly disrupted social and economic activities. Following the lockdown and the eventual lifting of the regulations that imposed restrictions, NEMISA used experiences from the pandemic to review how it delivers its services. Delivery of training had to transition rapidly to online platforms which proved to mitigate the situation albeit with its challenges. Organisations were also forced to put in place capabilities to operate remotely to continue to be productive. While COVID-19 brought about devastation with many people losing their lives it brought about

a new normal, which saw the accelerated use of technologies and new ways to work and collaborate.

- **Digital Divide –** Inequality is rife in South Africa and it serves as a major factor in the digital divide that is evident in the country. Underserved and previously disadvantaged communities continue to have no access to resources in the form of technological devices and connectivity and therefore are excluded in accessing opportunities presented by digital technologies, including basic skills to use these technologies. This has made NEMISA's work even more challenging in reaching these communities.
- **High data costs –** The adoption of online and cloud services require connectivity and with South Africa still moving towards making broadband available to every citizen, data has become key in enabling citizens to participate in online activities. Data costs remain high in South Africa thus excluding many of them who cannot afford it and making activities such as online learning challenging to be adopted. In 2021/22 financial NEMISA has been successful in implementing zero-rating of its Learning Management System to mitigate this challenge.

Given the above environment NEMISA recognises the role it needs to play as it strives to achieve its vision and mission taking into account the following:

Technology affects all areas of life: Digital technologies affect access and effective use in business, education and government, social society, in fact, in all aspects of one's life.

Technology addresses national challenges: Digital technologies have become fundamental in approaches to addressing socio-economic equity, development and sustainability, dealing with the challenges of poverty and inequality and building an inclusive economy. Establishing a capable, developmental state has partly become dependent on society across the full socio-economic spectrum – appropriating digital technologies.

Digital skills are fundamental to an ICT ecosystem: ICTs do not stand alone. They exist in an ecosystem where the ability to use the technologies effectively is as important as the infrastructure and services. ICT infrastructure plays an integral part in technological advances. Therefore, the 4IR Commission among others recommended that government invest in making South Africa a hyper-scaled data centre owner and scaled up investment in human capital development has further emphasised the importance of digital skills. By developing and enhancing digital skills, all South Africans will be able to participate more equitably in a societal environment increasingly dominated by modern ICTs. This is particularly relevant for groups at risk of socio-economic exclusion, including the previously disadvantaged, the elderly, those unemployed, people in rural areas, youth and women.

NEMISA has a critical role to play in minimising the digital divide between those who have been able to embrace the digital world and those who have not.

NEMISA'S OPERATING ENVIRONMENT

The acquisition of skills demanded by the economy is a crucial driver for South Africa's learners, both unemployed and employed. The learning pathways and options available for learners, including the quality of such learning offerings, are critical to creating an enabling environment for the learners to acquire quality learning that prepares them to become active participants in the economy. At the same time, they need to contribute socially to the communities they come from. Creating opportunities through education in the South African context is complex and challenging due to the high levels of unemployment, especially among the youth, coupled with an economy that is not growing at desired levels. Inequality is also a significant impediment that brings about structural and infrastructure challenges in providing the much-needed support to the learners and setting them up for success.

The operating environment for NEMISA brings challenges that include the need for learning tools that support digital learning, connectivity and reach to even the remotest areas in South Africa. NEMISA's operating model is critical in ensuring that the Institute is positioned to become a delivery machine that overcomes the complexities of the environment. At the same time, it brings increased value for its learners and the various stakeholders and eventually South Africa at large. NEMISA launched its Learning Management System to allow online learning including the introduction of Coursera Platform that created an opportunity for learners to access world class learning content that is certificated by leading institutions across the world.

NEMISA has partnered with Microsoft to deliver digital literacy and high-end digital skills courses to South African citizens. A key lesson learnt in the introduction of

online learning is building capacity to support the learners and availing the needed resources for them timeously. NEMISA continued to improve and market its OTT Platform that provides content aimed at increasing awareness on various digital technologies. The content for the OTT is in the form of a series of videos and podcasts that can be accessed by subscribing to the platform.

NEMISA is striving to strike a balance between providing basic digital skilling to the remote and rural populace of our country, whilst keeping abreast of technological innovations such as skills for cloud computing, big data, artificial intelligence, Internet of Things, cybersecurity and others. Apart from providing digital skilling to citizens, NEMISA itself started the journey to be digitally transformed by launching online learning offerings, staff have embarked on being re-skilled or upskilled and ICT infrastructure is in the process of being upgraded to keep up with the skills demand and global trends.

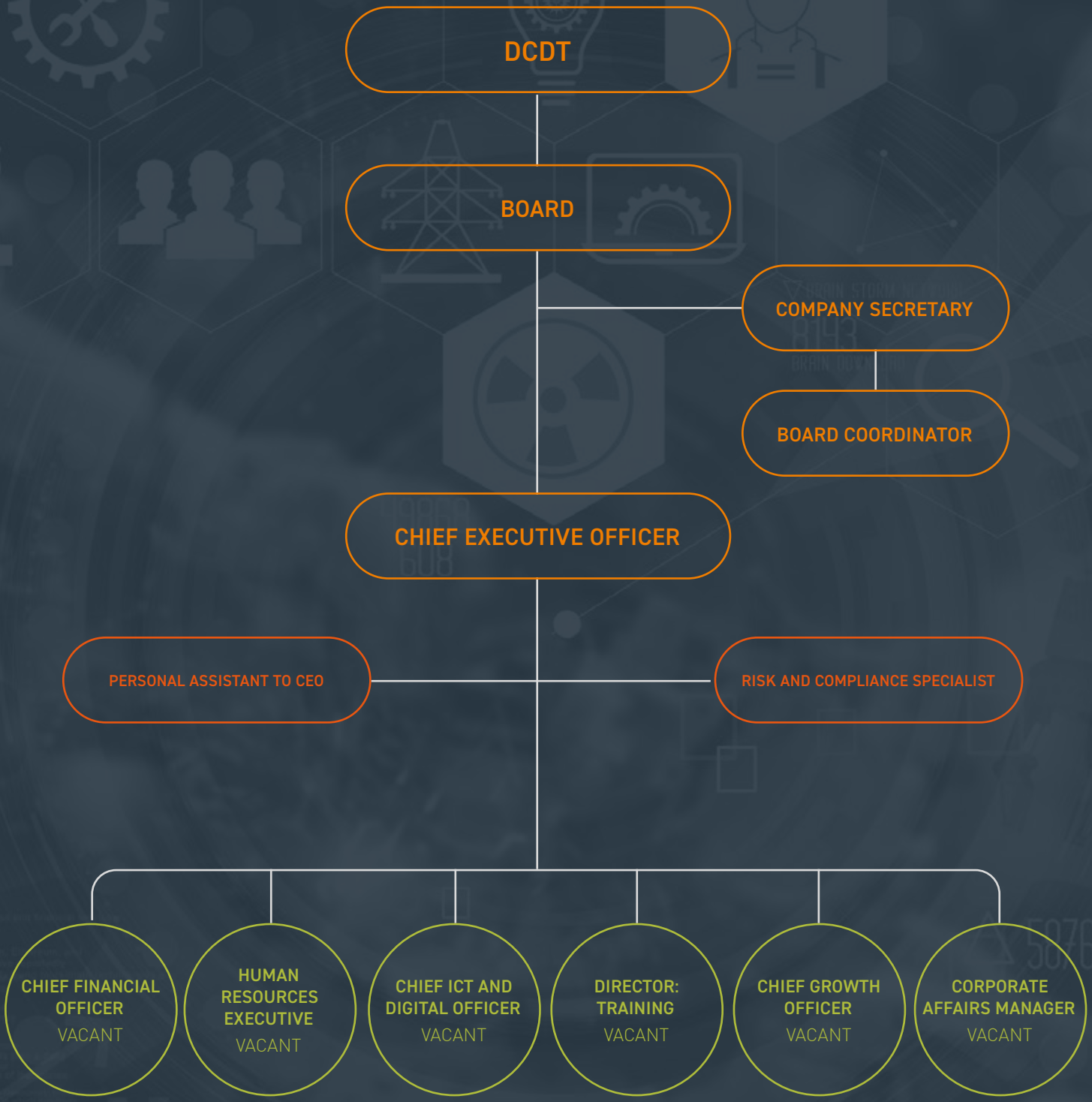
The approach NEMISA has adopted to delivering its objectives focuses on the following strands:

- Developing the full range of digital skills offerings that individuals and organisations across South Africa need in an increasingly digital economy and supporting people to up-skill and re-skill throughout their working lives.
- Strong collaboration between the public and private sector to tackle the digital skills gaps in a coordinated and coherent way, so that citizens have better access to the training they need with a particular focus on youth, Women, People with Disabilities and SMEs.
- Improved organisational efficiency and sustainability

To execute its Strategic plan for 2020-2025, NEMISA undertook to review its organisational structure and submitted to DCDT for approval. Once approved the new organisational structure will position NEMISA for the future. Further, to be recognised as a national catalytic organisation for development of digital skills in South Africa for both government and the general public the following strategic enablers will be required for NEMISA:

- Adequate Technological Infrastructure
- Effective Organisational Structure and Capacity development
- Quality Training Curriculum and Course Content
- Research and Innovation
- An effective Learning Framework
- Effective marketing of NEMISA offerings
- Multi-Sector Collaborations and Partnership development
- Monitoring and Evaluation

ORGANOGRAM


DCDT
BOARD
COMPANY SECRETARY
BOARD COORDINATOR
CHIEF EXECUTIVE OFFICER
PERSONAL ASSISTANT TO CEO
RISK AND COMPLIANCE SPECIALIST
CHIEF FINANCIAL OFFICER
VACANT
HUMAN RESOURCES EXECUTIVE
VACANT
CHIEF ICT AND DIGITAL OFFICER
VACANT
DIRECTOR: TRAINING
VACANT
CHIEF GROWTH OFFICER
VACANT
CORPORATE AFFAIRS MANAGER
VACANT

PART B

PERFORMANCE INFORMATION

AUDITOR'S REPORT: **PREDETERMINED OBJECTIVES**

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion 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 53 of the Report of the Auditors Report, published as Part E: Financial Information.

PERFORMANCE **INFORMATION**

For the 2021/22, twenty one out of twenty two planned targets were achieved, which represents an overall achievement of 95%.

PROGRAMME 1: ADMINISTRATION

Programme Purpose: To provide support to the overall management of the Institute to ensure organisational efficiency, effectiveness, and sound financial management.

OUTCOME 1: TRANFORMED ORGANISATION								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Target 2021/22**	***Actual Achievement 2021/22**	**Deviation from planned target to Actual Achievement**	**Reasons for deviations**
Transformed Organisation	Approved transformation and change strategy implemented	Approved Strategy Approved project plans Upskilled Staff Approved systems and processes	Transformation Strategy developed	Transformation and change strategy was developed and approved by the Board.	Transformation and Change Strategy implemented	2021/22 targeted activities to implement the strategy were completed for the following goals of the strategy: • Infrastructure to create a safe and equipped learning environment • Effective Organisational Structure and people • Training curriculum and content	None	N/A
			-	-	Upskilling staff with digital skills	Upskilled staff with digital skills. • Cybersecurity training • Digital Transformation course • Using online learning management system • Using collaborative tools • Data Science Masterclasses • Azure Cloud Services	None	N/A

OUTCOME 1: TRANFORMED ORGANISATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	*Actual Achievement 2021/22	Deviation from planned target to Actual Achievement	Reasons for deviations
Transformed Organisation	Approved transformation and change strategy implemented	Approved Strategy Approved project plans Upskilled Staff Approved systems and processes	-	-	Organization structure and culture change report	Report on organisational structure and cultural change was produced as planned by the end of 2021/22 financial year.	None	N/A
			-	-	Reviewed curriculum of training programmes to align with the National Digital and Future skills strategy	The following targeted curriculum review has been completed to align training with the National Digital and Future skills strategy: • Digital literacy curriculum review • All creative media courses curriculum review	None	N/A
			-	-	Research report on the future of work	Research report on the future of work has been completed by the end of 2021/22 financial year.	None	N/A
	Multi-Media Production house operationalised	Multi-Media Production house business plan approved and implemented	-	Multi-Media Production House business plan was developed and approved by the Board. An online interface platform was launched	Content development increased to compliment the LMS	Content development has been increased to compliment the LMS 8 targeted productions were completed by the end of 2021/22 financial year.	None	N/A
			-	-	Create work experience for interns	Work experience opportunity was created for interns through NEMISA's Multi-Media Production. The targeted 90% retention of interns was achieved.	None	N/A
			-	-	Getting the OTT to run and improve	The OTT platform has been completed and went live for public access. 50 new episodes were added to improve the platform in the 2021/22 financial year.	None	N/A
			-	-	To expand platform through partnerships	Targeted partnerships with Sentech and SAPO were entered into, in the 2021/22 financial year to expand the OTT platform.	None	N/A
	Achievement of a clean audit	Audit findings reduced to achieve a clean audit	-	-	New controls are implemented and monitored to prevent recurrence of audit findings	The target is partially achieved, and controls were implemented to prevent the recurrence of 2021 AGSA findings. Quarterly monitoring of AGSA findings completed and reports submitted to ARC and the Board.	None	N/A

PROGRAMME 2: MULTI-STAKEHOLDER COLLABORATION

The purpose of Programme 2: To build a substantive formalised multi-stakeholder collaborative network involving partners across Government, Business, State Owned Entities (SOEs), global development partners and agencies through bilateral agreements, continental and international partners, community, organised labour and education (Universities, TVET Colleges, Schools and public and private) that will contribute to building digitally skilled society.

In contributing towards NEMISA's desired impact of the "Meaningful use of digital technologies to improve quality of life", the Programme delivers against the following Outcomes reflected in the Strategic Plan:

OUTCOME 2: DIGITALLY SKILLED CITIZENS								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	*Actual Achievement 2021/22	Deviation from planned target to Actual Achievement	Reasons for deviations
Digitally skilled citizens	Collaborations and partnerships established	Number of new collaboration agreements signed	-	1 MoU with Government Institution 1 MoU with Technology Institution	2 MoUs	2 MoUs/MoAs signed	None	N/A
			-	-	Partnership performance reports of 2020/21 signed agreements	Partnership performance reports for 2020/21 signed agreements completed	None	N/A

PROGRAMME 3: E-ASTUTENESS DEVELOPMENT

The purpose of Programme 3: To build a substantive formalised multi-stakeholder collaborative network involving partners across government, business, State Owned Entities (SOEs), global development partners and agencies through bilateral agreements, continental and international partners, community, organised labour and education (Universities, TVET Colleges, Schools and public and private) that will contribute to building a digitally skilled society.

In contributing towards NEMISA's desired impact of the "Meaningful use of digital technologies to improve quality of life", the Programme delivers against the following Outcomes reflected in the Strategic Plan:

OUTCOME 2: DIGITALLY SKILLED CITIZENS								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	*Actual Achievement 2021/22	Deviation from planned target to Actual Achievement	Reasons for deviations
Digitally Skilled Citizens	1 000 000 citizens trained in basic digital literacy	Number of citizens trained in basic digital literacy	5 836	16 018	60 000	74 443	14 443	The training attracted more learners than planned and this enabled the overachievement of the target.
	1 000 learners trained as creative media practitioners	Number of learners trained as creative media practitioners	323	117	120	240	120	Delivery of additional short skills programmes enabled in the overachievement of the target.
		Number of creative media courses developed	-	Short course on content creation has been developed and piloted	1	1	None	N/A

OUTCOME 2: DIGITALLY SKILLED CITIZENS								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	*Actual Achievement 2021/22	Deviation from planned target to Actual Achievement	Reasons for deviations
Digitally Skilled Citizens	10 000 citizens trained on specialist technology	Number of citizens trained on specialist technology	-	1 109	2 750	2 988	238	The training attracted more learners than planned and this enabled the overachievement of the target.
	10 000 employees within government departments and institutions	Number of employees within government departments and institutions participating in digital transformation advocacy and awareness campaigns	21	688	800	870	70	The training attracted more learners than planned and this enabled in the overachievement of the target.
	An LMS developed, approved and implemented to support online digital skills roll out	LMS implemented to support online digital skills roll out	Phase 1 Learning Management System (LMS) implemented	The Learning management system (LMS) is integrated on to the cloud platform with 10 492 registered users	Multi-Media Production Content integrated onto digital skills cloud platform	Multi-Media Production Content has been successfully integrated onto digital skills cloud platform	None	N/A

PROGRAMME 4: KNOWLEDGE FOR INNOVATION

Programme purpose: To look for appropriate, and often innovative, ways to address systemic problems and other inefficiencies and weaknesses in achieving learning success.

In contributing towards NEMISA's desired impact of the "Meaningful use of digital technologies to improve quality of life", the Programme delivers against the following Outcome as reflected in the Strategic Plan:

OUTCOME 3: IMPROVED APPLIED RESEARCH AND INNOVATION OUTCOMES								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	*Actual Achievement 2021/22	Deviation from planned target to Actual Achievement	Reasons for deviations
Improved applied research & innovation outcomes	5 Hackathons Hosted	Number of Hackathons Hosted	1	1	1	1	None	None
	1 Digital skills Summit hosted	Number of summits hosted	1	0	1	1	None	None
	1 Colloquium hosted	Number of Colloquiums hosted	1	0	1	1	None	None

PROGRAMME 5: AGGREGATION FOR FRAMEWORK

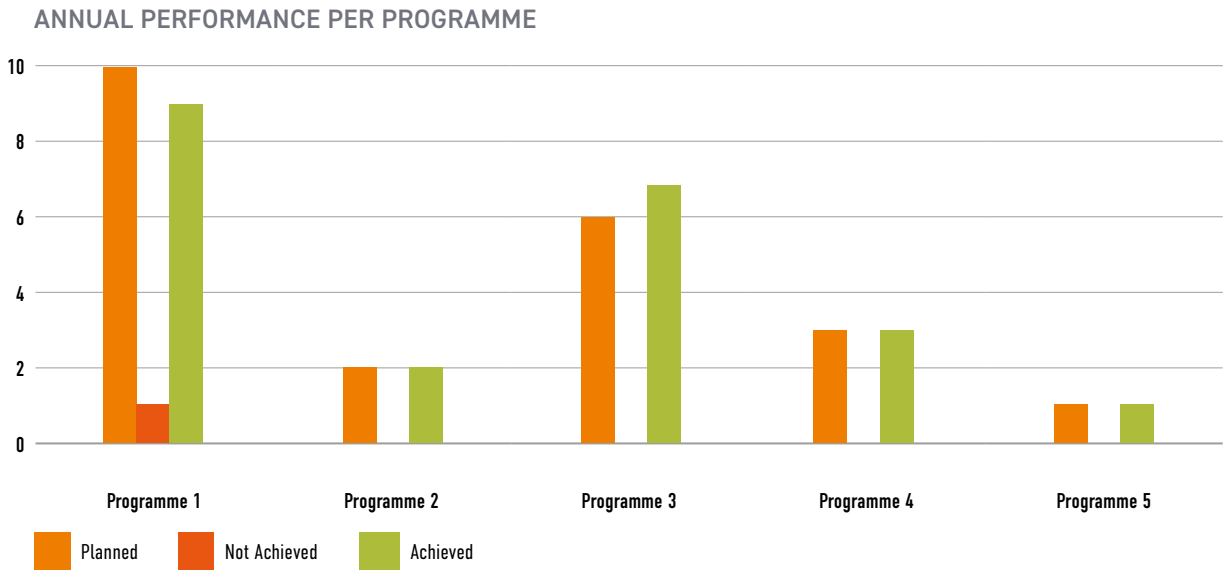
To build a substantive formalised multi-stakeholder collaborative network involving partners across Government, Business, State Owned Entities (SOEs), global development partners and agencies through bilateral agreements, continental and international partners, community, organised labour and education that will contribute to building digitally skilled society.

In contributing towards NEMISA's desired impact of the "Meaningful use of digital technologies to improve quality of life", the Programme delivers against the following outcome as reflected in the Strategic Plan:

OUTCOME 4: AGGREGATED DIGITAL SKILLS PROGRAMME								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	*Actual Achievement 2021/22	Deviation from planned target to Actual Achievement	Reasons for deviations
Improved applied research & innovation knowledge	Evaluation and impact report on training programmes	Approved monitoring and evaluation framework implemented	The monitoring and evaluation framework has been developed, aligned to the new strategic plan, and submitted to the Board.	An evaluation and impact report was developed as an outcome of the implementation of the entity's M & E framework.	Evaluation and impact report developed	Evaluation and impact report was developed	None	N/A

SUMMARY OF NEMISA'S PERFORMANCE

The graphs hereunder depict the entity's achieved annual targets against the planned annual targets in 2021/22 approved Annual Performance Plan.



CREATIVE MEDIA **TRAINING REPORT**

The Creative Media training programme offerings are designed to prepare beneficiaries to become functional employees while also fostering entrepreneurship and success among our learners. The department is well-positioned to meet the rapidly expanding needs of the creative media industry by providing learners with the conceptual, strategic, and practical skill sets needed to meet future challenges.

During the 2021/2022 financial year, there were in total 240 beneficiaries trained through NEMISA's accredited training qualifications by the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA). 97 (40%) beneficiaries were trained on a full qualification and 143 (60%) on various skills programmes targeting mainly youth. The newly developed curriculum and learning material for the Digital Photography skills programme generated high interest with learners being skilled in digital content creation, digital photography, and graphic design (editorial design, or layout and design). The partnership between NEMISA, Media Development and Diversity Agency (MDDA) and the National Association of Broadcasters (NAB) to deliver a "Future Proofing Community Radio" series of workshops to 150 community radio stations attended in Johannesburg and Cape Town (March 2022).

The Multimedia Production House intern cohort has delivered various client projects in line with bringing the Multi Media Production House business plan to life while gaining work-based experience. Content development increased to complement the Learning Management System with new programmes titled *Ethics in Artificial Intelligence*.

PARTNERSHIPS **REPORT**

NEMISA, through their provincial CoLabs hosted at local universities, played a vital role in delivering various training programmes across the country during the 2021/22 financial year. These CoLabs are:

- Western Cape CoLab – University of the Western Cape
- Eastern Cape CoLab – Walter Sisulu University
- Kwazulu-Natal CoLab – Durban University of Technology
- Mpumalanga CoLab – University of Mpumalanga
- Limpopo CoLab - University of Limpopo
- Northern Cape and Southern Gauteng CoLab – Vaal University of Technology
- North West CoLab – University of North West
- Free State CoLab – Central University of Technology

The CoLabs, through their engagement with local and provincial stakeholders and their existing networks across academia, business, government, and civil society, managed to deliver on the training mandate of NEMISA under challenging circumstances.

Key to their training activities CoLabs focus on digital literacy which is a key deliverable for NEMISA. The highlight for CoLabs in the year 2021/22 was the training project that saw NEMISA enter into a partnership with SITA and the Department of Military Veterans. This project aimed to deliver digital literacy training for military veterans. The training took place in various provinces and the NEMISA LMS was successfully used. The training was done in collaboration with the various CoLabs

The CoLabs used IBM DNA courses or CISCO short courses to deliver training in digital technologies that include Artificial Intelligence (AI), Machine Learning, Cloud Computing, the Internet of Things (IoT), Software Development, Data Science, and Analytics. In addition, the CoLabs used Coursera Platform with licenses allocated by NEMISA.

A new CoLab was also established at the Central University of Technology and more partnerships with entities such as SITA, BANKSETA, The British High Commission, GIZ, Microsoft and Google South Africa were established. NEMISA also worked closely with several district and local municipalities to expand its programmes. The highlight for the year under review was the partnership with the Department of Basic Education which enabled the training of Teacher Assistants in digital literacy. Through a vast network of partnerships established, NEMISA is strategically positioned to shape the development of a collaborative training ecosystem.

DIGITAL **LEARNING**

NEMISA continued to strengthen its digital learning capabilities in the 2021/22 financial year. Therefore, the contribution made by digital learning in the achievement of annual targets increased exponentially. Major contribution is evident in the delivery of digital literacy training which has contributed more than 27 000 learners that were trained. Below are a few highlights for this financial year.

SITE UPGRADES

The Digital Skills Platform underwent a major upgrade this year. Not only was the look and feel of the site updated, but also the functionality. The platform is now integrated with Microsoft Teams allowing live classes to be run through and tracked by the platform.

Reporting functionality has been improved; the standard reports now carry student demographics which means the reporting process has been simplified. The available site activities have been increased, allowing NEMISA to provide more interactive learner opportunities and gamification. Site security has also been improved.

Several new courses have been created for NEMISA using MICT SETA course outlines. Learning materials were also converted to online content and 8 packages of video and audio content have been produced for uploading into the LMS. In addition, NEMISA partnered with UNISA, UJ and UWC to create content for the LMS.

COURSERA

2021/22 Financial year is the first year of the Coursera project. This project became highly popular with the students. Some students went above and beyond and completed many courses during their six months of access to the site. The students below have outstanding results:

Student Name	Courses Completed
Individual 1	170
Individual 2	149
Individual 3	126
Individual 4	122
Individual 5	110
Individual 6	103
Individual 7	98
Individual 8	87
Individual 9	85
Individual 10	85

There are an additional 18 students who completed over 50 courses.

MICROSOFT COMMUNITY TRAINING PLATFORM

NEMISA's partnership with Microsoft continued in the financial year 2021/22. This partnership saw Microsoft give NEMISA access to the Microsoft Community Training Platform. The site has Microsoft certified digital literacy courses and more advanced courses in areas of speciality such as Microsoft Azure, cloud services, data analytics and others.

YA-RONA **REPORT**

The Ya-Rona Digital Ambassadors programme is a digital literacy training programme. The NEMISA-led multi-stakeholder programme aimed to recruit, train, empower, dispatch, support, and monitor digital change-makers in rural communities. This programme was designed to complement the formal education system. The targeted beneficiaries are from socio-economically excluded societies. These are unemployed or under employed, youth, women, and people with disabilities.

Following a successful pilot of the project in Dr. Nkosazana Dlamini Zuma (NDZ) Municipality located in the Harry Gwala District in KZN and further expansion of the pilot to Ubuhlebezwe municipality and the Alfred Duma Municipality, the project was rolled out to Limpopo (Colins Chabane and Elias Motsoaledi Local Municipalities) and Free State province (Five local municipalities in Lejweleputswa District Municipality) in 2021/22 financial year.

For 2021/22 the project appointed 105 trainers/ ambassadors some of whom left the programme due to better opportunities. For the duration of the programme, appointed ambassadors are provided with necessary tools of the trade to enable them to go through the training. The identified ambassadors are unemployed youth, mostly women. The ambassadors are compensated with a stipend for the duration of their contract. There have been over 150 youth recruited as digital ambassadors, all of whom participated in the programme.

Ambassadors also undergo training by appointed facilitators, and thereafter are dispatched to train their communities on the basic digital literacy consisting of the following areas of focus:

- Using Digital platforms
- Cybersecurity
- Access to information and learning
- SMME Support/Start your own business
- ICT Skills for employment

Thus far, the programme has been well received by the communities. The impact made on the lives of these rural communities has been humbling, particularly when citizens realise the importance of being digitally literate in the evolving digital world. For some, being able to navigate through the internet and search for jobs and being able to submit CVs has been a life-changing experience. Online Banking has also been a game changer. The programme is being positioned to reach all nine provinces in South Africa in a staggered approach and will be rolled out to three more provinces in the next phase.

HIGHLIGHTS FROM IMPACT ASSESSMENT REPORT

Monitoring and evaluation are essential for NEMISA to ensure alignment between strategic goals and execution of operational plans as the Institute responds to the call to improve the state of digital inclusion through digital skills development. Reflecting on the individual and collective impact of NEMISA on its stakeholders is critical in ensuring relevance, efficiency, effectiveness, and sustainability within the context of digital transformation. It is within this context that NEMISA carried out an impact assessment study at the end of 2021/22 on its selected programmes showing outcomes as depicted in the diagram below.

Most of the respondents (87%) indicated that they benefitted positively from the courses. The value they gained from the courses is evident, given that 71% of respondents had already recommended the course to someone else at the time of the survey, while 28% had not recommended the course but stated that they would. The open-ended responses regarding how and/ or what respondents gained from the course can be grouped into three overarching themes: (i) psychological, (ii) economic, and (iii) social.

DIGITAL LITERACY TRAINING IMPACT ASSESSMENT

PSYCHOLOGICAL BENEFITS

In the context of this study, psychological benefits encompass changes in behaviour regarding the use of mobile devices, gaining self-awareness, empowerment, motivation and confidence, and changes in mindset and attitude regarding the value of technology. 84% of respondents either agreed or strongly agreed that they were using a mobile device for more work and personal purposes because of the training (8% disagreed and the rest were not sure). One respondent stated: *"I benefited because there was a lot of information I didn't know. Now I can apply it in my personal and professional life".*

Gaining knowledge and the ability to use a mobile device for more purposes gave some respondents a boost of confidence, even to apply for jobs. 88% of respondents either agreed or strongly agreed that the training helped them to become more confident in using mobile devices. Only 6% either disagreed or strongly disagreed, with the

rest not being sure. One respondent stated: *"I have much more knowledge about mobile digital literacy. I have more confidence when interacting with mobile devices other than my cellphone and I am more aware of the dangers of sharing stuff on social media"*

Furthermore, knowing about the security risks associated with activities such as online banking, responding to unknown e-mails, and sharing personal information and images influenced some respondents to change the way they use mobile devices to protect themselves. *"It made me more aware of scams in banking"*

ECONOMIC BENEFITS

Economic benefits, in this regard, relates to respondents gaining knowledge and the ability to use mobile devices to access employment opportunities, manage resumés, save money, facilitate business transactions and do money-related transactions. 67% of respondents stated that, because of the training, they were using a mobile device to search and apply for job vacancies.

89% stated that they had become more productive because of integrating mobile applications into activities they would have had to do manually. For example, they used their device to scan documents and e-mail them to people instead of going to a phone shop or Internet café and paying to have that done.

One respondent stated: *"Now I can use the scanning function on my device, I no longer pay to scan my documents and it works perfectly"*. In addition to being more productive, some respondents saved time and money. *"I benefited from the course as I no longer need to travel to get forms such as the Z83 form. I can easily download them from my smartphone"*

SOCIAL BENEFITS

Social benefits entailed participants gaining feelings of inclusion, social capital, a desire to explore and learn more about technology and how it can be useful. It was found that 62% had started using a mobile device for entertainment purposes, including playing games and watching videos, and the training had played a role in this. One respondent stated: *"I learned how to use my device to not only play games but to earn an income also"*. Furthermore, 86% of respondents stated that they had started using a mobile device to help carry out even mundane daily tasks and activities, which became easier or were completed much faster.

This included new ways of interacting and communicating with people. For instance, 64% of respondents had started using applications like social media, instant messaging (WhatsApp) and e-mail to communicate because of the training. One respondent explained what they gained from the course: *"A better understanding regarding how to communicate with others via social media, to apply for employment online etc"*. Another respondent also stated: *"I've learned how to create, communicate, and share digital content. Now I understand the basics of Internet safety such as creating strong passwords, understanding and using privacy settings, and knowing what to share or not on social media"*

62% had started joining different social media groups to interact with new people outside of their family and friends. A total of 62% of respondents had also joined community WhatsApp groups to participate in discussions about community issues and events. Respondents expressed increased feelings of inclusion, as they could participate in discussions about technology. Other respondents felt more included in their children's school life because they were able to help with research, i.e. searching the internet for information for their children's homework.

DIGITAL TECHNOLOGY COURSES IMPACT ASSESSMENT

PSYCHOLOGICAL BENEFITS

For Digital Technology courses revieved, respondents gained confidence, particularly to enter the world of work. 76% of respondents stated that after completing the IBM or Cisco courses they were either more or much more confident to enter the world of work. An increase in motivation is also apparent among the respondents. This is expressed through the desire to learn more, to further their education. There is also evidence of a learning trajectory or progression to more advanced courses, 28% of respondents had started their digital skills journey through other courses offered by NEMISA and more specifically the 'digital literacy course'. They completed these courses before starting their first IBM or Cisco course journey.

ECONOMIC BENEFITS

In the context of the findings from IBM respondents perceived economic benefits relate mainly to claims of increased income and advancements in work life. 38% of respondents stated that they had applied the knowledge and skills gained from their course in their job or work activities. 14% of respondents had not yet had the opportunity to apply their skills, while 46% of respondents had applied the knowledge and skills – but not in work-related activities. 70% of respondents stated that they were earning a higher income, 28% were not and only 2% of respondents were not sure. In an open-ended statement, one respondent stated that they were earning a "better income". 20% of the respondents stated that they had either found new employment or had received a promotion.

COURSERA COURSES BENEFITS

ECONOMIC BENEFITS

In the context of the findings from Coursera respondents perceived economic benefits relate mainly to claims of increased income and advancements in work life. 91% respondents felt that their ability to apply what they had learnt was either very good or good. 6% stated their ability was fair, while only 1 respondent was not sure. Regarding whether the respondents had used what they had learnt, 38% had done so for work related activities while 43% had also done so, but for non-work-related activities. Among those that had applied what they had learnt in their work activities, some respondents added that this had made their work tasks much easier. One respondent stated: *"It has made my activities easier and a lot more fun"*. Another respondent stated: *"I could improve on work related activities making duties easier through making use of the application I've learned"*. 17% respondents stated that they had started earning a higher income. Regarding whether respondents had found new employment or got promoted, 67% stated that they had successfully achieved gainful employment.

Examples of responses to how the Coursera courses they completed played a role in them getting a new job or a promotion include the following: *"I was offered a 3 month cyber security learnership by Altron company but I turned the offer down because I'm busy with an Internship"* and *" I received a job as an IT service desk for a UK company as an intern for 7 months learning the company's setup before permanent placement"*. Another respondent also stated: *"Cyber security, Internet of things and IT support plays an important role in my new job and it helped me earn more money for my family"*.

STAKEHOLDER ENGAGEMENTS AND ACTIVITIES

In the year under review NEMISA strove to ensure that the institutes' mandate and brand are communicated to all stakeholders through advocacy and awareness including stakeholder engagements. In the period under review, the Institute undertook the following activities to draw stakeholders into its activities in order realise strategic objectives. Table below shows these activities

Stakeholder Engagement	Advocacy and Awareness
The Marketing Department together with SITA initiated the Department of Military Veterans (DMV) Training initiative. This resulted in a signed MoA.	Use of website and social media platforms as advocacy and awareness tools
NEMISA and ZaDNA partnership (signed MoA)	Exhibition and Training initiatives between ZaDNA and NEMISA
British High Commission – Digital Skills Framework Initiative.	Hybrid Digital Skills Summit, Colloquium and Post Graduate Symposium was held in Cape Town – Proceedings book available on the website www.nemisa.co.za
DCDT 2 Day International Women's Day Webinar –NEMISA/Nelson Mandela University participated through their "Future is Digital" webinar platform.	SAFM Radio and Radio Teemaneng Stereo Interviews on Future-Proofing Community Radio
Partnership with UJ, Microsoft, GIZ – hosting of Data Science Masterclasses	Hybrid Data Science Datathon was held in 3 provinces physically with other provinces joining virtually.
NEMISA/Nelson Mandela University, School of IT partnership	NEMISA/NMU Future is Digital Webinars These dialogues are aimed at amplifying the voices of women ICT with the specific objective of inspiring the 'Next-Gen' of young women to take their space in the ICT sector.
ECSECC and CHIETA partnerships	Training initiatives with the two stakeholders have been undertaken
Partnership Meetings FS Department of Education	Exhibition at Thaba Nchu Film Festival

LINKING PERFORMANCE **WITH BUDGETS**

The table below depicts expenditure against the budget for the reporting period under review and the previous financial year for the programme and sub-programmes.

Programme/ Activity/ Objective	2020/21			2021/22		
Programme 1: Business Support (R'000)	Budget R	Actual Expenditure R	(Over)/Under expenditure R	Budget R	Actual Expenditure R	(Over)/Under expenditure R
Programme 1	57 616	49 781	7 835	57 537	58 777	(1240)
Programme 2	10 527	4023	6 504	0	0	0
Programme 3	10 477	4004	6 473	37 866	45 380	(7 514)
Programme 4	12 667	4 840	7 827	1 875	2 247	(372)
Programme 5	6 161	2 354	3 807	1 500	1 798	(298)
Total expenses:	**97 448**	**65 002**	**32 446**	**98 768**	**108 202**	**(9 424)**

PART C

GOVERNANCE

INTRODUCTION

The board of NEMISA is committed to ensuring that good governance is practised, and regard this as fundamental to improve overall performance, promote trust among the Shareholder and Stakeholders, provide sound strategic planning, ensure better risk management, and ensure the success of NEMISA as a State-Owned Entity.

All NEMISA's Directors and employees embrace the commitment to good governance practice. NEMISA ensures that all policies and procedures are reviewed regularly to ensure they remain relevant to the board's authority and responsibilities and comply with applicable laws, regulations, and governance frameworks. As a Schedule 3A company, NEMISA is governed and guided by the Protocol on Corporate Governance in the Public Sector 2002, the Companies Act (Act No. 71 of 2008), Public Finance Management Act (PFMA), No. 1 of 1999, as amended and the principles of King IV Report on Corporate Governance for South Africa™ (King IV™).

PORTFOLIO COMMITTEES

During the year under review, the NEMISA board appeared before the Portfolio Committee of Communication on four occasions:

- 11 May 2021
- 17 August 2021
- 10 November 2021
- 8 March 2022

EXECUTIVE AUTHORITY

The Government of the Republic of South Africa is the sole shareholder of NEMISA, and the Shareholder representative is the Minister of Communications and Digital Technologies. The Executive Authority has the power to appoint and dismiss the board of NEMISA.

BOARD AND THE EXECUTIVE AUTHORITY

The relationship between the Shareholder and the board is preserved, as the board ensures that proper internal controls are in place and that NEMISA is effectively managed. During the year under review, NEMISA had numerous engagements with the Department of Communications and Digital Technologies (DCDT) on governance and oversight matters

THE ACCOUNTING AUTHORITY /BOARD

In accordance with the PFMA, the board as the Accounting Authority of NEMISA constitutes a fundamental base for the application of corporate governance principles in NEMISA. The board is effective and efficient in leading and controlling NEMISA.

The board comprises an appropriate mix of executive and majority Non-Executive directors representing the necessary skills to guide it strategically. The board has absolute responsibility for the public entity's performance and is fully accountable for such performance. The board provides NEMISA with strategic direction.

The board has the authority to lead and control the business of NEMISA, including the authority to delegate its powers. The board aims to ensure that NEMISA remains a sustainable and viable business. The board's responsibilities are supported by a well-developed governance structure of board committees as well as a clear and comprehensive Delegation of Authority Framework.

The board delegates the management of the day-to-day operations of the Corporation to the Chief Executive Officer (CEO). The CEO is assisted by the Group Executive Committee (Group EXCO). The Delegation of Authority Framework, which annually undergoes an extensive review, assists in controlling the decision-making process and does not dilute the duties and responsibilities of the Directors.

Notwithstanding the relevant skills and experience each Director brings to the board and the information provided to them by the Company Secretary, NEMISA has provided Directors with the training necessary to enable them to familiarise themselves with such duties and responsibilities and all other relevant laws and regulations and in order to discharge their fiduciary duties to NEMISA. Directors attended various masterclasses and courses such as Corporate Governance & the King IV Report, POPIA Masterclass, Business Ethics: Enhancing Organisational Governance and Prevent Fraud, amongst others.

The roles, duties, and responsibilities of the board, as well as salient corporate governance principles, are set out in the board Charter, which includes the following summarised activities:

- provide effective leadership based on an ethical foundation;
- act as the ultimate custodian of the Institute's system of corporate governance;
- appreciate that strategy, risk, performance,
- ensure that the Institute is and is seen to be a responsible corporate citizen;

- ensure that the Institute has an independent and effective audit committee;
- ensure that the Institute has a code of ethics and related ethics policies;
- be responsible for the pro-active and effective management of risk in the Institute;
- ensure that there is an effective risk-based internal audit function in the Institute; be responsible for the pro-active and effective governance of information technology;
- ensure that the Institute complies with all applicable laws and considers adherence to non-binding rules and standards;
- ensure the integrity of the Institute's annual report;
- ensure proper management of the relationship between the Institute and all its stakeholders;
- monitor the performance of the Institute against agreed objectives and review the performance of executive management against defined objectives and other applicable performance standards;
- continuously monitor the solvency and liquidity of the Institute;
- be responsible to appoint, subject to the notification and consent of the Minister, the Chief Executive Officer, Chief Operations Officer, and the Chief Financial Officer, as well as ensure a proper process of performance management and succession planning in respect of these positions;
- implement a formal delegation of authority framework and limits, which will be reviewed on an annual basis;
- via the Human Resources and Remuneration Committee, provide input regarding senior management appointments, remuneration, and succession plans; and
- With the support of the Human Resources and Remuneration Committee, adopt remuneration policies that are fair, responsible, and aligned with the strategy of the Institute while linked to individual performance.

MEMBERS OF THE BOARD

MS MOLEBOGENG LESHABANE
CHAIRPERSON

MS TOBEKA BUSWANA

MS NOMONDE HLATSHANENI

MS BONGEKILE FILANA

MR MELVYN LUBEGA

MR LIONEL RICARDO ADENDORF

PROF CHRISTIAN MICHAEL ADENDORFF

MR WILLIAM TREVOR RAMMITLWA
CHIEF EXECUTIVE OFFICER

COMPOSITION OF THE BOARD

Name	Designation (In terms of the Public entity Board infrastructure	Date appointed	Date resigned	Qualifications	Area of expertise	Other Commitments or task teams
Ms Molebogeng Leshabane	• Chairperson of board • Independent non-executive member	25 October 2019	-	• B.Sc. Eng. Civil (Hons) • Business Management • GDE (Project Management and Property Law) • Strategy is Innovation • Internet of Things (IoT) • Business Analytics	• Engineering • Infrastructure • Technology • Leadership	• Human Resources, Remuneration and Nominations Committee • Programmes and Academic Committee
Ms Tobeka Buswana	• Independent non-executive member	25 October 2019	-	• Digital Multimedia Management and Regulation • Leadership Development Programme • Public Sector Corporate Governance • Diploma in Youth Development • National Diploma in Analytical Chemistry	• Communications • Electronic Media • Change Management Strategy • Strategy Development • Youth Development	• Human Resources, Remuneration and Nominations Committee • Programme and Academic Committee • Social, Ethics and Transformation Committee
Ms Nomonde Hlatshaneni	• Independent non-executive member	25 October 2019	-	• BA. UED • BA Honours • M.A. Developmental Studies • Certificate in Project Management • Certificate in Public Relations • Certificate in Data Analysis for Management	• Public Health • Education and Skills Development • Labour Market Intelligence • Local Government • Economic Development	• Chairperson of Human Resources, Remuneration and Nominations Committee • Audit and Risk Committee • Social, Ethics and Transformation Committee
Ms Bongekile Filana	• Independent non-executive member	25 October 2019	30 September 2021	• N6 Electrical Engineering • Educational Psychology Bachelor's degree • Higher Certificates - Network Communication & Information systems • Honours Cyber Psychology (Research)	• Information and Communications Technology • Youth Development	• Programmes and Academic Committee • Social, Ethics and Transformation Committee
Mr Melvyn Lubega	• Independent non-executive member	25 October 2019	-	• BBusSci. Actuarial Science (Hons) • MSc – Education, Learning and Technology • Masters Public Policy	• Technology • Entrepreneurship • Human Capital Development • Finance • Risk Management	• Audit and Risk Committee • Programmes and Academic Committee
Mr Lionel Ricardo Adendorf	• Independent non-executive member	25 October 2019	-	• B.Tech in Journalism • National Diploma in Journalism • Certificate in Multimedia Management • Certificate in Multi-Cultural Leadership Foundation	• Regulation and Policymaking • Ethics • Corporate Governance • Business Integrity Management	• Chairperson of Social, Ethics and Transformation Committee • Audit and Risk Committee • Human Resources, Remuneration and Nominations Committee
Prof Christian Michael Adendorff	• Independent non-executive member	25 October 2019	-	• PhD in Commerce • Doctoral of Business Administration in Future Studies • PhD in Development Studies • MCom • MPhil (cum laude) in Futures Studies	• Technological Entrepreneurship • Futures Studies • Fourth Industrial Revolution (4IR) Scenario and Strategic Planning	• Chairperson of Programmes and Academic Committee
Mr William Trevor Rammitlwa (CEO)	• Executive Director	01 October 2020	-	• University Diploma in Education • BA Degree, Psychology & Education • Management & Coaching Certificate • MBL degree • PhD in Management (In • progress)	• Skills Development • Human Resources • Project Management • Quality Management • Research	• Human Resources, Remuneration and Nominations Committee • Programmes and Academic Committee • Social, Ethics and Transformation Committee

BOARD EVALUATION

The performance of the board and individual directors is evaluated annually. The performance of the board committees is evaluated against their Terms of Reference. Performance Agreements were finalised with the Executives.

COMMITTEES AND NUMBER OF MEETINGS HELD

Board meetings are scheduled annually in advance. To address specific issues, it was necessary to convene special meetings as and when required during the period under review. Given the COVID-19 pandemic and regulations, majority meetings were held virtually.

The board held seventeen (17) meetings during the period under review. The Chief Financial Officer and the Audit and Risk Chairperson are invited to the board meetings. During the year under review, two (2) Combined committee and board meetings were held. The attendance of members at board meetings was as follows:

Members	Number of Meetings Attended	
	Ordinary Meetings	Special Meetings
Ms Molebogeng Leshabane (Chairperson)	7	10
Ms Tobeka Buswana	7	10
Ms Nomonde Hlatshaneni	7	9
Ms Bongekile Filana[1].	4	8
Mr Melvyn Lubega	7	9
Mr Lionel Ricardo Adendorf	7	10
Prof Christian Michael Adendorff	7	9
Mr William Trevor Rammitlwa (CEO)	7	10

1.Ms Bongekile Filana resigned as at 30 September 2021

Several board committees exist to assist the board in discharging its responsibilities. This assistance is rendered in the form of recommendations and reports submitted to board meetings whereby transparency and full disclosure of committee activities is ensured. Each committee operates within the ambit of its defined Terms of Reference that set out the composition, role, and responsibilities, delegated authority, and meeting requirements of each committee.

AUDIT AND RISK COMMITTEE (ARC)

Section 51 (1) (a) (ii) and section 77 of the Public Finance Management Act (PFMA), No. 1 of 1999 as amended, requires NEMISA to establish and maintain an effective, efficient, and transparent system of financial and risk management and internal control, which system is under the control and direction of an audit committee.

The committee comprises the Audit and Risk Committee Chairperson and three (3) Independent Non-Executive Directors, who are appointed by the Shareholder in terms of the requirements of Section 94 of the Companies Act. The Executives, Auditor-General South Africa, Outsourced Internal Auditors and a Representative from the DCDT are standing Invitees to the ARC meetings. The committee Chairperson was re-appointed by the Minister on 17 September 2021.

Members collectively have sufficient qualifications and experience to fulfil their duties and have sufficient understanding of financial reporting; internal financial controls; external audit process; internal audit process; corporate law, and information technology governance. The committee is accountable and reports to the member of NEMISA and such other parties as provided for in respect of the statutory duties of the committee as set out in section 94 of the Companies Act and the PFMA.

The committee is accountable to and reports to the board regarding all other duties as encompassed in the Terms of Reference.

10 meetings were held during the period under review. External Auditors, Internal Auditors, the CEO, CFO, and other relevant corporate officials attended these meetings. The Internal Auditors and the External Auditors have unrestricted access to the Chairperson of the committee and the Chairperson of the board. The attendance of members at committee meetings was as follows:

Members	Number of Meetings Attended	
	Ordinary Meetings	Special Meetings
Jaruzelski Leonid Le Guma (Chairperson)	5	5
Ms Nomonde Hlatshaneni	5	4
Mr Melvyn Lubega	4	4
Mr Lionel Ricardo Adendorf	5	5

HUMAN RESOURCES, REMUNERATION AND NOMINATIONS COMMITTEE (HRRNC)

The Human Resources, Remuneration, and Nominations Committee is a committee of the NEMISA board of Directors and has been established to assist the board in dealing with the human resources for NEMISA. The NEMISA board has elected to combine the roles of the Human Resources and Remuneration Committee with the Nominations Committee.

The Comamittee comprises four (4) Independent Non-Executive Directors and two Executives, and is chaired by an Independent Non- Executive Director.

Ten (10) meetings were held during the financial year. Other relevant corporate officials attended the ordinary meetings by invitation. During the year under review, two (2) committee meetings were held within board meetings. The attendance of members at the committee meetings was as follows:

Members	Number of Meetings Attended	
	Ordinary Meetings	Special Meetings
Ms Nomonde Hlatshaneni (Chairperson)	4	6
Ms Molebogeng Leshabane	3	5
Ms Tobeka Buswana	4	6
Mr Lionel Ricardo Adendorf	4	6
Mr William Trevor Rammitlwa (CEO)	4	6
Mr Thilivhali Archibald Ramawa (CFO)	1	1
Ms Kimberly Matlosa (ACFO)	0	0

PROGRAMME AND ACADEMIC COMMITTEE (PAAC)

The Programme and Academic Committee is a committee of the NEMISA board of Directors and has been established to assist the board in respect to matters related to the development, implementation, and monitoring of NEMISA's programmes, related projects, stakeholder management, and funding in accordance with the vision, mission, and core values of NEMISA. The committee exercises its delegated authority as determined by the board from time to time, subject to NEMISA's Memorandum of Incorporation (MOI), the Public Finance Management Act, the board Charter, and any other applicable legislation in relation to NEMISA's mandate as may be determined from time to time by the DCDT. The committee comprises five independent Non-Executive Directors and two Executives, and is chaired by an Independent Non-Executive Director.

Five (5) meetings were held during the financial year. Other relevant corporate officials attended the meetings by invitation. During the year under review, two (2) committee meetings were held within board meetings. The attendance of members at the committee meetings was as follows:

Members	Number of Meetings Attended	
	Ordinary Meetings	Special Meetings
Prof Christian Michael Adendorff (Chairperson)	4	1
Ms Molebogeng Leshabane	4	1
Ms Tobeka Buswana	4	1
Ms Bongekile Filana[1].	2	0
Mr Melvyn Lubega	4	1
Mr William Trevor Rammitlwa (CEO)	4	1
Mr Thilivhali Archibald Ramawa (CFO)	1	0
Ms Kimberly Matlosa (ACFO)	0	0

1.Ms Bongekile Filana resigned as at 30 September 2021

SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE

The Social, Ethics, and Transformation Committee is a statutory board sub-committee prescribed by Regulation 43 of the Company's Act (read with Regulation 43 of the Companies Regulations). The committee is constituted as a committee of the board of directors of NEMISA and is thus accountable to the board. The committee has an independent role with accountability to both the board and Shareholder being the Ministry of Communications and Digital Technologies. The role ascribed to the committee by King IV™ is that of oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development, and stakeholder relationships. The nature of delegation is benchmarked against the Companies Act, corporate governance principles, codes, and best practices.

The committee comprises three Independent Non-Executive Directors and two Executives and is chaired by an Independent Non- Executive Director.

Four (4) meetings were held during the financial year. During the year under review, one (1) committee meetings were held within board meetings. Other relevant corporate officials attended the meetings by invitation. The attendance of members at the committee meetings was as follows:

Members	Number of Meetings Attended	
	Ordinary Meetings	Special Meetings
Mr Lionel Ricardo Adendorf (Chairperson)	4	0
Ms Tobeka Buswana	4	0
Ms Bongekile Filana [1]	3	0
Mr William Trevor Rammitlwa (CEO)	4	0
Ms Nomonde Hlatshaneni [2]	2	0
Mr Thilivhali Archibald Ramawa (CFO)	1	0
Ms Kimberly Matlosa	1	0

1. Ms Bongekile Filana resigned as at 30 September 2021

2. Ms N Hlatshaneni was appointed from 8 October 2021

REPORT OF THE SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE

The COVID-19 pandemic challenged many organisations in different ways and forced even NEMISA to relook the way it operates, how it deals with its important stakeholders and how it continues to provide services and develop products in new and different ways.

Moreover, the difficult economic conditions, coupled with lockdown restrictions that were in place, increased societal demands, the more than 40 days of loadshedding that the country experienced during this financial year as well July 2021, looting in KZN and parts of Gauteng and the floods that wreaked havoc in parts of KZN in April 2022, brought additional strain on our ability to provide services to both students and other beneficiaries as well as clients such as the government.

But despite these challenges, the organisation was able to meet and exceed targets, provide the kind of excellence it is known for and the Social, Ethics and Transformation Committee (SETCOM) could assist the organisation to ensure that the institution meets the varied expectations of the society within which it operates, attain and maintain the highest ethical standards set by those we work with and for and transform the institution internally and structurally to enable the achievement of its objectives and meet its responsibilities towards its valued stakeholders.

During the period under review, SETCOM reviewed and adopted important policies that made ethical conduct an integral part of its corporate culture and ensured that compliance with the relevant and applicable laws and regulations are essential to the ethical culture that is essential to the organisation's well-guarded reputation and integrity.

For example, the Whistleblowing and Protected Disclosure Policy ensured that employees played their part in fighting corruption, maladministration and malfeasance and that various disclosure mechanisms are in place to report any act of misconduct and corrupt behaviour in a safe manner that would protect those who make these disclosures and fast track action against those who have been reported.

Special care was given to making sure that those who make protected disclosures understand their responsibilities but, more importantly, that NEMISA also understands its duties towards those who make these disclosures.

An Anti-fraud and Corruption Policy was also considered and approved to not only support the efforts to ensure an the organisation that conducts its business ethically but also to ensure that an annual plan is developed to create constant awareness about possible unethical problems that employees might encounter in the execution of their work.

Strengthening the former, SETCOM also reviewed the Code of Conduct and Ethics Policy as well as the Conflict of Interest Policy. Both these important safeguards set out the acceptable conduct that is expected from employees and board members in support of the institutional values and ethos.

Our stakeholders and the environment in which we operate are crucial to the implementation of our work and to ensure our social license is confirmed. It is for these reasons that special emphasis was placed on our responsibility towards our environment and communities.

Towards this end, SETCOM insisted on quarterly updates on waste management, our electricity, water and paper consumption with the aim to ensure that NEMISA becomes a more environmentally conscious organisation.

The organisation made significant strides in becoming a more responsible corporate citizen not only through what it does but more importantly, through how it is done and SETCOM remains committed to ensuring that we play our part in ensuring that NEMISA is effectively placed to respond to the challenges and opportunities it is offered in the new year.

REMUNERATION OF BOARD MEMBERS

The NEMISA Memorandum of Incorporation (MoI) makes provision that Non-Executive Directors, in their capacity as such, shall be entitled to such remuneration as authorised by the Minister of Communications and Digital Technologies, taking into consideration prescriptions and guidelines issued by the Minister for Public Service and Administration and the National Treasury, the size and the complexity of the business of the Company.

Further information on Directors' remuneration appears on page 85.

COMPANY SECRETARIAL FUNCTION

Directors have unrestricted access to the advice and services of the Company Secretary as well as the Secretariat Department.

The Directors are entitled to obtain independent professional advice at NEMISA's expense should they deem this necessary. The Company Secretary together, with other assurance functions, monitors NEMISA's compliance with the requirements of the PFMA, Companies Act, and other relevant legislation.

RISK MANAGEMENT

The board is responsible for NEMISA's overall governance of risk which is advocated by its responsibilities of setting an appropriate risk management tone, approving enterprise risk management policies and other strategies, including leveraging the functional governance structures to ensure the effectiveness of risk management within NEMISA.

During 2021/22 FY, the Risk Management Policy and Strategy was reviewed and approved by the board. The Risk management Plan was approved and implemented with the Executive Risk Management Committee's oversight, which is chaired by the Accounting Officer, the Audit and Risk Committee, and the board (Accounting Authority). Risk Management Training was conducted for Management and Employees to embed the risk-aware culture across NEMISA.

Following the global pandemic of COVID-19 there was a need to develop a Return to Work Plan. A risk assessment was conducted to mitigate any possible risk of infections, transmissions, or cross-contamination of COVID-19 between employees and students within the NEMISA. NEMISA continues to ensure this risk exposure is adequately mitigated to ensure the health and safety of external and internal stakeholders, including students and employees.

BUSINESS CONTINUITY MANAGEMENT

NEMISA developed a Business Continuity Management Programme (BCMP) to ensure that the Institution maintains a state of continued and uninterrupted business operations. During 2021/22 FY the Business Continuity Policy and Framework, Business Continuity Plans, and the Disaster Recovery Plan were approved by the board to ensure that business disruption-related risks are addressed.

INTERNAL CONTROL UNIT

NEMISA has established policies, standards, processes, structures and practices that provide a robust internal control environment across the Institution. The control environment sets the tone of the Institution and defines the corporate culture.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

As a public entity, it is of utmost importance that NEMISA adheres to sound governance principles. To this effect, regular measurements against the Public Finance Management Act and King IV™ is carried out to ensure that deficiencies are identified and corrective measures are implemented.

PUBLIC FINANCE MANAGEMENT ACT

The PFMA focuses on financial management with related outputs and responsibilities. The Directors, as the Accounting Authority, comply with their fiduciary duties as set out in the PFMA. In terms of the Treasury Regulations, NEMISA's. The Accounting Authority must monitor 'material' and 'significant' developments in terms of sections 54(2) and 55(2) of the PFMA, develop and agree on a framework of acceptable levels of materiality and significance with the relevant Executive Authority. In terms of Section 52 of the PFMA, the Accounting Authority for a public entity must submit to the Accounting Officer for a Department designated by the Executive Authority for that public entity, and to the relevant treasury, for at least one month, or another period agreed upon with the National Treasury, before the start of its financial year, a corporate plan in the prescribed format covering the affairs of the public entity for the following three financial years. In terms of TR 29.1.1 (f) such a corporate plan must include a Materiality and Significance Framework. The principles of King IV™ require that disclosure be made on matters of significance, interest, and relevance to shareholders and a wide range of stakeholders. The Accounting Authority should establish guidelines of materiality for disclosure by the Corporation. This framework is reviewed and updated annually

FRAUD AND CORRUPTION

The NEMISA board is committed to maintaining high ethical and moral standards, adherence to good governance, integrity, transparency, and honesty. The Social and Ethics Committee (SETCOM) oversees progress on the approved annual fraud prevention implementation plan and the whistle-blowing hotline activities. An annual fraud risk assessment was conducted, an independent hotline reporting mechanism has been continuously maintained.

As part of NEMISA's fraud prevention strategies, a three-year Fraud Prevention Plan, Anti-Fraud and Corruption

Policy, and a Whistle Blowing and Protected Disclosure Policy were approved by the board. A Fraud Prevention and Awareness Training was conducted for NEMISA Management and Employees to enhance the fraud-aware culture.

MINIMISING CONFLICT OF INTEREST

Board members are required to declare their interests prior to the commencement of each meeting, annually and as and when there is a change in their status of interests. All employees are required to complete their declarations of interest.

CODE OF CONDUCT

The board approved the NEMISA Code of Conduct and Ethics Policy that aims to enhance the ethical culture and ensure that every employee of NEMISA shares the same values and levels of accountability, it was workshopped to all employees, and is signed by everyone.

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

In the year under review NEMISA has continued with its effort to maintain a training and working environment that is conducive for all the building users. This has been achieved through ensuring that critical and deliberate actions are consistently applied when they are due and necessary.

The actions referred to above include but are not limited to the listed items hereunder:

- Performing Occupational Health and Safety compliance audit and checks within the building when they are due.
- Monitor that the users adhere to all the safety procedures applicable in the workplace.
- Training of Occupational health and Safety Committee members when the certificates are due for expiry.
- Ensure that employees and students concerns are timeously attended to and addressed satisfactorily.

No incidents or accidents happened in all the NEMISA workplaces during this financial year. Management of health and safety in the new premises will be prioritised and we are hoping to achieve an 80% overall compliance in the first year.

SOCIAL RESPONSIBILITY

The NEMISA CSI initiative is guided by the need to support programmes through training that gives rise to empowerment and development. Support community education facilities, bursaries for the underprivileged without employment obligations; Support small business incubation programmes and support women's development, youth in distress, people with disabilities and the elderly.

The Manger Care Centre –NPO was supported with groceries for their Manna Soup Kitchen – which provides early childhood development, an old age centre, and a centre for disabled children in the Ekurhuleni area with food; Seeds were supplied for their plant production project. Blankets and starter kits were also donated for their Eden shelter which supports abused women and children, recovering addicts, the unemployed, destitute and physically challenged persons and the elderly.

The National Sea Rescue Institute NPC which provides water safety lessons on safety around water, peer rescue and Cardio-Pulmonary Resuscitation at the schools was also supported by NEMISA. Training of 4 000 learners in 10 schools in Soweto is ongoing. The children are taught to have a PLAN where P is Prepare, L Look, A Ask and N Never. They are then, by play acting, shown the extreme danger of getting into water to help someone, and lastly, they are taught an emergency number that can be used from a landline or cell phone throughout South Africa.

AUDIT COMMITTEE **REPORT**

MR. JL LE GUMA
AUDIT & RISK COMMITTEE CHAIRPERSON

We are pleased to present our report for the financial year ended 31 March 2022.

MANDATE AND TERMS OF REFERENCE

The Audit and Risk Committee (the "committee") is required to present its report in terms of the requirements of the PFMA, the Companies Act (section 94(7)(f)) and in accordance with the King IV™ Report on Corporate Governance for South Africa for the financial year ended 31 March 2022.

The role of the committee is defined in its mandate and the committee Terms of Reference. It covers, among others, its statutory duties and assistance to the board with the oversight of financial and non-financial reporting and disclosure, the internal control system, risk management controls, internal and external audit functions, including technology and information governance.

The committee fulfilled all its statutory duties as required by the Companies Act. The committee reports that it has adopted appropriate formal terms of reference that the board has approved has regulated its affairs in compliance with this charter and has discharged its responsibilities contained therein.

EXECUTION OF FUNCTIONS

The Audit and Risk Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference. All Audit and Risk Committee members are Independent Non-Executive Directors and members of the board of NEMISA

Name	Period Served
Mr Zack Le Guma	1 April 2021 – 31 March 2022
Mr Lionel Adendorf	1 April 2021 – 31 March 2022
Mr Melvyn Lubega	1 April 2021 – 31 March 2022
Ms Nomonde Hlatshaneni	8 October 2021 – 31 March 2022

The following persons were standing invitees to the Audit and Risk committee meetings:

- Chief Executive Officer Mr Trevor Rammitlwa
- A Representative from Shareholder (Mr Sidney Mongala – Director: Risk Management, Department of Communications and Digital Technologies).
- Internal Auditors. Masegare and Associates
- External Auditors (Auditor-General South Africa).
- Company Secretary (Ms Fahmida Valla)

The audit committee held ten (10) meetings during the period.

SUMMARY OF MAIN ACTIVITIES UNDERTAKEN BY THE AUDIT AND RISK COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

Amongst other activities, the following key responsibilities were performed by the committee:

- Approved the strategic and coverage plans of the Internal Audit.
- Nominated for appointment as auditor, the Auditor-General of South Africa (AGSA), who, in our opinion, is independent of the entity.
- Determined the fees to be paid to AGSA as disclosed in the statement of financial performance.
- Pre-approved all non-audit service contracts with AGSA.
- Reviewed the audit strategy of the Auditor General of South Africa (AGSA) and their audit report to the entity for the financial year ended 31 March 2022.
- Reviewed the in-year management reporting relating to financial management, risk management and performance management.
- Monitored progress on the implementation of the Internal Audit Plan, discussed reports and made relevant recommendations to management.

- Reviewed the improvements implemented by management to address control weaknesses reported by Internal Audit and the AGSA.
- Considered NEMISA's quarterly and annual performance reports.
- Considered and recommended for board approval NEMISA's Annual Performance Plan for 2022/23 financial. Reviewed NEMISA's risk management systems, processes and mitigation plans.

THE EFFECTIVENESS OF INTERNAL CONTROLS

The system of internal controls applied by NEMISA over financial and risk management is effective, efficient and transparent throughout the year. In line with the PFMA and the King IV™ Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process and the identification of corrective actions and suggested enhancements to the controls and processes.

The quality of in-year management and quarterly reports submitted in terms of the PFMA has been satisfactory.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports that were prepared and issued to the Accounting Authority of NEMISA during the year under review.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has:

Reviewed and discussed the audited Annual Financial Statements to be included in the annual report, with the Auditor-General South Africa and the Chief Executive Officer;

Reviewed the Auditor-General of South Africa's management report and management's response thereto.

- Reviewed any changes in accounting policies and practices.
- Reviewed the entity's compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives to be included in the annual report; and
- Reviewed significant adjustments resulting from the audit.

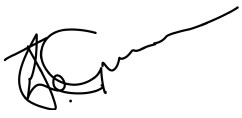
THE EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT PROCESSES

The Internal Audit function provides the Audit and Risk Committee and management with reasonable assurance that the internal controls of NEMISA are adequate and effective to assist the organisation to achieve its goals and objectives. The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to NEMISA and its audits.

During the year under review, the risk management processes for NEMISA were found to be inadequate. Management's mitigation strategies to address the deficiencies in the risk management processes have been considered and will be monitored at each committee meeting until fully implemented.

CONCLUSION

The Audit Committee concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.



Mr. Z Le Guma
Audit & Risk Committee Chairperson

PART D

HUMAN RESOURCE MANAGEMENT

INTRODUCTION

The staff complement for 2021/22 was 45. The total number of filled positions was based on the approved structure of 48 positions. Not all permanent positions could be filled due to the temporary moratorium placed by the Shareholder since July 2019. The overall percentage vacancy rate was 4.1%

The HR priorities for the year under review and their impact were as follows:

(a) Appointment of additional headcounts as per the approved structure

In the year under review, it was ensured that qualified and experienced employees are recruited (to meet operational needs and achieve strategic objectives, including employment equity and quality) on merit and that all appointments are as per the funded, approved structure. Other appointed skilled employees were additional to the structure to assist with the deliverables of under-capacitated units. Moreover, the HR business partners played a pivotal role in recruitment, ensuring that NEMISA makes the best and most valuable hiring decisions.

(b) Headcount

NEMISA's headcount as of 31 March 2022 was 46, which includes both permanent staff, fixed-term contract staff, and short-term staff. Based on the approved 2022/23 Annual Performance Plan, the organisational structure mainly focused on retention and appointment of the critical workforce (i.e. core, critical, and scarce skills) across the business.

(c) Employees training and development aligned to the approved structure and Workplace Skills Plan/ Annual Training Report.

Effective training and development offer benefits to the individual and the Institute as a whole; training ultimately contributes to the achievement of NEMISA's objectives. It aims to keep employees engaged and continuously upskilled. NEMISA continued to invest in training its employees in the year under review of which most attended trainings were online.

(d) Submission of compliance/legislative reports

The submissions of compliance/legislative reports, e.g., Employment Equity Report (EER), Workplace Skills Plan (WSP), Annual Training Report (ATR), and Compensation for Occupational Injuries and Diseases (COID) are important in helping NEMISA to comply with different authorities such as the Department of Employment Labour (DoE&L) and the MICT SETA. Such reports play a major role in improving the Institute's performance. All the required HR compliance reports were submitted on time in the year under review.

(e) Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

NEMISA will continue to recruit qualified and experienced employees to achieve its main objectives. The Entity is guided by the Employment Equity Plan and the approved amended Recruitment and Selection Policy.

(f) Employee performance management framework

The NEMISA Board approved the Performance Management Framework and Policy in January 2021. The standardised performance agreements have been reviewed and are being implemented with different KPI Goals and different weightings per different occupational levels.

As far as the 2021/22 performance review cycle is concerned, all eligible employees were assessed in line with the approved Performance Management Framework and Policy.

(g) Employee wellness

In 2021/22, focus was given to developing the Employee Wellness Policy, which was approved in January 2022. The policy will help the Institute to put all necessary measures in place to ensure the successful implementation of programmes that will benefit the employees. Before the end of the financial year under review, NEMISA appointed an external service provider to provide an effective generic employee wellness service to all NEMISA employees.

(h) Policy development

The following policies were approved during the year under review:

- Employee Wellness policy
- Reviewed Leave policy
- Conflict of Interest policy
- Reviewed Employment Equity policy
- Reviewed Grievance Procedure
- Reviewed Relocation and Resettlement policy
- Reviewed Skills Development Policy
- Reviewed Code of Conduct and Ethics

(i) **Highlight achievements in 2021/22: Re-registration with the Compensation Fund for COIDA (Awarded Letter of Good Standing).**

The Compensation for Occupational Injuries and Diseases (COID) Assessment was successfully submitted online to the Department of Labour. After that, NEMISA received the proof of registration certificate and Letter of Good Standing from the Department of Labour. NEMISA employees are covered should they be involved in unforeseen injuries while performing their duties.

The Employment Equity Report (EER) Report was approved and successfully submitted online to the Department of Employment and Labour (DoE&L).

As per the Employment Equity Act (EEA) 1998 (No 55 of 1998), the Institute submits its Employment Equity Report annually to the Department of Employment and Labour (DoE&L).

Both the Employment Equity Plan and Employment Equity Report are statutory reports of the DoE&L. They enable employers to comply with Section 21 of the Employment Equity Act 55 of 1998, as amended. the board of NEMISA approved the Statutory Employment Equity Report and it was successfully submitted online to the DoE&L in January 2021.

KEY POSITIONS FILLED

The following positions were filled during the year under review:

1. Head of Training
2. National CoLab Director
3. Assistant to Company Secretary
4. Project Manager: Creative Media
5. Finance Officer
6. Human Resources Officer

STAFF ANNUAL DISCLOSURES

All employees disclosed and acted in good faith by submitting their individual Annual Declaration of Interest Forms.

HUMAN RESOURCES OVERSIGHT STATISTICS

BUDGETED PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE ADJUST SPACING BELOW

Programme/activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total Expenditure. %	No. of employees	Average personnel cost per employee (R'000)
Administration	107 879	30 166	27	48	628

BUDGETED PERSONNEL COST BY SALARY BAND

Programme/activity/ objective	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 346	8	2	1 173
Senior Management	3 199	11	3	1 066
Professional qualified	8 123	27	12	676
Skilled	14 590	48	25	583
Semi-skilled	1 908	6	6	318
Unskilled	-	-	-	-
TOTAL	**30 166**	**100**	**48**	**628**

Programme/activity/ objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost %
Top Management	0	2 346	0
Senior Management	0	3 199	0
Professional qualified	0	8 123	0
Skilled	0	14 590	0
Semi-skilled	0	1 908	0
Unskilled	0	0	0
TOTAL	0	30 166	0

TRAINING COSTS

Programme/activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost. %	No. of employees trained	Avg training cost per employee (R'000)
Study Assistance	587 005.70	41 525	7%	1	41 525
Short-term Training		541 280.70	92%	40	13 532.01
Continuous Programme Development/ Professional body Membership		4 200	1%	1	4 200
Conferences/ Workshops		0	0%	0	0

EMPLOYMENT AND VACANCIES

Programme/activity/ objective	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of vacancies
Total	45	48	45	3	6.25

** The above table depicts the Employment and vacancies of the past two financial years prior to the 2021/22 financial year.*

Programme/activity/ objective	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Top Management	2	3	1	2	66%
Senior Management	2	2	2	0	0
Professional qualified	8	7	12	0	0
Skilled	22	28	25	3	11%
Semi-skilled	11	8	6	2	25%
Unskilled	0	0	0	0	0
TOTAL	**45**	**48**	**46**	**7**	**15%**

The above table depicts the Employment and vacancies of only the year under review i.e., 2021/22 financial year.

There is a great improvement in as far as the 2019/2020 and 2020/2021 financial years' vacancy rate versus the 2021/22 financial year is concerned. The percentage drop of 6.25% versus 4.1% is evidence of the low vacancy-rate in 2021/22 financial year.

EMPLOYMENT CHANGES

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Programme/activity/ objective	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	0	1	1
Senior Management	2	1	1	2
Professional qualified	8	4	0	12
Skilled	22	4	1	25
Semi-skilled	11	0	5	6
Unskilled	0	0	0	0
TOTAL	**45**	**9**	**8**	**46**

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	3	6.66%
Dismissal	1	0%
Retirement	2	4.44%
Ill health	0	0%
Expiry of contract	2	4.44%
Other	0	0%
Total	7	15.54%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	1

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	1	0	0
Senior Management	0	2	0	0	0	0	0	0
Professional qualified	3	4	2	1	1	1	0	0
Skilled	9	5	0	2	0	0	1	1
Semi-skilled	1	2	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**14**	**14**	**2**	**3**	**1**	**2**	**1**	**1**

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	1	0	0
Senior Management	1	3	0	0	1	0	0	1
Professional qualified	5	10	1	1	0	1	0	0
Skilled	11	4	1	1	0	0	2	2
Semi-skilled	4	3	1	1	0	0	1	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	21	21	3	3	1	2	3	4

Levels	Disabled Staff			
	African		Coloured	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

PART E

FINANCIAL INFORMATION

BOARD OF MEMBERS' RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are 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 members to ensure that the annual financial statements fairly present the state of affairs of the entity 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 was 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 members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of members 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are 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.

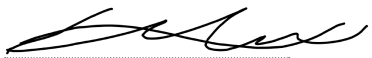
The members have reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board of members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on pages 52 to 55.

The annual financial statements set out on pages 56 to 89, which have been prepared on the going concern basis, were approved by the board of members on 31/07/2022 and were signed on its behalf by:



Ms. M Leshabane
Board Chairperson

COMPANY SECRETARY'S **CERTIFICATION**

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Company Secretary

ACTING CHIEF FINANCIAL OFFICER'S FINANCIAL OVERVIEW

2022 HIGHLIGHTS

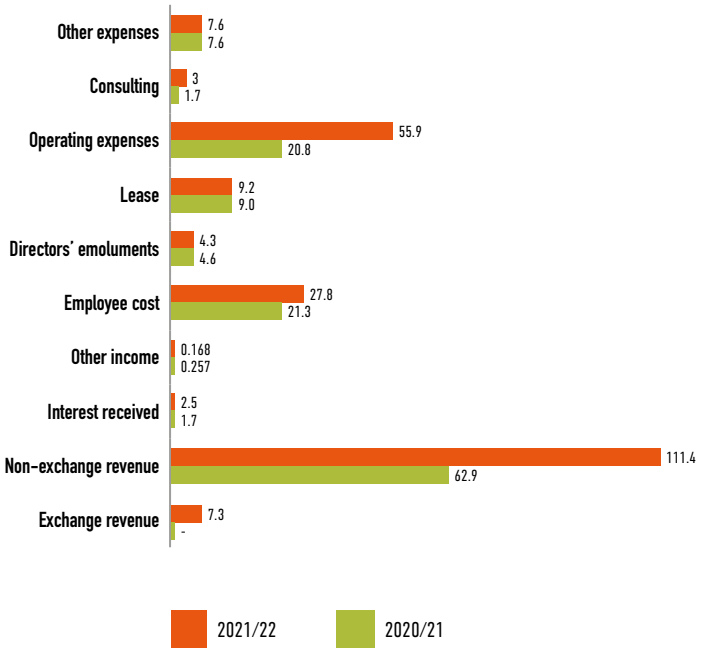
The reporting period presents a year where most of NEMISA staff worked from home for a major part of the year. The desired total revenue target of R98,8m was exceeded by 23% and training projects which were put on hold during the 2020/21 due to COVID-19 were completed during the 2021/22 financial, this resulted in an increase in operating expenses when compared to the 2020/21 financial year.

REVENUE AND PERFORMANCE

NEMISA made surplus of R13,6m (2021: loss of R82k), a total revenue of R121,5m (2021: R64,9m) increased by 87% when compared to the 2020/21, total expenditure of R107,9m (2021: R65,0m) increased by 66% when compared to 2020/21. The Non-exchange revenue accounts for 92% (2021: 97%) of NEMISA's total revenue and operating expenses (training related expenses) as well as employee costs accounts for 78% (2021: 65%) of the NEMISA's total expenditure.

The Performance Comparison graph to the right indicates a summary of NEMISA performance for the 2021/22 financial year: Statement of Financial Performance (R'm).

PERFORMANCE COMPARISON



FINANCIAL POSITION

NEMISA has an improved net assets of R18,4m (2021: R4,9m) and a strong cash flow balance of R59,8m (2021: R62,7m). The entity remains liquid and solvent, the cash position and working capital has improved, the company has a net current asset position of R11,3m (2021: (R1,1m)) and current ratio of 1.1:9 (2021: 0.9:8).

STATEMENT OF CASH FLOW COMPARISON

The reporting period presents a year where most of NEMISA staff worked from home for a major part of the year. The desired total revenue target of R98,8m was exceeded by 23% and training projects which were put on hold during the 2020/21 due to COVID-19 were completed during the 2021/22 financial, this resulted in an increase in operating expenses when compared to the 2020/21 financial year.

FUTURE CASH FLOW

NEMISA will be receiving appropriation income of approximately R102,7million (2022: R98,5m) for the 2022/23 financial year in four tranches from the Department of Communication and Digital Technologies (DCDT) to fund its operations. An increase by 4% when comparing to the 2021/22 financial year. NEMISA is cognisant that the appropriation might be revised due to economic constraints. Cost containment measures are being implemented in anticipation of this to ensure that cash flows risks are strictly monitored. Considering NEMISA's improved net assets, strong cash position, improved current ratio and approved allocation of R102,7 there are no adverse indicators identified, thus NEMISA will continue as a going concern.

INTERNAL CONTROLS

Audit outcomes for the past three financial years:

	2021/22	2020/21	2019/20
Audit Opinion	Unqualified	Unqualified	Unqualified

NEMISA received an unqualified audit opinion. During the 2021/22 financial year, external auditors (AGSA) raised a total of 12 (2020/21: 22) audit findings. 20 (90%) out 22 external auditing findings which were raised by AGSA during the 2020/21 financial year were resolved. The outstanding findings (2) relate to internal control deficiency on the processes and Policy and Procedure reviews that are still in the process of being implemented.

NEMISA will continue to work closely with both Internal and External Auditors to improve and strengthen the internal control environment by ensuring that audit recommendations raised by auditors are timeously implemented.

Report of the auditor-general to Parliament on the National Electronic Media Institute of South Africa

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Electronic Media Institute of South Africa set out on pages 56 to 89, which comprise the statement of financial position as at 31 March 2022 , the statement of financial performance, statement of changes in net assets, 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 the National Electronic Media Institute of South Africa as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of 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 public entity 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 matters

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

Restatement of corresponding figures

7. As disclosed in note 21 to the financial statements, the corresponding figures for the 31 March 2021 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2022.

Material impairments – receivables from exchange transactions

8. As disclosed in note 2 to the financial statements, trade and other receivables from exchange transactions balance has been significantly impaired. The allowance for impairements amounts to R2 325 254 (2021: R2 325 254) which represents 24% (2021:100%) of the total trade and other receivables from exchange transactions balance.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the Public Finance Management Act 1 of 1999 (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity'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 public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. 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.

12. 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

13. 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.

14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity'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 public entity 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.

15. 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 public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3: e-Astuteness development	14 - 19

16. 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.

17. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:

    - Programme 3: e-Astuteness development

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 15 to 19 for information on the achievement of planned targets for the year and management's explanations provided for the over achievement of targets.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of e-astuteness development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

22. The material finding on compliance with specific matters in key legislation are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information

24. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the report of the audit and risk committee, the board chairperson's report, the chief executive's report, the financial officer's report,human reseources report and the company secretary's certificate, as required by the Companies Act No. 71 of 2008. 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.

25. 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.

26. 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.

27. 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

28. 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 the annual performance report and the findings on compliance with legislation included in this report.

29. The accounting authority did not exercise sufficient oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure that the financial statements and annual performance report are free from material misstatements.

30. Management did not adequately implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting; furthermore, they did not adequately prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. In addition, management did not adequately review and monitor compliance with applicable legislation.

Auditor - General

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 public entity'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 public entity's internal control

    - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority

    - conclude on the appropriateness of the accounting authority'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 the National Electronic Media Institute of South Africa's ability 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 a public entity 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

Communication with those charged with governance

3. I communicate with the accounting authority 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 authority with a statement that I have complied with relevant ethical requirements regarding independence, and to 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.

STATEMENT OF **FINANCIAL POSITION**

AS AT 31 MARCH 2022

	Notes	2022 R	2021 Restated* R
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	2	8 586 150	1 352 082
Prepayments	3	426 153	282 728
Cash and cash equivalents	4	59 846 592	62 555 617
		68 858 895	**64 190 427**
NON-CURRENT ASSETS			
Property, plant and equipment	5	6 394 125	5 754 941
Intangible assets	6	665 204	188 000
		7 059 329	**5 942 941**
Total Assets		**75 918 224**	**70 133 368**
LIABILITIES			
CURRENT LIABILITIES			
Operating lease liability		59 441	297 207
Payables from exchange transactions	7	11 088 180	5 667 237
Non-exchange revenue liability	8	44 367 467	57 346 875
Unspent conditional grants and receipts	9	1 959 636	1 959 636
		57 474 724	**65 270 955**
Total Liabilities		**57 474 724**	**65 270 955**
Net Assets		**18 443 494**	**4 862 413**
Accumulated surplus		**18 443 494**	**4 862 413**

STATEMENT OF **FINANCIAL PERFORMANCE**

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 R	2021 Restated* R
REVENUE			
Exchange revenue	11	7 331 517	-
Non-exchange revenue	11	111 447 408	62 980 655
Interest received	13	2 512 474	1 681 998
Other income	28	168 811	257 604
Total revenue		**121 460 210**	**64 920 257**
EXPENDITURE			
Employee related costs	14	(27 823 152)	(21 344 495)
Directors' emoluments	20	(4 300 281)	(4 590 919)
Audit fees		(1 884 523)	(1 917 801)
Network expenses		(2 074 379)	(1 570 800)
Professional fees outsourced services		(1 491 639)	(1 579 115)
Consulting		(2 917 024)	(1 656 513)
Repairs and maintenance		(117 567)	(38 864)
Depreciation and amortisation	5	(2 029 126)	(2 430 860)
Lease rentals on operating lease	12	(9 272 849)	(9 009 391)
Loss on disposal of assets		(16 909)	(94 759)
Operating Expenses	15	(55 951 680)	(20 769 192)
Total expenditure		**(107 879 129)**	**(65 002 709)**
Surplus (deficit) for the year		**13 581 081**	**(82 452)**

STATEMENT OF **CHANGES IN NET ASSETS**

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Accumulated surplus R	Total net assets R
Balance at 01 April 2020		4 944 860	4 944 860
Changes in net assets			
Deficit for the year		(270 447)	(270 447)
Total changes		**(270 447)**	**(270 447)**
Opening balance as previously reported		4 674 413	4 674 413
Adjustments			
Prior year adjustments		188 000	188 000
Restated* Balance at 01 April 2021		4 862 413	4 862 413
Changes in net assets			
Surplus (Deficit) for the year		13 581 081	13 581 081
Total changes		**13 581 081**	**13 581 081**
Balance at 31 March 2022		**18 443 494**	**18 443 494**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 R	2021 Restated* R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Grants		98 468 000	103 330 000
Interest income		2 512 474	1 681 998
Other receipts		266 260	257 604
		101 246 734	**105 269 602**
PAYMENTS			
Employee costs		(32 034 516)	(28 318 664)
Suppliers		(68 758 826)	(35 527 246)
		(100 793 342)	(63 845 910)
Net cash flows from operating activities	16	**453 392**	**41 423 692**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(2 685 213)	(485 036)
Purchase of other intangible assets	6	(477 204)	(188 000)
Net cash flows from investing activities		**(3 162 417)**	**(673 036)**
Net increase/(decrease) in cash and cash equivalents		**(2 709 025)**	**40 750 656**
Cash and cash equivalents at the beginning of the year	4	62 555 617	21 804 963
Cash and cash equivalents at the end of the year		**59 846 592**	**62 555 617**

STATEMENT OF **COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

FOR THE YEAR ENDED 31 MARCH 2022

BUDGET ON ACCRUAL BASIS	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						
Rendering of services	-	-	-	7 331 517	7 331 517	
Other income	-	-	-	168 811	168 811	
Interest received - investment	300 160	-	300 160	2 512 474	2 212 314	2
Total revenue from exchange transactions	**300 160**	**-**	**300 160**	**10 012 802**	**9 712 642**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Appropriation income	98 468 000	-	98 468 000	111 447 408	12 979 408	3
Total revenue	**98 768 160**	**-**	**98 768 160**	**121 460 210**	**22 692 050**	
EXPENDITURE						
Personnel	(30 087 000)	-	(30 087 000)	(30 166 631)	(79 631)	
Depreciation and amortisation	-	-	-	(2 029 126)	(2 029 126)	
Lease rentals on operating lease	(9 622 000)	-	(9 622 000)	(9 272 849)	349 151	
Goods and services	(59 059 160)	-	(59 059 160)	(66 410 523)	(7 351 363)	4
Total expenditure	**(98 768 160)**	**-**	**(98 768 160)**	**(107 879 129)**	**(9 110 969)**	
Operating surplus	-	-	-	13 581 081	13 581 081	
Loss on disposal of assets	-	-	-	(16 909)	(16 909)	
Surplus before taxation	**-**	**-**	**-**	**13 564 172**	**13 564 172**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**13 564 172**	**13 564 172**	

Reconcilliation

2. INTEREST RECEIVED (INVESTMENT)

Above the budget by R2.2m and this was due to interest earned on the rollover funds which was above the budgeted amount.

3. APPROPRIATION INCOME

Above the budget by R12.9m (13%). The increase was due to additional revenue recognised in the current financial year (training not conducted during the 2020-21 was conducted during the 2021-22).

4. GOODS AND SERVICES

Above the budget by R7.4m (12%). This was due to additional training conducted during the 2021-22 financial year.

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 GOING CONCERN ASSUMPTION

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

1.2 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.3 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 entity; 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 straight-line basis 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
Land and Buildings	Straight-line	20
Furniture and fixtures	Straight-line	6
Motor vehicles	Straight-line	5
Office equipment	Straight-line	5
Computer equipment	Straight-line	3
Canteen equipment	Straight-line	10
Television equipment	Straight-line	5
Radio equipment	Straight-line	5

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 entity. 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 entity assesses at each reporting date whether there is any indication that the entity 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 entity 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 entity 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 entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 5).

1.4 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 entity 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 entity; and
- the cost or fair value of the asset can be measured reliably.

The entity 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.

1.5 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 utilised 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.

CLASSIFICATION

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalent	Financial asset measured at amortised cost
Rental deposit	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Non - exchange revenue liability	Financial liability measured at amortised cost

1.6 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.

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.

1.7 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 entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

DESIGNATION

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash- generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash- generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

IDENTIFICATION

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

VALUE IN USE

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

RECOGNITION AND MEASUREMENT

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

REVERSAL OF AN IMPAIRMENT LOSS

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.8 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.9 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity 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 entity 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 19.

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 entity 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 entity considers that an outflow of economic resources is probable, an entity 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.

1.10 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.

1.11 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 entity 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.

1.12 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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 entity 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 entity.

When, as a result of a non-exchange transaction, the entity 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.

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

1.13 INVESTMENT INCOME

Investment income is recognised on a time-proportion basis using the effective interest method.

1.14 COMPARATIVE FIGURES

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

1.15 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).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 IRREGULAR EXPENDITURE

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).

(a) Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury Practice Note No. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 BUDGET INFORMATION

Entity 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 entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual 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.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.18 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 entity, including those charged with the governance of the entity 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 entity.

The entity 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 entity 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 entity is exempt from the disclosures in accordance with the above, the entity 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.

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

The entity 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2022 R	2021 R
Trade debtors	9 559 322	2 325 254
Allowance for impairment	(2 325 254)	(2 325 254)
Deposits	1 352 082	1 352 082
	8 586 150	**1 352 082**

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2022, trade and other receivables of R 9 559 322 (2021: R 2 325 254).

The amount of the provision was R 2 325 254 as of 31 March 2022 (2021: R 2 325 254).

The ageing of these receivables is as follows:

0 to 3 months	7 229 117	-
3 to 6 months	4 951	2 325 254
Over 6 months	2 325 254	-

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

Opening balance	2 325 254	2 346 531
Amounts written off as uncollectible	-	(12 430)
Unused amounts reversed	-	(8 847)
	2 325 254	2 325 254

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

3. PREPAYMENTS

The prepaid expense relates to annual software licenses, R426 153.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	104	104
Bank balances	2 637 998	859 498
Corporation for public deposits	57 208 490	61 696 015
	59 846 592	**62 555 617**

5. 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
Land and building	189 396	(134 923)	54 473	189 396	(125 460)	63 936
Furniture and fixtures	256 773	(109 348)	147 425	223 066	(90 169)	132 897
Motor vehicles	529 550	(359 850)	169 700	529 550	(254 013)	275 537
Office equipment	706 341	(432 593)	273 748	706 341	(374 444)	331 897
Computer equipment	8 829 780	(5 345 035)	3 484 745	7 247 252	(4 196 498)	3 050 754
Canteen	34 701	(10 721)	23 980	34 701	(7 253)	27 448
Television equipment	3 209 685	(1 919 647)	1 290 038	2 348 980	(1 578 339)	770 641
Radio equipment	2 700 828	(1 750 812)	950 016	2 529 478	(1 427 647)	1 101 831
Total	**16 457 054**	**(10 062 929)**	**6 394 125**	**13 808 764**	**(8 053 823)**	**5 754 941**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2022

	Opening balance R	Additions R	Disposals R	Depreciation R	Impairment loss R	Total R
Land and building	63 936	-	-	(9 463)	-	54 473
Furniture and fixtures	132 897	33 707	-	(19 179)	-	147 425
Office equipment	331 897	-	-	(58 149)	-	273 748
Computer equipment	3 050 754	1 619 458	(16 909)	(1 159 874)	(8 684)	3 484 745
Canteen	27 448	-	-	(3 468)	-	23 980
Television equipment	770 641	860 705	-	(341 308)	-	1 290 038
Radio equipment	1 101 831	171 350	-	(323 165)	-	950 016
Motor vehicles	275 537	-	-	(105 837)	-	169 700
	5 754 941	**2 685 220**	**(16 909)**	**(2 020 443)**	**(8 684)**	**6 394 125**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2021

	Opening balance R	Additions R	Disposals R	Depreciation R	Impairment loss R	Total R
Land and building	73 399	-	-	(9 463)	-	63 936
Furniture and fixtures	75 911	76 856	-	(17 203)	(2 667)	132 897
Office equipment	452 447	-	(46 581)	(72 826)	(1 143)	331 897
Computer equipment	4 306 417	408 180	(4 397)	(1 653 490)	(5 956)	3 050 754
Canteen	30 916	-	-	(3 468)	-	27 448
Television equipment	1 039 802	-	(14 876)	(254 285)	-	770 641
Radio equipment	1 409 950	-	(3 595)	(304 524)	-	1 101 831
Motor vehicles	381 374	-	-	(105 837)	-	275 537
	7 770 216	**485 036**	**(69 449)**	**(2 421 096)**	**(9 766)**	**5 754 941**

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2022 R	2021 R
EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Computer equipment	1 311	8 619

A register containing all assets is available for inspection at the registered office of the entity.

No assets were pledged as security during the year, nor were there any restrictions on any of the assets. The increase in the depreciation in 2022 is due to additions of Property, plant and equipment.

6. 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
Website development	188 000	-	188 000	188 000	-	188 000
OTT (over-the-top) platform	477 204	-	477 204	-	-	-
Total	**665 204**	**-**	**665 204**	**188 000**	**-**	**188 000**

RECONCILIATION OF INTANGIBLE ASSETS - 2022	Opening balance R	Additions R	Total R
Website development	188 000	-	188 000
OTT (over-the-top) platform	-	477 204	477 204
	188 000	**477 204**	**665 204**

RECONCILIATION OF INTANGIBLE ASSETS - 2021	Opening balance R	Additions R	Disposals R	Total R
Website development	-	188 000	-	188 000
Computer software	25 308	-	(25 308)	-
	25 308	**188 000**	**(25 308)**	**188 000**

OTHER INFORMATION

INTANGIBLE ASSETS WITH INDEFINITE LIVES	2022 R	2021 R
OTT (over-the-top) platform	477 204	-
Website development	188 000	188 000
	665 204	**188 000**

The useful lives of NEMISA website suite and OTT (over-the-top) platform are considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the entity.

7. PAYABLES FROM EXCHANGE TRANSACTIONS

	2022 R	2021 R
Account payables	2 990 848	271 493
Income received in advance	1 363 561	1 363 561
Accrued 13th cheque	217 475	259 269
Accrued leave pay	1 754 838	1 678 431
Other accruals	4 761 458	2 094 483
	11 088 180	**5 667 237**

Income received in advance relates to Meraka eSkills project which has not yet commenced.

Other accruals significant increase is due to services rendered by CoLabs before year end in 2022 and invoices subsequently received

8. NON-EXCHANGE REVENUE LIABILITY

Non-exchange revenue liability comprises:		
Non-exchange revenue liability	44 367 467	57 346 875

MOVEMENT DURING THE YEAR

Balance at the beginning of the year	57 346 875	16 997 530
CoLab eSkills	(37 438 356)	(9 262 404)
In - House training eSkills	(23 790 372)	(5 775 251)
Additions during the year	48 249 320	55 387 000
	44 367 467	**57 346 875**

9. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Unspent conditional grants and receipts comprises:

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

DTPS funds transfer - Community Radio	1 959 636	1 959 636

MOVEMENT DURING THE YEAR

Balance at the beginning of the year	1 959 636	1 959 636

No movement in 2022 due to outstanding requirement by the CoLab (North West)

10. PROVISIONS

RECONCILIATION OF PROVISIONS - 2021	Opening Balance R	Reversed during the year R	Total R
Staff incentives	3 313 005	(3 313 005)	-

Staff incentives relate to individual performance against set targets. The amount is based on management's best estimate of the liability at year end and expected to be paid during the new financial year, provided approval by the Board is granted .

Provision for staff incentives was not provided for in the current year due to the moratorium from April 2021 placing performance bonuses for public servants on hold.

11. REVENUE

	2022 R	2021 R
Exchange revenue (Rendering of services)	7 331 517	-
Interest income	2 512 474	1 681 998
Non-Exchange revenue (Appropriation income)	111 447 408	62 980 655
	121 291 399	**64 662 653**

The amount included in revenue arising from exchanges of goods or services are as follows:

Exchange revenue (Rendering of services)	7 331 517	-
Interest income	2 512 474	1 681 998
	9 843 991	**1 681 998**

The amount included in revenue arising from non-exchange transactions is as follows:

TRANSFER REVENUE

Non-Exchange revenue (Appropriation income)	111 447 408	62 980 655

12. LEASE RENTALS ON OPERATING LEASE

PREMISES

Lease rentals on operating lease	9 272 849	9 009 391

The operating lease agreement for the entity's premises commenced on 1 June 2017 and terminated on 30 May 2020. The lease is renewable for a further two years until 30 May 2022, provided certain conditions detailed in the lease agreement are met by the landlord. These conditions were met and renewal of the lease effected.

13. INTEREST RECEIVED

	2022 R	2021 R
INTEREST REVENUE		
Bank	2 512 474	1 681 998

The amount included in interest revenue arising from interest received from the South African Reserve Bank amounted to R 2 512 474.

14. EMPLOYEE RELATED COSTS

Basic	27 746 744	20 481 847
Increase/ (decrease) in leave pay accrual	76 408	862 648
	27 823 152	**21 344 495**

15. OPERATING EXPENSES

Direct expenditure		
eSkills roll out expenses	37 569 456	9 604 530
In-house training: Student accommodation	529 415	812 967
In-house training: Student stationery and printing costs	236 449	306 707
In-house training: Student training and examination costs	2 494 784	1 122 726
In-house training: Student stipends	2 624 238	1 287 081
In-house training: Project expenses	5 806 751	2 087 686
In-house training: Project expenses	5 806 751	2 087 686
Overhead expenditure		
Property rates & taxes	2 702 910	2 631 035
Bank charges	112 041	87 387
Insurance	589 593	1 117 100
Business development/marketing/communication	314 144	218 758
Printing and stationery	42 628	66 986
Software expenses	453 662	626 390
Staff welfare	1 315 022	222 203
Transportation costs	48 493	20 837
Travel and accommodation costs: Staff and Board	678 855	318 922
Other overhead costs	433 239	237 877
	55 951 680	**20 769 192**

16. CASH GENERATED FROM OPERATIONS

	2022 R	2021 R
Surplus (deficit)	13 581 081	(82 452)
Adjustments for:		
Depreciation and amortisation	2 029 126	2 430 860
Loss on disposal of assets	16 909	94 759
Movements in provisions	-	(3 313 005)
Operating lease liabilities	(237 766)	203 313
Operating lease liabilities	(237 766)	203 313
Changes in working capital:		
Receivables from exchange transactions	(7 234 068)	66 503
Prepayments	(143 425)	(282 728)
Payables from exchange transactions	5 420 943	1 957 097
Non-exchange revenue liability	(12 979 408)	40 349 345
	453 392	**41 423 692**

17. FINANCIAL INSTRUMENTS DISCLOSURE

	At amortised cost R	Total R
CATEGORIES OF FINANCIAL INSTRUMENTS		
2022		
FINANCIAL ASSETS		
Trade and other receivables from exchange transactions	7 234 067	7 234 067
Cash and cash equivalents	59 846 592	59 846 592
Rental deposits	1 352 082	1 352 082
	68 432 741	**68 432 741**
FINANCIAL LIABILITIES		
Trade and other payables from exchange transactions	9 438 968	9 438 968
Non-Exchange revenue liability	44 367 467	44 367 467
	53 806 435	**53 806 435**
2021		
FINANCIAL ASSETS		
Cash and cash equivalents	62 555 617	62 555 617
Rental deposits	1 352 082	1 352 082
	63 907 699	**63 907 699**
FINANCIAL LIABILITIES		
Trade and other payables from exchange transactions	3 728 929	3 728 929
Non-exchange revenue liability	57 346 875	57 346 875
	61 075 804	**61 075 804**

18. COMMITMENTS

	2022 R	2021 R
AUTHORISED CAPITAL EXPENDITURE		
ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR		
• Property, plant and equipment	939 243	1 275 130
TOTAL CAPITAL COMMITMENTS		
Already contracted for but not provided for	939 243	1 275 130
AUTHORISED OPERATIONAL EXPENDITURE		
ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR		
Internal audit service	3 064 398	66 585
Cleaning service	41 449	-
Security service	81 185	-
Corporate services	5 087 054	2 522 377
Insurance	935 473	1 418 659
IT service	2 416 741	1 835 061
Digital Skill platform	-	9 370 000
Miscellaneous assets	-	435 850
4IR specialist training	-	4 364 374
CoLabs - digital skills training	14 325 000	10 724 000
Knowledge for Innovation (K4I)	-	2 995 000
Digital change maker programme - YaRona	342 845	-
Inhouse Training projects	529 846	-
LMS	261 550	-
Multi media production	988 080	-
Small enterprise development agency	2 000 000	-
University of Johannesburg course development	1 150 000	-
University of Johannesburg Research	980 375	-
Media development and diversity agency	500 000	-
South African Post office	2 000 000	-
	34 703 996	**33 731 906**
NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS		
Inhouse Training projects	9 161 556	-
Inhouse - Facilitation, assessment and moderation	5 622 953	-
Creative media learnership program - training department	7 463 600	-
Multi-media production internship program	1 500 000	-
	23 748 109	**-**

18. COMMITMENTS (CONTINUED)

	2022 R	2021 R
TOTAL OPERATIONAL COMMITMENTS		
Already contracted for but not provided for	34 703 996	33 731 906
Not yet contracted for and authorised by members	23 748 109	-
	58 452 105	**33 731 906**
TOTAL COMMITMENTS		
Authorised capital expenditure	939 243	1 275 130
Authorised operational expenditure	58 452 105	33 731 906
	59 391 348	**35 007 036**

This committed expenditure relates to operation expenditure and eSkills projects and will be financed by available bank facilities, retained surpluses, existing cash resources.

OPERATING LEASES - AS LESSEE (EXPENSE)

MINIMUM LEASE PAYMENTS DUE

• within one year	1 604 916	9 510 614
• in second to fifth year inclusive	-	1 604 916
	1 604 916	**11 115 530**

Operating lease payments represent rentals payable by the entity 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.

19. CONTINGENCIES

CONTINGENT ASSETS

The third-party insurance claim regarding a burglary at NEMISA in March 2021 is still in progress, and the Bathathu Insurance Brokers are making follow-ups on behalf of NEMISA. The expected settlement is based on the replacement value of R253 648.50 for the assets stolen and damages to the property.

CONTINGENT LIABILITIES

During 2022 financial year Nemisa processed a cost of living adjustment according to DPSA guidelines and NEMISA's remuneration policy. According to Nemisa's remuneration policy, employees who left NEMISA are not entitled to a cost-of-living adjustment. NEMISA was taken to court by a former employee, who is claiming cost-of-living backpay. The matter is currently in court, and the agreed settlement amount of R36 183.43 depends upon the court outcome.

Phonebook R61 127.46 Invoice was received on the 10th of September 2021. Nemisa was not aware of any amount due to service provider or any services offered to the entity by the service provider. So NEMISA is disputing the invoice.

The total amount is R 97 310.89.

20. RELATED PARTIES

RELATIONSHIPS

Members	Refer to members' report note
Shareholder with significant influence	Department of Communication & Digital Technologies
Members of key management	Mr. T. Rammitlwa Mr. T. Ramawa Ms. K. Matlosa

NEMISA has been established by the Department of Communications & Digital Technologies in terms of national legislation. The Minister of Communications & Digital Technologies is the executive authority of NEMISA.

NEMISA is controlled by the national executive. It is therefore related to all other entities within the national government. NEMISA received a transfer payment of R50.2 million (2021: R47.9 million) funding for its administrative activities and R48,2 million (2021: R49.5 million) as funding for its strategic objectives from the Department of Communications & Digital Technologies.

RELATED PARTY BALANCES *

AMOUNTS INCLUDED IN TRADE RECEIVABLE (TRADE PAYABLE) REGARDING RELATED PARTIES	2022 R	2021 R
Department of Communication & Digital Technologies	(1 363 561)	(1 363 561)
MICT SETA	1 234 690	1 064 890
South African Broadcasting Corporation	262 292	262 292
SITA	7 059 317	-
	7 192 738	**(36 379)**

The transaction entered into with MICT SETA and South African Broadcasting Corporation relates to training for students in Radio and Television broadcasting. The balances are included in trade receivables in the Statement of Financial position.

PROVISION FOR DOUBTFUL DEBTS RELATED TO OUTSTANDING BALANCES WITH RELATED PARTIES

MICT SETA	1 064 890	1 064 890
South African Broadcasting Corporation	262 292	262 292
	1 327 182	**1 327 182**

The transaction entered into with MICT SETA and South African Broadcasting Corporation relates to training for students in Radio and Television broadcasting. The balances are included in trade receivables in the Statement of Financial position

COMPENSATION TO MEMBERS AND OTHER KEY MANAGEMENT

Non-executive members	2 011 969	1 556 103
Executive members	2 346 379	3 042 825
Senior managers	3 258 958	2 203 263
	7 617 306	**6 802 191**

20. RELATED PARTIES (CONTINUED)

KEY MANAGEMENT INFORMATION

CLASS	DESCRIPTION	NUMBER
Non-executive board members	Board members	7
Non-executive board members	Chair of Audit and Risk Committee	1
Executive board members	CEO	1
Executive management	CFO	1
Senior manager	Head of Units	2

REMUNERATION OF MANAGEMENT

BOARD MEMBERS: 2022

Name	Basic salary R	Travel Reimbursements R	Cell Phone and Data Allowances R	Total R
Ms. M Leshabane - Board Chair	451 968	11 070	10 200	473 238
Ms. N Hlatshaneni	247 104	2 256	10 200	259 560
Ms. B Filana	88 176	-	5 100	93 276
Mr. L Adendorf	258 720	4 740	10 200	273 660
Prof. C Adendorff	180 174	3 668	10 200	194 042
Mr. M Lubega	205 920	2 751	10 200	218 871
Ms. T Buswana	248 160	24 189	10 200	282 549
Mr. Z Le Guma (ARC Chair)	205 920	653	10 200	216 773
	1 886 142	**49 327**	**76 500**	**2 011 969**

BOARD MEMBERS: 2021

Name	Basic salary R	Travel Reimbursements R	Other benefits received R	Total R
Ms. M Leshabane - Board Chair	260 832	533	10 200	271 565
Ms. N Hlatshaneni	156 288	350	10 200	166 838
Ms. B Filana	195 360	108	10 200	205 668
Mr. L Adendorf	218 592	1 321	10 200	230 113
Prof. C Adendorff	158 400	120	10 200	168 720
Mr. M Lubega	162 624	4 271	10 200	177 095
Ms. T Buswana	232 320	1 092	10 200	243 612
Mr. Z Le Guma (ARC Chair)	86 328	214	5 950	92 492
	1 470 744	**8 009**	**77 350**	**1 556 103**

Mr. Z Le Guma (ARC Chair) is a Non-executive member

20. RELATED PARTIES (CONTINUED)

SENIOR MANAGERS: 2022 Name	Basic salary R	Travel Reimbursements R	Cell Phone and Data Allowances R	Total R
Ms. F Valla (CoSec)	1 057 326	-	21 000	1 078 326
Mr. D. Fick	1 215 941	7 872	12 600	1 236 413
Mrs. B. M. Ramantsi	925 831	-	18 388	944 219
	3 199 098	**7 872**	**51 988**	**3 258 958**

SENIOR MANAGERS: 2021 Name	Basic salary R	Travel Reimbursements R	Cell Phone and Data Allowances R	Total R
Ms. F Valla (CoSec)	969 216	-	19 250	988 466
Mr. D. Fick	1 194 986	7 211	12 600	1 214 797
	2 164 202	**7 211**	**31 850**	**2 203 263**

*Mrs. B. M. Ramantsi was appointed on 17 May 2021

EXECUTIVE MANAGEMENT: 2022 Name	Basic salary R	Travel Reimbursements R	Other benefits received R	Total R
Mr. T Rammitlwa (CEO)	1 714 074	2 900	33 000	1 749 974
MR T Ramawa (CFO 01/04/2021 - 30/04/2021)	253 376	-	2 750	256 126
Ms K Matlosa (ACFO 14/04/2021 - 14/08/2021)	330 263	-	10 015	340 278
	2 297 713	**2 900**	**45 765**	**2 346 378**

EXECUTIVE MANAGEMENT: 2021 Name	Basic salary R	Cell Phone and Data Allowances R	Total R
Mr.T.Rabindnath(Acting CEO)	758 964	-	758 964
Mr. T Rammitlwa (Acting CEO)	857 037	16 500	873 537
Mr. T Ramawa (CFO)	1 377 323	33 000	1 410 323
	2 993 324	**49 500**	**3 042 824**

21. PRIOR PERIOD ERROR

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

STATEMENT OF FINANCIAL POSITION: 2021	Note	As previously reported R	Correction of error R	Restated R
Intangible assets	5	-	188 000	188 000
Accumulated surplus		(4 674 413)	(188 000)	(4 862 410)
		(4 674 413)	**-**	**(4 674 410)**

21. PRIOR PERIOD ERROR (CONTINUED)

STATEMENT OF FINANCIAL PERFORMANCE: 2021	As previously reported R	Correction of error R	Restated R
Business development/marketing/communication	406 759	(188 000)	218 758

ERRORS

The following prior period errors adjustments occurred:

INTANGIBLE ASSETS

In 2021 website development costs were expensed to business development/marketing/communication expenses by error. These costs were supposed to be capitalised to intangible assets. The error was corrected in 2022.

22. CHANGE IN ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

During the financial year, the useful lives of specific assets have been reassessed to reflect the actual pattern of service potential that NEMISA estimated could still be derived from these assets. The effect of this revision has decreased the depreciation charges for the current and future periods by R837 200.00.

The effect of this on the current and future periods has been illustrated below:

Asset Class	Depreciation before review R	Depreciation after review R	Useful life Review effect R
Computer equipment	(1 983 541)	(1 160 579)	(822 962)
Radio equipment	(329 235)	(323 165)	(6 070)
Television equipment	(351 652)	(343 483)	(8 169)
	(2 664 428)	**(1 827 227)**	**(837 201)**

23. FRUITLESS AND WASTEFUL EXPENDITURE

	2022 R	2021 R
Opening balance as previously reported	1 557 200	1 552 700
Opening balance as restated	1 557 200	1 552 700
Add: Expenditure identified - current	-	4 500
Closing balance	**1 557 200**	**1 557 200**

No fruitless and wasteful expenditure was incurred in the current year.

24. IRREGULAR EXPENDITURE

	2022 R	2021 R
Opening balance as previously reported	53 387 543	43 666 382
Irregular expenditure identified in the current year relating to the prior years	236 952	-
Opening balance as restated	53 624 495	43 666 382
Add: Irregular Expenditure - current	-	8 600
Add: Irregular Expenditure - prior period	9 549 011	9 712 561
Closing balance	**63 173 506**	**53 387 543**

This relates to irregular expenditure from prior years still continuing . The bulk of it relates to no evidence of competitive bidding for Rental lease payments.

No new irregular expenditure was incurred in the current year.

25. GOING CONCERN

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R 18 443 494 and that the entity's total assets exceed its liabilities by R 18 443 494.

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.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the members continue to receive grants for the ongoing operations for the entity.

26. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. The entity uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the board of members. Entity treasury identifies, evaluates and hedges financial risks in close co-operation with the entity's operating units. The board of members provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and submitted to the Department of Communications & Digital Technologies at the beginning of each financial year to determine the frequency of the drawdown for the appropriation income.

The amounts disclosed in financial liabilities are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

26. RISK MANAGEMENT (CONTINUED)

CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

FINANCIAL INSTRUMENT	2022 R	2021 R
Cash and cash equivalents	59 846 592	62 555 617
Receivables from exchange transactions	8 586 150	1 352 082

MARKET RISK

INTEREST RATE RISK

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

NEMISA's exposure to interest rate risk at year end relates to cash and cash equivalents. NEMISA places cash reserves which are in the form of cash and cash equivalents with the South African Reserve Bank. At 31/03/2022, NEMISA had significant cash in the Corporation Public Deposit account which earns interest at rates linked to the prime rate.

27. NEW STANDARDS AND INTERPRETATIONS

27.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity'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	To be determined	Unlikely

28. OTHER INCOME

Other income	168 811	257 604

Other income relates to debt recovered from employee and proceeds received from insurance.

NOTES

NOTES

26 Canary Street
Aukland Park
Johannesburg
2193
South Africa

info@nemisa.co.za

RP261/2022
ISBN: 978-0-621-50593-1

www.nemisa.co.za