

ANNUAL REPORT 2023|24

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PART A GENERAL INFORMATION

1. GENERAL INFORMATION

CHAIRPERSON OF THE BOARD Ms Molebogeng Mashoto 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 - (Fixed term contract ended 20/04/2023)
Ms. Brenda Mfaku (Acting CoSec) (01/05/2023 - 31/12/2023)
Ms. Prudence Swarts (CoSec) - (appointed 01/01/2024)

2. ABBREVIATIONS

AGSA	Auditor-General South Africa
AI	Artificial Intelligence
APP	Annual Performance Plan
CEO	Chief Executive Officer
DBE	Department of Basic Education
DCDT	Department of Communications and Digital Technologies
DPME	Department of Planning, Monitoring and Evaluation
EXCO	Executive Committee
ICT	Information and Communication Technology
IDI	ICT Development Index
IoT	Internet of Things
M&E	Monitoring and Evaluation
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NEMISA	National Electronic Media Institute of South Africa
NT	National Treasury
OTT	Over-The-Top
PFMA	Public Finance Management Act
Q	Quarter
SA	South Africa
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SOE	State-Owned Enterprise
SONA	State of the Nation Address
SOP	Standard Operating Procedure
UN	United Nations
UNDP	United Nations Development Programme
USAASA	Universal Service Agency of South Africa
WEF	World Economic Forum
WSIS	World Summit of Information Society



3. FOREWORD BY THE CHAIRPERSON

MS MOLEBOGENG MASHOTO LESHABANE

The 2023/24 financial year presented the National Electronic Media Institute of South Africa (NEMISA) with an opportunity to further implement its plans to expand the scale of its offerings, improve the learning content, develop partnerships, and implement the strategy for organisational transformation. The 2023/24 Annual Performance Plan (APP) included expanding training programmes, such as increasing the target for candidates to be trained in Creative Media short courses from 500 to 1000 people in 2023/24. Targets for training Small, Medium Enterprises (SMEs) in Digital Entrepreneurship and Technician training in areas such as cell phone repairs were also introduced in the year. This was in recognition that NEMISA should be positioned to increase its reach across South Africa and contribute to alleviating poverty and unemployment, given the economic challenges that the country faces, especially youth unemployment.

In keeping up with the dynamic nature of the creative media and the information and communication technology (ICT) industries, NEMISA reviewed its existing courses to keep them updated. In addition, new courses, such as Live Streaming and the piloting of a course in Artificial Intelligence (AI), took place in the 2023/24 financial year. Furthermore, NEMISA continued expanding its partnerships with the belief that it is through collaborations that an institute will leverage to achieve its objectives. While existing partnerships with Collaborative Laboratories (CoLabs) and those with organisations such as the State Information Technology Agency (SITA), Public Service Sector Education and Training Authority (PSETA), Banking Sector Education and Training Authority (BANKSETA), The British High Commission, German Development Cooperation (GIZ), Microsoft, and Google South Africa were maintained, more focus was put on working with Community Education and Training colleges (CETs). NEMISA also worked closely with several district and local municipalities to expand its programmes. The highlight of the year under review was an institute's partnership with the Department of Basic

Education (DBE), which enabled the training of teacher assistants in digital literacy. Through its vast network of partnerships, NEMISA continues to strategically position itself 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 environment analysis indicates a significant demand for the skills development programmes offered by the NEMISA in South Africa. It is also recognised that there are many interested stakeholders, including but not limited to communities, government entities, industry, and SMMEs. In the 2023/24 financial year, NEMISA continued to work towards building capacity to deliver on large-scale programmes. It was also a year to leverage on our 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 to greater heights in all spheres of media and digital technology.

I would like to express NEMISA's gratitude to the Honourable Minister of Communications and Digital Technologies, Mondli Gungubele, his Deputy Minister, Philly Mapulane, and the entire Department of Communications and Digital Technologies (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 outstanding contributions to NEMISA's achievements in the year under review, and special appreciation goes to the partners and learners affiliated with an institute.



Molebogeng Leshabane (Aug 30, 2024 21:40 GMT+2)

Ms. Molebogeng Mashoto Leshabane

Chairperson of the Board

Date



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

MR WILLIAM TREVOR RAMMITLWA

On behalf of NEMISA, I am pleased to present the 2023/24 Annual Report and to report on the performance against the mandate given to the Institute to deliver digital and creative media skills for the financial year under review. NEMISA's 2023/24 APP, Programme 3 in particular, aimed at substantially increasing its digital skills delivery to make headway towards the five-year targets as articulated in the 2020-2025 Strategic Plan.

The operating environment in the year under review required NEMISA to continue strengthening its operational capacity and implement improvements in its operating model to enable the expansion of its training programmes. NEMISA, therefore, spent time in the year reviewing its organisational structure and strengthening its delivery, which includes online learning, blended learning, and in-person learning. Building on the previous year, work continued to scale up the adoption of its digital learning platforms. The increase in youth unemployment and the need for digital skills to reskill and upskill demanded the Institute drastically scale up its digital skills delivery in support of South Africa's growth and digital transformation. NEMISA recognises that its delivery in the year under review has continued to reflect the Institute as a high-performing organisation, with the recognition that more work still needs to be done in the journey to massively skill the youth, women, people with disabilities, unions, and Small Medium Enterprises (SMEs) in order for them to thrive in the digital economy. NEMISA successfully delivered a data science Hackathon that produced high-quality innovations, and a research colloquium has produced high-quality research by the participating higher education institutions. NEMISA is grateful for such continued support.

NEMISA's strategy to build digital capabilities, scale up its operations and create a large ecosystem of strategic partnerships, coupled with an effective operating model has propelled the organisation in the right direction. Going forward into the next Medium Term Strategic Framework NEMISA's programmes must massively be expanded and be embedded as part of the basic education and post schooling for every learner. Linking training and the industry and/or entrepreneurship with nuanced focus on selected industries such as Agriculture, Manufacturing, Communications and others will be key to drive demand led training and significantly make a dent in unemployment.

For the year under review, NEMISA met all the governance requirements of the shareholder, and risk management has also been strengthened. The Institute achieved 19 out of 21 of its APP targets, which translates into a 90% achievement. NEMISA management would like to extend gratitude to the Honourable Minister, the Deputy Minister, and the DCDT staff for their unwavering support during the year. Also, NEMISA Board of Directors for their leadership and steadfast guidance, NEMISA management team and staff for their dedication and commitment to growing the Institute into a high-performing organisation.

Mr. William Trevor Rammitlwa

Chief Executive Officer

Date

5. CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

- All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements (AFS) 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 AFS (Part F) has been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for preparing the AFS and the judgements made in this information.



Mr. William Trevor Rammitlwa
Chief Executive Officer
Date

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 AFS.

The external auditors are engaged to express an independent opinion on the AFS.

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 2024.

Yours faithfully



Molebogeng Leshabane (Aug 30, 2024 21:40 GMT+2)

Ms. Molebogeng Mashoto Leshabane
Chairperson of the Board
Date

6. STRATEGIC OVERVIEW

LEGISLATIVE AND POLICY MANDATE

National Electronic Media Institute of South Africa (NEMISA) 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
- National Digital and Future Skills Strategy
- 2014 SA Connect Broadband Policy
- 2016 National Integrated ICT Policy White Paper
- White Paper on Post-School Education and Training
- 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 STATEMENT

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 Volatility; Uncertainty; Complexity and Ambiguity (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

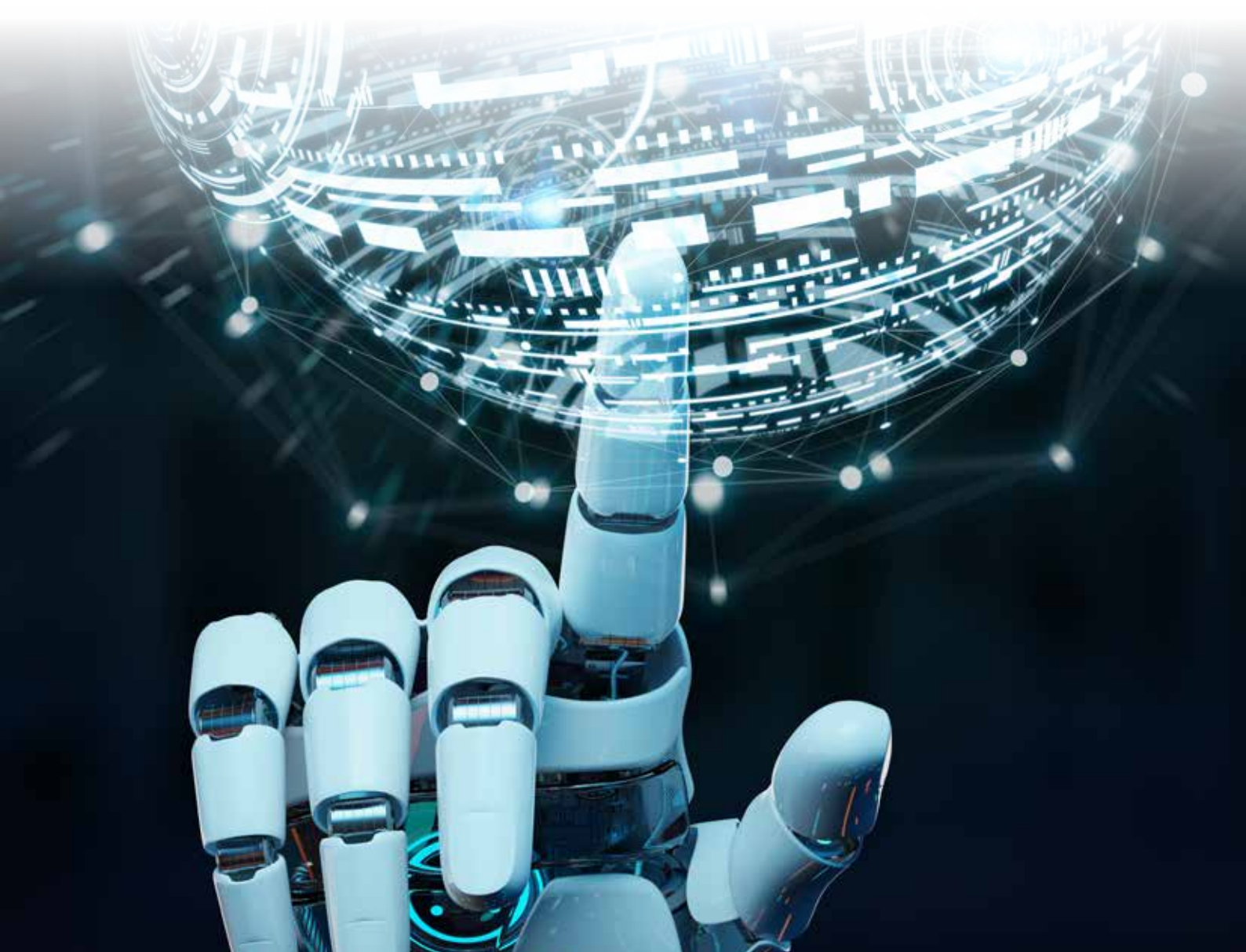
OUTCOME 3 Improved applied research & innovation outcomes

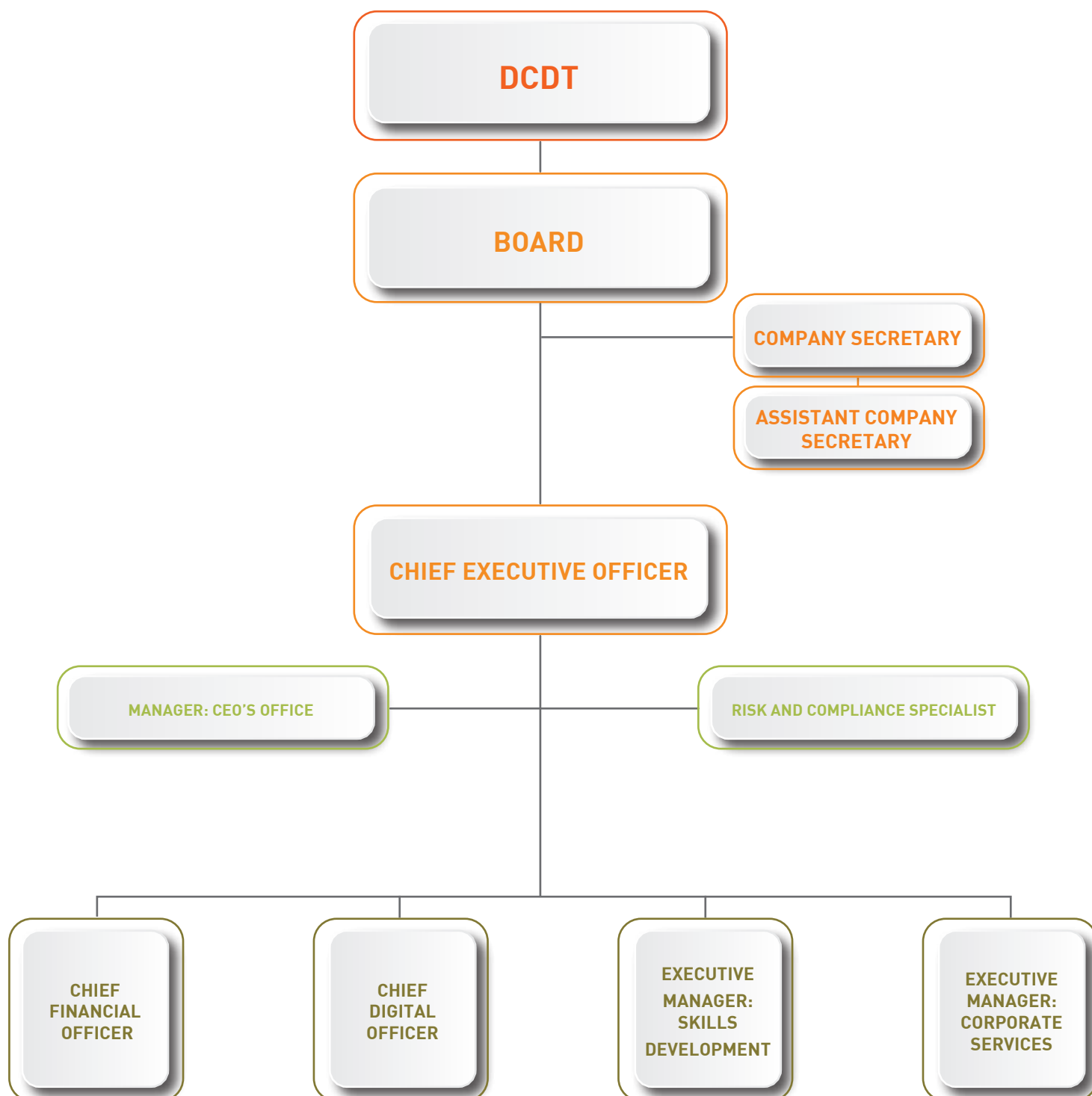
OUTCOME 4 Aggregated digital skills programmes

ORGANISATIONAL STRUCTURE

To execute its Strategic Plan for the 2020-2025 term, NEMISA undertook a review of its organisational structure and submitted it to the DCDT for approval. Further, to be recognised as a national catalytic organisation for the development of digital skills in South Africa for both the 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







PART B PERFORMANCE **INFORMATION**

1. AUDITOR'S REPORT PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on selected indicators in Programme 3: eAstuteness Development on the performance information to report material findings only and not to express an assurance opinion or 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 65 TO 70 of this Report for the Auditors Report, published as Part F: Financial Information

2. OVERVIEW OF PERFORMANCE

SERVICE DELIVERY ENVIRONMENT

In line with its mandate, NEMISA operates in the creative media and digital technology 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.

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 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 the introduction of a multiplicity of channels such as social media and streaming services in recent years. The creative media industry, therefore, requires new skills as it evolves.

The ICT industry is also rapidly changing and disrupting not only itself but other industries as well. Digital technologies, in particular, 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 technological changes and be among the leading countries in innovation

and preparing the citizens to be part of the evolution, the 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.

2023/24 EXTERNAL ENVIRONMENT ANALYSIS

CREATIVE MEDIA INDUSTRY

Creative industries offer a vehicle for South African stories, entertainment, and cultures to be told in multichannel digital broadcasting, contributing to building national identity and social cohesion and offering insight into South Africa's place on the continent of Africa over time. The creative media industry plays an important role in informing, educating, and entertaining the population about both in-country and international developments and stories. Availability of digital tools has revolutionised the industry by giving rise to sophisticated ways of content generation and real-time content sharing, leading to an excessive generation of data and insights in the process, including the ever-increasing availability of information and choices.

Some of the key trends observed in the creative media industry include:

- Accelerated use of digital platforms and social networking sites as a means to broadcast or share information. This has exponentially increased the

speed with which news and information travel, calling for broadcasters and those working in news agencies to operate in a fast-paced environment.

- Streaming services have also increased and created opportunities for consumers or information users to access productions anytime and anywhere. People can choose when and what information they want to consume, and this is challenging traditional ways of production. A good example of this is the increasing use of over-the-top (OTT) platforms for broadcasting information.
- The massive increase in podcasting creates many opportunities for people who can produce content at a personal and/or organisational level.
- User-generated content has also turned traditional ways of producing content upside down. The users themselves generate content and use digital platforms to share it. This has not only increased content in an unprecedented way but has also shaken the old business models of broadcasters. Digital transformation has empowered listeners and viewers to demand direct participation in what is curated and produced.

The end of analogue transmission will have a significant impact on broadcasters, including community radio and television stations in South Africa, as they will have to change some of their infrastructure and need training to keep up with the developments in the sector. The

radio and TV frequency spectrum freed up through the digital migration process, often referred to as the 'digital dividend', has the potential not only to provide new and improved broadcasting but also to enable additional ICT services traditionally not provided in the broadcasting radio frequency band, such as mobile telephony and wireless broadband, as well as dedicated delivery of government information and services. This is done due to the International Telecommunications Union (ITU) resolution that countries in Region 1 (including Europe, Russia, Africa, the Middle East, and the Islamic Republic of Iran) should migrate their broadcasting services from analogue to digital. The move from analogue transmission systems is expected to unlock increased quality of transmissions and lower barriers for new entrants into the industry. This is set to assist with reaching areas where it is challenging to deliver radio and television.

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 on advertising as the main driver of revenue is changing. PriceWaterhouse Coopers (PWC's) 2018-2022 media and entertainment industry outlook report states that companies in this industry have increasing pressure to diversify their offerings and increase revenue streams. It is within this context that media and entertainment institutions no longer target their regions but look for other ways to reach wider audiences. This results in a mix of both local and foreign



entities competing in the same markets. According to the PWC report for 2018-2022, the lines are becoming blurred as non-traditional broadcasting and non-creative media institutions are also entering the space. For example, radio stations are increasingly operating in non-media settings, such as the retail industry.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) INDUSTRY

NEMISA seeks to achieve its vision and mission in an environment where:

Technology affects all areas of life: Digital technologies affect access and effective use related to business, education, and government, socially as well as information pertaining to all aspects of life.

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

Digital skills are fundamental to 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 Fourth Industrial Revolution (4IR) Commission is recommending that the government invest in making South Africa a hyper-scaled data owner.

Digital skills enable inclusion: 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, elderly, unemployed, people in rural areas, youth, and women.

Artificial intelligence (AI) has become central to the ecosystem of new technologies that are fuelling the adoption of new ways to deliver services and products. Artificial intelligence is enabling technology to bring about the performance of certain functions that would traditionally be performed by humans to be done by computer-assisted machines and devices. This has

changed how the interface between humans and technology works, thus bringing about implications for the future of work, including changes in the types of skills required at entry, intermediate, and advanced levels.

Data has also become a critical enabler of the new digital technologies, as it serves as an input into the technologies with the capability to analyse the same data and produce actions or outputs that lead to the performance of the targeted functions. The risks associated with data management have also added to the challenges of loss of data due to malicious or criminal activities. Regulation of data management, including personal data, has become critical. It is to this effect that DCDT published the Data and Cloud Policy in 2020, while the POPI Act was put into effect in July 2021. The need for general awareness and technical skills in data analysis is imperative in bringing about the opportunities that data can bring in the use of digital technologies.

Cybersecurity, both at the technical and user levels, has become critically important. While modern technologies bring opportunities, the risk of misuse and abuse of these technologies presents a real threat to South Africa and its citizens. To fortify the country, all citizens, including children and the elderly, need to be capacitated as a way to combat cyberattacks and cybercrime. Technically, both the public and private sectors require well-established cyber security skills to manage cyber security strategies and prevent attacks from happening.

The Digital and Future Skills Strategy was published by the DCDT in August 2021. It highlights how vital digital skills are to South Africa's human capacity growth path. The strategy identified eight strategic levers in response to digital skills for the general citizenry, digital skills for industry, and high-end digital skills to drive innovations that can benefit the country's economy.

Digital skills for the general citizenry include foundational skills that citizens need for them to be prepared to use digital tools in their daily lives, but also foundational digital skills that will help them to create a base from which to grow their capacity and eventually progress into entry-level, intermediate, and advanced skills. South Africa's economic recovery is also dependent on the reskilling and upskilling of citizens, and SMME's in particular, with digital skills. In this way, digital skills are an enabler for advancing the country's economy.

Digital technologies are more evident in the various industries of the economy in South Africa and globally.



Both the private and public sectors are either being disrupted or taking advantage of these technologies to become leaders in what they offer to their customers. Places of work and businesses are undertaking digital transformation to reposition themselves, thus leading to rapid changes in various industries. Relevant industry-specific skills are therefore highlighted in the Digital and Future Skills Strategy as important to develop, including reskilling the workforce.

South Africa is facing many challenges, such as high levels of unemployment, especially among the youth, and poverty. The digital divide evident in the country is a function of the many years of exclusion of most of the population from economic opportunities and the provision of relevant skills. The existing digital divide is coupled with a lack of infrastructure and connectivity in many parts of South Africa, especially rural areas and townships.

DIGITAL SKILLS DIVIDE AND INCLUSION

For South Africa to further improve its ranking in the digital economy, it is crucial that its citizens acquire the digital skills they need to fully participate in the digital economy. We live in an increasingly online world, while a significant part of the population remains digitally excluded. A large number of adults have never used the internet, and as such, they are missing the opportunities the digital world offers, whether through a lack of connectivity, digital skills, or motivation. 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.

For those lacking basic digital capability, the reasons for this exclusion are often complex. Research suggests that there are five key barriers, and more than one may affect individuals at any one time:

- **Access:** unavailability of access to internet and cell phone networks.
- **Skills:** the ability to connect to and use the internet and online services.
- **Confidence:** fear of crime, lack of trust, or not knowing where to start online.
- **Motivation:** understanding why using the internet is relevant and helpful.
- **Affordability:** the cost of data in South Africa is too high for most citizens.

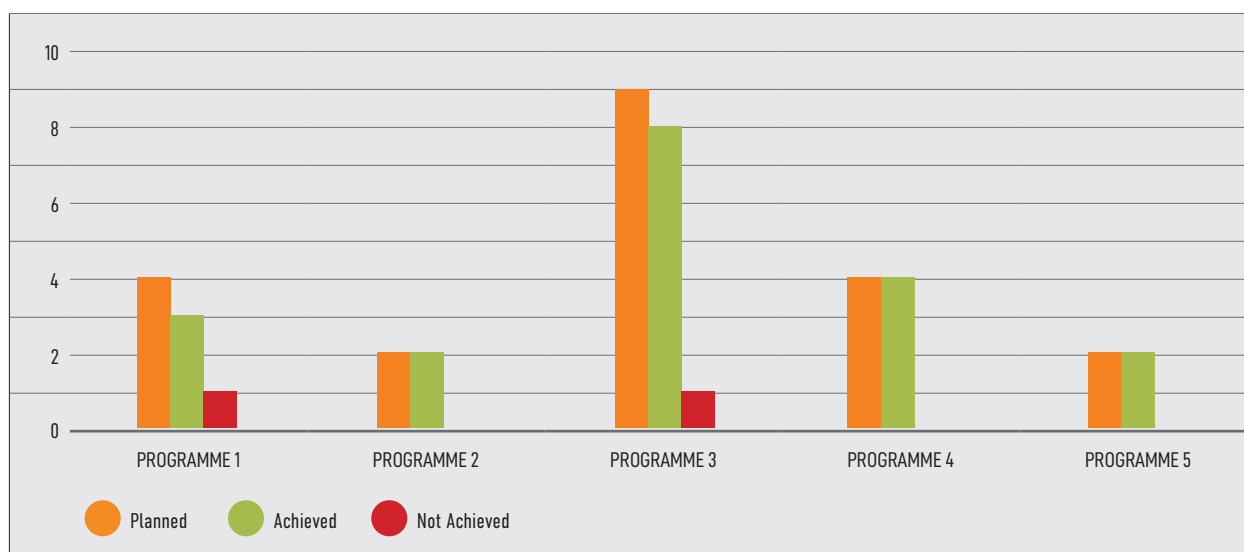
In response to the above environment and challenges faced by the country, NEMISA, as South Africa's key digital skills institute, will endeavour to support as many citizens of this country as possible to develop the skills they need to participate in the digital economy and assist businesses in harnessing the productivity benefits of digital transformation. As jobs and whole industries are disrupted by digital transformation, we need to make sure those affected have the support they need to adapt. We must also enable people in every part of society—irrespective of age, gender, physical ability, ethnicity, health conditions, or socio-economic status—to access the opportunities of the internet. If we do not, our citizens, businesses, and public services cannot take full advantage of the transformational benefits of the digital revolution. And if we manage, it will benefit society too.

SUMMARY OF NEMISA'S PERFORMANCE

The graph hereunder depict the entity's achieved annual targets against the planned annual targets in the 2023/24 approved Annual Performance Plan.

NEMISA had 21 planned targets for the year, and 19 of those have been achieved, with two targets not achieved. This means that the entity has achieved 90% of its annual targets.

OVERALL PERFORMANCE PER PROGRAMME



PROGRAMME 1: ADMINISTRATION

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

No	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement for 2023/24	Comment on deviation
1.1	Transformed Organisation	Improved employee satisfaction and motivation.	Percentage of employee satisfaction rating.	-	-	42% +5%	63.7%	None	N/A
1.1.2		Clean administration.	Number of repetitive audit findings	New controls are implemented and monitored to prevent recurrence of audit findings.	Unqualified audit outcome with no material findings (Clean Audit).	0 repetitive audit findings	2 repeat findings	The outcome of the external audit resulted in repeat findings as follows: Performance information (duplicates in supporting evidence) SCM (incorrect calculation of the "preference" point system).	The controls that were put in place did not work as planned.
1.1.3		Assess the Boards effectiveness.	Number of Board evaluations conducted.	-	-	1	1	None	N/A
1.1.4		Improved systems and process.	Percentage network uptime	-	-	98%	99.6%	None	N/A

PROGRAMME 2: MULTI-STAKEHOLDER COLLABORATION

Programme Purpose: 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.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement for 2023/24	Comment on deviation
2.1	Expanded digital skills delivery model	Collaborations and partnerships established.	Number of new collaboration agreements signed.	Two (2) MoUs signed	12 MoAs	Five (5) MoAs	13	8	More opportunities to collaborate.
2.2		Collaborations and partnerships maintained.	Number of consolidated partnership performance reports produced.	Partnership performance report for 2020/21 signed agreements completed.	5 Partnership performance reports.	4	4	None	None

PROGRAMME 3: e-ASTUTENESS DEVELOPMENT

Programme Purpose: To provide digital skills training interventions to leverage existing ICT education and training expertise to better align and meet the digital skills targets in the MTSF and NDP.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement for 2023/24	Comment on deviations	Reason for revisions
3.1	Digitally Skilled Citizens	Train and capacitate learners with a focus on basic digital literacy.	Number of learners trained in creative media through short courses (including radio, TV, animation and interactive media).	-	506	1 000	1 036	36	The training attracted more learners than anticipated, and this enabled the overachievement of the target.	N/A
3.2		Train learners with a focus on creative media studies.	Number of learners trained in creative media through learnerships (including radio, TV) (Focus on the unemployed.).	120	74	150	180	30	The training attracted more learners than anticipated, and this enabled the overachievement of the target.	N/A
3.3		Train learners with a focus on creative media studies.	Number of training programmes reviewed.	-	Five learning programmes reviewed.	2	2	None	None	N/A
3.4			Number of new training programmes developed.	1	Two learning programmes developed.	5	5	None	None	N/A
3.5		Learning programmes to be revised and aligned to industry.	Number of learners trained in digital literacy.	74 443	63 437	80 000	88 718	8 718	The training attracted more learners than anticipated and this enabled the overachievement of the target.	N/A
3.6		Train and capacitate SMMEs.	Number of SMMEs trained in digital entrepreneurship.			11 000	16 613	5 613	The demand for training drew in a larger number of participants than expected, leading to surpassing the target. The online training also enabled NEMISA to accommodate a broader range of participants.	N/A
3.7		Train learners with a focus in emerging digital focus.	Number of learners trained in Digital Technologies.	2 750	3 829	2 500	3 159	659	The training attracted more learners than anticipated and this enabled the overachievement of the target.	N/A
3.8		Train and capacitate learners with technical ICT skills.	Number of learners trained in ICT training programmes.	-	149	30 000	269	29 731	NEMISA aimed at expanding the programme through partnership funding. Several funding proposals were submitted however some of the responses only came through at the end of the financial year. This did not allow enough time to implement the training.	The target was revised to align to the shareholder's objectives.
3.9		Learning content to supplement and support online digital skills rollout.	Number of new learning content produced for the LMS.	-	Four (4) Content.	4	4	None	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.

No	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement for 2023/24	Comment on deviation
4.1	Improved applied research & innovation outcomes	Datathons to be hosted.	Number of Datathons hosted.	1	1	1	1	None	None
4.2		The colloquium to be hosted.	Number of Colloquiums hosted.	0	1	1	1	None	None
4.3		The digital skills summit to be hosted.	Number of digital skills summits hosted.	-	-	1	1	None	None
4.4		Report on implementation of the research agenda.	Number of consolidated research agenda reports produced.	-	-	2	2	None	None

PROGRAMME 5: AGGREGATION FRAMEWORK

Programme Purpose: 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 outcome as reflected in the Strategic Plan:

No	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement for 2023/24	Comment on deviation
5.1	Aggregated digital skills programmes	Approved monitoring and evaluation framework implemented.	Number of monitoring and evaluation reports provided.	Monitoring and evaluation framework implemented with an impact assessment report was developed.	Monitoring and evaluation framework was implemented, and an impact assessment report developed.	4	4	None	None
5.2		Approved monitoring and evaluation framework implemented.	Number of impact evaluation reports provided.	-	An impact assessment was conducted, and a report was developed.	1	1	None	None

CREATIVE MEDIA TRAINING REPORT

The creative media training programme offerings are designed to prepare beneficiaries to become functional employees or entrepreneurs in the creative media or other industries. NEMISA has a dedicated unit with a focus on creative media learning programmes, and it is well-positioned to meet the rapidly expanding needs of the industry by providing learners with the conceptual, strategic, and practical skill sets needed to meet future challenges.

During the 2023/2024 financial year, there were a total of 180 beneficiaries trained through NEMISA's accredited training qualifications by the Media, Information, and Communication Technologies Sector Education and Training Authority (MICT SETA). Through this unit, NEMISA offered learners skills in radio production, film and television, interactive media, animation, graphic design, and end-user computing. The Institute also offered short skills programmes in digital photography, vlogging using a mobile device, and digital storytelling using a mobile digital device, and as well as short skills courses and workshops in drawing, live streaming, video editing, newsroom skills, podcasting, and radio for newcomers, reaching just over 1000 beneficiaries in 2023/2024. The courses generated high interest with learners on social

media platforms and at various career exhibitions and outreach initiatives that NEMISA embarked on. To reach more beneficiaries, NEMISA has undertaken to deliver the training in various parts of the country and has trained beneficiaries in the Eastern Cape, Free State, Gauteng, Kwa-Zulu Natal, Limpopo, and Northern Cape in its learnerships and short-skills programmes. The Creative Media Unit's achievements would not have been possible without the partnerships and collaboration of various community centres, community media, NGOs, and other stakeholders throughout the country who played a critical role in the achievements of the unit.

The Multimedia Production House intern cohort has delivered various client projects in line with bringing the MMPH business plan to life while gaining work-based experience. Content development was also completed to complement the LMS with new programmes. The MMPH unit has overseen the development of the Over-the-Top (OTT) media service in the 2023/24 financial year, a project that seeks to diversify the media landscape for creative media practitioners and enable young and experienced content producers to collaborate with NEMISA in the distribution of their content through NEMISA OTT Platform.



PARTNERSHIPS REPORT

NEMISA, through its provincial Co-Labs hosted at local universities, played a vital role in delivering various training programmes across the country during the 2023/24 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/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 focusses on digital literacy, which is a key deliverable for NEMISA. The highlight for CoLabs in 2023/24 was the delivery of the cell phone repair programme, digital literacy, and emerging technologies training. The CoLabs used NEMISA LMS, Microsoft, IBM, and CISCO courses to deliver training in digital technologies that include AI, Machine Learning, Cloud Computing, the IoT, Software Development, and Data Science.

Partnerships with entities such as PSETA, BANKSETA, the British High Commission, GIZ, Microsoft, and Google South Africa assisted NEMISA to achieve its objectives for the year under review. NEMISA also worked closely with several districts 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 it has, NEMISA is strategically positioned to shape the development of a collaborative training ecosystem

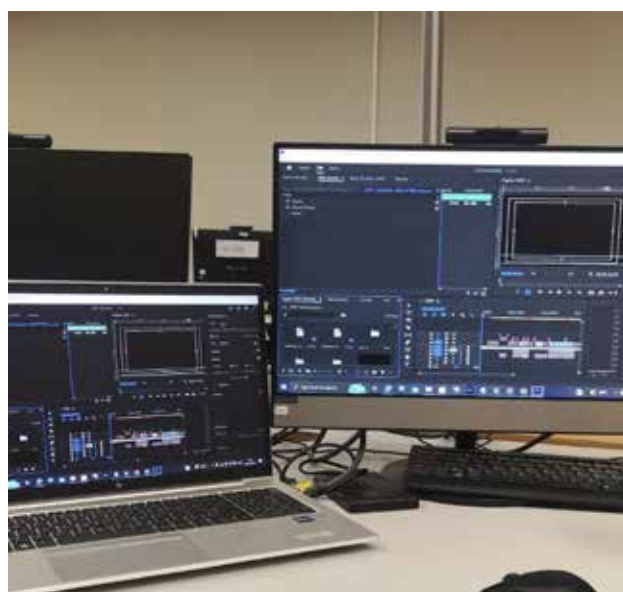




DIGITAL LEARNING

The Digital Learning unit has demonstrated exceptional performance throughout the 2023/24 financial year, adapting to the evolving digital education landscape with agility and innovation. The commitment to enhancing digital learning experiences has yielded significant improvements in user engagement and satisfaction. The following are some of the 2023/24 financial year highlights for Digital Learning at NEMISA:

- The unit has expanded the course library significantly, ensuring that NEMISA managed to reach its annual Emerging Technologies training target.
- Working with strategic partners, including leading OEMs such as Microsoft, CISCO, Amazon Web Services, HP, and others, has enriched NEMISA's learning content and expanded its reach, as well as provided additional interdisciplinary subjects that attract a diverse learner demographic.
- In addition, NEMISA Digital Learning team has developed in excess of five (5) new courses that are specifically designed for the South African market. Continuous improvements to our user interface have led to a reduction in user-reported issues, thus enhancing overall satisfaction.
- Robust security measures have been put in place to protect NEMISA and its online student community from the growing concerns around cybersecurity. Regular patching and updates have been maintained, ensuring a data-safe culture.



YA-RONA REPORT



The Ya-Rona Digital Ambassadors programme is a digital literacy training programme. NEMISA-led multi-stakeholder programme aimed to recruit, train, and dispatch Digital ambassadors to carry out digital literacy training in rural communities. Digital ambassadors are recruited from unemployed youth in the localities/municipalities that NEMISA enters into partnerships with. The targeted digital literacy training beneficiaries are from socio-economically excluded societies.

For the 2023/24 financial year, the project appointed 124 trainers and ambassadors, some of whom left the programme due to better opportunities. For the duration of the programme, appointed ambassadors are provided with the necessary tools of the trade to enable them to deliver the training. The ambassadors are compensated with a stipend for the duration of their contract.

Ambassadors to train their communities on the basics of digital literacy, consisting of the following areas of focus:

- Using digital platforms
- Cybersecurity
- Access to information and learning using the internet
- SMME: Support or 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, search for jobs, and 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 manner.

FOOTPRINT OF YA-RONA DIGITAL AMBASSADORS PROGRAMME

In 2023/24 financial year, the programme was rolled out in Limpopo Province in Capricorn District Municipality, North West in Bojanala District Municipality, and finally in the Eastern Cape in Buffalo City Metropolitan Municipality.

Ya-Rona has transitioned from traditional face-to-face training to online training through NEMISA DSP platform. This shift suggests that Ya-Rona is embracing digital methods and adapting to current trends in training. Aligning with the increasing importance and convenience of online learning platforms in today's digital age.

IMPACT OF PROGRAMME

Over 28 000 citizens in these communities were successfully trained by ambassadors on basic digital literacy during the 2023/24 financial year.

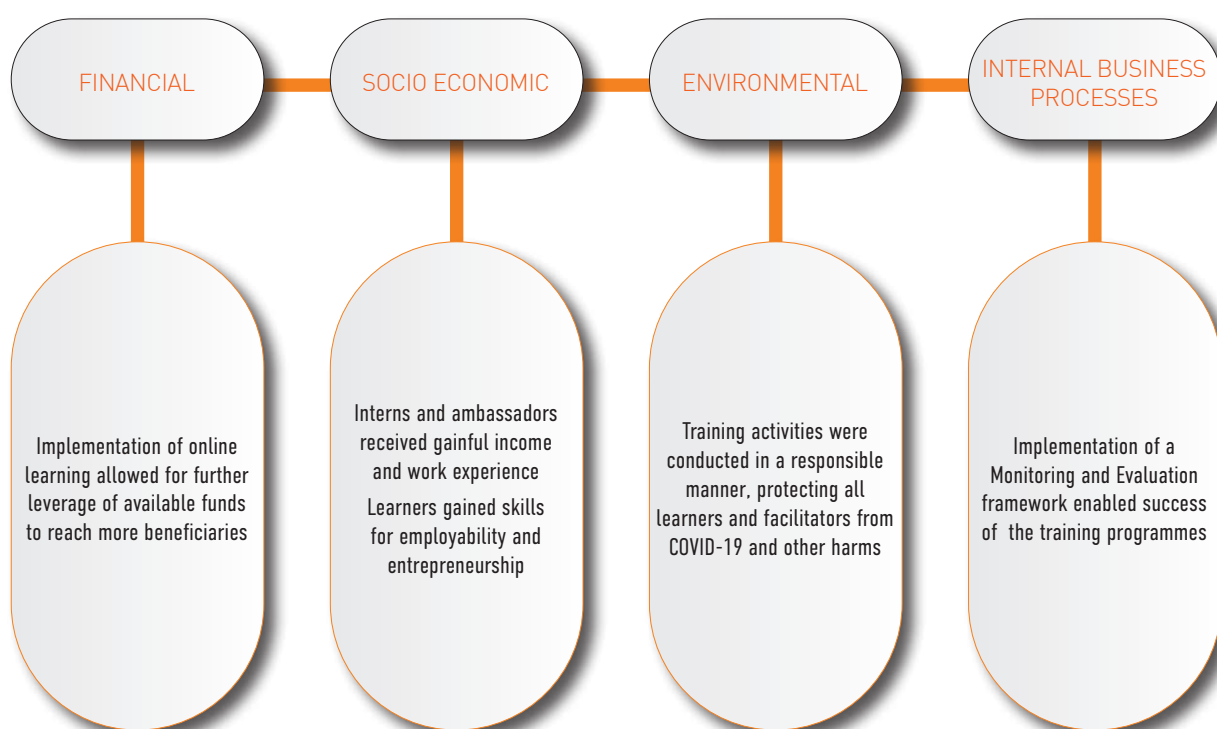
IMPACT REALISED FROM NEMISA TRAINING PROGRAMMES

The National Digital and Future Skills Strategy (NDFSS) articulates a vision of a South Africa that is characterised by an inclusive society where all citizens possess the necessary digital competencies to embrace and benefit from the affordances of current and emerging technologies. In pursuit of this vision, NEMISA, along with a spectrum of partners and stakeholders, is a key implementor of the strategy. It plays a prominent role in advancing digital skills among citizens, with a concerted effort to significantly scale interventions. Achieving equitable digital inclusion, including the scaling of interventions against the national digital inclusion agenda to ensure meaningful outcomes for beneficiaries and stakeholders. NEMISA carried out an impact assessment study at the end of the 2023/24 financial year on its selected programmes, showing outcomes as depicted in the below diagram:

The assessment of digital skills interventions plays a significant role in aligning the intervention activities with their objectives and anticipated impact. The process involves structured critical analysis and reflection, with the aim of enhancing the interventions for improved outcomes. The impact assessment therefore reflects on the cumulative outcomes of digital skills training interventions

guided by an M&E framework. This framework is aligned with NEMISA's vision, mandate, mission, and strategic objectives.

The impact assessment is supported by the Theory of Change – a comprehensive description of how and why the intervention is expected to achieve the intended objectives (Department of Planning Monitoring and Evaluation, 2021). The theory of change model typically reflects key programme building blocks, namely, inputs, activities, output, outcome, and impact, and the measurement indicators are specifically aligned to the objectives of the training intervention. Outcomes refer to the expected (and unexpected) changes resulting from intervention activities, assessed in the short-term and/or medium to long-term. Impact entails broader and longer-term changes for training beneficiaries. A high-level results chain depicts these key concepts within the context of NEMISA training interventions. Conducting a valid impact assessment would require programme completion to have occurred and the allowance of a period prior to the evaluation in order to identify and assess medium-to long-term changes in behaviour and/or socio-economic conditions.



The assessment of digital skills interventions plays a significant role in aligning the intervention activities with their objectives and anticipated impact. The process involves structured critical analysis and reflection, with the aim of enhancing the interventions for improved outcomes. The impact assessment therefore reflects on the cumulative outcomes of digital skills training interventions guided by an M&E framework. This framework is aligned with the NEMISA's vision, mandate, mission, and strategic objectives.

IMPACT OF DIGITAL ENTREPRENEURSHIP TRAINING

Overall, most respondents (93%) believed that the training had led to favourable outcomes or positively impacted their lives. Respondents were largely in agreement that their knowledge and competency had improved, both broadly (e.g., understanding general business processes and activities) and in specific areas, such as sourcing relevant industry information and enhancing financial literacy within a professional context. Most respondents indicated that they had applied the knowledge gained during training to business or work activities. Below is some of the feedback from the beneficiaries:

"I now know that everything, and I mean everything, is digital. You can start and successfully grow your business on a digital platform."

"The training has opened my eyes to understand that there are other ways to improve the footprint of the business through digital marketing and improve the quality of communication and product presentation."

Examples of ways in which respondents applied the newly gained information and skills include:

"I have managed to create my business logo, business plan, and digital marketing, and I am also able to help my customers via WhatsApp [where] I can."

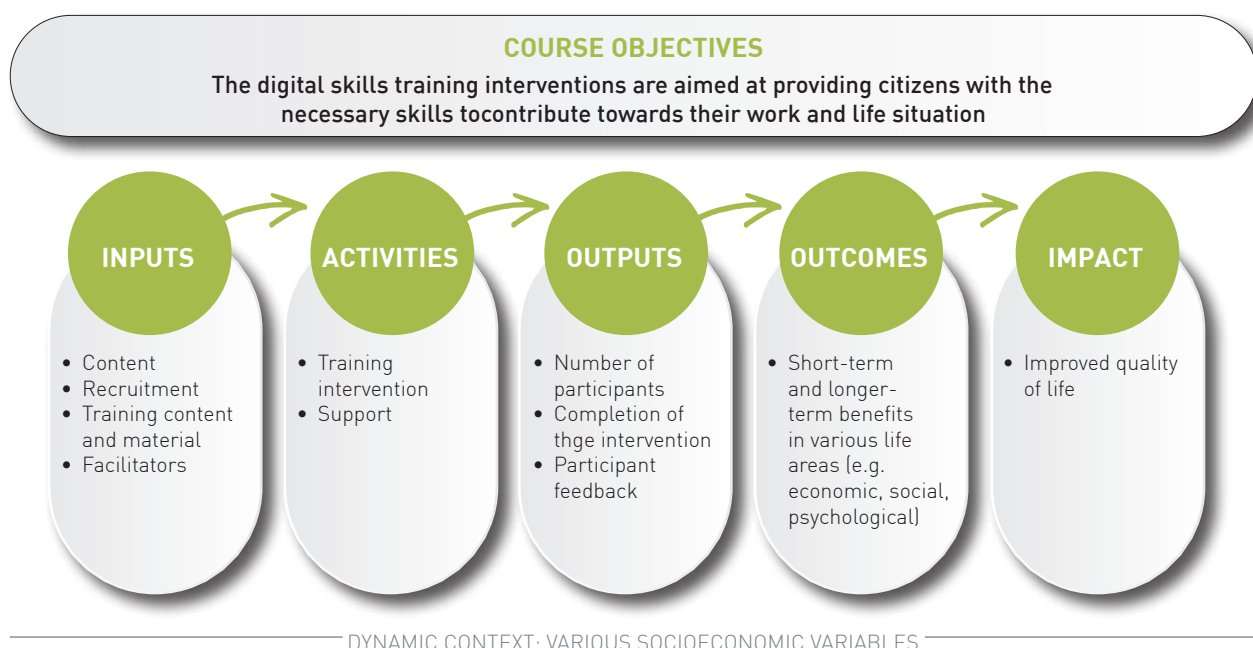
"It helped me with how I spend my money and learn how to invest my money."

"I was afraid of opening a business, but now I am a businesswoman working for myself at my own pace and able to go to school at the same time."

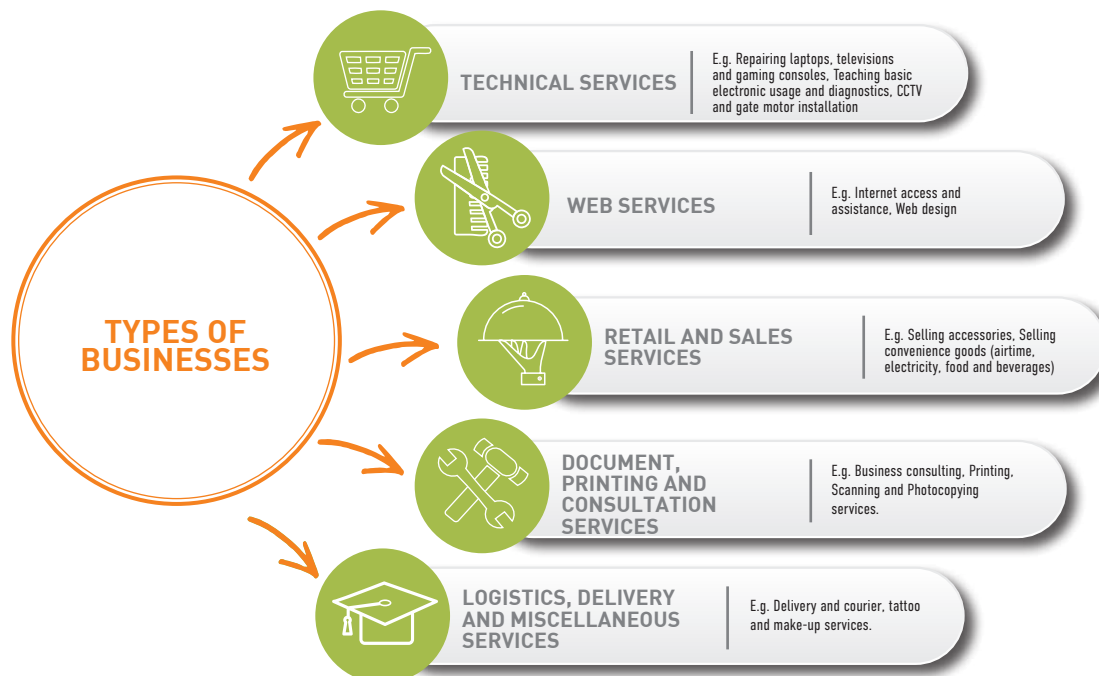
Given the considerable course focus on the integration of technology into business processes, it is notable that a substantial number of programme beneficiaries (59%) reported that they had taken steps to digitalise their businesses since completing training.

73% of the participants felt that the training intervention had made a difference in the lives of their families and communities. This is predominantly done by way of transferring course information to others, by contributing essential items to their family, or by assisting with community development activities.

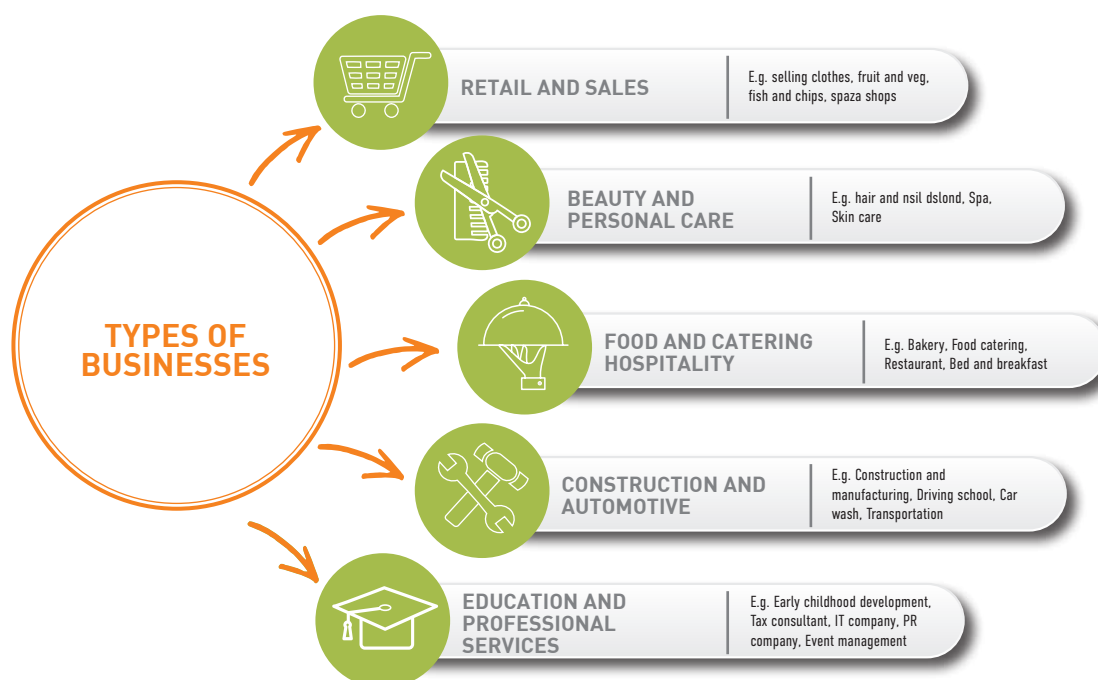
NEMISA TRAINING INTERVENTIONS RESULTS CHAIN



TYPES OF SUPPLEMENTARY SERVICES PROVIDED BY SOME OF THE DIGITAL ENTREPRENEURSHIP BENEFICIARIES



TYPES OF SUPPLEMENTARY SERVICES PROVIDED BY SOME OF THE DIGITAL ENTREPRENEURSHIP BENEFICIARIES



IMPACT FROM DIGITAL LITERACY TRAINING

The training focusses on skill competency areas such as digital platform use, cybersecurity, information and learning resources, ICT skills for employment, and the use of digital resources to support small businesses. 95% of beneficiaries indicated that they had benefited positively from the programme. The impact study indicates that beneficiaries significantly increased their proficiency in using computers, mobile devices, software, navigating the internet, social media, and employing the Microsoft suite of tools. Many respondents said that they can apply for opportunities online and have increased abilities to identify cyber threats, including communicating better through social media.

"I have learnt a lot, especially when it comes to my password. I need to make sure that I don't share it with other people; it is a secret, and that I continuously change my password to protect myself and my personal information."

"The training has helped me navigate through social media and different apps, as well as identify cyber threats easily. It has also enhanced my communication skills. I am a more informed person now than before."

Participants felt strongly that they were employing online tools more frequently for a broader range of purposes, including communication and entertainment. Following the completion of the training, respondents also started engaging in other activities to a greater extent, including online and mobile banking, searching for information, accessing health-related services, and utilising online maps for navigation.

IMPACT OF DIGITAL TECHNOLOGIES TRAINING

NEMISA offers a variety of high-end digital skills courses to South African citizens in collaboration with organisations such as Microsoft. These courses provide a comprehensive range of skills, for example, data science, artificial intelligence, natural language processing, web-development, and others.

Most (91%) of the respondents to the impact assessment survey indicated that they experienced positive outcomes attributed to the training. One of the recurring themes related to participants' significant increase in specialised

digital skills. Their enhanced abilities ranged from the basics to more advanced digital skills in areas such as programming and coding. Moreover, participants gained a better understanding of technology in general.

"I understand more about data science, how it works, and how to implement it in the real world, and I learn programming languages like Python and R."

Since completing the training, some respondents have secured employment or gained work experience in a technology-related field, with all crediting this success to the training they completed through NEMISA. Others found employment in a different field. Respondent reports in this regard include:

"The training helped because I was able to get a job."

"I was promoted at work because of my new skills, and I do things differently now".

Notably, some of the respondents started or grew businesses within the technology field, while others did so in other fields, with all crediting the training. It is, however, important to acknowledge that some survey respondents remained unemployed or were actively seeking employment. 64% of respondents indicated that the training had improved their chances of being employed, and 70% considered themselves better able to identify employment opportunities related to the knowledge and skills they had gained. The majority felt that the programmes should incorporate more study equipment, mentoring, career counselling, after-hours tutoring, online library services, an improved study environment, and group discussions.

IMPACT OF TECHNICAL/TECHNICIAN COURSES

NEMISA's technical courses are designed to empower individuals towards the creation and growth of small, self-sustainable community-based ICT businesses. These courses, delivered by industry specialists, offer a hands-on approach to learning. For example, the Cell Phone Repair Technical Training equips participants with a thorough understanding of basic electronic components in closed circuits and the skills to diagnose faults in mobile devices, resolve water damage, perform micro soldering, and replace LCD and glass screens. Participants also learn software repair, among others.

At the time of data collection, 90% of respondents owned businesses. The vast majority of respondents (94%) believed that the training had led to favourable outcomes or positively impacted their lives. Nearly all respondents felt that the training had improved their understanding and skills in the key learning areas of (i) basic electronics, (ii) electronic fault finding, and (iii) testing and replacing electronic components on mobile devices, with the majority reporting 'significant improvement in understanding and ability' in each category. The vast majority of respondents (94%) believed that the training had led to favourable outcomes or positively impacted their lives.

Nearly all respondents were more motivated to run a business following the training intervention. Appreciation of a greater sense of independence, confidence, and self-esteem were frequent themes in the open-ended intervention impact statements, as shown below:

"I am now able to take care of myself."

"Now I do not need to be employed as I can generate my own money."

"Having the ability to independently stand up for yourself and own a business grows confidence and good self-esteem."

"The training helped me gain confidence in myself to approach different challenges with an open mind and to just trust in myself."

"At first, I thought fixing a phone and running a business were hard and I would not be able to do them, but once I finished this course, I found them simple."

Ultimately, the most frequently reported effect of training was its introduction of a new or additional income stream and, along with it, a new sense of "hope.". Participant reports include:

"I now have an additional income stream that has allowed me to further my ambitions of studying. I'm using the money I'm making in my business to fund my part-time studies."

"It made me put an extra zero into my account, from a R10 to a R100."

"It gave me hope that there is something I can do to increase my standard of living."

At the time of data collection, some of the respondents extended their businesses by providing other supplementary services, as depicted in the above figure.

IMPACT OF CREATIVE MEDIA COURSES

NEMISA's Creative Media Training Courses are tailored to equip beneficiaries with the necessary skills for the world of work, in particular the creative media industry. These courses encompass a range of disciplines, including digital storytelling, digital photography, and radio governance, aiming to develop conceptual, strategic, and practical proficiencies for thriving in the creative media industry. Moreover, these courses are designed to instill an entrepreneurial mindset among participants.

Respondent statements include:

"Now I understand how the broadcast and media industries work."

"The training programme made me aware of the field I am working in, improved my media skills, and magnified my talents in radio production."

Creative Media Training appears to have imparted both technical skills as well as transferable soft skills required for the world of work, as evident in the following statement:

"The radio production programme has been an incredible journey of learning. I came in completely green, with no experience in sound editing or scriptwriting, but thanks to the programme, I've grown by leaps and bounds. Now, I can confidently edit audio and craft compelling scripts. The radio course taught me the value of collaboration, teamwork, and meeting deadlines, as well as the importance of constructive criticism and adaptability, skills I never thought I would possess. This experience has been truly transformative."

In terms of change in self-esteem, the majority (93%) of respondents felt that learning new skills had made them feel more positive about themselves. Several participants also alluded to personal growth in being less shy or feeling like a "stronger person" after completing the training programmes.

Other clear positive outcomes of the interventions include increased confidence and motivation to pursue careers in the media and broadcasting fields. A beneficiary of the National Certificate: Design Techniques programme credited the training with the statement:

"allowing me to think outside the box and generate unique solutions to design problems."

Participants also described how the training had influenced their professional activities in examples such as developing proposals, advertising their businesses, or other tasks such as using a smartphone to make art covers for my music.

Several respondents had started or expanded businesses since completing the training. The training was perceived

to have either played a role or a significant role in all of the new or expanded business ventures. Many survey respondents (26%) felt that the programmes should incorporate more practical learning (particularly requested by beneficiaries of digital photography and digital story telling programmes), with others also recommending career counselling (14%), mentoring (13%), and increased or improved study equipment (14%).



MARKETING AND COMMUNICATIONS: ELEVATING THE NEMISA BRAND

In the period under review, the Marketing Unit made substantial strides in advancing digital inclusion and reinforcing NEMISA brand, aligning with our vision of fostering a digitally transformed society.

The key initiatives included active participation in pivotal events such as the Gauteng Department of e-Government Youth Expo and the “Occupations in High Demand” webinar in collaboration with DHET and TUT Institute for the Future of Work.

NEMISA’s outreach programmes, boot camps, and workshops further bolstered these efforts, all aimed at broadening our reach and impact. Advocacy and awareness campaigns continued through strategic print editorials and radio interviews, ensuring consistent visibility and engagement.

One of NEMISA’s most notable achievements was the successful execution of the Digital Skills Summit and Colloquium. This event served as a strategic platform for industry leaders and academia to engage in high-level discussions on the future of digital skills. The summit’s outcomes were impressive, with 19 research papers and 11 abstracts published in the Epic Series in Education Science, showcasing our commitment to thought leadership and academic excellence.

Another highlight was the Data Science Hackathon, where young talents from all provinces came together to present innovative solutions to real-world challenges. Their creativity and problem-solving abilities not only demonstrated their potential but also underscored NEMISA’s role in nurturing the next generation of digital leaders.



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.

Outcome	2022/23			2023/24		
	Budget R'000	Actual Expenditure R'000	(Over)/Under expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under expenditure R'000
Programme 1	52 586	49 117	3 469	52 783	54 660	(1 877)
Programme 2	-	-	-	-	-	-
Programme 3	48 091	96 334	(48 243)	53 474	118 789	(65 315)
Programme 4	1 451	2 500	(1 049)	2 995	2 995	-
Programme 5	593	1 711	(1 118)	301	221	80
Total expenses	102 721	149 662	(46 941)	109 553	176 665	(67 112)

PROGRAMME 1: ADMINISTRATION

The overspending of R1,88 million in Programme 1 was primarily due to a provision made for doubtful rental deposits owed by the previous landlord, which had not been budgeted for. Despite this, the programme successfully achieved its targeted outcome of ensuring organisational efficiency and effectiveness.

PROGRAMME 3: E-ASTUTENESS DEVELOPMENT

The overspending of R65.3 million in Programme 3 was primarily driven by the completion of training activities from short courses for self-funded projects and additional training conducted during the 2023-2024 fiscal year. Despite this, the programme exceeded its targets in key areas such as creative media training, digital literacy, and SMMEs trained in digital entrepreneurship, highlighting a positive performance outcome.

The underperformance in ICT training programmes was linked to delays in funding proposal responses, some of which were only received at the end of the financial year, leaving insufficient time to implement the training.

Strategy to overcome areas of underperformance

1. PROACTIVE FUNDING MANAGEMENT:

- Establish earlier deadlines for submitting funding proposals to ensure responses are received well before the end of the fiscal year.

- Develop a contingency plan to allocate internal resources for critical training activities in case of delayed external funding.

2. IMPROVED PROJECT PLANNING:

- Implement a phased approach to training programme rollouts, allowing flexibility to scale up or down based on available funding.
- Increase collaboration with partners to secure commitments earlier in the year.

3. ENHANCED MONITORING AND EVALUATION:

- Strengthen the monitoring of proposal submission and response timelines, with regular updates to senior management to address delays promptly.
- Incorporate lessons learned from this fiscal year into future planning cycles to avoid similar issues.

4. DIVERSIFICATION OF FUNDING SOURCES:

- Explore and secure multiple funding sources to reduce reliance on a single stream, ensuring that programme activities can continue even if some funding is delayed.

By implementing these strategies, NEMISA aims to align its training activities more closely with financial resources, improving overall programme performance and reducing the risk of underperformance in the future.



PART C

CORPORATE GOVERNANCE

INTRODUCTION

The purpose of the Corporate Governance Report is to outline the frameworks, policies, and decision-making mechanisms processes that determine the manner in which the NEMISA Board of Directors and Management directs, administers and controls the operations of the Institute.

NEMISA reviews its policies and procedures regularly to ensure that the institute remains relevant to the Board's authority and responsibilities, and comply with applicable laws, regulations, and governance frameworks. As a Schedule 3 company, the institute is governed and guided by NEMISA Memorandum of Incorporation (Mol), the Protocol on Corporate Governance in the Public Sector 2002, the Companies Act, 2008 (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™).

The Board fully subscribes to the principles of good governance and regards these as fundamentally important to the business success and sustainability of the Institute.

The Board is the focal point of the Institute's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Institute.

PORTFOLIO COMMITTEES

During the year under review, NEMISA Board appeared before the Portfolio Committee on Communications on four occasions:

- 29 August 2023 – Minister's Meeting with Entities Chairpersons
- 10 October 2023 – Portfolio Committee on Communication
- 20 February 2024 – Parliamentary Portfolio Committee
- 13 March 2024 – Portfolio Select Committee on Public Enterprises

EXECUTIVE AUTHORITY

The Department of Communications and Digital Technologies (DCDT) Minister is the sole shareholder representative of the Government of the Republic of South Africa and is tasked with providing the Government's oversight over NEMISA.

The Parties (DCDT Minister and NEMISA Board) enter into a Governance Agreement to agree on an appropriate governance framework between them and to ensure coordination in their oversight efforts to support the attainment of the NEMISA's mandate.

The Governance Agreement is concluded for the purpose of enhancing accountability for the affairs and business performance of the NEMISA. This prescribes, inter alia, the documentation of the mandated key performance measures and indicators to be attained by NEMISA as agreed between the Board and the DCDT Minister, as well as to regulate the relationship between the DCDT Minister and NEMISA Board.

BOARD'S RESPONSIBILITIES

The Board is ultimately responsible to exercise prudent control over NEMISA and its affairs.

KEY RESPONSIBILITIES OF THE BOARD IN TERMS OF THE BOARD CHARTER

STRATEGY AND ETHICS

Set and steer the strategic direction and provide ethical leadership for the NEMISA.

Ensure that the Institute has a code of ethics and related ethics policies, based on its values as approved by the Board. Also, that the ethical performance of the Institute and its representatives is pro-actively and effectively managed and reported on.

CORPORATE GOVERNANCE

Act as ultimate custodian of NEMISA's system of corporate governance by managing its relationship with management. The shareholder and other stakeholders based on sound corporate governance principles.

STRATEGY, RISK, PERFORMANCE AND SUSTAINABILITY

Contributing to and approving the NEMISA's strategy as presented by Management.

Being satisfied that the strategy will result in sustainable outcomes for the NEMISA.

Satisfying itself that all material risks in the strategy and business plans have been duly considered and addressed by management.

Identifying the key performance and risk areas in the business.

Considering sustainability as a business opportunity that guides the formulation of strategy.

RESPONSIBLE CORPORATE CITIZENSHIP

Ensure that the NEMISA is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business but also the impact that business operations may have on the environment and societies within which it operates.

COMPLIANCE

Ensure that the NEMISA complies with all applicable laws and considers adherence to non-binding rules and standards.

HUMAN RESOURCES MANAGEMENT

Appointment, subject to the notification and consent of the DCOT Minister, the CEO, Chief Operations Officer (COO) and the Chief Financial Officer (CFO). Also to ensure a proper process of performance management and succession planning in respect of these positions.

STAKEHOLDERS

Manage key stakeholder relationships

MEMBERS OF THE BOARD



Ms Molebogeng Mashoto Leshabane
Chairperson



Mr William Trevor Rammitlwa
Chief Executive Officer



Ms Nomonde Hlatshaneni



Ms Tobeka Buswana



Mr Melvyn Lubega



Mr Lionel Ricardo Adendorf



Ms Nyaradzai Daisy Samushonga

COMPOSITION OF THE BOARD

Name	Designation (In terms of the Public entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Other Commitments or task teams e.g. Audit Comm
Ms Molebogeng Mashoto 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 Innovation - 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 (Not Completed)	- Communications - Electronic Media - Change Management Strategy - Strategy Development - Youth Development - Community and Public Broadcast Radio Specialist	- 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 Management	- Public Education Policy and Skills Development - Human Resource Capacity Development - Research - Organisational Development - Development Facilitation - Partnership Facilitation - Risk Management	- Chairperson of Human Resources, Remuneration and Nominations Committee - Audit and Risk 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
Ms Nyaradzai Daisy Samushonga	Independent non-executive member	01 December 2023	-	- Honours Bachelor of Accounting Science, UNISA - Chartered Accountant (Zimbabwe)	- Skills Development - Technology - Finance - Business Strategy	- Audit and Risk Committee - Programmes and Academic Committee - Social, Ethics and Transformation Committee
Mr William Trevor Rammitlwa (CEO)	Executive Director	01 October 2020	-	- University Diploma in Education - BA Degree, Psychology & Education - Management & Coaching Certificate - MBL degree - Executive Development Programme - PhD in Management (In progress)	- Human Capital Development - Human Resources Management - Project Management - Quality Management - Research	- Human Resources, Remuneration and Nominations Committee - Programmes and Academic Committee - Social, Ethics and Transformation Committee
Mr Mahomed Chowan (CFO)	Executive Director	01 June 2023	12 January 2024	- Bachelor of Accountancy - Postgraduate Diploma in Accountancy - CA(SA)	- Financial Management - Accountancy - Auditing	- Human Resources, Remuneration and Nominations Committee - Programmes and Academic Committee - Social, Ethics and Transformation Committee

Ms Samushonga joined on 01 December 2023

BOARD COMMITTEES

COMMITTEES AND NUMBER OF MEETINGS HELD

AUDIT AND RISK COMMITTEE (ARC)

The ARC is independent and accountable to the Board and the Shareholder. The committee is constituted to assist the Board in discharging its duties in fulfilling its responsibilities for overseeing the integrity of NEMISA's financial reporting and internal financial controls. Additional duties include establishing the effectiveness of the internal control, risk management systems, and monitoring the effectiveness and objectivity of internal and external auditors and maintaining an appropriate relationship with the external auditor of NEMISA.

ARC responsibilities are governed by the relevant provisions of the PFMA, the Treasury Regulations, the Companies Act, the Companies Regulations (2011) as read with the NEMISA's MoI and its Terms of Reference and relevant provisions of the Public Audit Act, No. 25 of 2004 ("Public Audit Act"). In fulfilling its function, the Committee shall specifically have oversight of financial reporting risks, internal financial controls, fraud risks and Information Technology (IT) risks.

FOCUS AREAS FOR THE 2023/24 FINANCIAL YEAR

For the financial year under review, the Committee focused on amongst others, the following areas:

- **Reporting** – among others the Committee reviewed and recommended the 2022/23 Integrated Annual Report and Annual Financial Statements (AFS) to the Board for approval.
- **External Auditors** – the Committee was responsible for ensuring a seamless audit process for the 2022/23 financial year and interfacing with external auditors and reporting to the Board matters relating to the audit.
- **Internal Audit** – the Committee considered internal controls and internal audit related documents.
- **Process Improvement** – the Committee oversaw the separate/independent systems of reporting by Management, the external auditor and the internal auditors regarding any significant judgements made and the view of each as to the appropriateness of such judgements.
- **Compliance** – the Committee considered the compliance activity programme, reviewed the levels of materiality for the assessment of compliance risk within NEMISA reports and the management of compliance risk within NEMISA.
- **Whistle-Blowing Reporting Line** – The Committee oversaw whistle-blowing and ensuring arrangements are in place to enable NEMISA staff and stakeholders to report in confidence and with total anonymity any concerns about possible improprieties in matters of financial reporting or any other matters.

The Audit and Risk Committee ("ARC")

MEMBER	ORDINARY ARC				SPECIAL ARC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mr Zack Le Guma	1	1	2	-	2	1	-	2
Mr Melvyn Lubega	1	1	1	1	2	1	-	1
Mr Lionel Ricardo Adendorf	1	1	2	1	2	1	-	2
Ms Nomonde Hlatshaneni	1	1	2	1	2	1	-	2
Ms Nyaradzai Daisy Samushonga	-	-	-	-	-	-	-	-

Total no of ordinary meetings: 5

Total no of special meetings: 5

HUMAN RESOURCES, REMUNERATION AND NOMINATIONS COMMITTEE (HRRNC)

The Committee is constituted to assist the Board with its oversight and management of the remuneration and human resource's philosophy and policies of NEMISA.

FOCUS AREAS FOR THE 2023/24 FINANCIAL YEAR

For the financial year under review, the Committee focused on amongst others, the following areas:

- **Human Resources** – in relation to considering, guiding and influencing key human resources policies and strategies and recommended to the Board for approval. Monitored compliance with labour laws
- **Employee Remuneration** – the Committee ensured that employee remuneration is fair, market-related and affordable, determined the principles and parameters of employee remuneration. Reviewed and approved the salary scales, increments and incentives.
- **Nominations Responsibilities** – the Committee ensured the appointments of the former CFO and Company Secretary and supported management in the implementation of the revised organisation structure

The Human Resources, Remuneration and Nominations Committee ("HRRNC")

MEMBER	ORDINARY HRRNC				SPECIAL HRRNC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ms Nomonde Hlatshaneni	1	1	1	1	5	1	1	1
Ms Molebogeng Mashoto Leshabane	1	1	1	-	4	-	1	-
Ms Tobeka Buswana	1	1	1	1	5	1	1	1
Mr Lionel Ricardo Adendorf	1	1	1	1	5	1	1	1
Mr William Trevor Rammitlwa	1	1	1	1	4	1	1	1
Mr Mohamed Chowen	-	1	1	-	-	1	1	-

Total no of ordinary meetings: 4

Total no of special meetings: 8



PROGRAMME AND ACADEMIC COMMITTEE (PAAC)

The Programme and Academic Committee, has been established to assist the Board in respect to matters related to the development, implementation and monitoring of NEMISA's programmes (NEMISA and digital skills programmes). Also, there have been assistance in related projects, stakeholder management and funding in accordance with the vision, mission, and core values of NEMISA.

FOCUS AREAS FOR THE 2023/24 FINANCIAL YEAR

For the financial year under review, the Committee focused on amongst others, the following areas:

- Provided strategic direction concerning strategic programmes of NEMISA.
- Ensured effective implementation of key programmes against the Annual and Strategic Plans, monitored the progress of such implementation, and recommended revision of the Strategy to the Board for approval.
- Ensured that NEMISA programmes are compliant with regulations and frameworks and promoted best practices.
- Oversaw all activities of the collaborative training partners and partnership agreements of NEMISA.

The Programme and Academic Committee ("PAAC")

MEMBER	ORDINARY PAAC				SPECIAL PAAC			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ms Molebogeng Mashoto Leshabane	1	1	1	-	1	1	-	1
Ms Tobeka Buswana	1	1	2	1	1	1	-	2
Mr Melvyn Lubega	1	1	2	1	1	1	-	1
Ms Nomonde Hlatshaneni	-	1	2	2	1	1	-	2
Ms Nyaradzai Daisy Samushonga	-	-	-	-	-	-	-	-
Mr William Trevor Rammitlwa	1	1	2	1	1	1	-	2
Mr Mohamed Chowen	-	1	2	-	-	1	-	-

Total no of ordinary meetings: 5

Total no of special meetings: 4

SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE

The Social, Ethics and Transformation Committee is a statutory Committee prescribed by Regulation

43 of the Company's Act No.71 of 2008 (read in conjunction with Regulation 43 of the Companies Regulations, 2011).

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 as outlined in the responsibilities hereunder.

FOCUS AREAS FOR THE 2023/24 FINANCIAL YEAR

For the financial year under review, the Committee focused on amongst others, the following areas:

- Provided oversight over the ethics matters, including the review of related organisation policies that govern ethical conduct and transformation.
- Monitored NEMISA's activities to ensure that they were in line with relevant legislation, other legal requirements or prevailing codes of best practice with regard to matters relating to social and economic development and good corporate citizenship.
- Exercised oversight the effect and impact of NEMISA's activities on the environment, health and public safety including its products or services.

Board Attendance

MEMBER	ORDINARY BOARD MEETINGS				SPECIAL BOARD MEETINGS			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mr Lionel Ricardo Adendorf	1	1	2	1	-	-	-	2
Ms Tobeka Buswana	1	1	2	1	-	-	-	2
Ms Nomonde Hlatshaneni	1	1	-	1	-	-	-	-
Mr Melvyn Lubega	1	1	1	-	-	-	-	1
Ms Nyaradzai Daisy Samushonga	-	-	-	-	-	-	-	-
Mr William Trevor Rammitlwa	1	1	2	1	-	-	-	2
Mr Mohamed Chowen	-	1	1	-	-	-	-	-

(Ms Samushonga joined 01 December 2023)

Total no of ordinary meetings: 5

Total no of special meetings: 2

BOARD ATTENDANCE FOR THE 2023/24 FINANCIAL YEAR

Board Meetings

MEMBER	ORDINARY BOARD				SPECIAL BOARD			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ms Molebogeng Mashoto Leshabane	1	-	1	2	1	1	1	2
Ms Tobeka Buswana	1	1	1	2	1	1	1	2
Ms Nomonde Hlatshaneni	1	1	1	2	1	1	1	2
Mr Melvyn Lubega	1	1	1	1	1	1	-	1
Ms Nyaradzai Daisy Samushonga	-	-	-	-	-	-	-	-
Mr Lionel Ricardo Adendorf	1	-	1	2	1	1	1	2
Mr William Trevor Rammitlwa	1	1	1	2	1	1	1	2
Mr Zack Le Guma	1	1	1	2	1	1	1	2
Mr Mohamed Chowan	-	-	1	-	-	-	-	-

(Ms Samushonga joined 01 December 2023)

Total no of ordinary meetings: 5

Total no of special meetings: 5

REMUNERATION OF BOARD MEMBERS

NEMISA Mol 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 complexity of the business of the Company.

Further information on Directors' remuneration appears on page 101.

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.

COMPLIANCE MANAGEMENT

NEMISA is committed to good corporate governance and ethical conduct and the Compliance Management Policy and Compliance Management Framework were developed and approved by the Board. The policy aims to promote a standard approach to Compliance Management at NEMISA and that proper compliance risk management controls are implemented. The Compliance Management Framework provides the basis for the development and maintenance of

a coordinated set of activities to help ensure that NEMISA complies with obligations created by various legislations, regulations, standards and policies. Annual compliance management training was conducted to management and staff to create compliance aware culture.

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 PFMA and King IV™ is carried out to ensure that deficiencies are identified, and corrective measures are implemented.

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.

RISK MANAGEMENT

The NEMISA Board played a crucial role in overseeing the risk management function, setting risk appetite and tolerance, and ensuring compliance with regulations. The Risk Management Framework (RMF) has successfully been implemented and aligns with national standards and best practices, leading to proactive risk management throughout the organisation. During 2023/24 financial year the organisation has proactively managed risks across various units, leading to a more resilient organisational risk culture.

Regular risk assessments and evaluations were conducted including implementation of risk monitoring and reporting mechanisms to ensure timely response to emerging risks through the Executive Risk Management Committee (ERMC), Executive Committee (EXCO), ARC and the Board. These mechanisms resulted in the identification of emerging risks and the development of strategies to address them effectively. The last risk maturity assessment has indicated a 72% improvement, positioning NEMISA at a "Manage/Mature" level on the Risk Management Maturity Continuum. The 2023/24 financial year Risk Management Plan (RMP) was approved and focuses on continuous improvement and integration

of risk management into decision-making processes to enhance organisational resilience.

FRAUD RISK MANAGEMENT, DETECTION, PREVENTION, AND AWARENESS

The Social and Ethics Committee played a big role in overseeing the organisation's ethical fraud prevention and awareness strategies and promoting ethical behaviour contributing to the overall risk governance. The annual Fraud Prevention and Awareness Implementation Plan was approved, implemented and monitored fostering a fraud-aware culture across the organisation to mitigate the risk of fraud and unethical behaviour within the organisation.

The robust fraud risk management strategies to detect, prevent, and address fraudulent activities within the organisation, including regular fraud awareness and ethics training were conducted for employees to promote vigilance and cultivate a culture of fraud prevention and awareness. An independent whistle-blowing contract was renewed to reduce instances of fraud through enhanced detection mechanisms and encourage a culture of reporting to safeguard the organisation's financial integrity and reputation. An annual risk assessment has been conducted to proactively identify and mitigate potential fraud risks.



**THOSE WHO CORRUPT
THE PUBLIC MIND ARE
JUST AS EVIL AS THOSE
WHO STEAL FROM THE
PUBLIC PURSE.**

HELP NEMISA FIGHT CORRUPTION

nemisa@whistleblowing.co.za | www.whistleblowing.co.za

WHATSAPP CHATBOT +27 31 308 4664 SMS 33490

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SAY NO TO CORRUPTION

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BUSINESS CONTINUITY MANAGEMENT

The Board approved the Business Continuity Policy and Framework and associated recovery plans to minimise disruption during crises or disasters. NEMISA has embarked on the review of these business continuity management systems (BCMS) and plans in line with best practices, standards and guidelines to ensure operational resilience during disruptions, that the plans remain relevant, responsive and effective during disruptions, to minimise downtime and impact on critical business functions.



COMPLIANCE MANAGEMENT

The organisation recognises the maintenance of a high standard of compliance, and adherence to regulatory requirements outlined in PFMA, National Treasury Regulations, and other relevant regulatory requirements and guidelines minimising legal and regulatory risks. The organisation has approved the Compliance Policy and Framework to demonstrate strict compliance in all its operational activities ensuring legal and ethical compliance. Annual compliance training and awareness programmes were conducted to educate employees on compliance responsibilities to promote and foster a compliance-aware culture across the organisation.



MINIMISING CONFLICT OF INTEREST

All employees are also required to complete annual declarations of interest, declare interest at the beginning of each meeting and when there is a change in the status of their interest.

CODE OF CONDUCT

NEMISA has a 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.



HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

NEMISA achieved significantly on the Occupational Health and Safety (OHS) compliance milestones with a 96.92% rating at the end of the financial year. NEMISA showed its exceptional status and commitment to offering a secure working environment for all parties involved, including employees and students. There were no recorded or reported accidents or incidents on health and safety in the financial year 2023/24.



NEMISA is dedicated to maintaining the current standards while working towards exceeding them. Ongoing improvement efforts are undertaken to enhance the institute's overall OHS policies and practices.

SOCIAL RESPONSIBILITY

OVERVIEW OF INITIATIVES

POLICY REVIEW AND COMMITTEE FORMATION

This annual report highlights the significant strides made by NEMISA Corporate Social Investment (CSI) Committee in promoting education, technological skills, and social welfare among vulnerable communities throughout the year.

KEY CSI PROJECTS AND EVENTS

For 2023/24, NEMISA delivered on the following CSI initiatives:

Robotics and Coding Lessons for Vulnerable Children:

The aim of the initiative was to inspire future leaders and change-makers in robotics and coding. NEMISA launched a pilot project in Gqeberha, Eastern Cape, at the Maranatha Siyakatala Youth Centre. In collaboration with Young Engineers and Scientists of Africa (YESA), ten children participated in activities ranging from using LEGO blocks for unplugged coding to exploring coding on android phones.

Open Robotics Competition and Advanced Training:

NEMISA supported the 2nd Annual Open Robotics Competition at Christian Brother College, Bloemfontein, Free State. The theme was "Autonomous Vehicles," focusing on Line Tracing/Tracking. The NEMISA contributed Samsung tablets and power banks for the 1st prize winners in each category.

Advanced Robotics Training at Central University of Technology (CUT):

The objective of this training was to provide free Science, Technology, Engineering and Mathematics (STEM) education, focusing on robotics, to CUT students. NEMISA provided prizes, including five Samsung tablets and five power banks, for the winning teams.

Casual Day 2023: NEMISA staff participated in Casual Day 2023, which took place on Friday, 1 September 2023, in support of persons with disabilities.

Shoe Donation Initiative: This initiative addressed the critical need for school shoes among underprivileged children in South Africa. A total of 318 pairs of shoes were distributed to schools and social services organisations in the Eastern Cape, Mpumalanga, Northern Cape and Limpopo. These donations have significantly impacted the lives of the recipients, boosting their confidence, and promoting conducive educational conditions.

The CSI activities undertaken throughout the year reflect NEMISA's core values and commitment to making a positive difference in the communities. By extending a helping hand to those in need, NEMISA is not only fulfilling its corporate social responsibility but also fostering a culture of compassion and empathy.

Through targeted advocacy, awareness campaigns, and strategic stakeholder engagement, NEMISA has effectively amplified its mission, particularly within schools and educational communities across all provinces. By participating in key career expos such as the CET Career Expo in QwaQwa, Career Day in Mdantsane, and the Career Exhibition in Rustenburg, as well as launching Cyberlabs like the one at Ntafufu Secondary School in Port St Johns, NEMISA has supported more than 52 schools including working with various partners. These efforts have fostered deeper collaboration and created valuable opportunities, positioning NEMISA as a cornerstone in the digital transformation of South Africa.





REPORT OF THE SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE

Creating a sustainable ethical compliance culture is easier when you have a leadership team that is committed to it and an organisation that knows and understands that its future and reputation depends heavily on it.

During the last five years, the Social, Ethics and Transformation Committee of the Board has put in place various guardrails and safeguards to ensure that every member of the team is on the same page, that they understand the ethical expectations the same, that we partner with organisations that share our values and that we affect the necessary change that would propel the organisation forward. But more importantly, that we continue to create value for our shareholder, all stakeholders and the society from where we derive our social license.

We could achieve all this on behalf of the Board because we understand our responsibilities, as outlined in the Terms of Reference well. And, as outlined below, SETCOM met all its fiduciary and oversight obligations on behalf of the Board:

- **Social and Good Corporate Citizenship**

Taking into account the size of the organisation, its limited resources and its operations and structure, NEMISA understands its important role to play in society and also the bountiful benefits of being a good corporate citizen.

Towards this end, SETCOM approved the Corporate Social Investment Policy that outlines how we would entrench ourselves as a responsible organisation and how such impact would be measured.

Monitoring our responsibility towards society through a clearly crafted strategy and quarterly reports also allowed the Board to ensure that we partner with organisations and communities that would appreciate and value our involvement.

- **Ethics Management**

Building on the exceptional work done in previous years, SETCOM set out as a priority for the period under review, embedding and strengthening ethics as part of the organisational culture. As a result, focus were on the Fraud Prevention and Awareness Plan and creating a speak-up culture through the protected disclosure mechanisms and build transparency and accountability that are central to the culture we seek to strengthen.

- **Transformation**

With the UN Global Compact Principles and the Sustainable Development Goals as well as government's emphasis on digital transformations and innovations, NEMISA's Transformation and Change Strategy, reviewed during this period, remains the guide to ensure that the organisation remains relevant, that its purpose is aligned to national and international demands and that the organisation is equipped and properly resourced.

- **Safety, Health and Environment**

The move to Auckland Park continued to have ramifications during the year in review as all SHE policies and processes had to be realigned with

the new procedures and layout of the building. And while this caused some internal problems that impacted on employee morale and satisfaction, through a few readjustments or our strategies, closer working relationship with the HR and Remuneration Committee, those problems could be identified and dealt with immediately.

• Communications and Stakeholder Management

Jealously guarding the reputation and integrity of the organisation, SETCOM occasionally received reputational risk reports that would highlight the likelihood of an occurrence as well as the impact it would have on the organisation.

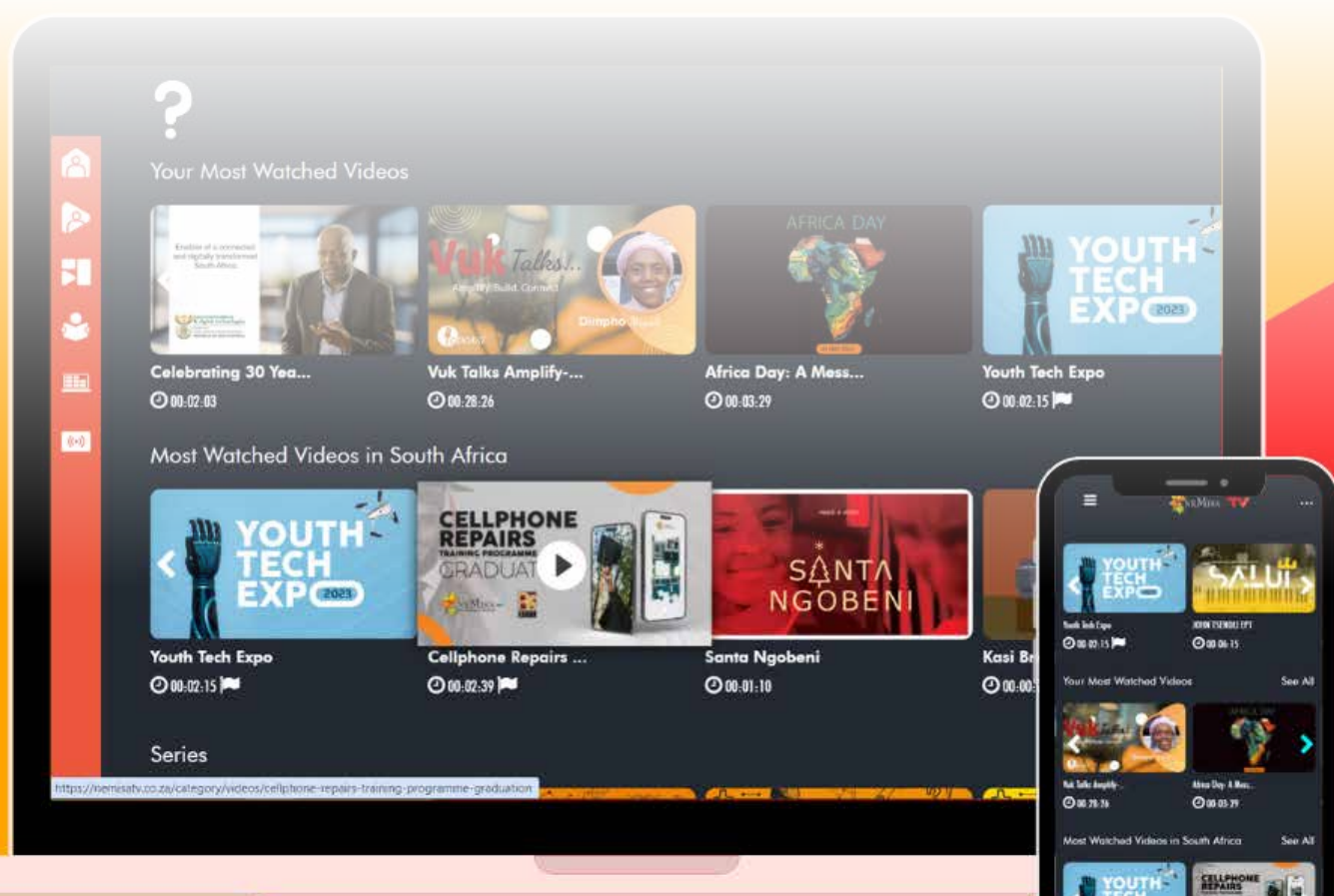
Dealing with these threats as and when it happened, SETCOM was able to advise the organisation and the Board on most appropriate ways to minimise the risk, deal with it more effectively and protect the integrity of the organisation.

While 2023/24 has not been without any challenges, the transitions and changes that the organisation underwent

during the period prepare it well for the future and while much work has been done during the previous years, the next couple of years should be about entrenching the right culture, dealing effectively and decisively with habits and traits that would threaten an ethics and compliance culture and to ensure that the skills required for this culture is continuously developed and complemented.

FOCUS AREAS FOR 2023/24

- Review Code of Ethics and Conduct to ensure that there is alignment between expected conduct and ethics and the new values
- Finalise review of Sexual Harassment Policy to include all sorts of harassment that a diversified workforce might experience
- Focus on stakeholder engagement to drive transformation and change strategy in a meaningful way
- Conduct Ethics Risk Assessment to ensure that ethical threats are identified and addressed





PART D HUMAN RESOURCES MANAGEMENT

INTRODUCTION

OVERVIEW OF HUMAN RESOURCES (HR) MATTERS AT THE PUBLIC ENTITY:

- **Set HR priorities for the year under review and the impact of these priorities:**

NEMISA prioritised the availability of the required human resources to ensure that the Institute was capacitated to deliver on its mandate. The HR priorities for the year under review and their impact were as follows:

- **Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce:**

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 and approved structure. Other appointed skilled employees were additional to the structure to assist with the deliverables linked to projects. The Institute was also guided by the Employment Equity Plan, the approved Recruitment and Selection Policy as well as the approved Remuneration and Benefits policy.

The staff complement for 2023/24 was 35. The total number of filled positions was based on the previously approved structure of 48 positions. Not all permanent positions could be filled due to a previous moratorium.

- **Employee performance management framework:**

The NEMISA Board approved the reviewed Performance Management Framework and Policy in January 2024. The standardised performance agreements have been reviewed and are being implemented with dedicated key performance areas for different occupational levels. As far as the 2023/24 performance review cycle is concerned, employees were assessed in line with the applicable approved 2021 Performance Management Framework and Policy.

- **Employee wellness programmes:**

As a result of COVID-19, NEMISA's Hybrid Work Policy was approved by the Board in January 2023. The policy continues to help the Institute to put all necessary measures in place to ensure the successful implementation of wellness programmes that benefit the employees including work-life balance of employees.

During quarter two of the financial year under review, NEMISA re-appointed an external service provider for three years to provide an effective, comprehensive employee wellness service to all NEMISA employees. Monthly reports submitted to management to give the picture of the utilisation of the services by all employees, interns and students.

- **Policy development:**

The following policies were reviewed and approved during the year under review:

- Performance Management Framework and policy
- Workforce Mobility policy
- Employee Remuneration and Benefits policy
- Recruitment and Selection policy
- Disciplinary Code and Procedure policy
- Membership Subscriptions policy
- Salary Advance policy

- **Highlight achievements:**

The Compensation for Occupational Injuries and Diseases (COID) Assessment was once again successfully submitted online to the Department of Employment and Labour (DoE&L). As always, NEMISA received the proof of registration certificate and Letter of Good Standing from the DoE&L thereafter. 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 DoE&L. As per the Employment Equity Act (EEA No 55 of 1998), the Institute submits its Employment Equity Report annually to the DoE&L. These statutory reports of the DoE&L. They enable employers to comply with Section 21 of the approved Statutory Employment Equity Report and it was successfully submitted online to the DoE&L in January 2024.

All employees disclosed and acted in good faith by submitting their individual Annual Declaration of Interest Forms. The submission 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 guiding NEMISA to comply with different authorities such as the DoE&L and the MICT SETA. Such reports

play a significant role in improving the Institute's performance. All the required HR compliance reports were submitted on time in the year under review.

Thirty-eight (38) interns were appointed in the Support Services and Multi-Media Production House Unit.

The long service awards were paid out to the qualifying employees for the year under review.

NEMISA reviewed organisational structure that was approved by the DCDT Minister in July 2023.

- **Challenges faced by the public entity:**

Appointment of staff on a fixed-term basis is a challenge to NEMISA and is being managed carefully to avoid instability.

Low staff morale due to the non-implementation of the reviewed approved organisational structure is also being acknowledged and managed.

- **Future HR plans/goals:**

The Human Resources function is poised to enhance its Human Capital Strategy, with the approval of its Talent Management Strategy as well as the approval of the new organisational structure, which is planned to be populated during the new financial year. A Retention

and Succession Planning Policy and Plans will be finalised and submitted to the Board for approval during the second quarter of the new financial year. The Retention Plan will result in dedicated management of our staff retention efforts with an exit strategy to guide our responses to address any staff exits within the control of NEMISA. The succession plan will guide NEMISA to ensure succession in executive and identified positions via the establishment of a talent pipeline, which would be managed with inputs from the performance management system and our skills development policy.

New tools are to be developed to enhance the human resources' function. These include service delivery questionnaires, internal service level agreements, questionnaires to demonstrate return on investment for training and development, knowledge transfer and mentoring plans, and exit interview questionnaires.

In addition to the above, a Change and People Management Programme will be developed in consultation with all staff. The Programme is aimed at creating a high-performing culture at NEMISA, with modules such as creating or fostering cultures of competence, performance, compliance and security awareness.



HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme	Expenditure for the entity R'000	Personal Expenditure R'000	Personal exp. as a % of total exp. R'000	No. of employees	Average personnel cost per employee R'000
Programme 1	54 660	23 005	13%	24	959
Programme 2	-				
Programme 3	118 789	10 660	6%	13	820
Programme 4	2 995				
Programme 5	221				
TOTAL	176 665	33 665	19%	37	910

PERSONNEL COST BY SALARY BAND

Level	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	3 150	9%	2	1 575
Senior Management	1 232	4%	2	616
Professional qualified	8 870	26%	8	1 109
Skilled	18 084	54%	19	952
Semi-skilled	2 327	7%	6	388
Unskilled	-	-	-	-
TOTAL	33 665	100%	37	910

PERFORMANCE REWARDS

Programme/activity/objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	231	3 150	7%
Senior Management	0	1 232	0%
Professional qualified	1 051	8 870	12%
Skilled	1 257	18 084	7%
Semi-skilled	299	2 327	13%
Unskilled	-	-	-
TOTAL	2 838	33 665	8.4%

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		286	1%	7	41
Short-term Training		191	1%	15	13
Professional body membership		48	0%	7	7
Staff Training workshops		773	2%	76	10
Personnel Expenditure	33 665		0%		
TOTAL	33 665	1 298	4%	105	12

EMPLOYMENT AND VACANCIES

Level	2022/2023 No. of Employees (#)	2023/24 Approved Posts (#)	2023/24 No. of Employees (#)	2023/24 Vacancies (#)	% of vacancies (%)
Top Management	1	3	1	2	67%
Senior Management	2	2	1	1	50%
Professional qualified	11	7	8	0	0%
Skilled	20	28	19	9	32%
Semi-skilled	8	8	6	2	25%
Unskilled	0	0	0	0	0%
TOTAL	42	48	35	14	29%

- The internal staff do not apply for the advertised posts due to not meeting the minimum requirements of such positions.
- The vacancies have remained unfilled for a minimum period of eight months. This was due to the reviewed organisational structure and its implementation delays thereof.
- Continuous staff training and development for upskilling and career purposes are employed together with providing opportunities to staff to act in vacant positions are some of the measures that have been taken to retain staff. In addition, the Institute enabled fixed-term appointments to assist in alleviating capacity constraints experienced by existing staff, and to ensure the sustained performance of NEMISA against its APP.

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.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	1	1	1
Senior Management	2	1	2	1
Professional qualified	11	0	3	8
Skilled	20	3	4	19
Semi-skilled	8	0	2	6
Unskilled	0	0	0	0
TOTAL	42	5	12	35

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	6	50%
Dismissal	1	8%
Retirement	2	17%
Ill health	0	0%
Expiry of contract	3	25%
Other	0	0%
Total	12	100%

Some staff left due to greener pastures elsewhere, end of employment contracts and one left due to being dismissed.

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	0
Dismissal	1
Total	2

Diversity, Equity and Inclusion

NEMISA is committed to diversity, equity and inclusion with the aim of building an organisation that thrives as a result of contributions by people from different backgrounds. For the year under review, NEMISA made an effort to elevate this key area to a strategic level by HRRNC having a special session. The session adopted an approach that says Diversity, Equity and Inclusion must be cross-cutting in all human resources activities at NEMISA including attracting people from different backgrounds, development of employees, dealing decisively with any challenge that may undermine this aspiration. Various policies were updated, the employment equity plan was also updated and various staff activities including teambuilding sessions were undertaken to entrench diversity, equity and inclusion.

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	1	0	1	0	1
Senior Management	0	2	0	0	0	0	0	1
Professional qualified	1	3	1	0	1	0	0	0
Skilled	7	10	0	5	0	3	1	2
Semi-skilled	1	1	0	1	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	10	17	1	7	1	4	1	4

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	2	0	1	0	0	0	0
Senior Management	1	5	0	1	0	1	0	1
Professional qualified	5	2	1	1	0	1	0	1
Skilled	8	8	1	3	0	2	1	2
Semi-skilled	3	1	1	1	0	0	1	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	17	18	3	7	0	4	2	5

Level	PEOPLE LIVING WITH DISABILITIES			
	African		Coloured	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	1	0	0
Skilled	0	0	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	0	1

- Due to the delayed implementation of the approved reviewed organisational structure, many positions could not be advertised for filling. The placement committee, composed of different stakeholders, was established during the year under review to obtain approval for filling vacancies before the end of the financial year. Since the process is underway, the plan is to complete it in the next financial year. A dedicated attempt would be made to ensure NEMISA meets its employment equity targets, as well as to encourage people living with disabilities to apply for vacant positions during the implementation of the new organisation structure.



PART E PFMA COMPLIANCE **REPORT**

INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

RECONCILIATION OF IRREGULAR EXPENDITURE

A) RECONCILIATION OF IRREGULAR EXPENDITURE

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	10 224	63 174
Add: Irregular expenditure confirmed	198	2 175
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	-17
Less: Irregular expenditure not recovered and written off	0	-55 108
Closing balance	10 422	10 224

RECONCILING NOTES TO THE FINANCIAL STATEMENTS

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure that was under assessment in 2022/23	2 175	0
Irregular expenditure that relates to 2022/23 and identified in 2023/24	0	1 605
Irregular expenditure for the current year	198	570
Total	2 373	2 175

A) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	-	0
Irregular expenditure under determination	-	0
Irregular expenditure under investigation	198	570
Total	198	570

B) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure under assessment	198	570
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	198	570

A) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED - (NOT CONDONED)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

A) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure recovered	0	0
Total	0	0

A) DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

Description	2023/2024 R'000	2022/2023 R'000
Irregular expenditure written off	0	55 108
Total	0	55 108

A) DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

Disciplinary steps taken
The employees that were involved in any misconducts were issued with written warnings letters.

FRUITLESS AND WASTEFUL EXPENDITURE

A) RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

Description	2023/2024 R'000	2022/2023 R'000
Opening balance	1 560	1 557
Add: Fruitless and wasteful expenditure confirmed	82	4
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	1
Closing balance	1 642	1 560

Incident Student Stipends

The Risk and Compliance unit has completed their investigation. The Board's resolution that any negligence by the officials will result in the recovery of funds from those officials in agreed-upon installments

Incident Traffic Fines

Traffic fine administration costs from rental cars during official business travel will be recovered via acknowledgment of debt or direct payment to the NEMISA bank account

RECONCILING NOTES

Description	2023/2024 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	0	0
Fruitless and wasteful expenditure that relates to 2023/2023 and identified in 2023/2024	0	0
Fruitless and wasteful expenditure for the current year	82	3
Total	82	3

A) DETAILS OF CURRENT AND PREVIOUS YEAR MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Material losses through criminal conduct	2023/2024 R'000	2022/2023 R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

B) DETAILS OF OTHER MATERIAL LOSSES

Nature of other material losses	2023/2024 R'000	2022/2023 R'000
None	0	0
Total	0	0

C) OTHER MATERIAL LOSSES RECOVERED

Nature of losses	2023/2024 R'000	2022/2023 R'000
None	0	0
Total	0	0

D) OTHER MATERIAL LOSSES WRITTEN OFF

Nature of losses	2023/2024 R'000	2022/2023 R'000
None	0	0
Total	0	0

INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

Material losses through criminal conduct	Number of invoices R'000	Consolidated value R'000
Valid invoices received	1 560	R126 404
Invoices paid within 30 days or agreed period	1 276	R117 368
Invoices paid after 30 days or agreed period	123	R4 858
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	161	R4 178

The primary reason for the majority of invoices being settled beyond the 30 days is due to disputes with the travel management agency concerning travel invoices. These disputes include discrepancies between purchase orders and invoices, resulting in certain invoices remaining unpaid

INFORMATION ON SUPPLY CHAIN MANAGEMENT

I. PROCUREMENT BY OTHER MEANS

Project Description	Name of supplier	Type of Procurement by other means	Contract Number	Value of contract R'000
Programme 3 - e-Astuteness development	CENTRAL UNIVERSITY OF TECHNOLOGY	Memorandum of Association	01	3 175
Programme 3 - e-Astuteness development	DURBAN UNIVERSITY OF TECHNOLOGY	Memorandum of Association	02	3 175
Programme 3 - e-Astuteness development	NORTHWEST UNIVERSITY OF TECHNOLOGY	Memorandum of Association	03	2 475
Programme 3 - e-Astuteness development	UNIVERSITY OF MPUMALANGA	Memorandum of Association	04	3 875
Programme 3 - e-Astuteness development	LIMPOPO UNIVERSITY	Memorandum of Association	05	3 175
Programme 3 - e-Astuteness development	UNIVERSITY OF WESTERN CAPE	Memorandum of Association	06	3 875
Programme 3 - e-Astuteness development	VAALE UNIVERSITY OF TECHNOLOGY	Memorandum of Association	07	5 375
Programme 3 - e-Astuteness development	WALTER SISULU UNIVERSITY	Memorandum of Association	08	4 675

II. CONTRACT VARIATIONS AND EXPANSIONS

Project Description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s R'000	Value of current contract expansion or variation R'000
Internal Audit	SNG GRANT THORNTON	Variation	CNT35	3 064	460	3 524
Organisational structure	ILITHA	Variation	POG40	906	135	1 041



PART F FINANCIAL INFORMATION

BOARD OF DIRECTORS' 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 2025 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 page 6.

The annual financial statements set out on pages 8 to 42, which have been prepared on the going concern basis, were approved by the board of members on 31 July 2024 and were signed on its behalf by:



Ms. MM Leshabane
Board Chairperson



AUDIT COMMITTEE REPORT

MR ZACK LE-GUMA

LEGISLATIVE REQUIREMENTS

The audit committee herewith presents its report for the financial year ended 31 March 2024, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with treasury regulation 27.1.10

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The audit committee was established in accordance with sections 38(1)(a)(ii) and sections 51(1)(a)(ii)] and 77 of the

PFMA. The audit committee charter requires that the audit committee comprises a minimum of three members, the majority of whom should be non-executive members. The audit committee comprises five (5) members, including the chair.

In terms of section 77(b) of the PFMA, the audit committee must meet at least twice a year. During the financial year ended 31 March 2024, the audit committee met on ten (10) occasions.

The table below shows the attendance at these meetings:

MEMBER	MEETING 1	MEETING 2	MEETING 3	MEETING 4	MEETING 5	MEETING 6	MEETING 7	MEETING 8	MEETING 9	MEETING 10	ATTENDANCE
Mr. Zack Le Guma	1	1	1	1	X	1	1	1	1	1	9/10
Mr. Lionel Addendorf	1	1	1	1	1	1	1	1	1	1	10/10
Mr. Melvyn Lubega	1	1	1	1	1	1	1	X	X	1	8/10
Ms. Nomonde Hlatshaneni	1	1	1	1	1	1	1	1	1	1	10/10
Ms. Nyari Samushonga	X	X	X	X	X	X	X	X	X	X	0/10

The members of the audit committee held meetings with the accounting officer, senior management of NEMISA, the internal audit function, and the external auditors, collectively and individually, on matters related to governance, internal control, and risk, throughout the reporting period.

AUDIT COMMITTEE RESPONSIBILITIES

The audit committee has complied with its responsibilities arising from [section 38(1)(a)(ii) of the PFMA read with treasury regulation 3.1.10 or section 51(1)(a)(ii) of the PFMA read with treasury regulation 27.1.8], and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

EFFECTIVENESS OF INTERNAL CONTROLS

The audit committee acknowledges management's efforts to strengthen internal controls in the entity. 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 through the risk management process.

During the year under review, the Auditor-General of South Africa and the internal auditors have made recommendations to improve internal controls. The Committee has noted this and requested that management devise and implement mitigation strategies to address these. The Committee will monitor this at each committee meeting until fully implemented.

THE QUALITY OF MANAGEMENT AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The audit committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework.

THE INTERNAL AUDIT FUNCTION

The accounting officer is obliged, in terms of the PFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee. The audit committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

THE RISK MANAGEMENT FUNCTION

The management team is responsible for the oversight of the risk management function. The audit and risk management committee has insight into risk reporting, which includes the risk registers and fraud prevention plans, which are tabled at audit and risk meetings before submission.

EVALUATION OF THE FINANCE FUNCTION

The chief financial officer role has been vacant during the financial year. This resulted in the finance function operating sub-optimally for that period, however an acting chief financial officer was appointed. The entity is currently in the process of appointing a permanent chief financial officer.

On the whole, the audit committee is satisfied with NEMISA's finance function during the year under review.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The audit committee has reviewed the annual financial statements, which focused on the following:

- Significant financial reporting judgments and estimates contained in the annual financial statements.
- Clarity and completeness of disclosures.
- Quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements.
- Significant adjustments and/or unadjusted differences resulting from the audit.
- Reasons for major year-on-year fluctuations.
- Asset valuations and revaluations.
- The basis for the going concern assumption, including any financial sustainability.
- Reviewed and discussed the audited Annual Financial Statements to be included in the annual report, with the Auditor-General of South Africa and the Chief Executive Officer.
- Reviewed the Auditor-General of South Africa's management report and management's response thereto.
 1. Reviewed the entity's compliance with legal and regulatory provisions.
 2. Reviewed the information on predetermined objectives to be included in the annual report; and
 3. Reviewed significant adjustments resulting from the audit.

CONCLUSION

The audit committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements.

The committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The audit committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The audit committee concurs with the material findings on the reported performance information and compliance with legislation. The audit committee has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, for the year ended 31 March 2024, that the company has lodged with the Commissioner of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



Company Secretary

Ms. P. Swarts

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA

OPINION

1. I have audited the financial statements of the National Electronic Media Institute of South Africa set out on pages 71 to 105, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice Standards (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 responsibilities of the auditor-general 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.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

6. 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.

7. 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.

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

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 68 to 70, forms part of my auditor's report.

REPORT ON THE ANNUAL PERFORMANCE REPORT

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to e-Astuteness Development presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of learners trained in digital literacy.
 - Number of SMMEs trained in digital entrepreneurship.
 - Number of learners trained in creative media through learner-ships (including radio, TV) (Focus on the unemployed).
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.

OTHER MATTER

16. I draw attention to the matter below:

ACHIEVEMENT OF PLANNED TARGETS

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.
18. The table that follows provides information on the achievement of a planned target and lists the key indicator that was not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 18 to 20.

E-ASTUTENESS DEVELOPMENT

Targets achieved: 89%		
Budget spent: 100%		
KEY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
3.8 Number of Learners trained in ICT training programmes	30 000	269

REPORT ON COMPLIANCE WITH LEGISLATION

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

23. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
28. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2024



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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 material performance indicators and on the public entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

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
- conclude on the appropriateness of the 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 public entity 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

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.

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.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2) (c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1) Section 57(b). Section 66(3) (c)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR), 2005	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.2(a); 16A 6.1; 16A 6.2(a) & (b); 16A 6.3(a); 16A ; 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.3; 16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii) Treasury Regulation 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c) Treasury Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4) Section 46(1)(a); 46(1)(b); 46(1) (c') Section 112(2)(a). Section 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.17 Paragraph 7.2; 7.6

Legislation	Sections or regulations
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 11 2020/21	Paragraph 3.4 (a) and (b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice Note 5 of 2009/10	Paragraph 3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice notes 7 of 2009/10	Paragraph 4.1.2
Practice notes 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		2024	2023
	NOTE(S)	R	R
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	3	16,759,986	6,630,068
Prepayments	4	384,055	539,654
Cash and cash equivalents	5	9,183,277	38,253,772
		26,327,318	45,423,494
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,248,484	5,186,656
Intangible assets	7	665,204	665,204
		9,913,688	5,851,860
Total Assets		36,241,006	51,275,354
LIABILITIES			
CURRENT LIABILITIES			
Payables from exchange transactions	8	17,364,554	17,233,561
Unspent conditional grants and receipts	9	7,000,000	76,062
Long service awards	23	56,979	-
Operating lease liability		1,842,540	1,594,562
Non-exchange revenue liability	10	-	15,347,683
		26,264,073	34,251,868
NON-CURRENT LIABILITIES			
Long service awards	23	276,717	289,562
Total Liabilities		26,540,790	34,541,430
Net Assets		9,700,216	16,733,924
Accumulated surplus		9,700,216	16,733,924
Total Net Assets		9,700,216	16,733,924

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	NOTE(S)	R	R
REVENUE			
Exchange revenue	11	51,962,000	9,863,384
Non-exchange revenue	11	116,155,385	134,745,157
Interest received	12	1,336,089	3,502,608
Other income	13	178,044	232,300
Total revenue		169,631,518	148,343,449
EXPENDITURE			
Employee related costs	14	(30,538,384)	(31,791,081)
Directors' emoluments	20	(5,120,196)	(4,810,849)
Audit fees		(2,093,238)	(1,980,483)
Network expenses		(3,545,188)	(4,237,253)
Professional fees outsourced services		(781,678)	(422,359)
Consulting		(4,815,409)	(5,922,518)
Repairs and maintenance		(705,913)	(2,455,238)
Depreciation and impairment loss	6	(2,426,093)	(1,930,833)
Debt Impairment		(1,203,772)	-
Lease rentals on operating lease	15	(7,750,349)	(7,358,237)
Loss on disposal of assets		(129,980)	(165,003)
Operating Expenses	16	(117,555,025)	(88,587,975)
Total expenditure		(176,665,225)	(149,661,829)
Surplus (deficit) for the year		(7,033,707)	(1,318,380)

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	ACCUMULATED SURPLUS / DEFICIT R	TOTAL NET ASSETS R
Opening balance as previously reported	18,443,494	18,443,494
Adjustments		
Correction of errors	(391,190)	(391,190)
Balance at 01 April 2022 as restated*	18,052,304	18,052,304
Changes in net assets		
Surplus for the year	(1,318,380)	(1,318,380)
Total changes	(1,318,380)	(1,318,380)
Balance at 01 April 2023	16,733,923	16,733,923
Changes in net assets		
Surplus for the year	(7,033,707)	(7,033,707)
Total changes	(7,033,707)	(7,033,707)
Balance at 31 March 2024	9,700,216	9,700,216

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	NOTE(S)	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Other receipts		40,803,656	13,584,515
Grants		107,731,640	102,121,000
Interest income		1,336,089	3,502,608
		149,871,385	119,208,123
PAYMENTS			
Employee costs		(33,824,606)	(36,477,536)
Suppliers		(138,499,374)	(103,435,037)
		(172,323,980)	(139,912,573)
Net cash flows from operating activities	17	(22,452,595)	(20,704,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(6,617,901)	(888,366)
Net increase/(decrease) in cash and cash equivalents		(29,070,496)	(21,592,816)
Cash and cash equivalents at the beginning of the year		38,253,772	59,846,592
Cash and cash equivalents at the end of the year	5	9,183,276	38,253,776

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

	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						
Exchange Revenue	11,125,340	-	11,125,340	51,962,000	40,836,660	1
Other income	-	-	-	178,044	178,044	
Interest received	-	-	-	1,336,089	1,336,089	2
Total revenue from exchange transactions	11,125,340	-	11,125,340	53,476,133	42,350,793	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Non-exchange revenue	103,104,000	(4,676,000)	98,428,000	116,155,385	17,727,385	3
Total revenue	114,229,340	(4,676,000)	109,553,340	169,631,518	60,078,178	
EXPENDITURE						
Personnel	(33,664,985)	-	(33,664,985)	(33,664,985)	-	
Remuneration of non-executive directors	(1,729,000)	-	(1,729,000)	(1,993,597)	(264,597)	
Audit fees	(2,093,238)	-	(2,093,238)	(2,093,238)	-	
Network expenses	(3,545,188)	-	(3,545,188)	(3,545,188)	-	
Depreciation	(2,426,094)	-	(2,426,094)	(2,426,093)	1	
Debt Impairment	-	-	-	(1,203,772)	(1,203,772)	4
Professional fees and Consulting services	(5,483,287)	-	(5,483,287)	(5,597,084)	(113,797)	
Repairs and maintenance	(540,916)	-	(540,916)	(705,913)	(164,997)	
Lease rentals on operating lease	(7,750,349)	-	(7,750,349)	(7,750,349)	-	
Operating expenses	(56,996,283)	4,676,000	(52,320,283)	(117,555,026)	(65,234,743)	5
Total expenditure	(114,229,340)	4,676,000	(109,553,340)	(176,535,245)	(66,981,905)	
Operating deficit	-	-	-	(6,903,727)	(6,903,727)	
Loss on disposal of assets	-	-	-	(129,980)	(129,980)	
Deficit before taxation	-	-	-	(7,033,707)	(7,033,707)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(7,033,707)	(7,033,707)	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

The excess of actual expenditure over the final budget of 10% and amount of R1million are considered material variances. The Budgeted surplus was allocated to computer expenditure as per the final budget. There was no surplus budgeted.

1. NEMISA surpassed its budget by earning R40.84 million in revenue from short courses for self-funded projects, primarily as a result of completing the majority of projects in the 2023-2024 fiscal year.
2. Exceeding the budget by R1.34 million was attributed to interest earned on surplus cash at the reserve bank, which was not included in the budget.
3. Exceeding the budget by R17.73 million was due to extra training conducted in the 2023/2024 financial year. This led to higher actual expenditure and a reduction in non-exchange liability.
4. A provision was made for doubtful rental deposit payments owed to NEMISA by the previous landlord, leading to uncertainty about recovering the outstanding rental deposit that was not budgeted for.
5. Surpassing the budget by R65.23 million was a result of the budget reduction, extra training carried out in the 2023-2024 financial year and the finalization of self-funded projects.

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

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. The level of rounding is the nearest Rand

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

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

1.3 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.

1.4 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.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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

LONG SERVICE AWARDS

Liabilities were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 1.11&23 -Long service awards.

OTHER LONG-TERM EMPLOYEE BENEFITS

The present value of the Long Service Award obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of Long service obligations.

The entity determines the appropriate discount rate at the end of each year using the prime interest rate. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related Long service liability.

ALLOWANCE FOR DOUBTFUL DEBTS

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition. If there is no future cash flow expected the present value of estimated future cash flows is Rnil.

MATERIALITY

Applying materiality is pervasive to the preparation of financial statements. Materiality is a key consideration in deciding how to apply the Standards of GRAP when preparing the financial statements. Information is material if its omission or misstatement has the potential to influence the decisions of users or affect the discharge of accountability by the entity.

Applying materiality in the preparation of annual financial statements requires the entity to make key assessments and decisions. Key assessments and decisions made in considering materiality, are as follows:

- Identification of users and their information needs
- Assessing information based on nature and size, by developing qualitative considerations and quantitative thresholds
- Application of materiality in preparing the financial statements:

- Developing accounting policies
- Deciding what information to disclose
- Deciding how to present information
- Assessing omissions, misstatements and errors

The assessments and decisions are considered throughout the financial reporting cycle, and not only when annual financial statements are prepared.

1.6 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 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.

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.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	USEFUL LIVES
Buildings	Straight-line	26
Furniture and fixtures	Straight-line	1 - 18
Motor vehicles	Straight-line	8
Office equipment	Straight-line	8 - 26
Computer equipment	Straight-line	3 - 28
Canteen equipment	Straight-line	9 - 10
Television equipment	Straight-line	4 - 22
Radio equipment	Straight-line	5 - 25

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.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

1.7 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 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.

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.

1.8 FINANCIAL INSTRUMENTS

NEMISA has various types of financial instruments and those can be broadly categorised as either financial assets or financial liabilities.

A financial asset is any asset that is cash or contractual right to receive cash. The entity has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Receivables from exchange transactions
- Cash and cash equivalent
- Rental deposit

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The entity has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Payables from exchange transactions
- Non-exchange revenue liability

MEASUREMENT

Financial liabilities and financial assets are recognised and measured in accordance with GRAP104.45-56 Financial instruments are amortised cost are initially measured at fair value and subsequently measured at amortised cost.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets. If there is such evidence the recoverable amount is estimate and an impairment loss is recognised in accordance with GRAP104

Initially Receivables from exchange transactions are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current

A provision of impairment is the difference between the asset's carrying amount and the present value of estimate future cash flow, discounted at the effective interest rate.

Receivables from exchange transactions are states at cost less provision for impairment. The provision is made in accordance with GRAP 104.61-63 whereby the recoverability of Recievable is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics.

The carrying amount of the financial asset is reduced through the use of an allowance account. When receivables from exchange is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously writted off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

- a residual interest of another entity; or

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 asset measured at amortised cost
Non-exchange revenue liability	Financial asset measured at amortised cost

1.9 LEASES

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.

1.10 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 assets is determined using the following approach:

DEPRECIATED REPLACEMENT COST APPROACH

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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.

1.11 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.

Other Long-term employee benefits

NEMISA provides for long service awards. Management estimates the value of NEMISA's obligation in this regard at each reporting date. Refer to Note 23.

1.12 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 .

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.

1.13 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.

1.14 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.

RENDERING OF SERVICES

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as per the verification report .

1.15 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.

1.16 INVESTMENT INCOME

Investment income is recognised in the period it is earned with the relevant bank institution.

1.17 COMPARATIVE FIGURES

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

1.18 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.

Fruitless and wasteful expenditure is recorded in the financial statements when a transaction is recognised as expenditure in the Statement of Financial Performance in accordance with GRAP.

A separate register is kept and maintained for historical fruitless and wasteful expenditure incurred in previous reporting periods and not addressed.

Refer to note for details of fruitless and wasteful expenditure.

1.19 IRREGULAR EXPENDITURE

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,

Irregular expenditure is recorded in the financial statements when a transaction is recognised as expenditure in the Statement of Financial Performance in accordance with GRAP.

1.20 BUDGET INFORMATION

Entity are 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 2023/04/01 to 2024/03/31.

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.

Comparative information is not required.

1.21 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.

1.22 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. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact is not material.
GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact is not material.
GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2023	The impact is not material.

2.2 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 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet determined	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unable to reliably estimate the impact

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024 R	2023 R
Trade debtors	16,759,987	5,426,297
Allowance for impairment	(1,203,773)	(1)
Deposits	1,203,772	1,203,772
	16,759,986	6,630,068

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2024, trade and other receivables of R 16,759,987 (2023: R 5,426,297).

The amount of the provision was R 1,230,772 as of 31 March 2024 (2023: R -).

The ageing of these receivables is as follows:

0 to 3 months	16,759,987	5,426,296
Over 6 months	1,230,772	-

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

Opening balance	-	2,325,254
Provision for impairment	(1,230,772)	-
Amounts written off as uncollectible	-	(2,325,254)
	(1,230,772)	-

The amount written off as bad debt relates to a impairment provision that was raised over in FY2021/22 and FY2020/21 financial year. The debtors have been in NEMISA record over the period of seven years and allowance for impairment amounting to R2 325 252. Recovery of debt was unsuccessful, and further action is not cost-effective or highly unlikely to succeed as debtors has been prescribed. The Board approved to write of the bad debt.

NEMISA is entitled to the remaining deposit of R1 203 772, which should have been paid within 90 days of the lease agreement termination, which occurred on May 31, 2022. There is evidence of impairment due to a contract breach. The matter has been referred to the NEMISA legal panel.

4. PREPAYMENTS

The prepaid expense relates to annual software licenses and insurance premium, R384,055 (2023: R539,654).

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	-	8
Bank balances	2,636,090	9,042,666
Corporation for public deposits	6,547,187	29,211,098
	9,183,277	38,253,772

6. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Building	189,396	(142,788)	46,608	189,396	(138,127)	51,269
Furniture and fixtures	209,378	(95,796)	113,582	209,378	(85,962)	123,416
Motor vehicles	529,550	(432,579)	96,971	529,550	(393,790)	135,760
Office equipment	1,832,231	(409,975)	1,422,256	742,599	(297,719)	444,880
Computer equipment	10,559,364	(6,576,218)	3,983,146	8,028,571	(5,319,106)	2,709,465
Canteen	26,961	(13,493)	13,468	26,961	(10,800)	16,161
Television equipment	4,608,020	(2,247,368)	2,360,652	2,732,000	(1,749,903)	982,097
Radio equipment	2,551,542	(1,339,741)	1,211,801	1,830,020	(1,106,412)	723,608
Total	20,506,442	(11,257,958)	9,248,484	14,288,475	(9,101,819)	5,186,656

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2024

	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Building	51,269	-	-	(4,661)	-	46,608
Furniture and fixtures	123,416	-	-	(9,834)	-	113,582
Office equipment	444,880	1,096,000	(793)	(105,581)	(12,250)	1,422,256
Computer equipment	2,709,465	2,813,041	(81,849)	(1,456,539)	(972)	3,983,146
Canteen	16,161	-	-	(2,693)	-	13,468
Television equipment	982,097	1,963,360	(35,974)	(529,255)	(19,576)	2,360,652
Radio equipment	723,608	745,500	(11,364)	(245,943)	-	1,211,801
Motor vehicles	135,760	-	-	(38,789)	-	96,971
	5,186,656	6,617,901	(129,980)	(2,393,295)	(32,798)	9,248,484

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2023

	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Building	54,473	-	-	(3,204)	-	51,269
Furniture and fixtures	147,425	-	(8,967)	(15,042)	-	123,416
Office equipment	273,748	300,547	(73,268)	(54,366)	(1,781)	444,880
Computer equipment	3,484,745	587,819	(28,700)	(1,333,132)	(1,267)	2,709,465
Canteen	23,980	-	(4,553)	(3,266)	-	16,161
Television equipment	1,290,038	-	(14,908)	(293,033)	-	982,097
Radio equipment	950,016	-	(34,606)	(191,802)	-	723,608
Motor vehicles	169,700	-	-	(33,940)	-	135,760
	6,394,125	888,366	(165,002)	(1,927,785)	(3,048)	5,186,656

OTHER INFORMATION

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.

7. INTANGIBLE ASSETS

OTHER INFORMATION

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.

	2024			2023		
	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST 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	477,204	-	477,204
Total	665,204	-	665,204	665,204	-	665,204

	OPENING BALANCE R	TOTAL R
Website development	188 000	188 000
OTT (over-the-top) platform	477 204	477 204
	665 204	665 204

RECONCILIATION OF INTANGIBLE ASSETS - 2023

Website development	188 000	188 000
OTT (over-the-top) platform	477 204	477 204
	665 204	665 204

OTHER INFORMATION

Intangible assets with indefinite lives The intangible asset was tested for impairment and no impairment required: No assets were pledged as security during the year, nor were there any restrictions on any of the asset

	2024 R	2023 R
Website development	188,000	188,000
OTT (over-the-top) platform	477,204	477,204

The useful lives of NEMISA website suite and OTT (over-the-top) platform are considered indefinite. There are no restrictive conditions attached to these software applications. These applications can therefore continue indefinitely. Based on this, indefinite useful lives have been assigned to intangible assets. entity.

8. PAYABLES FROM EXCHANGE TRANSACTIONS

	2024 R	2023 R
Account payables	3,309,477	6,331,798
Income received in advance	-	1
Accrued 13th cheque	176,885	201,222
Accrued leave pay	1,817,698	1,997,118
Other accruals	12,060,494	8,703,422
	17,364,554	17,233,561

The notable increase in other accruals is attributed to services rendered by CoLabs/Partners before year end in 2024 and invoices subsequently received

9. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

UNSPENT CONDITIONAL GRANTS AND RECEIPTS COMPRISES OF:

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

DCDT/BHC funds transfer-Community Radio	7,000,000	76,062
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MOVEMENT DURING THE YEAR

Balance at the beginning of the year	76,062	1,959,636
Additions during the year	7,000,000	934,969
Income recognition during the year	(76,062)	(2,818,543)
	7,000,000	76,062

Received an additional transfer of R7 million from DCDT at the end of the financial year for Cell Phone Repair training. The implementation of the Cell Phone Repairs training is scheduled to commence in May 2024.

Unfulfilled conditions attaching to conditional grants from the British High Commission (BHC) for research in digital skills has been recognised.

10. NON-EXCHANGE REVENUE LIABILITY

NON-EXCHANGE REVENUE LIABILITY COMPRISES OF:

Non-exchange revenue liability	-	15,347,683
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MOVEMENT DURING THE YEAR

Balance at the beginning of the year	15,347,683	44,367,467
CoLab eSkills	(29,302,688)	(21,781,650)
In - House training eSkills	(31,689,995)	(57,374,134)
Additions during the year	45,645,000	50,136,000
	-	15,347,683

11. REVENUE

	2024 R	2023 R
Exchange revenue (Rendering of services)	51,962,000	9,863,384
Interest income	1,336,089	3,502,608
Non-Exchange revenue	116,155,385	134,745,157

THE AMOUNT INCLUDED IN REVENUE ARISING FROM EXCHANGES OF GOODS OR SERVICES ARE AS FOLLOWS:

Exchange revenue (Rendering of services)	51,962,000	9,863,384
Interest income	1,336,089	3,502,608
	53,298,089	13,365,992

THE AMOUNT INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:

TRANSFER REVENUE		
Non-Exchange revenue (Appropriation income)	113,775,683	131,140,784
Conditional grant	2,379,702	3,604,373
	116,155,385	134,745,157

12. INTEREST RECEIVED

INTEREST REVENUE

Bank	1,336,089	3,502,608
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The amount included in interest revenue arising from interest received from the Corporation for public deposits (CPD) investment amounted to R1,336,089 (2023: R3,502,608).

13. OTHER INCOME

Other income	178,044	232,300
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Other income relates to debt recovered from employee and proceeds received from insurance

14. EMPLOYEE RELATED COSTS

Basic	27,725,730	28,717,683
Bonus	2,837,940	2,717,751
Increase/ (decrease) in leave pay accrual	(179,421)	242,280
Long-service awards	154,135	113,367
	30,538,384	31,791,081

15. LEASE RENTALS ON OPERATING LEASE

	2024 R	2023 R
PREMISES		
Lease rentals on operating lease	7,750,349	7,358,237

NEMISA entered into lease agreement with the SABC for a period of five years (01/07/2022 -30/06/2027)

16. OPERATING EXPENSES

DIRECT EXPENDITURE

eSkills roll out expenses	31,949,123	25,743,466
In-house training: Student accommodation	74,903	681,812
In-house training: Student stationery and printing costs	900,176	75,321
In-house training: Student training and examination costs	53,399,892	32,307,857
In-house training: Student stipends	10,783,810	5,650,272
In-house training: Project expenses	13,367,631	16,605,176

OVERHEAD EXPENDITURE

Property rates & taxes	94,776	462,910
Bank charges	286,541	195,171
Insurance	845,296	639,901
Business development/marketing/communication	443,332	514,488
Printing and stationery	77,114	20,933
Software expenses	1,123,986	867,743
Staff welfare	1,737,607	1,992,197
Transportation costs	190,542	1,273,034
Travel and accommodation costs: Staff and Board	2,175,326	1,294,085
Other overhead costs	104,970	263,609
	117,555,025	88,587,975

17. CASH USED IN OPERATIONS

Deficit	(7,033,707)	(1,318,380)
Adjustments for:		
Depreciation	2,426,093	1,930,833
Loss on disposal of assets	129,980	165,003
Impairment deficit	1,203,772	-
Movements in long service liability	44,134	(101,633)
Operating lease liabilities	247,978	1,535,121
Changes in working capital:		
Receivables from exchange transactions	(11,333,690)	1,956,082
Prepayments	155,599	(113,501)
Payables from exchange transactions	130,991	6,145,383
Unspent conditional grants and receipts	6,923,938	(1,883,574)
Non-exchange revenue liability	(15,347,683)	(29,019,784)
	(22,452,595)	(20,704,450)

18. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

2024

FINANCIAL ASSETS

	AT AMORTISED COST R	TOTAL R
Trade and other receivables from exchange transactions	16,759,986	16,759,986
Cash and cash equivalents	9,183,277	9,183,277
	25,943,263	25,943,263

FINANCIAL LIABILITIES

Trade and other payables from exchange transactions	12,853,221	12,853,221
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2023

FINANCIAL ASSETS

	AT AMORTISED COST R	TOTAL R
Trade and other receivables from exchange transactions	5,426,297	5,426,297
Cash and cash equivalents	38,271,160	38,271,160
Rental deposits	1,203,772	1,203,772
	44,901,229	44,901,229

FINANCIAL LIABILITIES

Trade and other payables from exchange transactions	15,035,220	15,035,220
Non-Exchange revenue liability	15,347,683	15,347,683
	30,382,903	30,382,903

19. COMMITMENTS

AUTHORISED CAPITAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR

• Property, plant and equipment	3,788,627	5,668,451
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NOT YET CONTRACTED FOR AND AUTHORISED BY MEMBERS

• Property, plant and equipment	2,859,200	-
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TOTAL CAPITAL COMMITMENTS

Already contracted for but not provided for	3,788,627	5,668,451
Not yet contracted for and authorised by members	2,859,200	-
	6,647,827	5,668,451

19. COMMITMENTS (CONTINUED)

2024
R

2023
R

AUTHORISED OPERATIONAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR

Internal audit service	572,968	1,662,089
Cleaning service	1,082,839	1,825,818
Corporate services	4,506,593	10,220,213
Insurance	-	219,738
IT service	4,344,476	6,020,422
CoLabs - digital skills training	-	12,425,000
Partnerships	-	10,200,000
Digital change maker programme - YaRona	143,244	-
Multi media production	-	658,720
	10,650,120	43,232,000

TOTAL OPERATIONAL COMMITMENTS

Already contracted for but not provided for	10,650,120	43,232,000
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TOTAL COMMITMENTS

TOTAL COMMITMENTS

Authorised capital expenditure	6,647,827	5,668,451
Authorised operational expenditure	10,650,120	43,232,000
	17,297,947	48,900,451

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	7,750,349	7,750,349
• in second to fifth year inclusive	17,438,285	25,188,634
	25,188,634	32,938,983

Operating lease payments represent rentals payable by the entity for its office properties. Leases are negotiated for an average term of five years and rentals are fixed for one year, Annual escalation of 5% from 1 July 2023 to 30 June 2027. No contingent rent is payable.

RENTAL EXPENSES RELATING TO OPERATING LEASES

Minimum lease payments	7,750,349	5,823,116
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20. RELATED PARTIES

RELATIONSHIPS

Members	Refer to members' report note
Shareholder with significant influence	Department of Communications & Digital Technologies
Members of key management	Mr.T Rammitlwa (CEO) Mr.M Chowen (CFO)

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 R52.8 million (2023: R50.2 million) funding for its administrative activities and R45.7 million (2023: R48.2 million) as funding for its strategic objectives from the Department of Communications & Digital Technologies. There was an additional transfer of R7million for Cell phone Repair Training under unspent conditional grants.

RELATED PARTY BALANCES *

AMOUNTS INCLUDED IN TRADE RECEIVABLE (TRADE PAYABLE) REGARDING RELATED PARTIES	2024 R	2023 R
BANKSETA	16,755,750	5,390,000

The transaction entered into with BANKSETA relates to training for digital literacy training, entrepreneurship programme and specialised digital technologies training. NEMISA is a training institute and training activities fall under its normal business activities. The balance are included in trade receivables in the Statement of Financial position.

COMMITMENTS WITH RELATED PARTIES

South African Broadcasting Corporation	25,188,634	32,938,983
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NEMISA entered into lease arrangement for office building with the SABC for a period of five years. Refer to note 19.

RELATED PARTY TRANSACTIONS

The transactions entered into with BANKSETA, PSETA and MICT SETA relates to training activities. The transactions are included in Revenue. NEMISA is a training institute and training activities fall under normal business activities.

COMPENSATION TO MEMBERS AND OTHER KEY MANAGEMENT

Non-executive members	2,006,244	1,921,176
Executive members	3,150,476	2,906,145
Senior managers	1,232,580	2,441,077
	6,389,300	7,268,398

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	5

MEETING FEES OF MANAGEMENT

BOARD MEMBERS 2024	BASIC SALARY R	TRAVEL REIMBURSEMENTS R	CELL PHONE AND DATA ALLOWANCE R	TOTAL R
Ms. MM Leshabane (Board Chairperson)	376,851	3,304	10,200	390,355
Ms. N Hlatshaneni	325,248	146	10,200	335,594
Mr. L Adendorf	275,616	568	10,200	286,384
Mr. M Lubega	179,520	503	10,200	190,223
Ms. T Buswana *	466,752	4,144	10,200	481,096
Ms. DN Samushonga (appointed 01/12/2023)	6,600	-	850	7,450
Mr. Z Le Guma (ARC Chairperson)	300,960	3,983	10,200	315,143
	1,931,547	12,648	62,050	2,006,245

* Ms Buswana is the Programmes and Academic Committee (PAAC) Chairperson, which deals with the core business of NEMISA. In addition to her duties as a Board member, she was required to attend site visits and engage with stakeholders in her capacity as the PAAC Chairperson.

BOARD MEMBERS 2023	BASIC SALARY R	TRAVEL REIMBURSEMENTS R	CELL PHONE AND DATA ALLOWANCE R	OTHER BENEFITS RECEIVED R	TOTAL R
Ms. MM Leshabane - (Board Chairperson)	459,360	11,343	10,200	24,750	505,653
Ms. N Hlatshaneni	295,680	103	10,200	-	305,983
Mr. L Adendorf	287,232	-	10,200	-	297,432
Prof. C Adendorff (resigned 30/10/2022)	88,440	-	5,950	-	94,390
Mr. M Lubega	187,968	365	10,200	-	198,533
Ms. T Buswana	302,016	1,066	10,200	-	313,282
Mr. Z Le Guma (ARC Chairperson)	193,248	2,455	10,200	-	205,903
	1,813,944	15,332	67,150	24,750	1,921,176

20. RELATED PARTIES (CONTINUED)

SENIOR MANAGERS 2024	BASIC SALARY R	ACTING ALLOWANCES R	CELL PHONE AND DATA ALLOWANCES R	TOTAL R
Ms. F Valla (CoSec) - (Fixed term contract ended 20/04/2023)	330,449	-	1,750	332,199
Mrs. B. M. Ramantsi - (Head of Training) (Fixed term contract ended 15/06/2023)	290,297	-	4,469	294,766
Ms. P Swarts (CoSec) - (appointed 01/01/2024)	276,346	-	5,250	281,596
Ms. B Mfaku (Acting CoSec) (01/05/2023 - 31/12/2023)	-	145,238	8,000	153,238
Mr. R. Molukanele (Acting Head of Training) (19/06/2023 - 31/03/2024)	-	170,781	-	170,781
	897,092	316,019	19,469	1,232,580

SENIOR MANAGERS 2023	BASIC SALARY R	BONUSES AND PERFORMANCE RELATED PAYMENTS R	TRAVEL REIMBURSEMENTS R	CELL PHONE AND DATA ALLOWANCES R	TOTAL R
Ms. F Valla (CoSec)	1,129,726	136,152	-	21,000	1,286,878
Mrs. B. M. Ramantsi	1,125,224	-	7,975	21,000	1,154,199
	2,254,950	136,152	7,975	42,000	2,441,077

EXECUTIVE MANAGEMENT 2024

Mr. T Rammitlwa (CEO)	1,844,172	231,183	18,038	33,000	2,126,393
Mr. M Chowan (01/06/2023-31/01/2024)	997,725	-	5,839	20,519	1,024,083
	2,841,897	231,183	23,877	53,519	3,150,476

EXECUTIVE MANAGEMENT 2023

Mr. T Rammitlwa (CEO)	1,806,176	210,951	1,140	33,000	2,051,267
Mr. N Mahlaule (ACFO) (01/04/2022 - 30/03/2023)	854,878	-	-	-	854,878
	2,661,054	210,951	1,140	33,000	2,906,145

Mr.N Mahlaule was seconded from the SABC and received an acting allowance during the secondment period.
Mr.M Chowan was appointed 1 June 2023 and resigned 31 January 2024

21. GOING CONCERN

We draw attention to the fact that at 31 March 2024, the entity had an accumulated surplus of R 9,700,216 and that the entity total assets exceed its liabilities by R 9,700,216.

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.

22. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The Accounting Authority has overall responsibility for the establishment and oversight of the entity's risk management framework. Due to the largely non-trading nature of activities and how they are financed, NEMISA is not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-operational activities and are not held to manage the entity's risks in undertaking its activities.

The Finance unit monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk, and liquidity risk. The internal auditors review compliance with policies and procedures continuously and annually by external auditors. The entity does not enter or trade financial instruments for speculative purposes.

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.

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	2024 R	2023 R
Cash and cash equivalents	9,183,277	38,253,772
Receivables from exchange transactions	16,732,986	6,630,068

22. RISK MANAGEMENT (CONTINUED)

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 March 2024, NEMISA had significant cash in the Corporation Public Deposit account which earns interest at rates linked to the prime rate.

23. LONG SERVICE AWARDS

RECONCILIATION OF LIABILITY - 2024	OPENING BALANCE R	MOVEMENT DURING THE YEAR R	TOTAL R
Employee benefit cost	289,562	44,134	333,696

RECONCILIATION OF LIABILITY - 2023

Employee benefit cost	391,195	[101,633]	289,562
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	2024 R	2023 R
Non-current liabilities	276,717	289,562
Current liabilities	56,979	-
	333,696	289,562

NEMISA provides long service awards. Management estimates the value of NEMISA's obligations in this regard at each reporting date. These estimates take account of the existing policies and contractual obligations and the likelihood of employees remaining in service to receive the benefits. The prime lending rates used for FY2024 11.75 and FY2023 11.25%

24. 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. In the current period management have revised their estimate, please refer Note 1.6 Average useful lives. The effect of this revision has increased the depreciation charges for the current and future periods by R 352,289

24. CHANGE IN ESTIMATE (CONTINUED)

ASSET CLASS	DEPRECIATION BEFORE REVIEW R	DEPRECIATION AFTER REVIEW R	USEFUL LIFE REVIEW EFFECT R
Building	1,640	[4,661]	3,020
Furniture and fixture	8,380	[9,834]	1,454
Motor vehicles	16,167	[38,789]	22,622
Office equipment	86,925	[105,581]	18,656
Computer equipment	1,242,697	[1,456,539]	213,842
Canteen	1,616	[2,694]	1,077
Television equipment	483,339	[529,255]	45,916
Radio equipment	200,140	[245,942]	45,802
	2,040,904	[2,393,295]	352,389

25. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2024 R	2023 R
Irregular expenditure	198,025	2,157,683
Fruitless and wasteful expenditure	81,516	3,000
Closing balance	279,541	2,160,683

*Refer to reconciling notes in the annual report

CRIMINAL OR DISCIPLINARY STEPS TAKEN AS A RESULT OF LOSSES, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

INCIDENT STUDENT STIPENDS [2024] [FRUITLESS AND WASTEFUL EXPENDITURE]

Three incidents relates Fruitless and wasteful expenditure [2024] .

1. The Risk and Compliance unit has completed their investigation. The Board's resolution that any negligence by the officials will result in the recovery of funds from those officials in agreed-upon installments.
2. Traffic fine administration costs from rental cars during official business travel will be recovered via acknowledgment of debt or direct payment to the NEMISA bank account.
3. Board fees were erroneously paid to members for meetings that were not attended.

INCORRECT BIDDER AWARDED [2024] [IRREGULAR EXPENDITURE]

This pertains to irregular expenditure found by AGSA in the prior fiscal year (2022/23) after reassessing functionality scoring. The payment to the supplier were made in April 2023 and expenditure incurred.

NOTES

CONTACT US

**26 Canary Street
Aukland Park
Johannesburg
2193
South Africa**

info@nemisa.co.za

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