



SOS: Support Public Broadcasting Coalition

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SOS COALITION CALLS FOR STRONG ACTION ON SABC'S DISCLAIMER

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The SOS: Support Public Broadcasting Coalition is dismayed by the unabated financial mismanagement of the SABC revealed recently in Parliament. The Board tabled its 2012/2013 annual report which included a financial disclaimer from the Auditor-General as a result of the broadcaster having spent R1.58bn without proper procedures or documentation. The annual report revealed no evidence of the collection of TV license fees worth R913.8m.

Further to this, the SABC CEO, Lulama Mokhobo, revealed that the SABC had missed its performance targets as set out in the R1.47bn guarantee it was granted by government in 2009 to secure a commercial loan.

The Auditor General has given the SABC's financials a "disclaimer" indicating that the finances and financial controls are in disarray to the point that it cannot form an opinion on the SABC's financial statement. This is a further downgrading from last year's financial report that gave the SABC a "qualified audit".

This flies in the face of assurances by the SABC's executive management that the financial situation at the SABC had substantially improved and that an indication of this is the corporation's ability to repay its government guaranteed commercial loan of R1.47bn well-ahead of schedule. The SOS Coalition notes with dismay that the SABC seems incapable of learning lessons from previous crises.

In 2009 the SABC was given a government guarantee to allow it to deal with a serious cash-flow crisis that had resulted from huge financial losses (close to R1bn) in the 2008/2009 financial year. The Auditor General at the time called for sound leadership and strong financial systems going forward. The government guarantee then stipulated a number of targets that the SABC must meet in terms of increased revenue and reduction of expenses. It seems that these systems and targets have been essentially ignored.

In light of the above, ongoing crisis, the SOS Coalition calls for the following strong measures:

- For the Joint Task Team established by Minister Yunus Carrim, and led by the Auditor General, to establish the necessary financial and reporting systems required by the SABC.
- For the SABC to be considered an entity under administration and for the Joint Task Team to be given the requisite mandate and powers to put in place appropriate and proper administrative and financial controls and ensure their enforcement.

- For SABC management and the interim Board to be held strongly accountable for the disclaimer audit and for action to be taken against all those who have not fulfilled their fiduciary duties. For instance SABC management made a number of promises to Parliament after the Corporation received a qualified audit for its 2011/2012 financials. Parliament must follow up on each of these promises.

The SOS Coalition notes that the financial mismanagement at the SABC has very direct implications for viewers and listeners. The unabated qualified audits and, now, disclaimer from the Auditor General severely compromise the SABC's ability to motivate for more public funding for public programming than the mere 3% it receives from National Treasury. Further, the continued financial and auditing scandals that seem to consistently rock the SABC erode public confidence in the broadcaster, frustrating its ability to collect on TV Licenses fees which stand as, perhaps, the single most significant marker of how much the public value their public broadcaster.

While it fails to face up to financial scrutiny unsullied, the SABC will never be able to regain public confidence and, in turn, greater investment into public programming – its lifeblood and very *raison d'être*. South Africa deserves an SABC that works.

The SOS Coalition represents a broad spectrum of civil society stakeholders committed to the broadcasting of quality, diverse, citizen-orientated public-interest programming aligned to the goals of the SA Constitution. The Coalition includes a number of trade union federations including COSATU and FEDUSA, a number of independent unions including BEMAWU and MWASA; independent film and TV production sector organisations including the South African Screen Federation (SASFED); a host of NGOs and CBOs including the Freedom of Expression Institute (FXI) and Media Monitoring Africa (MMA), and a number of academics and freedom of expression activists.

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