

2009

2010

Independent Communications Authority of South Africa

Annual Report





Annual Report

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Chairperson's Overview

It is a pleasure to report that during the 2009/10 financial year, ICASA was able to substantially fulfil its mandate in many respects, as is evidenced in the divisional reports, and was able to overcome the many challenges confronting it as an organisation.

It is my task as Chairperson to review some of the highlights.

The digital terrestrial television (DTT) regulations are in place for the dual illumination and the migration of incumbent broadcasters to the digital platform. It is hoped that the analogue to digital converter set-top-boxes (STBs) will be available to make the analogue switch-off process seamless. The paid TV licensee named On-digital Media (ODM) and branded as TopTV has launched their services. Needless to say the consumer is spoilt for choice.

The licensing of INFRACO, the state-owned enterprise (SOE), was a timely strategic intervention to lower the cost of electronic communication services. INFRACO will hopefully

provide competitive wholesale network services to other electronic communication service licensees that will not be in a position to rollout the costly network infrastructure. The rollout of fibre for backhaul and access services is what the New Generation Network is all about and augurs well for converged multimedia broadband services, the so-called triple play services.

The Authority is mandated to promote and protect consumer interests. Detailed reports pertaining to consumer protection are compiled under the Engineering and Technology, Licensing and Compliance and Consumer Divisions. These reports profile various activities such as enforcement, monitoring, compliance, education and awareness. Matters that are for adjudication are referred to the Complaints and Compliance Committee (CCC).

A new radio spectrum fees framework, which takes into account the economic value of the spectrum framework, is being developed, and will be published in the new financial year. The framework is premised on the principle that not all spectrum is equally valuable. It is also based on the recognition that spectrum is a scarce resource that should be efficiently and effectively managed. Spectrum pricing should take into account particular usage, such as exclusivity, shared use, re-use, rural, urban, dense or national coverage.

Within this context, regulations were developed for the licensing of scarce or high frequency bands for example, the 2.6 GHz and 3.5 GHz bands. In order to obviate litigation, ICASA is committed to using objective criteria that would be applied for the awarding or allocation of the remaining frequencies in these bands. This will of necessity take into account the need to achieve the country's socio-economic objectives as enunciated in the Objects of the Electronic Communications Act (ECA). These regulations will be in place during the first quarter of the next financial year.

It is common knowledge that the Regulator acts as a proxy for competition and this is done via *ex-ante* regulations. ICASA is in the process of promulgating regulations on call termination rates. This will be dealt with through the mandatory process as required by chapter 10 of the ECA. The final regulations will be in place in the next financial year.

As far as litigation is concerned, we have won some and lost some; this is the nature of regulation and should not be of grave concern. Regulators must remain true to the dictates of their mandates.

Seventeen regulatory projects were undertaken and completed in the period under review. These span the whole regulatory spectrum, from competition issues to consumer affairs, interconnection, licensing, universal service obligations, spectrum management, broadcasting and postal matters, as well as monitoring, enforcement and compliance. In the final analysis, the Authority has done what it could, given the human and financial resource constraints, and oftentimes a challenging environment within which it operates. It is our fervent hope that with the progress of time, our best will be bettered.

Since I have come to the end of my term as Chairperson of ICASA, I would like to thank all employees, from staff members to Councillors, for their unqualified support during my tenure. I truly appreciate the friendship that we have built over the years and the faith that you have invested in

me. Sometimes as the family that we were, we naturally quarrelled, differed, argued and debated on issues for which all of us could not be guaranteed certainty. However, this was all done with respect and camaraderie in the achievement of this game of robust outcomes. I thank you for the memories and wish you well.

To all ICASA stakeholders, I would like to acknowledge your multi-faceted contribution to the sector. The value that you have added to the sector is priceless in the sense that you made a significant contribution to the growth of the country's GDP and socio-economic development. The overall success of the sector has served as a beacon in the African ICT landscape.

To the Minister of Communications and the Parliamentary Portfolio Committee on Communications (PPCC), I express my greatest appreciation for the support and for urging us to give always of our best. The constructive criticism was helped and led to the creation of a strong spirit of vision, creativity and focus. That you pronounced on the need for us to act objectively, transparently, non-discriminately and proportionately was the safest guarantee to our independence not being challenged.

In the final analysis, the good that was achieved during my tenure of office at ICASA, was done in the interests of our country so that we build an information society and remove the digital divide. We all did it together.

Yours truly,



PARIS MASHILE
FORMER CHAIRPERSON OF ICASA

COUNCIL

- **Paris Mashile, Chairperson** (01/07/2005 – 30/06/2010)
- **Mthobeli Zokwe** (01/07/2005 – 30/06/2009)
- **Brenda Ntombela** (01/10/2006 – 30/09/2010)
- **Robert Nkuna** (01/10/2006 – 30/09/2010)
- **Professor Jacobus van Rooyen SC** (01/10/2006 – 30/09/2010)
- **Dr Marcia Socikwa** (01/04/2007 – 30/03/2011)
- **Thabo Makhakhe** (01/07/2008 – 30/06/2012)
- **Fungai Sibanda** (01/07/2008 – 30/06/2012)
- **Nomvuyiso Batyi** (01/07/2008 – 30/06/2012)
- **Dr Stephen Mncube, Chairperson** (01/07/2010 – 30/06/2015)

CEO's Report

In our Annual Report of the previous year we committed ourselves to “grapple with the dynamics of introducing a new working model to the institution” and ensure that “ICASA works to a single integrated Business Plan that unites and drives management and Council’s efforts.....”

In this regard we have made considerable progress. After two years of heated debate on the subject, Council and the Executive Committee (EXCO) eventually agreed to a work model that maps out five key processes:

- strategic planning;
- supply chain;
- performance management;
- planning and budget; and
- project management.

Parallel to the above, ICASA developed a macro level matrix that sets out accountability in respect of each of these

ICASA business processes. The establishment of a joint Council/EXCO Project Management Office (PMO) is being implemented so that throughout the organisation, work plans are aligned to calendar activities as well as to individual outputs.

In undertaking this initiative, the intention was to bring about integration and correlation between the work calendar of the institution, its activities as set out in the Business Plan and the individual commitments of our personnel. It is also to ensure individual accountability for these activities in the performance contracts which are mandatory for all staff at ICASA. It is our intention to re-formulate the existing performance contract template so that stated accountabilities are clearly understood and that all activities correlate in a structured manner to stated Business Plan objectives.

In the interest of bringing about accountability and transparency both in individual processes and within divisions, a performance management system has been implemented to monitor and evaluate performance. In undertaking all these initiatives it is hoped that the pervading problem that ICASA has up to now encountered, in determining the respective accountabilities of both Council and management, will henceforth be clearly demarcated.

A major step that has been undertaken during the year under review, was the establishment of the Human Resource and Remuneration Committee; this is a Council committee constituted by external experts, whose task has been to review, provide advice and give guidance on redefining ICASA workplace practices.

In this regard I would also like to thank the Information and Technology Review Committee, the Audit Committee and the Complaints and Compliance Committee for the sterling work that they have done in assisting ICASA to address the demands of a new age.

In the previous financial year, the organisation received an unqualified report on the main account, and a qualified report on the national Revenue Fund account. The NRF was qualified because the manual transaction that did not have detailed support were passed in order to reconcile the cash basis information which was on spectrum system to accrual basis. The Authority has transferred the spectrum financial information which was on spectrum system to JD Edwards financial system so that it can report on accrual basis.

Through the hard work, dedication and commitment of all involved, this matter has now been resolved and the integrity of all ICASA financial transactions has been maintained in the financial accounting system. I express my gratitude to all those who provided assistance in the resolution of this problem.

During our appearance before the Standing Committee on Public Accounts on 11 May 2010, the Committee highlighted the need for ICASA to ensure that applicable processes, particularly in respect of the use and disbursement of public funds, were upheld. It is our intention to ensure that this becomes the basis upon which all ICASA financial processes are undertaken.

I would like to thank all our stakeholders, in particular the Department of Communications, National Treasury and the Auditor-General, for their continued interest and guidance. An organisation is only as strong and as powerful as its human resource capital. In this vein, I would like to thank everyone at ICASA for their loyalty and support to the ideals of the organisation. It is deeply treasured.

KARABO MOTLANA
CHIEF EXECUTIVE OFFICER

Operational Divisions

OPERATIONAL DIVISIONS

The ICASA organisational structure comprises the following divisions whose reports are covered in the body of the Annual Report:

Regulatory Activities

- Licensing and Compliance Division
- Markets and Competition Division
- Engineering and Technology Division
- Consumer Affairs Division
- Legal Division

Support Services

- Human Resources Division
- Regions Division
- Communication and International Relations Division
- Administration Division
- Information Technology

LICENSING AND COMPLIANCE DIVISION

The Licensing and Compliance Division (LCD) provides human resources support to Council and its Committees in –

- Issuing and/or authorising broadcasting, electronic communications services, communications network services and postal services licences, as well as licence exemptions.
- Monitoring and ensuring compliance by licensees and exempted services according to the relevant terms and conditions.

LCD is made up of the Licensing and the Compliance Departments.

3.1.1 LICENSING

The Licensing Department processes new applications, amendments, transfers and renewal of licences in respect of broadcasting, electronic communications network services (ECNS), electronic communication services (ECS) and postal services. During the period under review, the Licensing Department was involved in delivering the following projects:

Licensing of Digital Terrestrial Television (DTT)

The introduction of digital technology to replace the old analogue technology in communications requires a seamless process that is guided by international convention. The implementation and coordination of this transition takes place in individual countries.

The Republic of South Africa is obliged, in the context of the global transition from analogue television broadcasting to digital broadcasting, to effect the migration of existing terrestrial television services from analogue to digital broadcasting modes. Consistent with the International Telecommunications Union (ITU) Treaty, the Geneva 2006 Regional Radiocommunication Conference, the Minister of Communications issued a Digital Migration Policy which provides for the establishment of two national frequency networks designated for the provision of the DTT.

In November 2009, the Authority published the Terrestrial Broadcasting Frequency Plan, followed by the DTT Regulations in February 2010. The DTT regulations require that the licences of the current television broadcasters be amended to reflect the provision of multi-channel services in the DTT platform. The Authority is waiting for the SABC, M-Net, e-TV and Trinity Broadcasting Network to submit amendment applications as per the DTT regulations. This project will be finalised in the new financial year.

Licensing of Additional Commercial Sound Broadcasting Services

In terms of the Review of Ownership and Control of Broadcasting Services and Existing Commercial Sound Broadcasting Licences Position Paper of January 2004 ("the Position Paper"), the Authority made a commitment to grant at least three new commercial licences in primary markets. The Position Paper defined the primary markets as the geographical markets of Gauteng and the metropolitan areas of and around Cape Town and Durban.

The Authority has received 41 applications in response to the Invitation to Apply (ITA) for commercial sound broadcasting service licences. The Authority has granted requests for confidentiality and condonations to the applicants. The closing date for submission of applications was later extended to 30 November 2009. The Authority intends to license new commercial radio broadcasts in the new financial year.

Licensing of Radio Frequency Spectrum for Provision of Mobile Television

The Digital Migration Policy, as issued by the Minister of Communications, also provides for the licensing of Radio Frequency Spectrum for the provision of mobile television.

The Authority has considered submissions from stakeholders, and approved final regulations on mobile televisions, reasons document and the Invitation to Apply (ITA). The project will be finalised in the new year.

Licensing of I-ECNS for Self Provision by Broadcasters

The Ministerial Policy directive requires the Authority to consider Individual Electronic Communications Network Service (I-ECN) licence applications for self provision by broadcasters. The Authority received five applications in response to the ITA that was published. The Authority has

granted and issued three I-ECNS licences to successful applicants, namely On-Digital Media, Walking on Water Television and e-TV.

The Authority has decided not to grant two individual ECNS licence applications until such applicants have complied with shareholding and HDI requirements.

Licensing of I-ECNS and I-ECS for INFRACO Broadband

The Ministerial Policy directive requires the Authority to consider Individual Electronic Communications Service (I-ECS) and I-ECNS licence applications by INFRACO Broadband. The Authority received applications from INFRACO Broadband in response to the ITA. Applications were published for public comment. The Authority considered submissions from stakeholders and held public hearings. The Authority has granted and issued an I-ECNS licence to INFRACO Broadband, but turned down its application for an I-ECS licence.

Review of the Standard Terms and Conditions Regulations; and Process and Procedure Regulations

The Authority published the draft, revised Standard Terms and Conditions Regulations and Procedure Regulations for public comment in July 2009 and has considered submissions from stakeholders, and decided not to hold public hearings. The Authority has approved the revised Regulations.

Registration of Class Licences and Courier Services

During the year under review, the Authority granted and issued the following registrations:

Class Licence/ Registration Certificate	Total Issued
ECS	58
ECNS	55
Community Sound Broadcasting	27 (1 refused)
Community Television Broadcasting	2
Low Power Broadcasting	1
Unreserved Postal Services	21
	164

Amendments and Transfers of Individual Broadcasting Service, ECNS and ECS Licences

During the year under review, the Authority granted the following amendments, transfers and notifications:

- Seven Individual ECNS and ECS were transferred.
- One Individual ECNS/ECS was amended.
- One Individual Broadcasting Service was amended and eight were refused.
- Two notifications of Individual Broadcasting Services were received.
- A total of 19 licence amendments, transfers and notifications were granted.

3.1.2 COMPLIANCE DEPARTMENT

The Compliance Department is responsible for monitoring and ensuring compliance with legislation and regulations by all licensees. The categories of licences are Class and Individual ECNS and ECS, Class and Individual Broadcasting Services, Reserved and Unreserved Postal Services (including exempt players). Licensees must comply with all aspects of the Electronic Communications Act and Postal Services Act, terms and conditions of their licence, as well as relevant regulations and other legislation.

Broadcasting Licence Compliance

For the 2009/10 financial year, the Authority compiled seven reports on broadcasting licensees' compliance with the ECA and the licence terms and conditions. In addition the Department conducted 86 monitoring visits with the aim of assisting licensees to comply with the terms and conditions of their licences. Monitoring reports were compiled on the visits conducted.

Complaints

For the 2009/10 financial year, the Authority received and processed 46 broadcasting related complaints and they can be categorised as follows:

Technical	6
Mismanagement	12
Advertising	3
Programming	17
Elections	2
Other	6
Total	46

Of the 46 complaints:

- 26 were resolved by the Department,
- Two were referred to the Complaints and Compliance Committee¹, and
- 18 were referred to other jurisdictions.

Postal Compliance

South African Post Office (SAPO) Compliance

For the 2009/10 financial year, the Authority compiled a compliance report on the South African Post Office (SAPO).

The Compliance unit conducted 48 monitoring visits with the aim of assisting the licensees in complying with the terms

Notes: 1 - CCC is a Standing Committee of the Authority that is mandated by the ICASA Act to adjudicate complaints.

and conditions of their licence. After each visit, a post visit report was compiled.

Unreserved Postal Services (Courier Companies)

During the year under review, the Authority registered 65 unreserved postal services to provide courier services. Acting in accordance with section 22 of the Postal Services Amendment Act, the Authority conducted a compliance audit of all registered unreserved postal services. Of the 65 letters sent, only nine responses were received, while 48 did not respond, and seven could not be contacted due to changes of contact details, and one requested an extension.

3.2.3 Electronic Communications Service/Electronic Communications Network Service Licence Compliance

Monitoring of ECN and ECNS Licensing

In January 2009, the Authority finalised the licence conversion process by issuing converted licences to licensees who complied with the applicable requirements. Thus, the anniversary date for the new EC Act compliant licences coinciding with the revised regulatory framework was 16 January 2010.

The Authority conducted an audit of Individual and Class ECS/ECNS licences to update its licensee database and monitor compliance with the requirement for all licensees

to commence providing services within the timeframes set by the Standard Terms and Conditions Regulations (12 months for Individual ECNS and six months for both Class and Individual ECS, as well as Individual ECS from the date of issue of the licence). The Authority approved the Compliance report. The audit process will be completed in the new financial year.

Compliance Manual

The Authority published the Draft Compliance Procedure Manual Regulations for comment. The project will be completed in the new financial year.

Review of Universal Service and Access Obligations (USAOs)

In November 2009, the Authority appointed BMI-TechKnowledge to conduct a review of the existing Universal Service and Access Obligations (USAO) regulatory framework. The review included conducting research on the existing USAO regulatory framework and compliance with it, as well as a benchmarking exercise to establish international best practice. A report was submitted for Council's consideration in April 2010. The project will result in the development of a revised Universal Service and Access Obligations framework with regulations that prescribe numerous licensees on which the Authority can impose the obligations. The project continues into the new financial year

The Markets and Competition Division is responsible for processing interconnection and facilities leasing agreements, tariff filings and numbering applications. In order to assist the Authority to achieve its overall strategic objectives, the Division provides support to Council Committees for the purposes of developing regulations and also conducts policy research as per the Business Plan.

The following key strategic objectives guide the operations of the Division:

- Promoting sustainable, stable, dynamic and innovative competition in the electronic communications, broadcasting and postal sectors to deliver high-quality services at competitive prices.
- Reducing the cost of doing business in South Africa by encouraging effective competition through increased access to infrastructure, diversity of service, competitive prices and greater choice for consumers.
- Ensuring competitive, fair, open, transparent and non-discriminatory pricing for broadcasting services (codes of practice/guidelines on the commissioning of independently produced South African programming and sports broadcasting rights).
- Promoting access to basic services at affordable prices.
- Ensuring fair, transparent and non-discriminatory allocations of numbers to licensees (competition) and provide sufficient numbering capacity for existing and future numbering demands.

The Markets and Competition Division comprises four departments:

- Markets and Competition Analysis
- Numbering, Economic and Financial Analysis

- Policy Development and Research
- Postal Policy Research and Development

3.2.1 MARKETS AND COMPETITION ANALYSIS DEPARTMENT

The Markets and Competition Analysis Department reviewed the need for regulatory action to promote competition in the ICT sector in South Africa during the 2009/10 fiscal year. As a result, it achieved the following:

- Guidelines setting out the processes and procedures that the Authority would adopt for conducting market reviews under Chapter 10 of the ECA.
- A discussion document on identified relevant markets (the call termination market).
- Preparatory work into competition matters in the broadcasting segment of electronic communications.

Guidelines, Processes and Procedures for Chapter 10 of the ECA:

Chapter 10 of the ECA gives the Authority powers to introduce a range of pro-competitive measures, including price controls where this is deemed to be necessary. To introduce such measures, the Authority is required to follow an evidence-based approach of defining a market, evaluating the effectiveness of competition and designing appropriate pro-competitive remedies.

The Authority initiated the process of developing these guidelines in 2008 with the release of draft regulations for public comment. In taking the views expressed by stakeholders into consideration, the Authority chose to develop a guideline which would outline the process to be followed per market review. The following are the processes outlined:

- Public consultation process per market review.
- The factors to be considered when defining and

evaluating the effectiveness of competition in a particular market.

- The possible pro-competitive remedies the Authority may impose.

The guideline was released on 8 March 2010. The guideline provides clarity to all stakeholders on the approach the Authority will follow when evaluating the effectiveness of competition in the ICT sector.

Framework for competition in the broadcasting sector

The objective of this project was to identify conceptual areas where there may be a lack of effective competition in the value chain of providing broadcasting services.

The Authority completed this project and intends to use the outcomes to support a public engagement process on competition matters in the provision of broadcasting services in the 2010/11 fiscal year.

Coherent and Modular Framework for Wholesale Regulation Applicable to I-ECNS and ECS Licensees

The ECA requires the Authority to develop a number of regulations governing the wholesale segment of the electronic communications sector. This includes the interconnection and facilities leasing regulations required under chapter 7 and 8 respectively, as well as matters relating to carrier selection and numbering.

The Authority developed a report that drew the linkages between these various sets of regulations to ensure a coherent approach to regulation of the wholesale segment of the ICT sector. This report supports the Authority's ongoing planning into the new financial year.

Facilitating Interconnection and the Leasing of Electronic Facilities

The ECA mandates all licensees to offer interconnection services and all individual electronic communications network service licensees are required to lease electronic communications facilities on request as per chapter 7 and 8 respectively. In addition, all interconnection and facilities leasing agreements are to be submitted to the Authority for review.

This project requires the Authority to implement the following:

- Framework Interconnection and Facilities Leasing Regulations
- Database management system for all agreements
- Effective assessment of interconnection and facilities leasing agreements.

Framework for Interconnection and Facilities Leasing Regulations

The Framework Interconnection and Facilities Leasing Regulations are a requirement under Chapter 7 and 8 of the ECA respectively, with the objective of upholding the obligation to offer interconnection and lease electronic communications facilities. These regulations govern the maximum time it may take for agreements to be finalised between parties, the minimum terms and conditions, allow for effective dispute resolution and, importantly, ensure transparency and non-discrimination between parties.

The Authority released draft interconnection and facilities leasing regulations for public comment in July 2009 and later December 2009 respectively.

Final Interconnection Regulations were released at the beginning of the new financial year together with the final Facilities Leasing Regulations.

Database Management System for All Agreements

All interconnection and facilities leasing agreements are filed with the Authority and are to be made available. The implementation of the database management system is dependent on the finalisation of the Facilities Leasing Regulations and will be completed in the new financial year.

Effective Assessment of Interconnection and Facilities Leasing Agreements

The Authority is required to review all interconnection and facilities leasing agreements to ensure that these are fair and non-discriminatory. During the 2009/10 financial year, the Authority received 41 interconnection agreements and 66 facilities leasing agreements.

Essential Facilities Framework

The Authority reviewed the legislative mandate around essential facilities and determined that all licensees have the right to request access to electronic communications facilities under chapter 8 of the ECA. Access to such facilities is therefore catered for in the electronic communications Facilities Leasing Regulations.

In terms of the legislative mandate, “favourable terms” means that access to any electronic communications facility must be non-discriminatory as among comparable types of facilities by a licensee providing facilities to itself and to other licensees seeking access. Any further regulatory action may only take place through conducting a market review under chapter 10 of the ECA

Regulations to Support Local Loop Unbundling

Local loop unbundling is a specialised form of leasing of electronic communications facilities and therefore requires the completion of the Facilities Leasing Framework Regulations. This project has been postponed to the 2010/11 fiscal year.

3.2.2 NUMBERING, ECONOMIC AND FINANCIAL ANALYSIS DEPARTMENT

In line with the Markets and Competition Division’s strategic objectives, the Numbering, Economic and Financial Analysis Department processed various tariff applications and conducted several reviews:

The following categories of tariff applications were processed during the year under review:

Telkom’s 2009/10 Tariff Regime

Telkom filed for an average tariff increase of 1.7% in the regulated basket of services for the price control year 1 August 2010 to 31 July 2011 in terms of Price Cap Regulations, Government Gazette Number 27772 Notice R.675 of 2005 (“the Regulations”).

The aforementioned average tariff increase of 1.7% in the regulated basket of services was approved by the Authority in terms of Section 6(5) of the Regulations, which state:

“The Authority may disapprove the proposed rates only if-

- a) the calculations contain mathematical errors; or
- b) the terms and conditions contained therein are in conflict with applicable laws, policy directions, and the Rate Regime, in a material respect”.

SAPO’s 2010/11 Tariff Regime

The South African Post Office (SAPO) is required to file annual tariff adjustments with the Authority in accordance with its licence terms and conditions, giving it exclusive rights over the provision of the reserved postal services.

SAPO filed for a general increase of 6.7% in reserved postal services tariffs for the financial year from 1 April 2010 to 31 March 2011. The Authority approved the proposed increase as it was in line with the Consumer

Price Index for the fiscal year. The approved tariffs were gazetted by the Authority on 31 January 2010.

General Tariff Notifications for Electronic Communications Services

All licensees are required to notify the Authority of adjustments in tariffs for retail services or for the introduction of new services or amendments in business rules for existing services. This requirement is in terms of the Standard Terms and Conditions Regulations (Government Gazette no. 30530 Notice R.1138 of 2007). The Regulations state that *“a licensee may not provide any services for a charge, fees or other compensation, unless the price(s) for the services and other terms and conditions of the provision for such services have been filed with the Authority at least seven days prior to the provision of the said services; in making such filing, a licensee must utilize a format approved by the Authority”*.

The Authority received 72 tariff notifications during the period under review.

Economic Regulatory Framework Review

During the 2009/10 financial year, the Department undertook the following projects:

Fixed Line And Mobile Operators Regulatory Financial Reporting Requirements

A comprehensive analysis of economic regulatory financial reports filed by MTN, Telkom and Vodacom for 2005 to 2008 was completed in the year under review. The purpose of the review was to ensure compliance with the regulatory financial reporting framework as set out in the Chart of Accounts and Cost Allocation Manual (COA/CAM) regulations. The results of the Analysis of Regulatory Financial Reports were used as input into the Mobile and Fixed Call Termination Market Review.

Accounting Separation for the Reserved Postal Services

SAPO has exclusive rights over the provision of reserved postal services in terms of the licence issued under the Postal Services Act of 1998. The Act requires SAPO to keep separate accounts for reserved and unreserved postal operations in line with its licence terms and conditions. The objective is to ensure that there is no cross-subsidisation from a reserved postal area to an unreserved postal area and any other unregulated services.

During the period under review, the Authority developed draft accounting separation regulations pertaining to the reserved postal services. The Authority envisages finalising these regulations in the next financial year.

Price Control Framework for Reserved Postal Services

The Postal Services Act as amended requires the Authority to prescribe the manner for determining the reserved postal fees and charges. The Authority has reviewed the framework for pricing and tariffs setting during the 2009/10 financial year. As a result the Authority has developed draft price cap regulations for reserved postal services and envisages finalising these regulations in the next financial year.

Telkom Price Control Regulations and COA/CAM Regulations

The Department conducted a preliminary review of Telkom's Price Control Regulations and COA/CAM Regulations owing to change in the legislative framework. The Authority envisages finalising this review and publishing the outcome in the next financial year (2010/11), after submitting its recommendations report to Council.

Numbering Administration

The ECA requires the Authority to provide a framework to ensure effective management of numbering resources. The following numbering projects and activities were undertaken during the year under review:

Numbering Allocations

The Numbering Plan regulations provide a framework for numbering allocations, as well as the use and management of the assignment of numbers. The Authority utilises this framework when processing numbering applications received from licensed operators. In the period under review 335 numbering applications were processed. The number allocations made were in respect of:

- Geographic numbers, e.g. 011, 012, 015, 021;
- Non-geographic numbers, e.g. 087, 086, 080, 085, 088;
- Mobile network codes;
- Number portability routing codes; and
- National and international signalling points.

Review of Regulations and Implementation

Numbering Plan Regulations

Draft regulations have been developed with the objective of reviewing and aligning the existing numbering plan with the ECA requirements, and ensuring effective allocation and usage of numbers. These regulations are expected to be finalised in the next financial year.

Carrier Pre-Selection Regulations

The Authority is required to develop a carrier pre-selection framework in terms of which eligible subscribers to an electronic communications service licensee can access the electronic communications services of another licensee. The objective is to increase customer choice in terms

of taking advantage of lower prices and better quality of service offered. The Authority consulted with the industry on the final draft regulations for carrier pre-selection. The next step is to come up with the Authority's legal position on the final draft regulations before the Authority can make a determination on the publication of the regulations. This process is expected to be finalised in the next financial year.

Number Audit

The Number Audit requirement and Audit Terms are defined in line with the Numbering Plan Regulations. The aim of the Audit process is to audit the existing usage of the numbering spectrum allocated under these regulations and the ECA, and to ensure efficient utilisation of numbers. A preliminary audit was conducted in the 2009/10 financial year as a baseline for the comprehensive audit that is envisaged to be undertaken in the next financial year.

Implementation of Geographic Number Portability

The objective of number portability is to promote consumer choice, giving subscribers the freedom to choose a network operator whilst retaining their telephone number. During the reporting period, the Authority facilitated the implementation of geographic number portability. It was done in two phases in line with the existing Number Portability Regulations.

In the first phase, which was mainly intended for corporate users, the portability of blocks of numbers (blocks of 1000 and 10 000) was implemented. The implementation of the second phase which involves the portability of individual geographic numbers, will be effected in the new financial year.

3.2.3 POSTAL POLICY AND RESEARCH DEPARTMENT

The following projects were undertaken by the Postal Policy Research and Development Department during the 2009/10 financial year:

Unreserved Postal Services Regulations

As part of the strategic goal of promoting competition in the ICT sector, the Authority reviewed the regulations for unreserved postal services. The initial regulations were promulgated in 2005. In 2009/10, the Authority reviewed the regulations to align them with the latest developments in the sector. The new regulations will come into effect in July 2011.

Regulatory Framework for Extra-Territorial Offices of Exchange (ETOES)

The Authority conducted internal research on the Regulatory Framework for ETOES and Infrastructure sharing. The purpose of the research was to conduct a benchmark study on how ETOES and Infrastructure sharing are dealt with in other countries. These reports were completed and will be used to make recommendations for consideration by the Authority. ETOES are offices of exchange established by postal administrators in other countries. They are involved with handling of outbound international mail and their activities include receiving, sorting and dispatching of international mail. Currently, the legislative framework is silent on how South Africa should deal with ETOES.

The purpose of infrastructure sharing is to ensure universal service and access by meeting quality of service requirements and also serves as a means of revenue sustainability for postal operators, whereby the operator can lease some of their infrastructure to other operators. Furthermore, infrastructure sharing encourages innovation in the sector.

According to the SADC Protocol on Transport, Communications and Meteorology, SADC Ministers have resolved that member countries should investigate the possibility of sharing their infrastructure in order to achieve universal access.

3.2.4 BROADCASTING POLICY DEVELOPMENT AND RESEARCH DEPARTMENT

In line with the Authority's strategic objectives, the following projects were undertaken in the 2009/10 financial year:

Regulatory Approach to the Digital Dividend

The Digital Dividend is the spectrum that will be vacated by the migration of incumbent analogue broadcasting services to digital technology. This is consistent with the decisions of the ITU's Regional Radio Conference 2006, which requires all countries in its Region 1 to conclude the migration process by mid-June 2015. The objective of the project is to set out a comprehensive methodology which will ensure that the dividend is allocated in a manner that meets the national social and economic goals of the country. The framework will inform the current approaches to frequency planning and other regulatory interventions. To date a discussion document has been approved by Council and will be presented to the Department of Communications before publication for comment. The project will be completed in the next financial year.

Regulation of Internet Protocol Television and Video-on-Demand (IPTV/VOD)

IPTV has elements of both broadcasting and telecommunications, and these two sectors are regulated differently. In an effort to address the regulatory challenges posed by these new services, the Authority has conducted an Inquiry into the regulation of IPTV, with particular emphasis on non-linear services or Video-on-Demand. To date, a discussion document has been published where

various stakeholders made written submissions. The project will continue into the next financial year.

Ownership and Control Project

Policy and regulation on ownership and control of communications services and networks is necessary to curb the threat of monopoly and concentration. It is in this light that the Authority is reviewing ownership and control regulations. In accordance with the ECA, a discussion document was published for public comment where a number of submissions were received from various stakeholders. This project will be completed in the new financial year.

Regulatory Impact Assessment

To ensure an improved and more consistent regulatory environment in the electronic communications sector, ICASA has embarked on a process of developing a Regulatory Impact Assessment (RIA) framework. A concept document was developed and workshops were convened in order to outline the approach to be undertaken by ICASA in implementing RIA in its regulation-making process. This approach will ensure that the organisation minimises risk and uses resources efficiently and effectively. The project has been completed. RIA will create regulatory certainty once implemented as it will assist ICASA in preparing high-quality regulations and inform the public of ICASA's intentions. RIA will make it easier to assess the impact of the regulations in the sector and to ensure responsible and accountable regulation.

Review of Regulations on Advertising, Infomercials and Programme Sponsorship

The objective of this project was to review the 1999 Regulations on Advertising, Infomercials and Programme Sponsorship in line with Section 4 read with Section 95 of the ECA. Subsequent to consultation with stakeholders the Authority decided not to amend/repeal the current

regulations until the ECA has been amended to achieve clarity and certainty on legislation. The Authority's final document on the hearings, *Position on Advertising, Infomercials and Sponsorship and Findings*, was published in December 2009. The regulations are used to give meaning to the licence conditions of Broadcasting Service Licensees and focus on the duration of advertising, thereby distinguishing advertisements from other broadcasting material such as infomercials and sponsorship messages.

Codes of Practice/Guidelines on Commissioning of Independently Produced South African Programming

The Codes of Practice seek to regulate the commissioning of independently produced South African programming as required by Section 61(1) of the ECA. The purpose of this project was to ensure that the Authority develops guidelines or a Code of Practice for dealings between broadcasters and independent producers in accordance with the ECA. The Authority published the final regulations and findings document on *the Commissioning of Independently Produced South African Programming* in December 2009. Subsequently, workshops were convened in Gauteng and Cape Town on the published regulations. The project was handed over to the Authority's Licensing Department to monitor compliance by the Broadcasting Service Licensees with the Regulations.

Review of Sports Broadcasting Rights Regulations

The objective of this project was to review the Sports Broadcasting Rights Regulations of 2003 in order to align them to the ECA and to develop a dispute resolution mechanism. In March 2010, the final sport broadcasting rights regulations and reasons document were published. The project has been completed and the Authority's Monitoring and Compliance Department will monitor broadcasters' compliance with the regulations.

**Digital Terrestrial Television Broadcasting
Regulations**

The purpose of this project is to develop a regulatory framework for the migration of terrestrial broadcasting television from analogue transmission to digital transmission. The final Digital Migration Regulations and reasons document was published in February 2010. The project has been completed and the Authority's Licensing Department will implement the regulations and start licensing broadcasters in line with them.

The Engineering and Technology Division (ETD) comprises the Frequency Spectrum and Spectrum Monitoring and Control departments. The responsibilities of the Division include:

- Support in the granting of frequency and station licences, certificates and authorisations;
- Management and planning of access to the radio frequency spectrum;
- Preparation of the national radio frequency plan;
- Investigation of radio communications interference;
- Assessment, adoption and management of technical standards relating to customer equipment and other devices, and
- Providing relevant technical support to stakeholders.

The main highlight for the Division in the year under review was preparations for the 2010 FIFA World Cup in South Africa. The Division was the main champion for the preparations, ranging from providing timely information for international broadcasters and other potential spectrum users, building capacity for authorisation and monitoring during the tournament, to assisting with the national disaster recovery plan.

In the year under review the Division initiated a research collaboration programme with two institutes of higher learning. The long-term vision is to work with both industry and academia. The current focus of research would be around sharing studies for broadcasting, International Mobile Telecommunications (IMT)-2000 systems and IMT-Advanced. There is also a focus on radio frequency spectrum measurements to characterise the environment for possible utilisation of opportunistic spectrum-sharing techniques such as cognitive radio.

The Division participated in several ITU-R study groups. The research collaboration programme will be a major driver of participation in the future.

3.3.1 FREQUENCY SPECTRUM DEPARTMENT

The Frequency Spectrum Department consists of the following units:

- Spectrum Management,
- Radiocommunications Frequency Licences,
- Equipment Type Approval and
- Broadcasting Spectrum

Spectrum Management

Enabling legislation mandates the ICASA to allocate and manage the frequency spectrum efficiently in accordance with the ITU's allocations. The Spectrum Management unit is responsible for conducting technical analysis and assigning spectrum efficiently. To ensure efficient utilisation, a number of interventions have been required in the form of regulations. The unit has championed several projects aimed at achieving this.

Radio spectrum licence fees

The ECA mandates ICASA to make regulations with respect to spectrum licence fees. The spectrum fees charged for various radio services are a crucial part of the spectrum management process. All fees collected by the Authority are passed over to the National Treasury.

The current fee charges have been in place for the past 10 years, and are being reviewed. The current spectrum charging policies and licensing mechanisms do not promote the efficient use of the spectrum, but rather encourage stockpiling of spectrum and are based on outdated price setting mechanisms.

ICASA commissioned a scientific study to determine the new radio spectrum fees framework, which takes into consideration the economic value of the spectrum. The Authority undertook a public consultation process wherein draft regulations (Government gazette No 32029 of 16

March 2009) were published and public hearings held in September 2009. The final regulations will be published by the end of the first quarter of the 2010/11 financial year.

The new fees framework takes into account factors such as geographic location, congestion, frequency location in the spectrum and sharing to incentivise efficient use of spectrum and to penalise wastage.

Review of national radio frequency plan

Enabling legislation and international convention require the Authority to review the national radio frequency plan from time to time. The plan under review will take into account regional harmonisation in line with SADC guidelines and the results of the 2007 World Radiocommunications Conference (WRC – 07).

The national radio frequency plan would also have to take into account annotations contained in the WRC final radio regulations, which address international mobile telecommunications (IMT) identified spectrum and have a bearing on digital broadcasting migration.

The review did not deal with frequency migration strategy, which will be addressed as a separate process in financial years 2010/11 and 2011/12.

The Authority conducted public hearings on the national radio frequency plan and submitted it to the Minister of Communications as per the requirement of the ECA. It is anticipated that the final national radio frequency plan will be published by the end of the first quarter of the 2010/11 financial year.

Licensing of 2.6GHz and 3.5GHz

The Authority identified the remaining radio frequency spectrum in the 3400 to 3600MHz (3.5GHz) and 2500 to 2690MHz (2.6GHz) bands as high-demand bands which

must be licensed through a competitive licensing process. In the 2.6GHz band, the available spectrum is 125MHz, following the assignments of 50MHz and 15MHz to Sentech and WBS respectively. In the 3.5GHz band, there are 28MHz available, after Telkom and Neotel were assigned 56MHz respectively.

The required industry consultations were completed and a decision to licence 2.6GHz and 3.5GHz using an auction process was communicated to the industry. The draft regulations were published (Government Gazette No 32437 of 22 July 2009) and public hearings were held in October 2009. The invitation to apply for these frequencies will be published by the end of the first quarter of the 2010/11 financial year.

For future licensing of 2.6GHz, ICASA has opted for a hybrid of option 1 and option 3 of ITU (ITU-R M. 1036-3), following some European countries such as Norway and the Netherlands. This will allow a technology-neutral approach and enable market demand to determine the final configuration. Parties involved will be obliged to negotiate in order to mitigate interference problems.

Spectrum licensing regime and spectrum assignment coordination procedures

This project was started to create certainty in the industry about processes and procedures to be followed on assigning and coordinating the national radio frequency spectrum. The project considers international benchmarking on “best” practices for licensing regimes and a comparative analysis is undertaken on different spectrum assignment coordination procedures. The project will be finalised in the 2010/11 financial year.

Review of Radio Regulations

In conjunction with the aforementioned project, the review of the radio regulations project sought to align all radio

frequency related regulations to the current dispensation and trends.

Radiocommunications Frequency Licensing unit

The Radiocommunication Frequency Licensing unit deals with administration and issues various classes of radio frequency licences. The unit issued the following licences in 2009/10.

- A total number of 47 878 applications were received, of which 75% were renewals, 16% were new applications and 4% were cancellations.
- 5% of received applications were still pending at the end of the 2009/10 financial period and were brought forward to the 2010/11 financial year.

Of the 47 878 applications received 59% were for land mobile and ski boats. Aeronautical, amateur and maritime accounted for 40%.

	Renewals	New Applications	Cancellations	Pending
■ Aeronautical	8286	1816	454	542
■ Amateur	3482	362	70	143
■ Fixed	80	30	20	36
■ Land Mobile including Ski Boats	23878	1458	488	673
■ Maritime	3940	652	194	86
■ Radio Dealer	318	630	101	23
■ Satellite	78	14	18	6

Figure 1: Comparison of categories of radio frequency licences

Equipment Type Approval unit

The Equipment Type Approval unit deals with the authorisation of products that meet minimum regulatory, technical and safety requirements. The unit approves radio frequency equipment, licences telecommunication line terminal equipment (TLTE), switching systems (SWS) and telephone line maintenance organisations (LMO), and registers equipment suppliers.

The unit is also involved with standardisation. In the year 2009/10 it published an official list of approved standards as a regulation. It started reviewing equipment type approval processes in order to streamline the processes in line with “best” practice and international trends.

The Equipment Type Approval unit has received 4 096 applications, of which 86% were for RF equipment. 98% of the applications were new, leaving very few renewals and unattended applications.

	New	Renewals	Pending
■ RF Equipment	1950	0	44
■ TLTE	200	650	61
■ SWS	50	680	28
■ LMO-1	27	269	18
■ LMO-2	6	12	2
■ Supplier Registration	34	35	30

Figure 2: Categories of type approval certification and type of applications

Broadcasting Spectrum

The Broadcasting Spectrum Unit received and analysed 194 technical requests for broadcasting frequency spectrum licences. The terrestrial broadcasting frequency plan, which incorporates a new plan for Digital Terrestrial Television (DTT) and Digital mobile services, was published during the year under review.

SPECTRUM MONITORING AND CONTROL

Spectrum Monitoring and Control (SM&C) is tasked with identifying means and developing capability for radio frequency spectrum monitoring and interference control. It analyses data for frequency use and occupancy and for the likelihood of interference and informs the authorisation, compliance and enforcement and interference resolution functions. The Department obtains measurements for quality of service (QoS) to support consumer affairs programmes. In the year under review the Department embarked on the following activities:

- **Quality of Service (QoS) Monitoring:** In 2009/10, QoS monitoring was conducted on all three GSM networks in the northern suburbs of Johannesburg. Over 1000 calls were made during the measurement procedure.
- **Spectrum Audit:** 450 to 470 MHz and 790 to 862 MHz bands monitored in the metropolitan areas and verified in preparation for implementation of the WRC-07 outcomes.
- **Equipment specifications and procurement:** State-of-the-art monitoring equipment was procured for spectrum monitoring during the World Cup and beyond. The equipment included mobile direction finders and high-range spectrum analysers.
- **Mobile based monitoring network:** A mobile based IP packet data network using access point name (APN) identifies was developed to connect remote monitoring sites, replacing 64Kbps links.

The role of the Consumer Affairs Division is to protect consumers from unfair business practices and ensure access to safe and good quality products, as well as to promote the interest of people with disabilities in relation to the provision of electronic communications, broadcasting and postal services.

The Division comprises the Complaints and the Public Education and Awareness Departments. In addition, the division coordinates Consumer Advisory Panel activities and supports the development of regulations.

COMPLAINTS DEPARTMENT

The Complaints Department receives and attends to complaints from individual consumers (members of the public) and corporate clients in relation to electronic communications, broadcasting and postal services, facilities and products.

During the year under review, the Complaints Department focused on improving its efficiencies by producing 30 000 copies of the Complaints Manual, and distributed these to the public. In addition workshops with various stakeholders were held nationally.

Workshops to explain the Complaints Manual were held in Gauteng (Germiston, Kempton Park, Roodepoort, Pretoria, Springs and Benoni), Free State (Bloemfontein and Welkom), KwaZulu-Natal (Durban, Empangeni-Ulundi combined), North West (Rustenburg, Klerksdorp), Mpumalanga (Nelspruit, Witbank), Eastern Cape (Port Elizabeth and East London) and Western Cape (Cape Town and Bellville).

In order to increase the footprint of the complaints redress mechanism to the rural and underserved areas, the Department hosted Mobile Complaints Help Desks.

Complaints Handling

During the year under review, the Consumer Affairs Department received and handled 3 390 consumer complaints, 656 of which were carried over from the previous financial year. A total of 2 101 complaints were resolved in the year under review. The remaining unresolved complaints will be or have been forwarded to the Complaints and Compliance Committee.

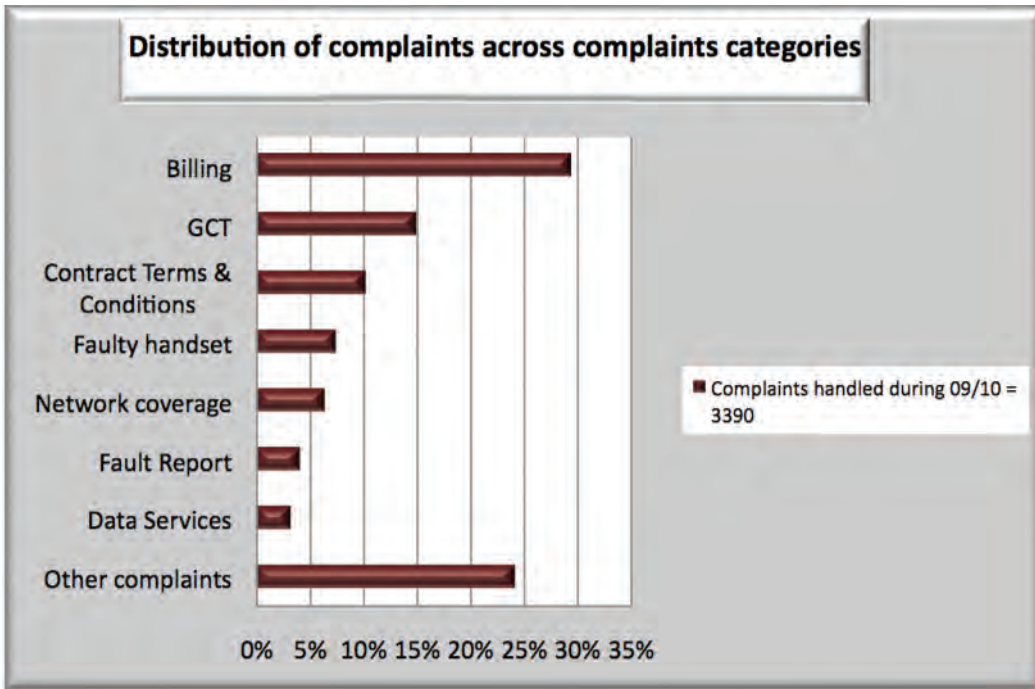


Figure 3: Categories of Complaints Received

Research

During the previous reporting year, the Division conducted research on the impact of the consumer public education and awareness programmes, and the impact of mobile number portability.

The findings as released in the 2009/10 year are as follows:

Mobile Number Portability (MNP)

- The penalties which could be applied against subscribers terminating their contracts “early” could be a barrier to portability.
- The requirements of the Regulation of Interception of Communications Act (RICA) are likely to create additional practical and legal difficulties for the successful implementation of the portability process.

- Regulations do not address problems related to the delays in effective number portability;
- The enforcement mechanisms in the Regulations need to be tightened;
- The control of the MNP bureau by the three mobile operators creates the impression of excluding new entrants from entering the market;
- If tariff information were more transparent, consumers might be more educated about their options and more inclined to shop around.

Public Education and Awareness

- 79.2% of the respondents regard a cellphone as a primary tool of communication.

- 62.4% of the respondents had access to a cellphone, 31.1% to a telephone, 28% to the post, 7% to e-mail and 6.3% had access to a fax facilities.
- 89.8% of cellphone users said they use the cellphone every day.
- Awareness levels about ICASA's mandate Complaints Handling and Education programmes in rural areas are low.
- Overall, respondents were satisfied with the service they received from their service providers, where over 69% of respondents rated their service provided as being good or excellent.

Two new research projects were undertaken during the financial year, namely: Research on accessibility of telecommunications, broadcasting and postal services by people with disabilities, and research on the consumers' perceptions and experiences with regard to the ICT services. The findings will be made available in the new financial year.

Monitoring of Compliance with Consumer Protection Regulations

The Division monitored compliance by licensees with consumer protection regulations namely: Code of Conduct for Licensees, Code of People with Disabilities and Customer Care Standards and Complaints Procedures for Postal Services.

The monitoring was done in phases; during phases 1 and 2, a total of 636 Community Service Telephones (CSTs) were monitored, along with 422 Telkom public payphones and 67 Post Offices.

During the monitoring visits, there was a high level of compliance amongst all licensees in providing lower counters

to cater for people who use wheelchairs. Almost all CSTs investigated had such counters with phones installed. Lower payphones were also installed on fixed lines to cater for the needs of people using wheelchairs.

With regard to compliance by licensees in providing ramps for wheelchair access, there was a very low level of compliance amongst the majority of mobile operators.

In all CSTs monitored, there was still a great need for improvement with regard to amplified phones with Short Message Service (SMS) facilities.

In assessing compliance with the Code of Conduct for Licensees Regulations, an anonymous shopping exercise was conducted. A total of 42 business outlets were visited, spread across all major licensees. It was found that the majority of licensees have not complied with the Regulations by providing copies of the Code in other official languages upon request at their business outlets.

QUALITY OF SERVICE

The End-User and Subscriber Service Charter Regulations were published to ensure quality of service to end users and consumers. During the year under review, consumers in Gauteng experienced many dropped calls. This resulted in the Authority intervening by meeting with the mobile operators to assess the problem and its resolution.

The Consumer Affairs Division requested the Engineering and Technology Division to monitor the quality of service provided by mobile operators to consumers. The three mobile operators, namely Vodacom, MTN and Cell C, were monitored using the Global Positioning System (GPS) of the Agilent Receiver during the drive tests and used Garmin Quest during the stationary monitoring. The wireless network monitoring software was set up to make calls on a one-on-one basis to the three networks so that the quality of the networks could be monitored. Monitoring was conducted at

various areas in Gauteng. The findings of the report will be available in the new year.

PUBLIC EDUCATION AND AWARENESS

For the year under review, the Division conducted five national campaigns, weekly public education and awareness programmes, established Consumer Representative Forums, placed notices in the print media, and produced promotional material which was disseminated during the public awareness events.

Public education and awareness

The Division developed a public awareness strategy which was used as a guide for public awareness programmes. The objective of the strategy was to ensure widespread awareness among all stakeholders about consumer rights, complaints processes, job opportunities in the ICT's and regulations related to consumers. A substantial number of public awareness workshops and radio interviews were conducted to reach out to communities.

The target audience for all public awareness workshops and campaigns consisted of youth, learners, people with disabilities and municipal representatives in various districts and traditional leaders, among others. Public presentations were conducted in different districts and local municipalities.

National Campaigns

Two major campaigns were conducted in this financial year namely World Telecommunications and Information Society Day and Youth Opportunities in the TCT Sector.

The Division embarked on a number of public awareness campaigns in all the nine provinces to mark the day. The theme was: "Protecting children in cyberspace".

Other campaigns which were held on a smaller scale were Postal Day, International Day of Persons with Disabilities, and the International Consumer Rights Day.

A total of 3 000 promotional items were distributed in all national campaigns, and workshops were held in all nine provinces:

Youth Day

The Division visited several schools in the provinces to share information about learnership programmes and job opportunities in the industry. Most schools do not have internet facilities and therefore acquiring IT skills remains a problem.

Print media were used to advertise this event. The Division distributed 6 000 promotional materials during presentations.

World Post Day

World Post Day is celebrated every year on 9 October internationally. It was declared World Post Day by the UPU Congress held in Tokyo, Japan in 1969. Since then, countries across the world participate annually in the celebrations. On the other hand the WPD set the tone for African Post Day which is celebrated annually on 18 January. The theme was, "The Post, a veritable means for bridging the digital gap".

The 2009 theme is in line with the mandate of ICASA which seeks to ensure that all South Africans have access to postal services. Interviews were conducted on community radio stations with regard to postal services. Messages were based on customer care standards, postal address rollout and delivery standards.

International Day of Persons With Disabilities

The theme for 2009 was: “Realizing the Millennium Development Goals for All”. ICASA, in line with the United Nations and the global community, celebrated the International Day of Persons with Disabilities on 3 December. The aim was to promote an understanding of disability issues, the rights of persons with disabilities and gains to be derived from the integration of persons with disabilities in all aspects of public life in their communities.

The Division sourced promotional material for Disability month and distributed copies of regulations in printed media.

World Consumer Rights Day

The theme for 2009 World Consumer Rights Day was “Protecting children in cyberspace”. During this financial year, the Authority held workshops in the different provinces. According to the International Telecommunication Union (ITU), over 60% of children and teenagers talk in chat rooms daily. Of these one in five children are vulnerable to abuse each year.

The Division printed 20 000 brochures on World Consumer Rights Day and placed notices about the event in specialised consumer and mainstream print media.

Establishment of Consumer Representative Forum

Six provinces were expected to establish the Consumer Representative Fora, only four were able to do so, namely Northern Cape, North West, Eastern Cape and Free State. The fora consist of representatives from municipalities, Community Development Workers (CDWs), youth groups, representatives of people with disabilities and others. The role of the CRFs is to provide a voluntary community service by representing the interests of consumers in the provinces.

Consumer Advisory Panel

The Electronic Communications Act provides for the establishment of a Consumer Advisory Panel (CAP) to advise the Authority on matters related to consumer protection. The CAP held one quarterly meeting in the year under review and there were no subsequent meetings as the entire panel resigned. CAP members had a different interpretation of their role from that of the Authority, and this resulted in their resignations.

Support to Council

The Division provided human capacity and budgetary resources support to Council in developing the following consumer protection regulations:

- Regulations on Conveyance of Mail, and
- E-Rate regulations

Stakeholder Relations

During the year under review, the Division held a number of meetings with operators to strengthen working relations. The meetings focused on issues of consumer protection and the need to work together in resolving consumer complaints.

Furthermore, the Division undertook scheduled meetings with the Department of Public Service Administration (DPSA) in Northern Cape, Limpopo, KwaZulu-Natal, Western Cape, Eastern Cape, Free State and Mpumalanga provinces. The aim of these meetings was to establish and maintain relationships with organisations for people with disabilities as well as to assess and measure the level of compliance by licensees with consumer protection regulations.

An agreement was reached that the Authority and the associations should work together to promote the rights of people with disabilities through public education and awareness interventions.

The Legal division has the following mandate:

- to safeguard ICASA's interest in litigation matters;
- to review, draft, vet and advise on ICASA regulations, and documents impacting on ICASA's regulatory projects;
- to provide legal advice and support to Council, Committees and various departments within ICASA;
- to provide legal support on regulatory and legislative drafting projects;
- to provide general legal support to ICASA; and
- to coordinate the activities of the Complaints and Compliance Committee.

3.5.1 REGULATORY MATTERS

Islamic Unity Convention V ICASA and Others

The Islamic Unity Convention (IUC), broadcasting as Radio 786, instituted review proceedings against the erstwhile Broadcasting Monitoring and Complaints Committee's finding that it had contravened the Code of Conduct for Broadcasters following a complaint lodged by the South African Jewish Board of Deputies. The IUC also sought a final interdict against the further adjudication of the complaint (which emanates from a broadcast that took place in June 1998). The matter has been set down for hearing on 9 and 10 May 2011 in Cape Town.

Deukom (PTY) LTD V ICASA

Deukom instituted review proceedings against the Authority's decision to refuse it a subscription broadcasting service licence. The Authority is opposing the application to have its decision reviewed and set aside. Deukom is yet to file its replying affidavit which impacts on the finalisation of the matter.

X-Link, Connectnet and Datalinx V ICASA

These entities launched an application for a declaratory order application to the effect that they were not required under the Telecommunications Act to be holders of a value added network service licence and that only in terms of the ECA were they required to hold a class electronic communication service licence. The parties have reached an out-of-court settlement and the application has been withdrawn.

Caxton and CTP Publishers & Printers (PTY) LTD v ICASA and Others

Caxton instituted a review proceeding against the Authority's decision to grant a subscription broadcasting licence to MultiChoice Africa (PTY) Ltd. The Authority opposed the matter and the review application was dismissed in court. Caxton was refused leave to appeal by the Supreme Court of Appeal. The parties have both agreed to the CCC adjudication and are waiting for the Committee (CCC) to set a hearing date.

Vodacom (PTY) LTD v ICASA and Others ("Major Operator")

Vodacom instituted review proceedings to have Regulations promulgated by the Authority, which declared it a major operator, set aside. The Authority opposed the application. The parties have reached an out-of-court settlement and ICASA is awaiting a notice of withdrawal from the applicant.

Vodacom (Pty) LTD v ICASA and Others (Handset Subsidies Regulations)

Vodacom launched review proceedings against the handset subsidies regulations promulgated by ICASA. The parties were exploring an out-of-court settlement as the application had been overtaken by events and both parties agreed to settle the matter out of court. ICASA is now awaiting a notice of withdrawal from the applicant.

Black Earth Communications (Pty) LTD v ICASA

Black Earth Communications (BEC) instituted review proceedings against ICASA's decision to refuse to grant it a satellite broadcasting licence on the grounds that BEC failed to comply with the provisions of section 51(a),(b),(d),(e) of the ECA and with the local content regulation. In its court papers, BEC submits that it was not afforded a fair opportunity to address the issues required under section 51 as well as the content regulation. A hearing date is being arranged.

Directory Solution CC v ICASA

Directory Solution launched an application to compel ICASA to investigate a complaint it lodged against Telkom Directory Services. Directory Solution has since approached the Competition Commission (CC) for relief and adjudication of its complaint. Directory Solutions has withdrawn its review application against ICASA. The matter is finalised.

Len Marshall v ICASA

Mr Marshall instituted civil proceedings against ICASA for the repayment of licence fees he allegedly overpaid to ICASA amounting to R95 982. Mr Marshall has withdrawn his court action. The matter has been finalised.

Radio Pulpit v ICASA

Radio Pulpit instituted review proceedings against ICASA's decision not to grant it the 729 kHz medium frequency in the Western Cape. The parties have exchanged pleadings and the matter is to be argued in court on 6 and 7 September 2010. In the Northern Gauteng High Court.

COSATU v ICASA, Vodacom And Others

COSATU instituted review proceedings against ICASA's decision in which ICASA accepted the notification for the disposal of shares in Vodacom in favour of Vodafone by

Telkom SA Ltd. ICASA is opposing the matter but it appears that COSATU is no longer intent on pursuing the matter.

Telkom SA LTD v ICASA

Telkom instituted review proceedings against the licence fees regulations on the basis that proper procedure was not followed in their promulgation. ICASA is opposing the matter and the parties are exchanging pleadings.

Radio Algoa v ICASA

Radio Algoa instituted review proceedings against ICASA's decision to refuse it an extension to cover the Southern Cape and parts of the Western Cape and not only the Eastern Cape. ICASA is opposing the matter and it appears that Radio Algoa is no longer intent on pursuing the matter.

TETRA Mobile v ICASA and Another

Tetra Mobile launched an urgent application and a review application against the decision taken by ICASA inspectors to seize some of its electronic communication equipment in terms of section 17 of the ICASA Act. This was done based on a search and seizure warrant issued by a magistrate in Kwa-Zulu Natal. The court ordered the return of the equipment and the matter has since been finalised on the basis that the ICASA inspectors may approach the High Court for new search and seizure warrants.

YODATA v ICASA and Another

Yodata launched an urgent application against ICASA and one of its officials seeking an order for ICASA to convene a Complaints and Compliance Committee (CCC) hearing to adjudicate its alleged non compliance with the type approval regulations and for the return of some of its goods. The court ruled that ICASA may retain samples of the goods seized and which may be used to lead evidence before the CCC.

WAPA-Amobia v ICASA

The Wireless Applications Association together with Amobia launched an application for a declaratory order to the effect that value added network service licensees under the Telecommunications Act could provide their own network infrastructure as a service to their customers. The application has been withdrawn.

Freedom Of Expression Institute v ICASA and Others

FXI instituted review proceedings against the CCC's decision not to rule in its favour in a complaint it had lodged against the SABC following the "Blacklisting" matter. The parties are exchanging pleadings.

On-Digital-Media v Super 5 Media and ICASA

ODM filed an urgent review application to interdict and restrain Super 5 (formerly Telkom Media) from providing commercial subscription broadcasting services; and also filed a review application against ICASA for approving the transferring of the licence from Telkom Media to Super 5 media. The urgent application was dismissed in court where after ODM withdrew the review application.

NAFCOC Broadcasting Consortium v ICASA

Nafcoc instituted review proceedings against ICASA following the promulgation of the Digital Terrestrial Television Regulations, 2009. ICASA afforded interested parties a further opportunity to comment, rendering the review application academic. NAFCOC has not withdrawn the application.

E-TV v ICASA and Others

e-TV launched an urgent review application to interdict the implementation of the DTT regulations. ICASA afforded interested parties a further opportunity to comment,

rendering the review application academic. e-TV withdrew both its applications.

NEOTEL v ICASA

Neotel has lodged an application to review the Licence Fees Regulations in terms of which it is liable to pay licence fees amounting to R100 million. The Authority has lodged a court application in the matter and Neotel is to file its answering papers. The parties are still exchanging pleadings and the process is underway.

Mobile TV v ICASA

ICASA was served with an urgent application by Mobile TV to interdict the impending licensing process of mobile television. ICASA opposed the application and the court dismissed the urgent application with costs.

3.5.2 LITIGATION – NON-REGULATORY MATTERS**Nothnagel v RAF and ICASA**

ICASA was served with a third party notice by the Road Accident Fund (RAF). The RAF sought to join ICASA in a matter in which the spouse of a late former ICASA employee instituted a damages claim arising out of a motor vehicle accident in an action for damages and loss of support. The matter has been referred to ICASA's insurers who are defending the action. Further contact has been made with Insurers with regard to the claim; who have advised that the claimant had not contacted RAF to date and could not be traced. The matter will be kept in abeyance for regular follow-ups on developments.

eThekwini Municipality/ICASA

Summons was received from eThekwini Municipality in terms of the Kwa-Zulu Natal Joint Services Act, for the claim of Regional Services Levy arrears amounting to R38 908, 98

as at the period ended June 2006. The matter was settled out of court.

3.5.3 LITIGATION - LABOUR MATTERS

The divisions handled a number of litigations in relation to labour matters, the details are contained in the Performance Information section.

3.5.4 COMPLAINTS AND COMPLIANCE COMMITTEE REPORT: 2009/10

The Complaints and Compliance Committee is mandated to investigate and adjudicate complaints by or against licensees.

The Committee consists of seven members and as at 31 March 2010, it comprises the following members:

- 1 Chairperson of the CCC - Honourable Mr Justice David Ratha Mokgoatlheng (Judge of the High Court);
- 2 ICASA Council Member – Professor Jacobus van Rooyen SC;
- 3 Ms Tumeke (Matshoba) Ramuedzisi;
- 4 Ms Nomveliso Ntanjana;
- 5 Mr Surendra Thakur; and
- 6 Professor Piet Delpport

During the period under review, the CCC adjudicated and made findings on the following complaints:

Finalised Matters

Parties in Dispute	Nature of Dispute	CCC Findings
South African Post Office (SAPO) R10 million Penalty	The Authority referred a complaint against SAPO for failure to meet its universal services roll-out target	The CCC nullified the decision of its predecessor, the Postal Regulator, to impose a R10 million fine
Electronic Communications Network (ECN) v MTN	ECN complained that MTN is discriminating among comparable types of interconnection in that it terminates mobile traffic at R 0.89 and terminates ECN at R1.25 even though it is providing the same service to mobile network operators and ECN.	The parties settled the matter prior to its adjudication
Quinton Venter v South African Post Office (SAPO)	The complainant made allegations that SAPO failed to comply with section 5 of the Customer Care Standards, which state that SAPO should render quality service and be prepared to go the extra mile.	CCC dismissed the matter on the basis that the Code of Conduct relied upon when the allegations were made was not promulgated and therefore not enforceable.

Parties in Dispute	Nature of Dispute	CCC Findings
Eagles Auction v South African Post Office (SAPO)	Auction Sales CC. bought goods from Thailand to the value of US\$5858.00 and SAPO centre acknowledged receipt of the goods; however; they informed Auction Sales that the goods were lost on its way to the client.	CCC dismissed the matter on the basis that the Code of Conduct relied upon when the allegations were made was not promulgated and therefore not enforceable.
Engineering and Technology of ICASA v Internet Solutions (IS)	ICASA alleged that Internet Solutions used non type-approved equipment for backhaul links for their wireless network in the 24GHz ISM Frequency band, thus contravening section 35 of the ECA.	IS conceded the contravention and to the forfeiture of the equipment and was further fined R20 000.
Licensing and Compliance of ICASA v Voice of Tembisa (VOT)	The Licensing and Compliance Division of ICASA referred a complaint to the CCC that the licensee failed to pay the R18 000 fine imposed on the radio station subsequent to CCC hearings held in 2008.	The CCC dismissed the complaint on the grounds that the charge sheet drafted by the complainant was defective.

Pending

Caxton v M-Net/MultiChoice	Complaint lodged by Caxton against MultiChoice for alleged contravention of sections 64; 65; and 66 of the ECA.	Awaiting a mutually convenient date for the adjudication of the complaint
Girish K. Sharma v MTN	Complained that the contract that he received from MTN is not the one he was promised when he spoke telephonically to the consultant at MTN.	Matter is partly heard
ICASA v YODATA (PTY) LTD	Unlabelled electronic communications equipment was provided by Yodata Electronics (Pty) Ltd to Massmart from where it was seized by ICASA inspectors in December 2008.	CCC still considering the merits
Thinta Thinta Telecoms (Pty) Ltd vs. Telkom SA	Thinta Thinta Telecoms (PTY) Ltd filed a complaint against Telkom; alleging that Telkom has violated some parts of the interconnection agreement.	CCC to consider the complaint in chambers

Support *Services*

The Human Resources Division is responsible for the needs of the Authority in relation to:

- Facilitate the talent acquisition process;
- Champion organisational health and employee wellness to mitigate risk and ensure sustainability (individual and organisation);
- Ensure that business meets human resources management, legal and statutory requirements;
- Ensure appropriate and legally compliant HR policies, practices and procedures;
- Facilitate the alignment between organisational strategic objectives and individual performance and development;
- Deliver efficient HR transactional business processes and labour cost monitoring;
- Deliver business intelligence for decision making on HR matters (remuneration, recruitment, retention, organisational culture etc).

Organisational Structure

An organisational structure review has been commissioned to conduct an organisational study aimed at reviewing the configuration and capacity, and facilitating alignment with the revised ICASA mandate. The organisational realignment of ICASA is critical for the Regulator to be an efficient and effective organisation. The project methodology includes quantitative and qualitative analysis of the organisation, business process review, interaction with stakeholders and benchmarking with similar organisations globally. The study comprises three phases. The initial phase commenced in October 2009 and the draft recommendation report is expected at the end May 2010 for consideration by Executive management and Council. This will be followed by a consultative process with the relevant stakeholders and the implementation of recommendations.

Talent Sourcing

The talent sourcing policy has been revised to enable the organisation to effectively source capable talent now and in the future. The talent planning process is aligned with organisational equity and strategic priorities. The talent sourcing strategy includes a competency based assessment framework to enable the organisation to identify best fit and reasonably predict the job applicants' possible success level before they are hired.

A suitably qualified selection panel engages on all candidate appointments. An induction programme has been revised to focus on better integration and building a competent and enthusiastic newly hired community. Human Resources is in the process of commissioning an e-Recruitment system which will enhance the screening capability, minimise margin of error and increase turnaround times to ensure that only the best qualified candidates are considered. A total of 55 permanent and 45 temporary positions were filled during the reporting period.

Talent Development

An annual training plan has been developed based on business imperatives. Local and international learning interventions were sourced and delivered by reputable service providers across functional areas and levels of work.

R4.2 million was allocated to learning and development to ensure adequate and effective human resources development. An executive development programme aimed at enhancing leadership capacity and capability has been designed and delivered by Gordon Institute of Business Science. Phase 1 of the executive development programme was completed in March 2010. Some outcomes of this learning solution are the development of a leadership framework and an organisational effectiveness measurement tool for ICASA. The leadership framework is

aimed at identifying critical behaviours that are essential for the efficiency and effectiveness of the organisation. These behaviours will underpin all business and talent management practises. The organisational scorecard on the other hand is aimed at designing organisational key success factors and other relevant measurements.

A total of 50 learning solutions were delivered, and 1007 delegates participated in training. The beneficiaries of some of the courses provided during the year were 57% women and 43% male employees. Performance management, employee self-service, Microsoft Office, coaching and emotional intelligence were offered to the entire organisation across all functional areas. In addition, several divisions were recipients of specialised training, particularly as a consequence of contracting specialist services with external vendors.

Performance Management

ICASA is in the process of embedding a performance management work ethic through a framework that was introduced in 2007 and has been continually enhanced for appropriateness. The performance management policy has been revised to align to best practice and an integrated model that supports the talent management strategy for optimum success levels. Critical to this process is a mechanism of translating ICASA'S broader objectives into individual performance expectations. This means that employees across the organization should have a clear understanding of the performance expectations and have the benefit of regular performance conversations, coaching and feedback from line managers in achieving effective performance. Self assessments are core to the performance management system. This process allows employees to take ownership of performance outcomes by critical self- evaluation prior to receiving feedback from line managers. New employees are expected to have performance contracts within two months of appointment. 92% of staff had entered into performance agreements at the beginning of the financial year.

Employment Equity

ICASA is committed to the principles of employment equity and seeks to create an organisational profile that reflects the diversity of the South African society. There has been a steady growth of women into senior positions and ICASA endeavours to promote gender equity in all employment practices. Currently 49% of ICASA staff are women. Although there are two women (22%) in the E band category, there is a strong feeder base for succession planning in the Senior Manager (D4) and Manager (D1) categories. There is also a concerted effort to recruit and develop women at all levels and across functional areas. The organisation's disability complement is 1.67% of headcount.

The total headcount has increased by 5.6%, from 339 in the previous financial year to 358 in the 2009/10 financial year.

Substantive Negotiations

Substantive negotiations with the Communication Workers Union for the period from 1 July 2009 to 30 June 2010 settled on a salary increase of 10% across the board by mid November 2009. It was agreed that the salary increase was to be paid on 25 November 2009, retrospectively to 1 July 2009. The parties agreed that outstanding substantive matters would be negotiated at a later stage with a commitment to conclude the matters by 30 November 2009. Outstanding matters remain unresolved and parties are in the process of seeking private mediation which is in line with the recognition agreement.

Remuneration and Benefits

ICASA has appointed a Remuneration Committee (REMCO) as an advisory body on compensation and benefits matters. REMCO assists ICASA with the review of current reward practices and the formulation of a remuneration strategy aimed at attracting and retaining key talent. The strategy encompasses differentiation based on market dynamics,

performance, critical skills and scarce skills. The development of a dual career stream is in the pipeline and awaiting the confirmation of the organisational structure and core competence profile. This is based on a specialist/generalist skills and competence profile, ensuring that specialists within the organisation are recognised, developed, deployed and rewarded accordingly.

Medical Aid Schemes

ICASA is in the process of reducing the number of employee medical aid schemes from five to three. A benchmark study was done to determine the cost, benefits and service offerings currently available to the employees. The study illustrated that it is not cost effective to maintain more than three medical aid schemes.

Pension Fund

The Pension Fund Management Committee was established in the year. The role of the committee is to represent and protect the interests of the pension scheme members and the employer.

Terminations

The retention of existing employees is an ongoing priority and attrition rates are tracked. Labour turnover for 2009/10 was 8%. Exit interviews and the tenure of departing employees are analysed to understand the underlying and potential causes for attrition. This information is used to review and upgrade the retention practices, policies and systems. This process is also a critical tool to identify hidden challenges affecting employee loyalty, development, performance and engagement. Some 53.3% of departing employees cited better compensation and benefits as a reason for leaving.

Employee Wellness Programme

There was an increase in the number of management referrals in which supervisors took the initiative to recommend external professional counselling and advice services for employees' support and assistance as compared to the previous year. The overall utilisation rate of 14.3% for the service exceeds the sector average of 8%. In all, 66.5% of the population participated in the annual employee wellness week which offers medical screening and advice for early detection and management of health risks.

Other support services include the Communications and International Relations, Regions, Administration and Information Technology.

Communications and International Relations

The Communications department is responsible for the external and internal communications functions, including stakeholder relations.

International Relations department coordinates the Authority's participation and representation to relevant international fora, events and conferences, receives international delegations on fact-finding missions to South Africa and ensures the Authority's membership subscription to relevant organisations.

Regions

The Regions' department responsibility is to coordinate the Authority's activities in the regional offices of Johannesburg, Pretoria, Bloemfontein, Cape Town, Port Elizabeth and Durban.

This responsibility is two-fold: to conduct public/consumer awareness programs in all the nine provinces of the country,

and to conduct inspections and investigations regarding signal interferences and illegal frequency spectrum usage.

In cases where illegal usage is identified, the Authority's inspectors have powers to institute criminal prosecutions and to seize and confiscate illegal equipment. On the other hand, incidents of interference among licensed operators are resolved technically, for example, the reduction of power wattage for signal propagation.

Administration

The Administration division is responsible for Library Services, Records and Documentation Management, Security Services, Occupational Health and Safety, Switchboard and Reception Areas, Facilities Services, Fleet Management, Asset Management and management of corporate cellphone accounts.

Information Technology

The Information Technology department provides application, hardware and software support to all the Authority's divisions and support services. Highlights for the year include the replacement of Novell and Groupwise software by Microsoft and the customisation of the JD Edwards for the spectrum system.

Performance Reports

LICENSING AND COMPLIANCE DIVISION					
Strategic objective	Key performance Area	Key performance Indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
LICENSING					
Strategic Goal: Liberalisation of the ICT sector					
Operational goal: Issuing of licences					
1. Liberalisation of sector, access to basic services, economic growth and Black Economic Empowerment	1.1. Licensing of Digital Terrestrial Television (DTT)	1.1.1. Allocation of channels to the SABC, M-Net, e-TV, TBN and any other eligible licensee.	Licensing of DTT	Allocation of 24 available channels	The DTT regulations were published on 15 February 2010. Waiting for SABC, M-Net, e-TV and TBN to submit amendment applications as per the DTT regulations. The project was delayed as the Authority had to first receive policy framework from the Department of Communications (DoC). Further, the DTT regulations were at some point withdrawn to address issues raised by the industry/licensees.
	1.2. Licensing of additional commercial radio services.	1.2.1. Grant and issue commercial sound broadcasting services to successful applicants in KZN, WC and Gauteng.	Issue commercial sound broadcasting licences	Issued three licences	Receipt of applications. Granted requests for confidentiality and condonations. The project could not be achieved as the closing date for submission of applications was extended to November 2009 and Council had to consider and decide on the procedural challenges relating to the condonation of late applications.
	1.3. Licensing of mobile broadcasting services.	1.3.1. Grant and issue licences for mobile broadcasting Services.	Issue mobile broadcasting service licences	Issued two licences	The regulations, reasons document and the ITA have been finalised and published. The project could not be achieved due to legal reviews by interested parties.
	1.4. Self-provisioning of broadcasting services licensees	1.4.1. Grant and issue I-ECNS to successful applicants.	Issue I-ECNS licences	Four I-ECNS licences issued	I-ECNS licences have been granted to successful applicants.
	1.5. Licensing of Broadband INFRACO	1.5.1. Grant and issue Individual ECNS and Individual ECS to Broadband INFRACO.	1 ECNS and 1 ECS	1 ECNS and 1 ECS licences issued	I-ECNS licence granted and I-ECS licence refused.

LICENSING AND COMPLIANCE DIVISION					
Strategic objective	Key performance Area	Key performance Indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
2. To ensure universal access and service	2.1. Amendments and transfers of Electronic Communications Network Service (ECNS), ECS and broadcasting service (BS) licences	2.1.1. Consider and decide on lodged applications for amendments and transfers by existing ECNS, ECS and BS licences	Issue of licences	5 ECNS and ECS, and 19 for BS licences	1 I-ECNS and 1 I-ECS amendment. 9 I-BS amendment. 7 I-ECNS and 7 I-ECS transfer. 1 -IBS and 1 I-BTV notification. 8 I-BS amendment refused.
	3. Liberalisation of sector, access to basic services and economic growth	3.1. Registration of class licences and courier companies	Registration of class licences and courier services	50 class ECS and ECNS and 25 community sound broadcasting services and registration of 30 courier companies.	The following licences were issued: 58 C-ECS. 55: C-ECNS. 27 C-sound broadcasting. 21 Courier services. Two community TV. One low power. One Sound broadcasting refused.
	3.2. Review standard terms and conditions	3.2.1. Publish the revised standard terms and conditions Regulations	Reviewed Regulations	Published reviewed Regulations	Revised Standard Terms and Conditions Regulations, and revised Process and procedure Regulations have been approved for final publication.
COMPLIANCE					
Strategic goal: Strengthen regulation					
Operational Goal: Ensure compliance by licensees with ECA, Regulations and licence terms and conditions					
4. Strengthen regulation	4.1. Monitoring of SAPO licence conditions.	4.1.1. Monitoring visits to SAPO postal outlets in all nine provinces and production of Compliance report	Compliance report	48 monitoring visits	The Division was able to verify all SAPO's new infrastructure as recorded in their first and second quarter reports,
	4.2. Monitoring of unreserved postal service (courier companies)	4.2.1. Monitoring visits to courier companies in all nine provinces and production of Compliance report	Compliance report	36 monitoring visits	Audit of unreserved postal services in respect of the undertakings made in terms of Section 22 of the Postal Services Amendment Act was done and a report was compiled.

LICENSING AND COMPLIANCE DIVISION						
Strategic objective	Key performance Area	Key performance Indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year	
4. Strengthen regulation (continued)	4.3. Monitoring of ECS/ ECNS licensees	4.3.1. Monitoring visits in all nine provinces and production of Compliance report.	Compliance report	36 monitoring visits	The Authority issued new licences on 16 January 2009. Audit on compliance by ECS and ECNS licensees was conducted.	
	4.4. Monitoring of broadcasting services	4.4.1. Monitoring visits in all nine provinces and production of Compliance report.	Compliance report	48 monitoring visits	86 monitoring visits were conducted for the 2009/10 financial year. 85 post visits reports have been compiled, except for one report, which is in the process of being compiled; Reenboog Community Radio.	
	4.5. National and Provincial Government elections	4.5.1. Monitoring of national and provincial government elections to ensure fair coverage and compliance with regulations governing elections and production of Compliance report.	Compliance Report	Compliance Report	Monitoring was finalised on 31 May 2009. The consultants submitted their final analysis of all captured data on 20 August 2009. A draft elections report has been finalised	
	4.6. Local government elections	4.6.1. Monitoring of local government elections to ensure fair coverage and compliance with regulations governing local elections and production of Compliance report.	Compliance Report	Compliance Report	Local government elections project was deferred to 2010/11 financial year, as election will only take place in 2011.	
	4.7. Compliance Procedure Manual Regulations	4.7.1. Publication of Regulations on the Compliance Procedure Manual.	Publication of the regulations	Publication of the regulations	Draft regulations were published on 19 March 2010.	
	5. Access to basic services	5.1. Review of Universal Service and Access Obligations (USAOs)	5.1.1. Development and publication of USAOs policy framework.	Publication of revised USAO framework	Publication of revised USAO framework	A report was compiled and the discussion document is currently under review
		5.2. Develop USAO Regulations	5.2.1. Publication of regulations on USAOs in terms of s 8(4).	Publication of USAO regulations	Publication of USAO regulations	The project forms part of the second phase of the Review of Universal Service and Access Obligations Framework. The project was deferred to the 2010/11 financial year.

MARKETS AND COMPETITION DIVISION						
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year	
Markets and Competition Analysis						
Strategic Goal: Liberalisation of the ICT sector						
Operational goal: Introduce a comprehensive competition framework						
1. To promote sustainable, stable, dynamic and innovative competition in the electronic communications, broadcasting and postal sectors to deliver high quality services at competitive prices.	1.1. Framework procedures for implementation of section 67 of the ECA	1.1.1. Guidelines setting out the procedures and processes that the Authority will adopt	Workshop, report, public notice	Guideline for conducting market reviews	Project completed	
	1.2. Market studies in terms of S.67 of the ECA.	1.2.1. Market studies reports for identified relevant markets	Reports	Publish market studies reports for identified relevant markets	Project completed	
	1.3. Analysis of COACAM reports filings (mobile and fixed operators) and investigate preliminary reporting requirements pertaining to pro-competitive remedies.	1.3.1. Report on the review / analysis of Regulatory Financial Reporting (RFR). Setting out internal conceptual framework for RFR requirements pertaining to proposed pro-competitive remedies.	Reports	Reports	Discussion document on market definition, SHP and effectiveness of competition	Project completed.
	1.4. Review the economic regulatory framework for the postal sector and develop the Regulatory Financial Reporting (RFR) requirements pertaining to the postal sector	1.4.1. Report and draft regulations on the economic regulatory framework; and RFR requirements pertaining to the postal sector.	Reports	Reports	Publish report	Project to be completed in the new financial year.
	1.5. Review the Price Cap	1.5.1. Internal reports reviewing Price Cap	Report	Report	Publish revised price cap	Project completed.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
1. To promote sustainable, stable, dynamic and innovative competition in the electronic communications, broadcasting and postal sectors to deliver high quality services at competitive prices (continued)	1.6. Framework for competition in broadcasting.	1.6.1. Report on Broadcasting Competition Framework.	Reports	Internal report to facilitate planning	Project completed.
2. To promote competition within the postal sector and to provide postal services that are responsive to consumer needs	2.1. Review of unreserved postal services (carry over from the previous financial year)	2.1.1. Regulations for unreserved postal services.	Reports, Regulations	Regulations for unreserved postal services	Project completed. Regulations published on 8 January 2010, and will come into force in July 2010
3. Promote access to basic services at affordable prices	3.1. Review of SAPO's 2010/11 tariff filing	3.1.1. Tariffs review gazetted.	Decision published in Gazette		Project completed.
4. Reduce cost by promoting and facilitating interoperability and interconnection of networks and access to facilities	4.1. Coherent and modular framework for wholesale regulation applicable to iECNS and ECS licensees. 4.2. Facilitate interconnection and facilities leasing.	4.1.1. Report on framework for wholesale regulation applicable to iECNS and ECS licensees. 4.2.1. Framework Interconnection and Facilities Leasing Regulations.	Reports, workshops, public notice Reports, regulations	Final regulations	Project completed.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
	4.3. Implementation and administration of Interconnection and Facilities Leasing Regulations.	4.3.1. Database management system for all agreements.	Reports	Database in operation.	Project not completed.
	4.4. Effective assessment of interconnection and electronic communication facilities leasing agreements.	4.4.1. Report on analysis and processing of interconnection and electronic communication facilities leasing requests, agreements and amendments.	Reports	Review agreements within 21 days.	Target of review and response within 21 days not achieved.
	4.5. Identify essential facilities and provide framework for access to such facilities on favourable terms.	4.5.1. Report identifying a list of essential facilities and recommending appropriate framework for facilitating access to such facilities.	Reports	Report to Council on approach to essential facilities.	Project completed.
5. To reduce the cost of doing business in South Africa by encouraging effective competition through increased access to infrastructure, diversity of service, competitive prices and greater choice for consumers.	5.1. Regulations to facilitate Local Loop Unbundling.	5.1.1. Report on Local Loop Unbundling Regulations.	Reports, regulations	Report on market definition, SHB and effectiveness of competition.	Project deferred to 2010/11 financial year.

MARKETS AND COMPETITION DIVISION						
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year	
6. Ensure fair, transparent and non-discriminatory allocations of numbers to licensees (competition) and provide sufficient numbering capacity for existing and future numbering demands	6.1. Ensure that numbering rules, numbering conventions and structure of the plan are in place to allow fair, transparent and non-discriminatory allocations of numbers to licensees.	6.1.1. Revised numbering plan regulations in terms of the ECA.	Reports, workshops, public consultation, regulations.	Publish revised Numbering Plan Regulations in terms of the ECA.	Final draft regulations completed for release in 2010/11 financial year.	
	6.2. Conduct Number Audit in line with the Numbering Plan.	6.2.1. Audit reports	Audit reports	Publish Audit reports	Overall project to be incorporated in the 2010/2011 Number Audit Project.	
	6.3. To improve the efficiency, transparency, and accessibility of the number database. Incorporate the central numbering database with Authority's website. Develop web-based application for public access to Authority's Central Numbering database.	6.3.1. Report on web-access of existing, allocated and available numbering capacity.	- Reports - Numbering information published on website.	- Reports - Numbering information published on website.	Publish report on web-access of existing, allocated and available numbering capacity.	Progress report submitted.
	6.4. Maintenance and management of Central Numbering Database.	6.4.1. Updated numbering database.	-Database reports	-Database reports	Updated numbering database.	Progress report submitted.
	6.5. Evaluation of Numbering applications.	6.5.1. Allocation of numbers to licensees.	Recommendation reports.	Recommendation reports.	Allocate numbers to licensees.	Progress report submitted.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
	6.6. Process and monitor tariff adjustments	6.6.1. Common database for the publication of retail tariffs for public access.	Recommendation reports	Recommendation reports	Progress report submitted.
7. Encourage Research and Development within the ICT sector (Sector Intelligence Project).	7.1. Provide for the ongoing analysis of trends and developments in the ICT sector through the maintenance and provision of data, key indicators, and research.	7.1.1. Report on system for collation and safekeeping of all data and information in a central database and develop procedures and processes for the dissemination of key indicators, statistics and trend reports (non-confidential) to the public.	Terms of Reference document.	Terms of Reference document.	Project deferred to the 2010/11 financial year owing to a lack of resources.
8. To reduce the cost of doing business in South Africa by encouraging effective competition through increased access to infrastructure, diversity of service, competitive prices and greater choice for consumers.	8.1. Implement Handset Subsidy Regulations.	8.1.1. Promulgation of Handset Subsidy Regulations.	Regulations	Final regulations	Project to be completed in the new financial year.
	8.2. Ensure Carrier Pre Selection.	8.2.1. Promulgation of Carrier Pre Selection Regulations.	Regulations published.	Regulations published.	Regulations finalised but not published.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Policy Research and Development					
Strategic goal: Liberalisation of the ICT sector					
Operational goal: Introduce a comprehensive competition framework					
1. To promote sustainable, stable, dynamic and innovative competition in the broadcasting sector to deliver high quality services at competitive prices	1.1. Review of regulations on Advertising, Infomercials and Sponsorship.	1.1.1. Revised Regulations on Advertising, Infomercials and Sponsorship.	Regulations	Regulations	Project completed. The Authority decided not to amend/repeal the current regulations until the EC Act has been amended to enhance legislative clarity and certainty.
2. Ensure competitive, fair, open, transparent and non-discriminatory pricing and right for high quality independently produced South African programming to promote competition.	2.1. Codes of Practice Guidelines on Commissioning of Independently Produced South African Programming as mandated by Section 61(1) of the ECA for dealings between the broadcasters and independent producers.	2.1.1. Codes of Practice/Guidelines for dealings between the broadcasters and independent producers.	Codes of Practice	Codes of Practice	Project completed. Final Findings document and Regulations published.
3. Ensure competitive, fair, open, transparent and non-discriminatory pricing and right for broadcasting sports programming.	3.1. Review the current regulations on Sports Broadcasting Rights and fulfil the provisions of Section 60(1) and (2) of the ECA.	3.1.1. Revised Regulations on Sports Broadcasting Rights and Dispute Resolution Mechanism.	Regulations	Regulations	Project Completed. Final Reasons Document and Regulations published.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
4. To reduce the cost of doing business in South Africa by encouraging and promoting effective, sustainable, stable, dynamic and innovative competition in the electronic communications and broadcasting sectors through increased access to infrastructure, diversity of service, competitive prices and greater choice for consumers.	4.1. Regulations for Digital Terrestrial Television Broadcasting.	4.1.1. Regulatory Framework for Digital Terrestrial Television Broadcasting Migration.	Regulations	Regulatory Framework	Project completed. Final Reasons document and Regulations Framework published
5. To promote sustainable, stable, dynamic and innovative competition in the electronic communication and broadcasting sector to deliver high quality services at competitive prices.	5.1. Examine the options to facilitate the introduction of a regulatory approach towards Video On Demand (VOD) and Internet Protocol Television (IPTV).	5.1.1. Regulatory Framework approach to VOD and IPTV.	Framework Document	Framework document	Published discussion document. The project will be carried over to the next financial year. The public hearings were postponed to 2010/11 because legal vetting took longer than expected.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
6. To promote sustainable, stable, dynamic and innovative competition, choice and diversity in the electronic communications and broadcasting and postal sectors to deliver high quality services at competitive prices.	6.1. Review the current regulations on ownership and control of commercial broadcasting services and limitations on broadcasting services.	6.1.1. Policy recommendations to the Ministry of Communications on ownership and control of commercial broadcasting services and limitations on broadcasting services levels for the amendment of the Electronic Communication Act.	Report on Policy Recommendations to the Minister of Communications.	Report on Policy Recommendations to the Minister of Communications.	Policy Recommendations to the Ministry of Communications on ownership and control of commercial broadcasting services not submitted. The project is overlapping to the next financial year. The discussion document was published later than expected due to incorporation of new mandate to deal with telecommunications and BEE issues, as opposed to the original plan of dealing only with broadcasting issues.
7. To promote sustainable, stable, dynamic and innovative competition in the electronic communications and broadcasting sectors to deliver high quality services at competitive prices.	7.1. Examine the options arising from the release of spectrum afforded by the digital switchover programme (from the Digital Dividend).	7.1.1. Regulatory Approach to the Digital Dividend.	Regulatory Approach Document	Regulatory Approach Document	Discussion document developed. Final Regulatory Framework approach document not finalised. The project is overlapping to the next financial year. The legal vetting of the document took more time than expected.

MARKETS AND COMPETITION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
8. To promote competition, encourage innovation, protect and inform consumers, efficiently and effectively manage the radio frequency spectrum when regulating the electronic communications, broadcasting and postal sectors.	8.1. Introduce the basic framework on how ICASA will conduct and regularise the use of Regulatory Impact Analysis (RIA).	8.1.1. Regulatory Approach to regularise the use of Regulatory Impact Analysis (RIA).	Regulatory Approach document	Regulatory Approach Document	Project completed. Council approved the final regulatory approach for implementation.

ENGINEERING AND TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Liberalisation of the ICT sector					
Operational goal: Issuing of technology neutral licenses timeously					
1. To enable effective and efficient management of spectrum and technology (Spectrum licensing and management and equipment type approval programme).	1.1. Implementation of a new spectrum fees framework and system. 1.2. Development of the licensing framework for high demand bands (e.g. 2.6GHz and 3.5GHz bands).	1.1.1. Final Spectrum Fees Regulations. 1.2.1 Regulations and ITA.	Number of publications. Number of publications.	Publication of spectrum fees framework. Publication of final fees and ITA.	A new spectrum fees framework and development of Spectrum Fees Regulations have been completed. Final regulations and ITA have been completed.

ENGINEERING AND TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
1. To enable effective and efficient management of spectrum and technology (spectrum licensing and management and equipment type approval programme) (continued).	1.3. Routine spectrum licensing activities (licensing and assignment).	1.3.1. Spectrum licences.	Average number of applications closed per month per type; turnaround time per type.	Aeronautical: 250 applications, 10 days turnaround; - Amateur: 35 applications, 10 turnaround; - Fixed: 20 applications, 12 weeks' turnaround; - Land mobile: 250 applications, 8 weeks' turnaround; - Maritime: 100 applications, 5 days; - Radio dealer: 100, 5 days; - Satellite: 5, 12 weeks - Broadcasting, 2 weeks turnaround	Aeronautical: 432 applications, 14 days turnaround; - Amateur: 114 applications, 14 turnaround; - Fixed: 10 applications, 24 weeks turnaround; - Land mobile: 343 applications, 8 weeks' turnaround; - Maritime: 128 applications, 2 weeks; - Radio dealer: 202, 2 weeks; - Satellite: 6, 24 weeks - Broadcasting, 2 weeks turnaround
	1.4. Routine equipment type approval activities.	1.4.1. Type approvals.	Average number of applications closed per month per type; turnaround time per type.	- RF equipment: 208 applications, 2 weeks turnaround; - TLTE: 83 applications, 2 weeks turnaround; - SWS: 41 applications, 2 weeks turnaround; - LMO: 8 applications, 2 weeks turnaround; - Supplier registration: 4 applications, 2 weeks turnaround	- RF equipment: 432 applications, 2 weeks turnaround; - TLTE: 23 applications, 2 weeks turnaround; - SWS: 6 applications, 2 weeks turnaround; - LMO: 11 applications, 2 weeks turnaround; - Supplier registration: 0 applications.

ENGINEERING AND TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (f/utput)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
2. To cater for new developments in technology and ensure efficient use of spectrum by comprehensive frequency planning (Frequency planning).	2.1. Publication of SATFA and frequency spectrum chart.	2.1.1 SATFA and Frequency Spectrum Chart.	Number of publications.	The material Radio frequency plan published.	The national radio frequency plan was approved by the Minister and published in November 2009.
	2.2. Development of the broadcasting spectrum plan and broadcasting spectrum assignment as part of digital migration.	2.2.1. Broadcasting spectrum plan.	Number of publications.	One.	Broadcasting frequency plan was published in November 2009.
	2.3. Integration of the monitoring WAN.	2.3.1. Commissioning all sites.	Number of publications.	Commissioning report.	All sites commissioned and report compiled.
	2.4. Spectrum audit – Phase 1.	2.4.1. Spectrum Audit and Monitoring Reports. Auditing of identified bands.	Number of publications.	Reports on bands audited.	The spectrum audit has been done for 450-470 MHz and 790-862MHz and report completed.
	2.5. Development of a frequency migration plan for harmonisation.	2.5.1. Preliminary frequency migration plan.	Number of publications.	Preliminary frequency migration plan.	The plan was not completed due to lack of capacity.

ENGINEERING AND TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (futput)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
3. To identify policy imperatives to advise relevant stakeholders and to identify and develop regulations and standards to strengthen the regulatory environment and encourage and support managed introduction of new technologies. (Policy review, rule making and standardisation)..	3.1 Review of equipment type approval framework to simplify and be aligned with time.	3.1.1 Revised type approval framework.	Number of publications.	Publication type approval of the new framework.	The framework was not completed as planned due to lack of capacity.
	3.2. Development of the TC80 official list of standards.	3.2.1. Official list of standards.	Number of publications.	Updates to the official list of Standards.	Official list of standards regulations published due to lack of capacity.
	3.3. Development of a concise spectrum licensing regime aligned with the Act.	3.3.1. Spectrum licensing regime proposal.	Number of publications.	One	Spectrum licensing regime proposal not completed.
	3.4. Development of assignment and coordination policies and procedures – e.g. microwave, trunking systems, alarms, etc.	3.4.1. Coordination “policies and procedures.	Number of publications.	One	Coordination policies and procedures regulations not published due to lack of capacity.
	3.5. Review of radio regulations – phase 1.	3.5.1. Draft regulations.	Number of publications.	One	Draft regulations have been completed and await publication.

ENGINEERING AND TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (tutput)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
4. To enable management of efficient management of special event (Special events).	4.1. Addressing special requirements for special events according to agreed framework: - Elections - Presidential inauguration - Confederation Cup - 2010 World Cup - ICC 2010 - Diplomatic visits	4.1.1. FIFA 2010: Issuing of spectrum licences for 2010 World Cup, interference resolution, spectrum monitoring, Equipment type approvals, special labels for equipment.	Plan for 2010 World Cup and execution.	Plan for 2010 World Cup and execution.	Plan was developed and executed for spectrum licensing, equipment authorisations, monitoring and interference control.
Strategic goal: Create regulatory certainty					
Operational goal: Establish research and advisory programmes					
5. To enable development of agendas/ forecast on spectrum and technology issues to inform policy development and rule making (Research and advisory programmes).	5.1. Engagement of tertiary and research institutions. 5.2. Participation in technical forums.	5.1.1. Research outputs and seminars - journal papers, conference papers and presentations. 5.2.1. Quarterly reports	Papers and presentation. Reports	Produce one paper and two presentations. Four reports	Engagements with higher learning Institutions have taken place and proposals received. 2 Presentations were done to external stakeholders. Participated in various ITU-R study groups/ working parties and SABS technical committees. Also presented technical papers to various forums.

ENGINEERING AND TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (f/utput)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
6. To enable managed support and giving of technical advice to other divisions and stakeholders (Technical advice and support to other divisions).	6.1. Technical measurements to support consumer protection programmes – e.g. “connection failure” rates and dropped calls in mobile services.	6.1.1. Measurement reports	Quarterly reports	Four reports	Two Quality of service (QoS) tests were conducted in the JHB area. Report compiled.
	6.2. Addressing tasks for project in other divisions and to address requests from divisions and other stakeholders. e.g. – Interconnection – Local loop unbundling.	6.2.1. Quarterly reports	Quarterly reports	Four reports	Record of participation of staff in committees compiled quarterly.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Implementation of systems for end-to-end processes and knowledge management					
7. To establish and develop tools and knowledge base for internal processes, building capability, marketing the division and sharing of knowledge.	7.1. Implementation of a spectrum management system. (Excludes procurement of the software).	7.1.1. New spectrum management system	Completed implementation	Completed implementation.	The Business Process Re-engineering (BPR) exercise was completed. The new Spectrum management system has not been purchased yet due to lack of funding.
	7.2. Stakeholder update and information system.	7.2.1. Timeous updates	Quarterly reports	Four reports	Spectrum usage and availability, spectrum and type approval licences issued and spare community broadcasting frequencies compiled and updated quarterly.

CONSUMER AFFAIRS DIVISION					Overall progress during the 2009/10 financial year
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	
Strategic goal: Liberalisation of the ICT sector					
Operational goal: To promote the interests of consumers					
1. To receive and manage the resolution of complaints.	1.1. To develop a Consumer Complaints Manual.	1.1.1. Consumer Complaints Manual.	Number of Complaints Manuals produced.	Produce and distribute 30 000 copies of Complaints Manual.	27 700 copies of Consumer Complaints Manuals printed and distributed at the Mobile Help Desk visits in all provinces.
		1.2. Workshop stakeholders on Consumer Complaints Manual.	Number of workshops conducted.	20 Workshops per annum, i.e. five workshops per quarter.	21 workshops were held.
		1.3. Receive, record and acknowledge complaints within 48 hours.	Number of acknowledgement letters to complainants.	2 000 acknowledgement letters per annum.	3 390 complaints were received, recorded, filed and acknowledged for the year.
		1.4. Resolution of complaints within 30 working days.	Number of complaints files opened.	2 000 complaints per annum, i.e. 500 complaints per quarter.	3 390 complaints were received, recorded, filed and acknowledged for the year.
2. To improve the accessibility of ICASA's complaints redress mechanisms to rural and underserved areas.	2.1. Reach out to rural and underserved communities.	1.4.1. 61% of complaints resolved within the financial year.	Resolved complaints.	2 000 complaints per annum, i.e. 625 complaints per quarter.	62% (2102/3390) of the complaints were resolved in the year under review.
		2.1.1. Mobile complaints helpdesks hosted at strategic places per region per quarter.	Number of mobile complaints helpdesks hosted.	24 mobile complaints helpdesks hosted per annum i.e. six per quarter.	21 mobile helpdesks were hosted.

CONSUMER AFFAIRS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
3. To protect consumers through research and monitoring compliance with consumer protection regulations.	3.1. Conduct research on access to services by people with disabilities.	3.1.1. Research report.	Produced research report.	Produce research report by third quarter.	The first half of the study was completed in the last quarter of 2009/10 and the last half will be completed in the first quarter of 2010/11.
	3.2. Conduct research on consumer issues for Consumer Advisory Panel (CAP).	3.2.1. Research reports (Three).	Produced research reports.	Produce research reports by 1st, 2nd and 3rd quarter as determined by CAP to inform its advisory role.	The studies could not be completed for CAP as the panel members resigned in quarter two.
	3.3. Conduct audit study on services provided by operators.	3.3.1. Research report.	Produced research report.	Produce research report by end of Fourth quarter.	The first half of the study was done in the last quarter of 2009/10 and the last half will be completed in the first quarter of 2010/11.
	3.4. Monitor compliance with consumer protection regulations.	3.4.1. Compliance reports (Four).	Compliance report produced.	Four Compliance reports per annum i.e. one Compliance report per quarter.	Two monitoring visits were conducted during the year under review.
4. To provide public education and awareness.	4.1. Conduct consumer awareness workshops.	4.1.1. Workshops per annum (747).	Number of workshops conducted per quarter.	747 workshops per annum.	496 workshops were done in the year. Four public education and awareness strategies were developed for each quarter and provided to the regions for implementation.
	4.2. Plan, coordinate and ensure implementation of National Consumer Rights Roadshows.	4.2.1. Roadshows successfully held in all provinces.	1 Consumer Rights Roadshow per province.	Nine Consumer Rights Roadshows conducted in fourth quarter.	The strategy for implementing the Consumer Rights Roadshow on a small scale in the form of workshops was provided to the regions.

CONSUMER AFFAIRS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
4. To provide public education and awareness (continued).	4.3. Plan, coordinate and ensure procurement of consumer awareness raising material by Communications Department.	4.3.1. Material on ICT services available to consumers.	Production of material on consumer awareness.	Pamphlets, T-shirts, caps, banners, bags produced in: first quarter for World Telecommunications Day and Youth Day third quarter for World Postal Day and Disability Day fourth quarter for World Consumer rights Day.	Promotional material was developed, dispatched and distributed at the national campaigns.
	4.4. Plan, co-ordinate and ensure advertising on consumer protection in the media by Communications Department.	4.4.1. One Print advert on Complaints services offered by ICASA One Print advert on International Day of people with Disabilities. One Print advert on Consumer Rights Roadshows. Radio advertising on Consumer Rights Roadshows.	Placed advertisements in the media.	Placement of advertisements in City Press, Daily Sun, Sowetan and SABC Regional Radios: first quarter for World Telecommunications Day and Youth Day third quarter for World Postal Day & Disability Day fourth quarter for World Consumer rights Day.	Advertisements for national campaigns were placed in the targeted print media.
5. To establish, launch and monitor Consumer Representative Forums (CRF).	5.1. Establish and launch CRFs in the remaining six provinces.	5.1.1. CRFs launched in six provinces.	Reports on the established CRFs.	Established six CRFs in the remaining provinces. i.e.: Gauteng, W.Cape, E. Cape, N. Cape, Free State & N. West.	Only four CRFs were established during the year under review.
6. To Coordinate CAP activities.	6.1. Co-ordinate CAP meeting for each quarter.	6.1.1 Four x meetings per annum .i.e. One meeting per quarter.	One meeting per quarter.	Four meetings per annum .i.e. One meeting per quarter.	Council has approved the review of CAP Regulations. Council Committee has been constituted for approval by Council.

CONSUMER AFFAIRS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
7. To establish and maintain partnership with operators on consumer protection matters.	7.1. Interaction with operators on matters affecting consumers.	7.1.1 Meetings held in respect of relationship building in the second quarter. Visit operators in the third and fourth quarters.	Quarterly meeting with operators.	First quarter: Map out the CSTs, identify telecommunications stakeholders and create database; second quarter: Meeting with DoC, USAASA; third quarter: Visit to operators.	Meetings with operators were held as planned.
8. To establish and maintain partnerships with organisations that promote people with disabilities.	8.1. Interaction with organisations that promote people with disabilities on matters affecting consumers.	8.1.1 Compliance report on the Code on People with Disabilities.	Quarterly meetings with organisations that promote people with disabilities.	Four meetings.	Compliance Report on the code of People with Disabilities is available.
9. To create regulatory certainty.	9.1. Develop End-User and Subscriber Service Charter.	9.1.1. Published regulations.	Published regulations.	Published regulations.	The Regulations were published.
	9.2. Develop E-Rate Regulations.	9.2.1. Published regulations.	Published regulations.	Published regulations.	Draft Regulations and the Reasons Document were completed.
	9.3. Develop Integrity of Mail Regulations.	9.3.1. Published regulations.	Published regulations.	Published regulations.	The Regulations were published.

LEGAL DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Safeguard ICASA's legal interests					
Operational goal: Keep public and stakeholders informed about ICASA's regulatory activities					
1. Strengthening ICASA's regulatory activities.	1.1. Examine the ECA, ICASA Act and the Postal Services Act.	1.1.1. Report on the evaluation and assessment of the Acts, their effectiveness and recommendations on proposed amendments to the Minister of Communications and Parliament.	Report	Report	Committee chair submitted reports on the ECA, Post Bank Bill, Postal Services Bill and the Broadcasting Act to Council.
	1.2. Examine ICASA funding model in comparison to NERSA, FSB and Pension Fund Adjudicator.	1.2.1. Report and recommendation on ICASA funding model.	Report	Report	Project On-going
Strategic goal: Safeguard ICASA's legal interests					
Operational goal: Minimise Litigation against ICASA					
2. Litigation and general legal support	2.1. Safeguard ICASA interest in litigation and general legal affairs.	2.1.1. Status report on ICASA litigation matters.	Litigation matters	As matters arise	22 litigation matters, three finalised. two non-regulatory litigation matters, two finalised.
	2.2. Contracts: drafting and vetting.	2.2.1. Status report on contracts drafted/vetted.	Contracts	As matters arise	15 contracts drafted and/ or reviewed.
	2.3. Legal opinions.	2.3.1. Status report on legal opinions and documents drafted/ vetted.	Legal opinions	As matters arise	Three internal opinions.
	2.4. Documents: drafting and vetting.	2.4.1. Report on steps taken to mitigate ICASA's legal risks.	Report on legal risks	As matters arise	None.

LEGAL DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
2. Litigation and general legal support (continued).	2.5. Labour law		Labour law	As matters arise	six labour matters, three matter finalised at the CCMA with one on review by employer. three new matters pending.
	2.6. Commercial law		Commercial law	As matters arise	
	2.7. General legal support		General support	As matters arise	Various
Strategic goal: Safeguard ICASA's legal interests					
Operational goal: that ICASA's regulations complies with the laws of the Republic and meet the minimum drafting standard					
3. Regulatory Support & Legislative Drafting	3.1. Ensure that ICASA discharges its regulatory mandate within the law.	3.1.1. Report on regulations vetted and/or reviewed for Council and Council Committees consideration.	Report on	As matters arise	34 documents including regulations, discussion docs, reasons docs, MoU's and guidelines came for vetting, 23 finalised and 11 outstanding.
	3.2. Vet and review ICASA regulatory processes, documents, discussion papers, regulations etc.	3.2.1. Report on steps taken to mitigate ICASA's legal risks.	Report on	As matters arise	34 documents including regulations, discussion docs, reasons docs, MoU's and guidelines came for vetting, 23 finalised and 11 outstanding.
	3.3. Legal advice to regulatory divisions and projects.	3.3.1. Legal opinions and analysis.	Legal opinions	As matters arise	Received 16 instructions for legal opinions, 14 were finalised and 2 are still in progress.
	3.4. Review and advice on legislative matters affecting ICASA.	3.4.1. Report and advice on legislative trends and formulation on ICASA positions.	Report on legislative matters	As matters arise	34 documents including regulations, discussion docs, reasons docs, MoU's and guidelines came for vetting, 23 finalised and 11 outstanding.
	3.5. Advice ICASA on its regional and international obligations.	3.5.1. Draft, review or advice on MOUs, ICASA's international obligations.	Report on international obligations	As matters arise	ICASA/INCM MoU
	3.6. Capacity building.	3.6.1. Training manual on the ECA, Postal Service Act and ICASA Act. 3.6.2. Training on drafting.	3.6.1. Training manual on Training manual the ECA, Postal Service Act and ICASA Act. 3.6.2. Training on drafting.	Training manual Training days	As matters arise As matters arise

LEGAL DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Complaints and Compliance Committee					
Operational goal: Investigate and adjudicate disputes and complaints					
4. Investigate and adjudicate complaints	4.1. Adjudicate disputes and complaints from licensees and consumers.	4.1.1. Timorous resolution of disputes and complaints and recommendations to ICASA on appropriate action/sanction.	Reports	As matters arise	Three matters pending.
	4.2. Adjudicate interconnection and facilities leasing disputes from licensees.	4.2.1. Timorous resolution of interconnection and facilities leasing disputes.	Reports	As matters arise	two Interconnection matters pending.
	4.3. Efficient and effective functioning of the CCC.	4.3.1. Conduct strategy workshop with CCC.	Reports and workshops	As matters arise	Regulations published for comment
		4.3.2. Workshop regions on complaints handling process and procedures.			Review of Acts Committee to address the matter. Awaiting ASI report.
		4.3.3. Review Act re penalties and fines process.			Done on an ongoing basis by other divisions. Awaiting approval of an enforcement unit within ICASA.
4.3.4. Review resource requirements.					
4.3.5. Enforce legislation, regulations and licence conditions.					

REGIONS						
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year	
Strategic goal: Liberalisation of the ICT Sector						
Operational goal: Issuing of technology neutral licences timeously						
1. Issue spectrum licensing and competencies certificates.	1.1. Issue MMSI numbers for ships and EPIRBs.	1.1.1 Unique MMSI numbers issued.	Number of unique MMSI numbers issued.	Issue MMSI numbers.	960 unique MMSI numbers issued. The activity is currently only performed in Cape Town regional office.	
	1.2. Issue pre-assigned spectrum licences.	1.2.1. Process pre-assigned spectrum licences.	Number of pre-assigned spectrum licences processed.	Process pre-assigned spectrum licences.	960 pre-assigned spectrum licences processed.	
	1.3. Administer RRT and GMDSS examinations and issue certificates.	1.3.1. Examinations and issue RRT and GMDSS certificates.	Number of RRT and GMDSS certificates issued.	Number of RRT and GMDSS certificates issued.	Issue RRT and GMDSS certificates.	960 RRT and GMDSS certificates issued.
	1.4. Register Personal Locator Beacons.	1.4.1. Maintain database and issue unique number.	Number of unique numbers issued.	Number of unique numbers issued.	Issue unique numbers.	280 unique numbers issued.
	2. Effective control of spectrum.	2.1. Spectrum licence audits.	2.1.1. Radio dealer/ alarm company/ repeater systems audit.	Number of spectrum licence audit reports completed.	Compile spectrum licence audit.	96 spectrum licence audit reports completed. This activity is one of our core functions and we greatly exceeded this target. This activity was acceded at the expense of other targets.
			2.2.1. Inspection of distribution and selling of electronic equipment.	Number of type approval inspection reports completed.	Conduct type approval inspections.	960 type approval inspection reports completed.
			2.3.1. Radio frequency monitoring assignment.	Number of Radio frequency data collection reports submitted.	Conduct type approval inspections.	192 frequency data collection reports submitted.

REGIONS						
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year	
		2.3.2. Radio frequency compliance monitoring.	Number of radio frequency data collection reports submitted.	Collect preliminary data.	288 frequency data collection reports submitted.	
	2.4. Radio frequency system commissioning.	2.4.1. Confirming technical specs of new installations.	Number of commissioning certificates issued.	Collect preliminary data	96 commissioning certificates issued.	
	2.5. Interference investigation and resolution.	2.5.1. Mitigation and resolution of radio frequency interference.	Number of interference reports completed.	Commission RF certificates	288 interference reports completed.	
	2.6. High-site inspections.	2.6.1. Confirming technical specs of existing licence per system installed.	Number of compliance notifications issued.	Investigate interference complaints	96 compliance notifications issued	
	3. Conduct public education and awareness.	3.1. Conduct consumer awareness.	3.1.1. Conduct radio interviews.	Number of radio interview schedules signed by radio announcer/interviewer.	Conduct public education radio interviews	54 radio interviews.
		3.2. Conduct consumer awareness.	3.2.1. Conduct awareness presentations to schools, clinics, tribal heads, communities, community based organisations in rural and under services areas.	Number of attendance registers submitted with summary of outcomes.	Compile attendance registers	693 attendance registers submitted with summary of outcomes.

REGIONS					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
4. Monitor licence terms and conditions.	4.1. Monitoring of SAPO licence conditions.	4.1.1. Monitoring of SAPO licence conditions.	Number of compliance reports completed.	Compile attendance reports.	1 008 compliance reports completed.
	4.2. Monitoring of unreserved postal service (Courier companies).	4.2.1. Monitoring of unreserved postal service (Courier companies).	Number of compliance reports completed.	Compile reports.	288 compliance reports completed.
	4.3. Monitoring of ECS/ ECNS licensees.	4.3.1. Monitoring of ECS/ECNS licensees.	Number of compliance reports completed.	Compile reports.	1 704 compliance reports completed.
5. Enforcement of legislation.	4.4. Monitoring of Broadcasting Services.	4.4.1. Monitoring of Broadcasting Services.	Number of compliance reports completed.	Compile reports.	48 compliance reports completed.
	5.1. Investigation of non renewed spectrum licences.	5.1.1. Trace operator and seal radio equipment.	Number of sealing files completed.	Send completed files.	720 sealing files completed.
	5.2. Investigation of non-type approved EC equipment and labelling.	5.2.1. Tracing of distribution and sale of EC equipment and labelling.	Number of reports for CCC/ Council/Court completed.	Compile reports.	36 reports for CCC/ Council/Court completed.
	5.3. Investigation of illegal ECS, ECNS, postal and broadcasting services.	5.3.1. Tracing of illegal provision of services.	Number of reports for CCC/ Council/Court completed.	Compile reports.	18 reports for CCC/ Council/Court completed.

COMMUNICATION AND INTERNATIONAL RELATIONS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Promote access to information about ICASA's activities					
Operational goal: Keep public and stakeholders informed about ICASA's regulatory activities					
1. Facilitate public and stakeholder access to information relating to the Authority's regulatory activities.	1.1. Communicate the Authority's regulatory activities to public and stakeholders.	1.1.1. Annual Report.	Report	Produce 1 500 Hard Copies and 500 CDs.	Annual Report produced and tabled in Parliament.
	1.2. Communicate the Authority's regulatory activities to public and stakeholders.	1.2.1. Media releases.	Number of Media Releases	Issue media releases.	37 media releases issued.
	1.3. Responding to public and stakeholder enquiries	1.3.1. Responses to general enquiries.	Number of Enquiry responses	2 500 responses to enquiries.	5 659 enquiries received, 565 resolved.
	1.4. Responding to media enquiries.	1.4.1. Media interviews.	Number of media enquires	Media interviews as per request or when necessary.	Arranged 47 media interviews.
	1.5. Communicate the Authority's regulatory activities to public and stakeholders.	1.5.1. Stakeholders meetings.	Plan number of meetings	Plan number of meetings	Stakeholder meeting held.
	1.6. Sensitise all employees about industry perceptions about the Authority.	1.6.1. Perception/ Reputation Survey	Compile report	Presentations to be made to ten divisions and six regional offices.	Reputation Survey presentation made to all divisions.
	1.7. Communicate the Authority's regulatory activities to public and stakeholders.	1.7.1 Regional media road-shows.	Plan number of roadshows	12 visits to media houses planned.	Four media visits conducted.
	1.8. Communicate the Authority's regulatory activities to public and stakeholders.				

COMMUNICATION AND INTERNATIONAL RELATIONS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Position ICASA favourably before public and stakeholders					
Operational goal: Brand and market the Authority to public and stakeholders					
2. Brand and promote awareness among the public and stakeholders about the Authority's mandate.	2.1. Communicate the Authority's regulatory activities to public and stakeholders.	2.1.1. Notices in electronic and print media.	Number of notices	Plan to place 10 Consumer Affairs and Corporate Notices in electronic and print media.	Two media notices placed in national newspapers.
	2.2. Communicate the Authority's mandate to public and stakeholders.	2.2.1. Production of brochures.	Production of ICASA brochure	Plan to produce corporate and Consumer Affairs brochures.	No budget available.
	2.3. Communicate the Authority's mandate to public and stakeholders.	2.3.1. Corporate Video translations.	Number of translations	Final copy for internal and external audiences in English, Sesotho, Xitsonga, ChiVenda, isiZulu & Afrikaans.	Project completed. Video translated into the official languages.
	2.4. Position Authority favourably before public and stakeholders.	2.4.1. Production of exhibition stands.	Produce exhibition stand	Commission corporate and Consumer Affairs exhibitions stands.	No budget available.
	2.5. Position Authority favourably before public and stakeholders.	2.5.1. Promotional material.	Number of promotional material procured	Distribute material to visiting guests.	No procurement took place.
	2.6. Profile Authority's internal and external activities.	2.6.1. Photo Album of internal and external events.	Album of events	10 events	29 external and internal events captured for photo album.

COMMUNICATION AND INTERNATIONAL RELATIONS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
	2.7. Monitor media coverage about Authority and the industry.	2.7.1. Media monitoring service.	Complete and present reports	To commission Daily reports and quarterly analysis.	Daily media monitoring reports and quarterly analysis presented to EXCO and Council.
		2.7.2. Newspaper subscriptions.	Number of subscriptions	Renew newspaper subscription.	Expired subscriptions renewed.
	2.8. Advise and develop communications and external relations strategy for Council and Executive on Provision of public relations support to Authority.	2.8.1. Strategy Report.	Present report	Commission report.	Strategy presented to Exco and Council.
Strategic goal: Promote internal flow of information and enhance employee morale					
Operational goal: Publish and disseminate organisational information through a variety of media regularly and to host internal functions and events					
3. Ensure that employees are informed about organisational policies and procedures and to enhance morale.	3.1. Communicate organisational activities, policies to staff. 3.2. Communicate organisational activities, policies and events to staff. 3.3. Communicate organisational activities, policies and events to staff. 3.4. Communicate organisational activities, policies and events to staff. 3.5. Motivate employees through team-building functions and events.	3.1.1. Quarterly meetings at Head Office, and half-yearly meetings at regions.	Number of meetings	Plan four Head Office Staff Meetings and eight Regional Office Staff meetings.	Staff meetings held at Head and regional offices. Four regional meetings held.
		3.2.1. Daily electronic news flash.	Number of news flashes	120 news flashes to be distributed.	189 newsflashes issued.
		3.3.1. Electronic interactive site.	Intranet site	Publish 120 documents on Intranet.	Consultation underway with divisions to collate material to be published on intranet.
		3.4.1. Quarterly internal newsletter.	Number of newsletters	Plan to publish four editions.	Four internal newsletter editions published and distributed.
		3.5.1. Internal Functions and events.	Number of functions	Plan to host 10 events.	All internal events hosted as planned.

COMMUNICATION AND INTERNATIONAL RELATIONS DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Coordinate Authority's international role and activities					
Operational goal: Facilitate the Authority's participation in international for a and compliance with international conventions					
4. Ensure Authority's participation in and compliance with international conventions.	4.1. Prepare a yearly schedule for meetings.	4.1.1. ITU and UPU conferences and meetings/workshops.	Plan/completion of calendar of meetings.	Provide registered support to 12 calendar meetings.	Representation secured to relevant international fora as per calendar.
	4.2. Prepare and manage budget.				
	4.3. Prepare submissions for approval by excel and Council.				
Strategic goal: Coordinate the Authority's bilateral relations with regional and continental organisations					
Operational goal: Facilitate cooperation with other regulators on areas of common interest, skills transfer					
5. Promote cooperation with other regulators	5.1. Prepare a yearly schedule for meetings.	5.1.1. MOU, harmonised regulations and standards.	Calendar of meetings	Provide registered support to 12 calendar meetings.	Representation to relevant regional and continental fora secured as per calendar.
	5.2. Manage budget;				
	5.3. Prepare submissions for approval by Exco and Council.				
	5.4. Facilitate bilateral relations with other regulators.	5.4.1. Bilateral study visits. 5.4.2. Affiliation to relevant international organisations.	Plan and arrange study visits as they arise.	Host bilateral visits as requested. Subscribe to all five organisations.	Hosted all bilateral international delegations as per request. Honoured all affiliations to relevant international organisations.

ADMINISTRATION DIVISION					Overall progress during the 2009/10 financial year
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	
Strategic goal: Creating regulatory certainty					
Operational goal: Provision of communications regulatory information to stakeholders					
1. Ensure ICASA Records Management (RM) has effective Knowledge Management Systems (KMS).	1.1. Development of ICASA Library into a virtual library/Information hub.	1.1.1. Electronic databases for divisions.		Report on electronic resources required.	The following databases are available: Sabinet, IEEE enterprise, IR Network, Business Monitor International, Juta Onlin Publications, Springerlink, Business Source Corporate
		1.1.2. Links to all electronic resources on the Internet.		Resources available.	Intranet not yet operational.
		1.2.1 Uniform file covers for File Plan.		File covers.	Uniform file covers compliant with NAPS.
	1.2. Standardised File Plan implementation throughout ICASA.	1.2.2. File Plan at Head Office.		Process in place.	ICASA uses an approved file plan to classify documents.
		1.2.3. File Plan at Regional offices.		Process in place.	Approved file plan rolled out in all Regional offices.
		1.3.1. Design specifications for EDRMS Specifications.		Request for quotations.	Specifications have been designed, advertised, evaluation and service provider recommended.
	1.3. Implementation of an Electronic Document Records Management System (EDRMS).	1.3.2. EDRMS in the Records Management (RM) section, CEO and Chairperson's offices.		Process in place.	Recommended suppliers submitted to BAC for approval.
		1.4. Further development of full function Registry in line with National Archives guidelines.	1.4.1. Registry Head appointment.		Additional headcount.
	1.4.2. Registry space plan layout.			Space plan	Space plan completed but not implemented, pending imminent relocation to the new building.
	1.4.3. Registry Procedures manual.			Process in place.	Procedures for manual adherence currently at 75%.

ADMINISTRATION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
1. Ensure ICASA Records Management (RM) has effective Knowledge Management Systems (KMS) (continued).	1.5. Development of Records Management functions in line with National Archives guidelines.	1.5.1. Draft Records Management Policy. 1.5.2. Workshop on Records Management Policy organisation wide.	Policy document Workshops	Policy document Workshops	Draft policy finalised. Policy workshopped within the Administration division and presented to EXCO and Council. For complete achievement, it must be workshopped organisation wide.
	1.6. Research International benchmarking against other Communication Regulatory bodies on Knowledge Management Systems (KMS)	1.6.1 Benchmarking report. 1.6.2. Study visits to at least two regulators from developing economies. 1.6.3. Knowledge Management System (KMS) report.	Research report in 2010. Visits report in 2010. Recommendation report in 2010.	Research report in 2010 Visits report in 2010 Recommendation report in 2010	Put on hold due to budgetary constraints; scheduled for current financial year, pending funds being made available. Put on hold due to budgetary constraints; scheduled for current financial year, pending funds being made available. Put on hold due to budgetary constraints; scheduled for current financial year, pending funds being made available.
	Strategic goal: Executing service delivery efficiently and effectively				
Operational goal: Ensure effective monitoring of delivery and performance					
2. Identify and secure the most strategically positioned properties for ICASA offices.	2.1. Provision of suitable and accessible/convenient offices for all ICASA regions.	Relocation of offices:			
		2.1.1. Cape Town	New lease agreement.	New lease agreement	New lease signed by CEO and landlord. Occupation date is 1 July 2010.
		2.1.2. Port Elizabeth	New lease agreement.	New lease agreement	Recommended supplier was not approved by BAC. Bid re-advertised, closing on 18 May 2010.
		2.1.3. Pretoria	New lease agreement.	New lease agreement	Relocation of Pretoria office has been moved to the Regions' office.
		2.1.4. Mpumulanga	Lease agreement.	Lease agreement	Relocation of Pretoria office has been moved to the Regions' office.

ADMINISTRATION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
3. Improve management and useful life of assets.	2.1.5. Head Office		Relocation study recommendation	Relocation study recommendation	Feasibility study report, with recommendations available
	2.2. Conclusion and management of new lease agreements for regional offices with landlord's lease terms.	Landlord's lease terms:	Relocation study recommendation	Landlord's lease terms	Cape Town lease agreement signed.
	2.2.1. Port Elizabeth and Cape Town		Landlord's lease terms	Landlord's lease terms	PE lease agreement awaiting closing of re-advertised tender (18 May 2010).
	2.2.2. Pretoria		Landlord's lease terms	Landlord's lease terms	Relocation of Pretoria office has been moved to the Regions' office.
	2.3. Conclusion and management of new lease agreements for Head Office with landlord's lease terms.	2.3.1. Head Office landlord's lease terms.		Landlord's lease terms	Landlord's lease terms
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Ensure effective monitoring of delivery and performance					
3. Improve management and useful life of assets.	3.1. Specification of organisation-wide analysis for assets requirements.	3.1.1. Assets analysis report	Needs analysis report	Needs analysis report	Needs analysis was conducted and submitted to Supply Chain Management.
	3.2. Develop a set of office assets allocation criteria.	3.2.1. Standardised office assets allocation criteria by management level.	Report and policy	Report and policy	Assets allocation criteria available.
	3.3. Efficient and effective planning and acquisition of assets in line with ICASA policies, supply chain management and National Treasury guidelines.	3.3.1. Asset replacement and acquisition plan.	Planning report	Planning report	Monthly reports generated and available.
		3.3.2. Reviewed JDE assets register.	Monthly report to Finance	Monthly report to Finance	Monthly reports generated and available.
	3.4. Efficient and effective management of assets during useful operating life.	3.4.1. Detailed asset repairs and maintenance (R&M) record.	R&M report	R&M report	Contract management done daily and disparities reported to service providers.
	3.4.2. Insurance cover for all asset classes.	Insurance reports	Insurance reports	Insurance status report available.	

ADMINISTRATION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
3. Improve management and useful life of assets (continued).		3.4.3. Comprehensive Insurance claims records.	Claim reports	Claim reports	List of insurance claims for fourth quarter available.
		3.4.4. Termination and loss report to JDE assets register.	Disposal reports	Disposal reports	EXCO approved fourth quarter disposal list.
	3.5. Efficient and effective disposal of assets in line with ICASA policies, supply Chain Management and National Treasury guidelines.	3.5.1. Asset useful life and replacement record.	Replacement reports	Replacement reports	No replacements in fourth quarter.
		3.5.2. Disposals report to JDE assets register.	Disposal reports	Disposal reports	Approved disposal report for Q4 is available.
	Strategic goal: Executing service delivery efficiently and effectively				
Operational goal: Ensure effective monitoring of delivery and performance					
4. Improve management of and useful life of Fleet vehicles.	4.1. Provision and management of reliable fleet to fulfil the mandate of ICASA.	4.1.1. Transport control system.	Policy / Procedures.	Policy / Procedures	Second Draft policy under review.
		4.1.2. Branded ICASA fleet.	Branding in 2010.	Branding in 2010	Quotes received from service provider. CEO recommended Communications and Regions' office to be involved before implementation.
	4.1.3. Vehicle management system.	Contract with service provider.	Contract with service provider.	Skytrax fully functional and accessible.	
	4.1.4. NedFleet system upgrade.	Revised agreement.	Revised agreement.	Existing agreement still in place & being monitored for correct implementation.	
	4.2. Specification of organisation-wide analysis for vehicle fleet requirements.	4.2.1. Organisation-wide vehicle needs analysis.	Needs analysis and requisitions report.	Needs analysis and requisitions report.	Needs analysis conducted and submitted to Supply Chain, and approved by EXCO.

ADMINISTRATION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
	4.3. Efficient and effective planning and acquisition of vehicles in line with ICASA policies and supply Chain Management and National Treasury guidelines.	4.3.1. Vehicle replacement and acquisition plan	Fleet planning report	Fleet planning report	Registers reviewed and updated monthly.
		4.3.2. JDE Assets Register report	Report to Finance	Report to Finance	Registers reviewed and updated monthly.
		4.4.1. Vehicle running cost, repairs and maintenance (R&M) record.	Running costs, R&M report	Running costs, R&M report.	Nedfleet reports analysed monthly and exception discrepancies investigated.
		4.4.2. Insurance cover report	Insurance reports	Insurance reports	Monthly records on insurance filed.
		4.4.3. Insurance claims record.	Claim reports	Claim reports	Monthly records on insurance filed.
	4.5. Efficient and effective disposal of vehicles in line with ICASA policies, supply Chain Management and National Treasury guidelines.	4.4.4. Termination and loss report to JDE assets register.	Disposal reports	Disposal reports	Vehicles approved for disposal auctioned to management.
		4.5.1. Vehicle useful life and replacement report.	Replacement reports	Replacement reports	BAC approved vehicle replacement, pending budget availability.
		4.5.2. Disposals report to JDE assets register.	Reporting to Finance	Reporting to Finance	Disposal reports are available.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Ensure effective monitoring of delivery and performance					
5. Improve management and service delivery of ICASA office facilities.	5.1. Proper maintenance of office service facilities.	5.1.1. Services contracts and SLAs.	SLA progress report	SLA progress report	Cleaning contract extension requested, awaiting BAC approval; photocopier contract awaiting BAC approval for extension. Contract management/ disparities being reported to SCM.
		5.1.2. Integrated painting, repairs and furniture plan.	Space planning report	Space planning report	Space planning report available, put on hold due to imminent Head Office relocation.
		5.1.3. Monthly inspection report.	Inspection report	Inspection report	Monthly reports generated and available.

ADMINISTRATION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
5. Improve management and service delivery of ICASA office facilities (continued).	5.2. Prompt response and effective solutions to all requests for facility services or complaints.	5.2.1. Service Level Agreements (SLAs) 5.2.2. Office facilities operating in line with SLAs	Response Centre SLA progress report	Response Centre SLA progress report	Response centre at draft stage. Contract management done daily and disparities reported to SCM.
	5.3. Source suitable service provider in line with SCM policy for bid process for outsourced courier services.	5.3.1. Courier service agreement	SLA progress report	SLA progress report	BEE service providers in place.
	5.4. Image and service delivery in ICASA reception areas.	5.4.1. Upgraded reception areas	Improvement plan	Improvement plan	Reception areas upgraded accordingly with relevant resources.
	5.5. "Answering Response Time" initiative for telephone and other communication systems within ICASA.	5.5.1. Service Level Agreement (SLAs).	Business communication and etiquette	Business communication and etiquette	To be implemented in conjunction with the revised and approved telephone policy.
	5.6. Awareness of VIP and visitor arrivals at ICASA offices.	5.6.1. Reception Manual	Improved process	Improved process	To be implemented in conjunction with the revised and approved telephone policy.
	5.7. Awareness initiative by Admin staff to internally publicise ICASA projects and developments.	5.7.1 Internal Information Directory of ICASA Services	Directory of ICASA services	Directory of ICASA services	To be implemented in conjunction with the revised and approved telephone policy.

ADMINISTRATION DIVISION					Overall progress during the 2009/10 financial year	
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10		
Strategic goal: Executing service delivery efficiently and effectively						
Operational goal: Ensure effective monitoring of delivery and performance						
6. Improve administration of Security Risk Management.	6.1. Ensuring adequate physical measures for preventing unauthorised entry to protect human resources, assets, and information.	6.1.1. Protection services plan	Protection services policy	Protection services policy	Policy submitted to NIA for vetting. Workshops to be conducted once the policy is approved.	
		6.1.2. Physical security resources, security safety and surveillance systems.	Monitoring reports	Monitoring reports	Monthly reports available. Surveillance cameras monitoring the river side are functional, electric fence has been upgraded, additional security lights installed, motion detectors and siren installed.	
	6.2. Improve contingency and emergency planning at all ICASA offices	6.2.1. Published emergency and evacuation plans	Contingency Plan	Contingency Plan	Contingency Plan	OHS consultant appointed.
		6.2.2. Emergency evacuation drills	Emergency drills	Emergency drills	Emergency drills	OHS consultant appointed.
	6.3. Conduct physical security assessment to identify and correct security risks	6.3.1. Security risk identification plan reports	Report and recommendation plan	Report and recommendation plan	Report and recommendation plan	Report compiled and available.
6.4. Regular technical security assessments on equipment and procedures	6.4.1. Monthly reports	Report and recommendations	Report and recommendations	Report and recommendations	Monthly risk assessment reports available.	
6.5. Benchmarking of security procedures in line with legislation and best practices	6.5.1. Quarterly reports	Report and recommendations	Report and recommendations	Report and recommendations	Security requirements for new premises in Cape Town and Durban available.	

ADMINISTRATION DIVISION						
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year	
6. Improve administration of Security Risk Management (continued).	6.6. Strategic measures for detecting and preventing any threat to the physical environment of ICASA.	6.6.1. Specialist human resources on site.	Security Department recommendations	Security Department recommendations	Admin staff requirements/proposal submitted to HR (control room officer, OHS office, Key Custodian, etc).	
		6.6.2. Staff awareness programmes	Security presentations	Security presentations	Admin staff requirements/proposal submitted to HR (control room officer, OHS office, Key Custodian, etc).	
		6.6.3. Quarterly meetings with law enforcement agencies (NIA, SAPS, etc).	Interaction reports	Interaction reports	Regular engagement with law enforcement agencies in place.	
	6.7. Improve Personnel security.	6.7.1. Personnel vetting directive	Directive	Directive	Directive	Directive submitted to Legal for vetting.
		6.7.2. NIA vetting of staff in strategic positions.	Z204 forms completed	Z204 forms completed	Security Clearance forms available for vetting.	Lack of staff capacity.
	6.8. Protection of ICASA Executives / Officials travelling abroad.	6.8.1. Implementation programme of Minimum Information Security Standards (MISS).	Awareness program	Awareness program	Awareness program	No meetings held due to lack of staff capacity.
		6.9.1. Monthly security meetings with IT department.	Meeting minutes	Meeting minutes	Meeting minutes	No meetings held due to lack of staff capacity.
	6.9. Improve IT security by working with IT department to provide cost-effective solutions.	6.10. Improve ICASA communications security systems.	6.10.1. COMSEC Report	COMSEC report	COMSEC report	No action planned.
	6.11. Development of criteria and processes for Information Security Classification.	6.11.1. Information Security Classifications report	6.11.1. Information Security Classifications report	Classification criteria	Classification criteria	Draft criteria developed.
			6.11.2. Information Security Classification Workshop	Communication workshop	Communication workshop	Draft criteria developed.

ADMINISTRATION DIVISION					Overall progress during the 2009/10 financial year
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	
Strategic Goal: Executing Service Delivery Efficiently and Effectively					
Operational Goal: Ensure effective monitoring of delivery and performance					
7. Improvement in management of Occupational Health and Safety (OHS) matters.	7.1. Compliance to legislative requirements for OHS standards.	7.1.1.	Policies and procedures	Policies and procedures	OHS consultant appointed.
		• Safety committees			
		• H&S training programmes			
		• Safety representatives			
	• Emergency assembly points and signage				
7.2. Regular reporting of OHS matters and incidents, and staff awareness initiatives.	7.2.1. Quarterly OHS audits		Audit report	Audit report	OHS consultant appointed.
		7.2.2. OHS incident reports	Investigation reports	Investigation reports	Incidents reported available.
	7.2.3. Monthly Report		HSC report	HSC report	Quarterly meeting held. Monthly reports available.
		7.2.4. Communication of safety tips in iNews	iNews information	iNews information	Safety tips are distributed via iNews.
7.3. Ensure emergency evacuation programme and safety drills in all regions.	7.3.1. Evacuation procedures	Procedures document	Procedures document	OHS consultant appointed and working on procedures.	
	7.3.2. Sick bay and stretchers available	Availability of H&S equipment	Availability of H&S equipment	Safety/fire equipment available and serviced.	
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Design & implement management reporting process to ensure alignment and optimisation of projects and people					
8. Constantly improve the provision of professional Administration Support Services.	8.1. Ensure effective systems, administration business processes and controls in place in all regional offices.	8.1.1. Administration business systems, processes and procedures	Procedures documents	Procedures document approved and available.	Procedures document approved and available.
		8.1.2. Reviews of system processes	Review recommendations	Review recommendations	Procedures document approved and available.
		8.2.1. Records Management policies and procedures are in line with best business practice as well as legislative requirements.	Policy and procedures documentation	Policy and procedures documentation	Procedures document approved and available.
		8.2.2. Asset management			Not done in fourth quarter.
		8.2.3. Fleet transportation			Internal workshops conducted within Administration.

ADMINISTRATION DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
8. Constantly improve the provision of professional Administration Support Services (continued).		8.2.4. Facilities management			Admin procedures manual available.
		8.2.5. Security management			OHS consultant appointed and working on policies and procedures.
		8.2.6. Occupational Health and Safety			OHS consultant appointed and working on policies and procedures.
	8.3. Development of an Administration Support Services Charter.	8.3.1. Service Charter and SLAs	Charter document	Charter document	No activity planned in fourth quarter.
	8.4. Optimum utilisation of available skills and fulfilment of job competency profiles.	8.4.1. Performance Management System (PMS) contracts	PMS contracts	PMS contracts	PMS schedules submitted to HR.
		8.4.2. PMS results	PMS results	PMS results	PMS schedules submitted to HR.
		8.4.3. Admin staff development and succession plan	Staffing plan	Staffing plan	Staff individual development plans submitted to HR.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Design and implement management reporting process to ensure alignment and optimisation of projects and people					
9. Improve management of Administration Support Services Financial Environment.	9.1. Budget according to ICASA business plan for 2009/10.	9.1.1. Business Plan	Business Plan	Business Plan	Business Plan progress reviewed quarterly.
		9.1.2. Approved budget	Approved budget	Approved Budget	Admin budget has been approved by Finance.
		9.1.3. Expenditure report	Finance report	Finance report	Budget report received monthly.
	9.2. Implementation of projects within approved budget.	9.2.1. Project plans	Detailed project plan	Detailed Project Plan	Fourth quarter projects approved.
		9.2.2. Project schedule	Milestones	Milestones	Project plans include in MS Project.
		9.2.3. Budget	Finance report	Finance report	Variance expenditure monitored monthly.
	9.3. Enhancement of internal controls and financial awareness.	9.3.1. Monthly reports	GM monthly report	GM Monthly report	One-on-one meetings with CEO.

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Empower the Authority					
1. Development of a Master Systems Plan (MSP).	1.1. Three-year road map for IT.	1.1.1. MSP for ICASA	Strategic document depicting the roadmap with timelines of IT Strategy.	Strategic document depicting the roadmap with timelines of IT Strategy.	<p>Awarded to KPMG.</p> <p>Project only commenced on 24 February 2010 and could not be completed in the financial year.</p> <p>As-is IT Blueprint and As-is Business Blueprint completed.</p> <p>Full variance amount to be paid to KPMG on achievement of milestones as per SLA.</p> <p>Evaluation of all functional modules have been completed.</p> <p>Vendor presentation held where each vendor had to present their solution to the evaluation team.</p> <p>A decision on product selection could not be made until the IT Master Systems Plan (MSP) investigations were completed.</p> <p>Project completed.</p> <p>Four modules migrated from Access to SharePoint.</p>
2. Implementation of an improved ERP system.	2.1. Selection and phased rollout of a new ERP system.	2.1.1. Yearly plan in respect of ERP solution.	Selection of an ERP system from one of SAP, Microsoft Dynamics, JDE or Oracle eBusiness. Purchasing of software licences.	Selection of an ERP system from one of SAP, Microsoft Dynamics, JDE or Oracle eBusiness. Purchasing of software licences.	
3. Support and enhance AllData application.	3.1. To replace ad hoc applications (not part of ERP) to reside on Microsoft SharePoint platform.	3.1.1. All-Data application migrated to MS SharePoint.	Microsoft SharePoint	Microsoft SharePoint	

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
4. Integrated debtor management	4.1. integration of Spectrum into ERP for billing	4.1.1. Spectrum fees billed from JDE	Software Interface	Software Interface	<p>Project in progress.</p> <p>Configuration of JDE and take on templates on JDE have been completed. Customer Master file extracted from Spectrum.</p> <p>Take on transactional data from 01-2009 extracted from Spectrum for migration to JDE. Project team currently verifying opening balances.</p> <p>Project could not be completed in time due to poor quality of data that had to be "cleaned" before migration.</p>
5. Central Numbering Database	5.1. Public access to numbering database off the ICASA website	5.1.1. Central numbering database in ICASA website	Website access	Website access	<p>Evaluations and recommendations completed. Submitted to BAC for approval.</p> <p>Timelines not achieved due to unavailability of key staff during scheduled evaluation period.</p>
6. Records Management System	6.1. Provision of a document management system (DMS)	6.1.1. Document management system for Library services	Online archiving	Online archiving	<p>SITA contract expired.</p> <p>SCM had to be submitted on closed tender to same suppliers as on SITA transversal contract (closed 26 February).</p> <p>Evaluation complete awaiting BAC approval to award the BID.</p> <p>Project not completed due to time taken in compiling the Terms of Reference.</p>

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
7. Integrated licensing database	7.1. Implementation of an integrated licensing database, especially Class Licences, within JDE.	7.1.1. Class Licences database in JDE	Integrate workflow of Class Licence process.	Integrate workflow of Class Licence process.	In progress. Being developed on JDE simultaneously with Spectrum Debtors Migration project. Project not complete as priority was given to the migration of Spectrum debtors onto JDE.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Improve customer service					
8. Improve customer service.	8.1. Increase bandwidth to the internet and from regional offices to Head Office	8.1.1. 2MB internet access for ICASA (Apex: 780K)	Eight Monthly reports of utilisation and response times.	Eight Monthly reports of utilisation and response times.	New 2 Meg microwave link implemented from Head Office to the internet via Vodacom Business. New 512K Microwave links implemented from all sites to Vodacom Business. This project was commissioned late in the financial year. This is an opex amount that is paid monthly. Variance will not be carried over.

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
8. Improve customer service (continued).	8.2. Bandwidth optimisation to Regional offices (carry over from 2008/09).	8.2.1. Bandwidth optimisation hardware and software	Six monthly reports showing response times and any potential bottlenecks	Six monthly reports showing response times and any potential bottlenecks	A pilot trial of four products was done by the IT team. The preferred solution was Riverbed. A tender was issued. Responses were evaluated and areport sent to to SCM. Not approved at BAC due to strict qualifying criteria. SCM re-issued tender. Evaluations redone and new recommendations submitted to SCM. Variance carried over to new year.
	8.3. One point of contact	8.3.1. Call Centre Solution	Call Centre Infrastructure rollout	Call Centre Infrastructure rollout	Project not completed due to extended pilot testing and the re-issuing of the tender. Offsite 6-month pilot of Call Centre was recommended by the IT review committee. Discussions were held with Arivia.kom and a presentation was made to Exco.
					Project not completed as the BAC did not approve the recommended solution and anopen tender had to be advertised.
	8.4. Provide greater portability	8.4.1. Laptops for mobile users (45 new users and 60 replacements)		Number	105

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
	8.5. Implement central portal for all ICASA employees (Intranet).	8.5.1. Intranet	Intranet implemented	Intranet implemented	RFQ was awarded to Datacentrix to assist with the upgrade of the intranet site. Development has been completed for three divisions. The system can only be implemented with the Microsoft roll-out project planned for May 2010.
	8.6. Improved ICASA website.	8.6.1. New website	Implementation	Implementation	Completed. The 2010 World Cup spectrum and type approval electronic applications have been implemented on the website. Also built in ability to receive secure credit card payments during application process.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Minimise risks					
9. Reduce risk to organisation.	9.1. Implement an off-site Disaster Recovery solution.	9.1.1. Offsite ICASA system access. (Opex 480K)	Signed contract Annual report to Audit of DR offsite testing.	Signed contract Annual report to Audit of DR offsite testing.	Different options evaluated and recommendations made to SCM. SCM conducted price negotiations with recommended service provider. Approved by BAC. Due to high cost, needs to be approved by Council. A delay in price negotiations did not make it possible to complete the project in the financial year. Variance amount carried over to new financial year.

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
9. Reduce risk to organisation (continued).	9.2. Implement a new SAN and backup solution.	9.2.1. SAN and backup solution	Robust storage of ICASA data. Quarterly report of backup status.	Three reports	New SAN and backup infrastructure implemented at Head Office as well as regional offices. All Microsoft servers are accessing their data on the new SAN. A few Novell servers will be cut over in May (awaiting delivery on new servers). Variance carried over to new year.
	9.3. Implement a DR plan for IT.	9.3.1. Business Continuity Plan (BCP)	Approved BCP for IT at ICASA.	Approved BCP for IT at ICASA	Various tenders evaluated. Recommendations sent to SCM. Approved by BAC last week of March 2010. Variance amount carried over to new financial year.
	9.4. Implement Mimecast to conform to five-year archiving requirement	9.4.1. eMail archiving	Plan	Plan	Completed. 10-year archive in place for all external emails into and from ICASA.
	9.5. Implementation of network security	9.5.1. Network protection	Eight Alerts and monthly reports of any external unauthorised entry to ICASA internal network.	Eight Alerts and monthly reports of any external unauthorised entry to ICASA internal network.	Completed. Implemented Microsoft System Centre Operations Manager with Microsoft roll-out project.
	9.6. Implement an antivirus software solution.	9.6.1.1. Secure, up-to-date protection of PCs, laptops and servers.	Software	Software	Completed. ESET rolled out to all workstations and servers.

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Provide robust IT and services					
10. Migration of Novell to Microsoft (carry over from 2008/09).	10.1. Microsoft network authentication and roll out of MS Exchange and Outlook.	10.1.1. Microsoft Network and MS Exchange (Output)	Implementation	Implementation	At end March, 75% of all head office users migrated from Novell to Microsoft.
11. Maintenance on RightFax (carry over from 2008/09).	11.1. Ongoing support on RightFax.	11.1.1. SLA	Five Signed SLA / Contracts Bi-monthly health check and report	Five Signed SLA / contracts Bi-monthly health check and report	Completed. Three year SLA signed off with Galton Data.
12. Preferred supplied for data cabling (carry over from 2008/09).	12.1. SLA with three working days turnaround time on all new requests for new points.	12.1.1. SLA	11 signed SLA / contracts Monthly report showing calls logged measured against SLA.	11 signed SLA / contracts Monthly report showing calls logged measured against SLA.	Completed. Three year SLA signed off with Bytes Technology.
13. Remote desktop support	13.1. Implementation of software tool to provide remote desktop support (internally as well as to regions).	13.1.1. 25% of calls to helpdesk resolved via remote desktop.	6 monthly reports	6 Monthly Reports	Completed. Implemented Microsoft System Centre Operations Manager with Microsoft roll-out project.
14. Help Desk System	14.1. Implement a new help desk system.	14.1.1. Tracking and Reporting of help desk calls.	10 monthly reports showing activity by technician (calls logged vs. closed vs. SLA).	10 monthly reports showing activity by technician (calls logged vs. closed vs. SLA).	Completed. Current system upgraded. No need for new system.

INFORMATION TECHNOLOGY DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
15. Network monitoring	15.1. Implementation of new monitoring tool for faster response.	15.1.1. Dashboard showing real-time network status. Automatic SMS / email notifications.	6 Monthly Reports	6 Monthly Reports	Completed. Implemented Microsoft System Centre Operations Manager with Microsoft roll-out project.
16. Consolidation of servers	16.1. Easier management of servers.	16.1. New technology to replace end-of-life servers.	Implementation	Implementation	Evaluations completed. Recommendations sent to SCM. Approved by BAC mid-March 2010. Project started to late to ensure completion in the financial year.

HUMAN RESOURCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Optimised structure, leadership and culture aligned with strategy					
Operational goal: Improved operational efficiency and effectiveness					
1. Review, optimise and align the organisational structure in accordance with the revised mandate.	1.1. Conduct an organisational study to review ICASAs revised mandate (ECA 2005) and alignment of the structure.	1.1.1. Qualitative and quantitative analysis report.	Consultants' recommendations report acceptable to Council and EXCO. - 50% completion of the population of the revised structure. - Every employee's status confirmed by letter. - 100% accurate.	Compile report	Phase 1 report has been delivered and presented to Exco. Phase 2 of the project is underway. REASON FOR PARTIAL ACHIEVEMENT The bid evaluation process was revised to verify the decisions to appoint as per Council resolution. The timeframes were therefore delayed by eight weeks. The submission of the final report was deferred to end May 2010.

HUMAN RESOURCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
1. Review, optimise and align the organisational structure in accordance with the revised mandate (continued).	1.2. Implementation of a change management strategy and communication plan to ensure a successful structure redesign process.	1.2.1. Representative consultation and communication structure.	<20% litigation from process outcome.	Compile report	Communication continues through interactive communication processes led by the CEO and supported by the Employee Relations service unit. REASON FOR PARTIAL ACHIEVEMENT The intention to initiate the process was communicated through written notification and general staff meetings to all employees and their representatives. HR proposed the establishment of a Steering Committee and decision was arrived at at EXCO to establish the structure after the receipt and review of the recommendation report to facilitate the implementation phase. Disputes with Labour are theoretical at this stage and have not impacted on the process.
2. Establish a collective leadership and service orientation culture.	2.1. Formulation of terms of reference for the service provider transformation of the organisational culture to a service-oriented culture. 2.2. Presentation of the Employee Value Proposition (EVP) survey results to identify organisational behavioural issues.	2.1.1. Culture and leadership model. 2.2.1. Report redressing areas of improvement.	Model to be approved by Council/EXCO -Train 50% of leadership (management and above). 25% of required revisions completed.	Report Report	Model has not been developed. The development of the ICASA leadership model was assigned as one of the Action Learning Projects. The Phase 1 EDP took place in March 2010. 13 Exec members participated. Six HR policies were revised in response to issues raised in the EVP responses : Talent Sourcing, DC, Grievance, PMS, Job Evaluation, Remuneration and Study Assistance. Induction programme was revised, draft HRD strategy, career pathing framework, draft employee handbook and SD and EE committee established.

HUMAN RESOURCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: ICASA to become an employer of choice					
Operational goal: Attraction and retention of best talent					
3. Human Resources Development (HRD) strategy formulation for effective talent management.	3.1. Enhancement of the Human Resources Development Strategy to support effective talent management.	3.1.1. Integrated HRD strategy	100% of all jobs competence profiled - 100% implementation of the specialist career stream - 10 interns for 2010 (Five internal trainees at C-Level).	Report	Career path framework was presented to REMCO on 25 February 2010. Draft HRD strategy is in place.
	3.2. Design a Mentoring and Coaching programme for ICASA.	3.2.1. Mentoring and Coaching Programme	Train all employees at Supervisory level and above. - A programme aligned to the organisational leadership model and value system.	Report	90 % of supervisors and managers have been trained on EQ and Coaching. 70% of operational staff have been trained in EQ skills.
4. Talent acquisition strategy to employ the right people to build capacity.	4.1. Align HR practices to an appropriate competence based talent capital management framework	4.1.1. Competence based talent capital management framework	Total transformation of people management practices by 31 March 2009.	Report	Competency assessment awareness workshop was held on 17 February 2010. Five external expert consulting firms presented their products and methodologies. Competency based interviewing techniques have been introduced at management levels.
	4.2. Introduction of best practice recruitment strategy to recruit critical skills and fill all active vacancies.	4.2.1. 30% progression on vacancy filled per quarter from quarter 2.	30% of all activated vacancies per quarter.	30% of all activated vacancies per quarter.	55 permanent appointments were made -104% against vacancies at beginning of financial year 45 temporary positions were filled.

HUMAN RESOURCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Optimised structure, leadership and culture aligned with strategy					
Operational goal: Attraction and retention of best talent					
5. Remuneration and Benefits Strategy Review for attraction and retention of best skills.	5.1. Review remunerations and reward programmes for fair, equitable and competitive pay procedures.	5.1.1. Remuneration and benefit report.	All managers' remuneration converted to total cost of employment (TCE). - Benchmarked market related remuneration structure aligned to organisational strategy. - Reduction of Medical Aid Schemes to three - Review of pension fund schemes.	Report	Proposed remuneration strategy was presented to REMCO on 25 March 2010. - Alexander Forbes presented the benchmark report on various medical aid schemes to EXCO. - The IBA Pension Fund scheme has been merged into the SATRA Fund. The SATRA Fund has changed name to ICASA. FSB has approved the changes. The pension fund management committee has been constituted. AF have confirmed in writing that Actuarial services will be provided free of charge.
Strategic goal: A performing, safe and disciplined organisation					
Operational goal: Acceptable performance levels and good workplace morale					
6 Mitigation of organisational risk.	6.1. Qualification verification in all areas of potential risk. 6.2. Design and implementation of a succession planning strategy for critical positions.	6.1.1. Qualification verification report. 6.2.1. Succession planning strategy at management level and above.	100% implementation at all levels. 10% implementation at management level and above.	100% implementation at all levels. Development and implementation Succession Planning Strategy.	Verification of qualifications was implemented down to C3 level Not achieved. REASON FOR NON ACHIEVEMENT The outcome of the organisational structure review is expected to confirm the near future establishment of ICASA. Investment into succession planning imperatives can only be justifiable once the appropriate structure has been confirmed through the reengineering study currently underway.

HUMAN RESOURCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
6 Mitigation of organisational Risk (continued).	6.3. Effective diversity management and legal compliance.	6.3.1. Three year employment equity plan.	>2,5% of staff complement should be persons with disability.	2,5% of staff complement should be persons with disability.	Current organisational demographics were tabled at the EE/SD meeting. Disability profile is currently 1.67% of permanent staff.
7. Implementation of support for the revised integrated Performance Management Framework (PMF).	7.1. Enhancement and assimilation of the principals and application for the new PMF.	7.1.1. Revised PMF.	Report on the proficiency and appropriateness of the ePerformance system	Introduce revised PMF.	Qualified performance standards have been included in the revised Performance Management Policy. The organisational BSc has been approved as an action learning project for the ICASA EDP with GIBS.
	7.2. Facilitate the annual employee performance management cycle.	7.2.1. Annual employee performance management cycle.	Achieve 80% compliance rate	Introduce annual employee	Final review schedule has been endorsed by EXCO and communicated to staff.
8. Sound ER practices for the establishment of a disciplined and harmonised workplace.	8.1. Effective HR communication and consultative processes for co-creation and good relations.	8.1.1. Grievance and disciplinary procedures and ER workshops.	Grievances and DC hearings closed within policy timeframes and CCMA and LC disputes by exception only.	Finalise Grievances and DC hearings.	A policy workshop was attended by 6 management staff in March 2010. ICASA disciplinary and grievance procedures were revised, consulted with all stakeholders and submitted for external legal review. The budget and time for the other ER workshops was sacrificed for the protracted negotiation process that remains in a dispute.
	8.2. Intensify EAP and HIV/Aids strategy to include management of other life threatening diseases.	8.2.1. EAP, HIV/Aids and other life threatening diseases strategy.	23% membership	Provide support as matters arise.	Annual review meeting was held with EAP SPs and enhancements to the programme agreed upon.

HUMAN RESOURCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
9. Internal Business Process Review for improved efficiency and effectiveness	9.1. Ongoing review of HR operational processes to identify bottlenecks, inefficiencies and lack of optimal utilization of available resources and reliable reports	9.1.1. Service level agreements	100% Data Integrity on all aspects of work. - SLA in accordance with set standards for HR policies and procedures manual	Introduce Service Level Agreements	Comprehensive HR SLA has not been finalised. - ESS is operational; leave and overtime functionalities have been activated.

FINANCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Produce financial information with integrity					
1. Improve financial systems.	1.1. Implement all relevant financial revenue modules.	1.1.1. Revenue module for Spectrum.	Spectrum distribution module	Spectrum distribution module	The configuration of the system as per original scope was completed at the end of March. It was not commissioned and tested before the end of the financial year because the scope was changed and the data was not transferred as planned.
		1.1.2. Automated allocation of receipts.	Allocated receipts	Allocated receipts	The configuration of the system as per original scope was completed at the end of March. It was not commissioned and tested before the end of the financial year.
		1.1.3. Internal printed invoices.	AR invoices	AR invoices	The invoices configuration was completed, tested and commissioned.
1.2. Integrate payroll and financial system.		1.2.1. Integrated payroll and financial system.	Integrated system	Integrated system	ERP project was postponed to the 2011/12 financial year.

FINANCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
1. Improve financial systems (continued).	1.3. Develop contract management for accounts payable (AP) and receivables (AR).	1.3.1. Contract management	Automated contract management for AR and AP	Automated contract management for AR and AP	ERP project was postponed to the 2011/12 financial year.
	1.4. Develop costing system.	1.4.1. Costing framework	Financial Costing system	Financial Costing system	The framework was completed.
	1.5. Integrate asset system.	1.4.2. Costed operation	Report of operation costing	Report of operation costing	As at 31 March 2010, costing of the operations was at 70%.
		1.5.1. Integrated asset register	Asset register	Asset register	Interface of MS Access and JDE has been completed.
	1.5.2. Integrated asset ledger and asset database	Integrated asset ledger and asset database	Integrated asset ledger and asset database	Integrated asset ledger and asset database	The interface was done on MS Access and JDE.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Improve internal control					
2. Improve financial processes, policies and compliance	2.1. Develop business process	2.1.1. Business workflow and roles	Detail business process	Detail business process	Business processes were completed.
	Strategic goal: Enhanced ICASA business intelligence, governance and reporting				
Operational goal: Fairly stated financial statements					
3. Fairly stated assets	3.1. Verify asset	3.1.1. Quarterly and year-end asset report	Verification report	Verification report	Verification has been completed in the regions and Head Office.
	3.2. Review asset residual values	3.2.1. Assets impairment and residual values report	Report of asset values.	Report of asset values.	Review of residual values were not completed.
Strategic goal: Enhanced ICASA Business intelligence, governance and reporting					
Operational goal: Generally acceptable financial reporting					
4. Improve financial report	4.1. Review and improve monthly reporting.	4.1.1 Financial budget	Budget reports	Budget reports	Business plan has been linked to JDE and it has been operationalised.
		4.1.2. Tender report	Tender reports	Tender reports	The Authority is now submitting its monthly tender reports electronically to National Treasury. Improvements were made on Demand management and bids report at the request of Exco.

FINANCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
4. Improve Financial Report (continued).	4.1. Review and improve monthly reporting (continued).	4.1.3. Financial Management Performance Indicator (FMPI)	Report on compliance on FMPI	Report on compliance on FMPI	The strategic plan and business for 2010/11 were captured on the tool developed. As from April 2010 progress reports on quarterly reporting will be done on an integrated basis (budget and actual will be pooled from JDE.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Improve revenue collection					
5. Revenue collection	5.1. Improve revenue collection	5.1.1. Spectrum: Annual collection rate of 85%.	Report	Revenue collection report	Collection rate of 71% has been achieved. There has been an improvement in collection. The challenge is dealing with small operators. Regulations that address this have been drafted by Engineering and Technology.
		5.1.2. Broadcasting: Annual collection rate of 85%.	Report	Revenue collection report	100% collection rate has been achieved.
		5.1.3. ECN and ECS: Annual collection rate of 85%.	Report	Revenue collection report	81% collection rate has been achieved. There has been an improvement in collection.
		5.1.4. Postal Services: Annual collection rate of 90%.	Report	Revenue collection report	100% collection rate has been achieved. There has been an improvement in collection.
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Promote procurement from HDI and SMMEs					
6. Increase participation of HDIs in ICASAs Procurement.	6.1. Procure at least 55% from HDI on goods and services below R500 000.	6.1.1. HDI in line with procurement target.	Report	HDI report	Procured 41% from HDIs for goods and services below R500 000.

FINANCE DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
6. Increase participation of HDIs in ICASA's procurement (continued).	6.2. Procure at least 40% from HDI on goods and services above R500 000.	6.2.1. HDI in line with procurement target.	Report	HDI report	Procured 27% from HDIs for goods and services above R500 000. Most of the goods procured are technical equipment. There is no significant participation of HDIs in this market. In addition to this most of the high value service provision were awarded.
	6.3. Procure at least 15% from SMMEs on goods and services below R500 000.	6.3.1. HDI in line with procurement target.	Report	Report on procurement from SMMEs.	Procured 16% of goods and services from SMMEs.
	6.4. Pay SMME within 14 days.	6.4.1. Payment of SMME in line with procurement target.	Report	Report on SMME payment	Achieved 55%.
	6.5. Pay large organisations within 30 days.	6.5.1. Age analysis	Report	Age analysis report	Achieved 91%.

INTERNAL AUDIT DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Enhanced ICASA business intelligence, governance and reporting					
Operational goal: Provide assurance on the adequacy and effectiveness of the control environment					
1. Review systems of internal control for adequacy.	1.1. Risk Management Strategy in place and implemented.	1.1.1. Report on the implementation of the Risk Management Strategy.	Report	Two	Compliance and Risk has not yet developed the Risk Management Strategy; as a result, the audit could not be executed.
		1.1.2. Report on the implementation of the Risk Management Plan by the Audit and Risk Committee.	Report	Two	Compliance and Risk has not yet developed the Risk Management Plan; as a result, the audit could not be executed.

INTERNAL AUDIT DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
		1.1.3. Report on the identified Top 10 risks.	Report	Two	Compliance and Risk has not yet identified the Top Ten Risks; as a result, the audit could not be executed..
	1.2. Internal Audit reports on the adequacy and effectiveness of internal controls	1.2.1. Internal Audit Reports completed as per the Strategic Plan	Report	30	9 out of 30 (30%) planned projects were completed.
	1.3. Follow - up Reports on Auditor General Management Letter issues	1.3.1. Internal Audit Reports	Report	Four	An audit report on the Auditor-General's management letter was not finalised by 30 March 2010.
	1.4. Co-ordinate efforts with other assurance providers within the Authority	1.4.1. Reports	Report	Four	Stakeholders were identified but no meetings were scheduled.
	1.5. Effective use of data and extraction software	1.5.1. Audit reports of integrity of JDE, VIP, Spectrum.	Report	Two	Training on ACL was conducted but access to IT systems has not been granted and training thereon has not been conducted.
Strategic goal: Enhanced ICASA business intelligence, governance and reporting					
Operational goal: Professional internal Audit unit					
2. Compliance with the Institute of Internal Auditors (IIA) Standards	2.1. External assessments are conducted annually.	2.1.1. Quality Assurance Assessment (QAR) report	Report	One	A quality assurance assessment report was presented by the Institute of Internal Auditors to the Audit and Risk Committee.
	2.2. Internal Audit Staff - CPD Training as per Individual Development Plan (IDP).	2.2.1. Training report including the number trained.	Report	Four	Staff attended training as indicated in their IDPs and this was reported to the Audit and Risk Committee.

INTERNAL AUDIT DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Enhanced ICASA business intelligence, governance and reporting					
Operational goal: Improve governance processes					
3. Provide Audit and Risk Committee (ARC) services.	3.1. Quarterly meetings of the Audit and Risk Committee	3.1.1. At least four mandatory Audit and Risk committee meetings to be held during the year.	Number	Four	Audit and Risk Committee met more than four times in the year.
4. An effective Audit Committee is in place	4.1. Regular reporting to Council/Executive by the AC	4.1.1. Report back to Council and EXCO on issues raised at Audit and Risk Committee meetings.	Report	Four	Matters raised by the Audit and Risk Committee were discussed both at Council and EXCO level.
	4.2. There is regular training of the AC members	4.2.1. Training report including the number trained.	Training provided	Two training sessions	Audit and Risk Committee members were not trained.
5. Corporate governance structures are working as intended.	5.1. Audit report on reviews of compliance to corporate governance processes.	5.1.1 Audit report on functioning of corporate governance structures.	Report	Four	A corporate governance audit was not done.
COMPLIANCE AND RISK DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Enhanced ICASA business intelligence, governance and reporting					
Operational goal: Improve governance processes					
1. Coordinate risk management within the Authority.	1.1. A risk management strategy is in place and is being implemented.	1.1.1. Risk Management Strategy developed and approved by Council.	Plan	Risk Management Strategy	Draft risk management Strategy in place. Existing risk management procedures included in draft plan.

COMPLIANCE AND RISK DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
	1.2. Risk register compiled and in place.	1.2.1. Departmental risk assessment workshops conducted. 1.2.2. Risk register compiled and approved by Council.	Workshops Register update	12 Update regions	Existing Risk Management working practice incorporated into workshops held. Existing risk register, initially approved during December 2008, was reviewed during risk assessment workshops commencing January 2010 and still in progress.
		1.2.3. Report provided to Audit and Risk Committee on risks identified and progress made. 1.2.4. Report provided to EXCO and Council on risks identified and progress made.	Report Report	Report EXCO - 12 COUNCIL - Four	Feedback provided at Audit and Risk Committee Meetings and Council Risk assessment workshops Feedback provided at EXCO meetings.
2. Update of ICASA policies and procedures.	2.1. Policies and procedures reviewed on an annual basis.	2.1.1. New policies and procedures drafted and existing policies and procedures annually reviewed and updated. All policies and procedures approved by Council. 2.1.2. New and reviewed approved policies and procedures communicated monthly to employees. 2.1.3. Quarterly briefing to employees on policies and procedures in conjunction with HR.	Policies Intranet Workshops	40 policies 12 policies Four workshops	ICASA firstly reviewed its process manuals and thereafter will perform a holistic review of policies and procedures during 2010. ICASA firstly reviewed its process manuals and thereafter will perform a holistic review of policies and procedures. Importance of policies and procedures highlighted as part of 16 risk assessment workshops held.

COMPLIANCE AND RISK DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
2. Update of ICASA policies and procedures (continued).	2.1. Policies and procedures reviewed on an annual basis (continued).	2.1.4. Quarterly report to EXCO, Council and Audit and Risk Committee on policies and procedures approved and communicated to all Employees	Report	Four reports	ICASA firstly reviewed its process manuals and thereafter will perform a holistic review of policies and procedures.
	3. Accurate and reliable performance reporting information, including budgeting, financial and operational performance information.	3.1. Assessment and review of performance information in line with the Auditor-General requirements.	3.1.1. Quarterly performance information prepared in accordance with AG requirements tabled at EXCO, Council and Audit and Risk Committee	Report	Four Reports
	3.2. Performance information provided timeously to all stakeholders.	3.2.1. Performance information provided to stakeholders as per their requirements.	Checklist	12 Checklists	Challenges experienced each quarter by divisions in being provided with divisional financial results to accompany their performance information narratives.
	3.3. Performance information policy and guidelines compiled and in place.	3.3.1. Performance information policy and guidelines developed and approved by Council.	Policy	One Policy	Existing performance information working practice to be documented.
	3.4. Budgeting, monthly financial reporting process in line with stakeholders requirements.	3.4.1. Timely and accurate budget/finance reporting.	Checklist	12 Checklists	Challenges experienced each quarter by divisions in being provided with divisional financial results to accompany their performance information narratives.

COMPLIANCE AND RISK DIVISION					
Strategic objective	Key performance area	Key performance indicator (output)	Unit of measurement	Target 2009/10	Overall progress during the 2009/10 financial year
Strategic goal: Executing service delivery efficiently and effectively					
Operational goal: Reduce incidents of fraud and corruption					
4. Coordinate fraud prevention, detection and investigative strategies.	4.1. A Fraud Prevention Plan (FPP) is in place and is being implemented.	4.1.1. Implementation of the Fraud Prevention Plan (FPP)	FPP Plan	FPP Plan	Whilst the FPP was not updated, certain elements of the existing plan were implemented during the year.
		4.1.2. Anti-fraud awareness campaign through workshops, intranet, ICASA newsletter, ethics updates.	Workshops, newsletters, intranet	Workshops - four, Newsletters - two, Intranet - 12	Fraud awareness and fraud incidents were highlighted as part of risk assessment workshops.
		4.1.3. Ad hoc reports on forensic investigations undertaken.	Report	Four reports	Feedback was given at risk assessment workshops and at Audit and Risk Committee meetings.

Annual Financial Statements

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STATEMENT OF RESPONSIBILITY

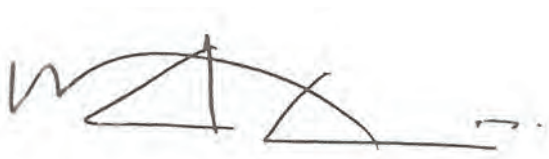
The Chief Executive Officer, in his capacity as Accounting Officer is responsible for the preparation and integrity of the annual financial statements and related information included in this annual report. In order for the Accounting Officer to discharge his responsibilities, management has developed and continues to maintain a system of internal control. The operations of ICASA are reviewed primarily through Internal Audit and Compliance and Risk activities and the Compliance, Risk and Audit Committee.

The internal controls include a risk based system of internal controls and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the entity's policies and procedures. Trained, skilled personnel with an appropriate segregation of duties implement these controls. They are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

To review the system of internal control, an internal audit function has been set up that conducts operational, financial and specific audits and co-ordinates audit coverage with the Auditor-General. The Auditor-General is responsible for reporting on the annual financial statements.

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board. The annual financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. Council believes that the entity will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the annual financial statements.

The annual financial statements for the year ended 31/03/2010 set out on pages 110 to 175, have been approved by Council and are signed on its behalf by:



KARABO MOTLANA
CHIEF EXECUTIVE OFFICER
31 JULY 2010



PARIS MASHILE
FORMER CHAIRPERSON
31 JULY 2010

INTRODUCTION

The Audit and Risk Committee hereby presents to Parliament its report for the financial year ended 31 March 2010 as required by the Treasury Regulations issued in terms of the Public Finance Management Act, Act 1 of 1999 (as amended) (PFMA).

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

In accordance with its charter, the Audit and Risk Committee has met 12 times since its 2009 report (dated: 31 July 2009). The membership and attendance at those meetings was as follows;

	Meetings attended
Sandile Swana (Chairperson – re-appointed 01 January 2010)	9
Rene Kenosi (Member – re-appointed 01 January 2010)	12
Tsediso Gcabashe (Member – appointed 26 February 2008)	11
Tsheko Ratsheko (Member – appointed 01 February 2010)	8
Thandi Sihlaba (Member – appointed 1 July 2010)	3

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee has:

- complied with its responsibilities and obligations as set out in section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13; and
- complied with and discharged all its responsibilities according to the Audit Committee charter, which regulates its formal terms of reference .

THE EFFECTIVENESS OF INTERNAL CONTROL

The ICASA Audit and Risk Committee has continued to be strong, and its meetings are characterised by penetrating and robust debates. The annual financial statements for the year ending 31 March 2010 have been audited by the Auditor General, who has issued a qualified opinion. The reason that the financial statements are qualified is due to failure to perform basic accounting work and poor management on the part of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Audit Executive (CAE).

Parliament and Council are urged to take a closer look at the stewardship of finances within ICASA, not so much because of dishonesty but because of indolence and incompetence that has now taken root. The finance function within ICASA is poorly led, managed and supervised which is the duty of the CEO and CFO. In poor leadership it can only be surpassed by the Internal Audit unit. The Audit and Risk Committee offered assistance which has not been utilised and at times has been frowned upon by the CEO and consequently the CFO.

REPORT OF THE AUDIT AND RISK COMMITTEE (continued)
for the year ended 31 March 2010

In view of the qualified audit last year the Audit and Risk Committee offered three major interventions:

Intervention	Status	Recommendation
Requested the CFO to prepare a detailed action plan that will be used to guide the preparations of ICASA for the annual audit and help manage the annual audit.	The plan was prepared and reviewed by the Audit and Risk Committee and never implemented by management.	The CEO resisted the idea of preparing the action plan and the CFO never implemented. We recommend that Council follow up with the individuals regarding the above issue.
The Audit and Risk Committee offered the two Chartered Accountants who are members of the Audit and Risk Committee to serve as technical overseers and advisors in a joint technical committee with management to address technical accounting issues as they emerge during the audit.	The meetings of this committee were sporadic and management generally did not cooperate.	The CEO and CFO should be held accountable for this failure as they did not exploit readily available resources that could have prevented some of the problems that have occurred, for example the completeness of accruals, commitments and opening balances.
The Audit and Risk Committee had recommended that an investigation be done into the competency and effectiveness of the Finance function at the end of the 2009 financial year. The report of the Auditor General for the 2010 year audit largely supports the need for the investigation.	Management has stalled this exercise on the grounds that it presents a risk to ICASA and the CAE has not been able to tell the Audit and Risk Committee who identified this risk and what the risk is. The CEO has plainly stated that he cannot pay any attention to the instructions of the Audit and Risk Committee even when it is operating fully within its charter.	Similarly as above Council should obtain the reason why this investigation was not performed, as the problems could have been curtailed.

Financial reporting

ICASA has generally failed to produce reports for the Audit and Risk Committee within the expected and prescribed timeframes including all financial statements and management accounts, and as such the reviews of these documents is done at the last minute and is never thorough. In the 2010 financial year and during the audit, documents submitted were of a low standard and submitted very late. Consequently the Audit and Risk Committee has not been able to review the final financial statements and make any recommendation regarding whether ICASA Council should adopt them or not because they were not tabled at the meetings scheduled for 22 and 29 July 2010.

Leadership and Governance

Whilst the Audit and Risk Committee is comprised of well qualified, hardworking and experienced people it has been rendered irrelevant by the poor performance of management and the publicly stated position of the previous Chairman that he is afraid to take disciplinary action against management and the CEO.

The Council at ICASA is very cooperative towards the Audit and Risk Committee and overall there is no evidence that Council neither promotes nor tolerates poor governance. However Council has not been able to act decisively towards the CEO and CFO in the light of sustained non-performance particularly when it comes to compliance with the PFMA, modern accounting practices including the production of high quality management accounts, and the overall internal audit and accounting work. As agreed in a previous meeting with the Auditor General in March 2010, and my further verbal report to SCOPA: the completion of the investigation that I have requested is absolutely urgent in order to start afresh on a clean slate. The calibre of CFO; CAE and CEO is something that needs careful attention more than the salary expense, going forward. A CEO who has a meaningful appreciation of accounting and finance is required. There is also no evidence of an appetite for hard work nor the minimum skills amongst the aforementioned incumbents. The Auditor General's report at the conclusion of this audit points in the same direction.

Internal audit

The Auditor General never placed any reliance on the work done by the Internal Audit Unit this year, and the Internal Audit unit itself indicated that the success rate of its projects is about 30%. There is general discord within the Internal Audit Unit and in the entire Audit and Risk division at ICASA due to a reorganisation initiated by the CEO which has not been worked on in accordance with proper change management techniques. The suitability of the current CAE must be examined carefully in the light of self-evident non-performance.

Evaluation of the financial statements

The Audit and Risk Committee has not had the time to review the financial statements within the prescribed and allocated time due to the unavailability of the annual financial statements. Whilst meetings were convened in line with the approved meeting dates schedule, management did not table the final annual financial statements. Users must therefore rely on the opinion of the Auditor General.



Sandile Swana

Chairperson

Audit and Risk Committee

31 July 2010

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE
INDEPENDENT COMMUNICATION AUTHORITY OF SOUTH AFRICA FOR THE YEAR ENDED 31 MARCH 2010**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Independent Communication Authority of South Africa (ICASA) which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, set out on pages 121 to 175.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) as determined by the National Treasury as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act of South Africa (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Accruals

There was no system of control over the recording of outstanding invoices at year-end on which I could rely for the purpose of my audit, and there were no satisfactory audit procedures I could perform to obtain reasonable assurance that all outstanding invoices have been recorded. Consequently, I am unable to conclude on the completeness of the accrual liability in the annual financial statements.

Opening accounts receivable and accounts payable balance

ICASA collect license fees as contemplated by the Electronic Communications Act (ECA). In terms of section 15(3) of the Independent Communication Authority of South Africa Act, 2000 (Act No. 13 of 2000), the authority is required to pay all fees received (including Spectrum license fees) and held on their behalf to the National Revenue Fund (NRF) within 30 days after receipt of such revenue.

Included in the opening accounts receivable and accounts payable balances as disclosed in note 18 and note 21 to the financial statements, are Spectrum license debtors and a corresponding NRF payable of R24 450 119. I was unable to obtain sufficient appropriate audit evidence and perform alternative audit procedures that I considered necessary to satisfy myself as to the existence and valuation of the opening Spectrum accounts receivable balance and the resulting NRF payable.

Commitments

There was no contract management system in place for the identification and recognition of contracts and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all commitments were properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness and accuracy of commitments of R14 693 805, as stated in note 31 to the financial statements.

Qualified opinion

In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, these financial statements present fairly, in all material respects, the financial position of ICASA as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with SA Standards of GRAP as determined by the National Treasury as set out in accounting policy note 1.1 and in the manner required by the PFMA.

Emphasis of matter

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

Irregular expenditure

As disclosed in disclosure note 10 to the financial statements, irregular expenditure to the amount of R655 626 (2009: R387 081) was incurred because proper procurement procedures were not followed.

Significant uncertainties

With reference to note 26 to the financial statements, ICASA is the defendant in a number of lawsuits. The ultimate outcome of these matters cannot currently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

As disclosed in note 3 and note 4 to the financial statements, the corresponding figures for the year ended 31 March 2009 have been restated as a result of errors discovered during the year ended 31 March 2010 in the financial statements of ICASA at, and for the year ended, 31 March 2009.

Material losses through criminal conduct

As disclosed in the accounting officer's report on page 141 of the annual report, material losses to the amount of R195 522 were incurred as a result of fraudulent activities in the Administered revenue section

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and *General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the PFMA, Public Service Act (PSA), Preferential Procurement Policy Framework Act (PPPFA) and financial management (internal control).

Predetermined objectives

Presentation of reported performance information

Adequate explanations for major variances between the planned and the actual reported targets were not reported as required in terms of the relevant reporting guidance.

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- **Measurability:** Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

Planned and reported performance targets not specific and measurable

The planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance; and
- measurable in identifying the required performance.

Compliance with laws and regulations

Non-adherence to requirements

Treasury regulations (TR)

- Contrary to the requirements of TR 8.2.3 the authority did not pay its suppliers within 30 days of receipt of invoices.
- Contrary to the requirements of TR 17 the authority utilised a revenue suspense account, and did not implement adequate controls to clear the items on a monthly basis.
- Contrary to the requirements of TR 15.10 management did not prepare daily bank reconciliations for any of their bank accounts.
- The internal audit function did not substantially fulfil its responsibilities for the year, as set out in TR 3.2

Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)

- Contrary to section 38 of the PFMA the authority did not design and implement sufficient and appropriate internal controls for the recording and managing of spectrum debtors.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, PSA and PPPFA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

Decisive action to mitigate risks

Actions are not taken in a timely manner to address the risks relating to the achievement of complete and accurate financial reporting.

Oversight responsibility

The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control.

Financial and performance management

Adequate financial management systems

Manual or automated controls are not designed to ensure that all accruals are recorded at year end.

Quality and reliable financial statements

The financial statements are not reviewed for completeness and accuracy prior to submission for audit purposes, and as a result the financial statements were subject to material amendments resulting from the audit.

Governance

Internal audit

Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.

OTHER REPORTS

Investigations completed during the financial year

An investigation into the fraudulent activities in the Administered Revenue Fund was concluded. An employee was found guilty of fraudulent misconduct, and dismissed. ICASA is attempting to recover the R195 522 from the employee's pension fund distribution.

Auditor-General

Pretoria

31 July 2010



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT BY THE ACCOUNTING OFFICER

I have pleasure in presenting to Parliament the Independent Communications Authority of South Africa's ("ICASA") tenth annual report. The report covers the period 1 April 2009 to 31 March 2010. As required by section 16(1)(b)(i) of the ICASA Act 13 of 2000 ("ICASA Act"). ICASA has prepared a detailed annual report for the activities during the financial year under review.

Background

ICASA is the regulator of the electronic communications and postal sectors. It was established in July 2000 in terms of the ICASA Act.

ICASA's key functions are to:

- make regulations and policies that govern postal, telecommunications and broadcasting services;
- issue licences to providers of telecommunication, broadcasting and postal services;
- monitor the environment and enforce compliance with rules, regulations and policies;
- hear and decide on disputes and complaints brought by stakeholders;
- plan, control and manage the frequency spectrum; and
- protect the consumers from unfair business practices, poor quality services and harmful or inferior products.

Applicable legislation

ICASA derives its mandate from the following statutes: ICASA Act of 1999, Postal Services Act of 1998, Electronic Communications Act 35 of 2005, and the Broadcasting Act of 1999.

General review of the state of financial affairs

The annual financial statements have been prepared on a going concern basis and the financial performance and position demonstrates that this basis is sound.

We continue to strive to improve the financial management of ICASA and financial policies have been developed and monitored to give effect to this.

The budget allocation for the 2009/10 financial year was not exceeded.

In the 2005-2006 financial year National Treasury issued a circular whereby ICASA was granted permission to retain interest earned on favourable bank account balances. ICASA recognised interest income of R16 million in the 2009/10 financial year (2008/9 – R19 million).

During the 2009/10 financial year, the employee in the Administered Revenue section was suspended for alleged involvement in fraudulent activities. The employee was subsequently dismissed for fraud committed; an amount totalling R195 522 was confirmed to have been embezzled.

REPORT BY THE ACCOUNTING OFFICER (continued)

Council and Executive Management's remuneration

Details of Council and Executive Management's remuneration are set out in note 8 to the annual financial statements.

Events after the reporting date

There were no significant events that took place between the reporting date and the date in which the financial statements were authorised for issue.

Administered Revenue on behalf of National Revenue Fund

On the 16th of March 2010, National Treasury issued the opinion on the manner in which ICASA should report the results of its Administered Revenue Section. The report went as follows:

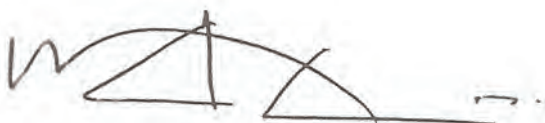
- ICASA will continue to prepare separate annual financial statements (AFS) for the NRF only for internal control purposes;
- ICASA and DOC should sign a Memorandum of Understanding (MOU) which outline the responsibilities for both parties; and
- DOC should at year end disclose the amounts collected by ICASA, and not paid to DOC as an accounts receivable. ICASA will send the confirmation to DOC of amount collected and not yet paid over to DOC.

ICASA discloses the assets and liabilities of the Administered Revenue section in its annual financial statements.

Business address

Physical address:
Blocks A, B, C & D
Pinmill Farm
164 Katherine Street
Sandton
2128

Postal address:
Private Bag X10002
Sandton
2146



Karabo Motlana
Chief Executive Officer
Date

**STATEMENT OF FINANCIAL
PERFORMANCE**
for the year ended 31 March 2010

Section

5

	Note	31 March 2010 R Actual	31 March 2009 R Restated
REVENUE			
Revenue from non-exchange transactions	2	269 607 000	247 272 000
Other income from non-exchange transactions	5	598 869	729 242
Other income from exchange transactions	5	10 539 850	12 163 838
		<u>280 745 719</u>	<u>260 165 080</u>
EXPENDITURE			
		(279 217 253)	(255 243 987)
Administrative expenses	6	(36 255 923)	(37 208 010)
Staff costs	7	(159 040 381)	(133 316 499)
Audit fees	9	(1 602 727)	(2 153 768)
Other operating expenses	10	(85 633 622)	(70 869 321)
Depreciation	14	3 227 480	(10 598 221)
Amortisation	15	87 920	(1 098 168)
SURPLUS FROM OPERATIONS			
		1 528 466	4 921 093
Finance income	12	4 688 307	7 260 940
Finance costs	11	(5 834)	(81 204)
Total finance Income		4 682 473	7 179 736
SURPLUS FOR THE YEAR			
		<u>6 210 939</u>	<u>12 100 829</u>

STATEMENT OF FINANCIAL POSITION

as at 31 March 2010

	Note	31 March 2010 R	31 March 2009 R
ASSETS			
Non-current assets			
Property, plant and equipment	14	98 256 577	76 279 277
Intangible assets	15	5 641 140	2 776 417
Current assets			
Trade and other receivables	16	1 456 833	1 789 813
Prepayments	17	4 531 485	8 083 228
National Revenue Fund – Administered Assets	18	496 281 284	555 834 637
Cash and cash equivalents	19	81 144 352	78 532 421
TOTAL ASSETS		687 311 671	723 295 793
LIABILITIES			
Current liabilities			
Trade and other payables	20	32 681 071	17 645 535
National Revenue Fund payables	21	521 966 213	572 653 145
Current portion of operating lease liability	22	22 653	6 369 988
Current portion of finance lease obligations	24	-	173 677
Non-current liabilities			
Non-current portion of operating lease liability	22	-	22 653
TOTAL LIABILITIES		554 669 937	596 864 998
FUNDS			
ACCUMULATED RESERVES			
Accumulated surplus		132 641 734	126 430 795
TOTAL FUNDS AND LIABILITIES		687 311 671	723 295 793

**STATEMENT OF CHANGES IN
NET ASSETS**
for the year ended 31 March 2010

		Accumulated deficit	Total
	Note	R	R
Opening balance at 1 April 2008		(8 949 069)	(8 949 069)
Effect of prior period error	4	33 731 342	33 731 342
Effect of change in accounting policy	3	86 678 386	86 678 386
Restated opening balance		<u>111 460 659</u>	<u>111 460 659</u>
Surplus for the year as previously reported		5 579 813	5 579 813
Effect of prior period errors	4	2 613 072	2 613 072
Effect of change in accounting policy	3	6 777 251	6 777 251
Balance as at 31 March 2009 restated		<u>126 430 795</u>	<u>126 430 795</u>
Surplus for the year		6 210 939	6 210 939
Balance as at 31 March 2010		<u>132 641 734</u>	<u>132 641 734</u>

CASH FLOW STATEMENT

for the year ended 31 March 2010

	Note	31 March 2010 R Actual	31 March 2009 R Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from DoC		269 607 000	247 312 000
Cash received by Administered Revenue		1 913 146 304	2 313 642 100
Cash paid by Administered Revenue		(1 904 279 883)	(2 358 104 969)
Cash paid to suppliers		(109 015 012)	(118 463 301)
Cash paid to employees		(132 635 207)	(106 589 042)
Employees tax paid		(26 707 045)	(26 690 048)
Cash generated from/(utilised in) operations	25	10 116 157	(48 893 260)
Finance income	5/12	15 607 109	19 342 058
Finance costs	11	(5 834)	(81 204)
Net cash flows from operating activities		25 717 432	(29 632 406)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment	14	(20 448 330)	(17 929 340)
Acquisition of intangible assets	15	(2 773 147)	(943 138)
Proceeds on disposal of property, plant and equipment		115 976	184 091
Net cash utilised in investing activities		(23 105 501)	(18 688 387)
Net increase/(decrease) in cash and cash equivalents		2 611 931	(48 320 793)
Cash and cash equivalents at the beginning of the year		78 532 421	126 853 214
Cash and cash equivalents at the end of the year	19	81 144 352	78 532 421

**STATEMENT OF COMPARISON OF
BUDGET AND ACTUAL AMOUNTS
for the year ended 31 March 2010**

	Budget Approved R	Budget Final R	Actual R	Difference between Approved Budget and Actual R
REVENUE				
Total grants appropriated	279 607 000	279 607 000	269 607 000	10 000 000
Other income	11 855 805	11 855 805	11 138 719	717 086
	<u>291 462 805</u>	<u>291 462 805</u>	<u>280 745 719</u>	<u>10 717 086</u>
EXPENDITURE	(291 462 805)	(291 462 805)	(279 217 253)	(12 245 552)
Administrative expenses	(34 347 858)	(33 795 639)	(36 255 923)	1 908 065
Staff costs	(140 197 164)	(139 602 906)	(159 040 381)	18 843 217
Audit fees	(1 930 000)	(1 930 000)	(1 602 727)	(327 273)
Other operating expenses	(103 149 978)	(104 296 455)	(85 633 622)	(17 516 356)
Depreciation	(10 809 388)	(10 809 388)	3 227 480	(14 036 868)
Amortisation	(1 028 417)	(1 028 417)	87 920	(1 116 337)
SURPLUS / (DEFICIT) FROM OPERATIONS	<u>-</u>	<u>-</u>	<u>1 528 466</u>	<u>(1 528 466)</u>
Finance income	-	-	4 688 307	(4 688 307)
Finance costs	-	-	(5 834)	5 834
Total finance Income	-	-	4 682 473	(4 682 473)
SURPLUS /(DEFICIT) FOR THE YEAR	<u>-</u>	<u>-</u>	<u>6 210 939</u>	<u>(6 210 939)</u>

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations of such relevant statements issued by the Accounting Standards Board. The following statements were approved and effective at the reporting date:

- GRAP 1 Presentation of Financial Statements
- GRAP 2 Cash Flow Statements
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4 The Effects of Changes in Foreign Exchange Rates
- GRAP 5 Borrowing Costs
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 7 Investments in Associates
- GRAP 8 Interests in Joint Ventures
- GRAP 9 Revenue from Exchange Transactions
- GRAP 10 Financial Reporting in Hyperinflationary Economies
- GRAP 11 Construction Contracts
- GRAP 12 Inventories
- GRAP 13 Leases
- GRAP 14 Events After the Reporting Date
- GRAP 16 Investment Property
- GRAP 17 Property, Plant and Equipment
- GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
- GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
- GRAP 101 Agriculture
- GRAP 102 Intangible Assets

Standards of GRAP for which the Minister of Finance has determined an effective date form part of the GRAP Reporting Framework. Interpretations of Standards of GRAP form part of the GRAP Reporting Framework when the Interpretation of Standards of GRAP is in effect. When an effective date has been determined, entities are permitted to adopt the Standards of GRAP and/or any related Interpretations of the Standards of GRAP earlier than the date specified. Standards of GRAP that have been issued by the Board, but for which an effective date has not yet been determined by the Minister of Finance, do not form part of the GRAP Reporting Framework. Where a Standard of GRAP that forms part of the GRAP Reporting Framework is based on a standard or pronouncement of another standard setter and that standard setter subsequently amends its standards or pronouncements, such amendments shall not form part of the GRAP Reporting Framework. Directives and guidelines issued by the Accounting Standards Board (ASB) form part of the GRAP Reporting Framework.

In the absence of a Standard of GRAP dealing with a particular transaction or event, the pronouncements of the following standard setters are used, in descending order, to develop an appropriate accounting policy to the extent that the requirements are not in conflict with the Standards of GRAP or the *Framework for the Preparation and Presentation of Financial Statements*:

- (a) International Public Sector Accounting Standards Board (IPSASB).
- (b) International Accounting Standards Board (IASB), including the *Framework for the Preparation and Presentation of Financial Statements*.
- (c) Accounting Practices Board (APB).
- (d) Accounting Practices Committee (APC) of the South African Institute of Chartered Accountants (SAICA).

Application of other pronouncements

IPSASB

When there is no equivalent Standard of GRAP, an International Public Sector Accounting Standard (IPSAS) that is effective forms part of the GRAP Reporting Framework, unless:

- that IPSAS is in conflict with the current ASB *Framework for the Preparation and Presentation of Financial Statements* or existing Standards of GRAP, or
- (b) it is not applicable to entities that currently apply the Standards of GRAP.

An IPSAS, or parts thereof, is in conflict with the ASB *Framework for the Preparation and Presentation of Financial Statements* or Standards of GRAP when it deals with an issue differently to the ASB *Framework for the Preparation and Presentation of Financial Statements* or a Standard of GRAP or when the IPSAS is applicable to a basis of accounting other than the accrual accounting basis.

An IPSAS issued by the IPSASB that is not yet in effect does not form part of the GRAP Reporting Framework. Where a Standard of GRAP that has been issued by the Board, but for which an effective date has not yet been determined by the Minister of Finance, is based on an IPSAS, that IPSAS does not form part of the GRAP Reporting Framework. Where an IPSAS that forms part of the GRAP Reporting Framework is based on a standard or pronouncement of another standard setter and that standard setter subsequently amends its standards or pronouncements, such amendments shall not form part of the GRAP Reporting Framework.

IASB

When there is no equivalent Standard of GRAP or IPSAS, an International Financial Reporting Standard (IFRS) that is effective forms part of the GRAP Reporting Framework, unless:

- that IFRS is in conflict with the current ASB *Framework for the Preparation and Presentation of Financial Statements* or existing Standards of GRAP or IPSASs;
- it is not applicable to entities that currently apply the Standards of GRAP.

1 Summary of significant accounting policies (continued)

1.1 Basis of preparation (continued)

Application of other pronouncements (continued)

An IFRS, or parts thereof, is in conflict with the ASB Framework for the Preparation and Presentation of Financial Statements or Standards of GRAP (whether effective or not) or IPSASs when it deals with an issue differently. Examples of such differences are the measurement of non-exchange transactions or the concept of comprehensive income. Where an IFRS, or parts thereof, is in conflict, the entity applies the principles established in the ASB Framework for the Preparation and Presentation of Financial Statements or Standards of GRAP or IPSASs. An IFRS is not applicable to an entity where its scope limits the application to specific circumstances. An entity assesses whether an industry specific standard or other standard or pronouncement is applicable based on the transactions and events of the entity.

An IFRS issued by the IASB that is not yet in effect does not form part of the GRAP Reporting Framework. Where a Standard of GRAP that has been issued by the Board, but for which an effective date has not yet been determined by the Minister of Finance, is based on an IFRS, that IFRS does not form part of the GRAP Reporting Framework.

APB

The standards and pronouncements of the IASB are issued without amendment as Statements of Generally Accepted Accounting Practice in South Africa (SA GAAP) and, as such, the principles in paragraph 20 to 26 apply equally to SA GAAP.

APC

Guides and Circulars issued by the APC are not part of the GRAP Reporting Framework. The budget information has been included for the first time this financial year. Paragraphs 11 to 15 of GRAP 1 have been implemented for the first time this year. The statement on Presentation of Budget Information in Financial Statements (GRAP) was approved by the Accounting Standards Board and is not effective yet as the Minister has not published it in the Government Gazette yet.

Effective IFRSs and IFRICs that are applied considering the provisions in paragraphs 20 to 26 of the Directive:

IFRS 3 (AC 140) Business Combinations

IFRS 4 (AC 141) Insurance Contracts

IFRS 6 (AC 143) Exploration for and Evaluation of Mineral Resources

IFRS 7 (AC 144) Financial Instruments: Disclosures

IAS 12 (AC 102) Income Taxes

IAS 19 (AC 116) Employee Benefits

IAS 32 (AC 125) Financial Instruments: Presentation

IAS 39 (AC 133) Financial Instruments: Recognition and Measurement

SIC – 21 (AC 421) Income Taxes – Recovery of Revalued Non-Depreciable Assets

SIC – 25 (AC 425) Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

SIC – 29 (AC 429) Service Concession Arrangements – Disclosures

IFRIC 2 (AC 435) Members' Shares in Co-operative Entities and Similar Instruments

IFRIC 4 (AC 437) Determining whether an Arrangement contains a Lease

IFRIC 9 (AC 442) Reassessment of Embedded Derivatives

IFRIC 12 (AC 445) Service Concession Arrangements

IFRIC 13 (AC 446) Customer Loyalty Programmes

IFRIC 14 (AC 447) IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 15 (AC 448) Agreements for the Construction of Real Estate

IFRIC 16 (AC 449) Hedges in a Net Investment in a Foreign Operation

The following statements of GRAP were approved but not yet effective at the reporting date:

- GRAP 18 - Segment Reporting
- GRAP 21 - Impairment of non-cash-generating assets
- GRAP 23 - Revenue from Non-exchange Transactions (Taxes and Transfers)
- GRAP 24 - Presentation of Budget Information in Financial Statements
- GRAP 25 - Employee Benefits
- GRAP 26 - Impairment of cash-generating assets
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments

These statements were not effective at the end of the reporting period and all statements had not been adopted at the end of the reporting period with the exception of the Statement on Revenue from Non-exchange Transactions (GRAP 23).

Directives

The following directives were issued and effective at the reporting date:

- Directive 1 - Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
- Directive 2 - Transitional Provisions for the Adoption of Standards of GRAP by Public Entities, Municipal Entities and Constitutional Institutions
- Directive 3 - Transitional Provisions for the Adoption of Standards of GRAP by High Capacity Municipalities
- Directive 4 - Transitional Provisions for the Adoption of Standards of GRAP by Medium and Low Capacity Municipalities
- Directive 5 - Determining the GRAP Reporting Framework
- Directive 7 - The Application of Deemed Cost on the Adoption of Standards of GRAP

Approved guidelines of Standards of GRAP

The following guideline was effective at the reporting date:

- Guide 1 Guideline on Accounting for Public Private Partnerships

Effective accrual based IPSASs

Effective accrual based IPSASs considering the provisions in paragraphs 15 to 19 of the Directive:

- IPSAS 20 Related Party Disclosures

1 Summary of significant accounting policies (continued)

1.2 Functional and presentation currency

The annual financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at amortised cost or fair value through surplus or deficit. The financial statements have been presented in the South African Rand (ZAR), as this is the currency in which the majority of the transactions are denominated.

1.3 Change in Accounting Policy

During the financial year, the Authority implemented the Standard on Revenue from Non-exchange Transactions (GRAP) (GRAP 23). This statement was approved by the Accounting Standards Board (ASB) but it was not effective yet at the reporting date since the Minister had not published its effective date in the Government Gazette. In the previous financial years, ICASA used the standard of GAAP AC134, Accounting for Government Grants and Disclosure of Government Assistance. All government grants that related to the purchase of property, plant and equipment were deferred in liabilities as deferred income and they were released to the statement of financial performance on a systematic basis over the estimated useful lives of the assets concerned.

1.4 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that effect the amounts presented in the annual financial statements and related disclosures. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. Use of available information and the application of judgement are inherent in the formation of estimates. The fair values of financial instruments with standard terms and conditions and traded in active, liquid and organised financial markets are determined with reference to the applicable quoted market prices. For other financial instruments methods such as the discounted cash flow analysis, are used to determine the fair values of other financial instruments. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

1.4.1 Annual evaluation of property, plant and equipment and intangible assets

The Authority reviews its property, plant and equipment for possible impairment, changes in useful life and changes in residual values at the end of each financial year.

The management determines the estimated useful lives and related depreciation charges for property, plant and equipment as well as its intangible assets. The estimates are based on the assessed conditions of the assets, changes in technology such as new technical innovations being introduced in the industry thus rendering our assets obsolete as well as expected future spending on capital assets. These estimates can change significantly as a result of changes in the conditions of assets, introduction of new technologies and availability of finance resources to fund expected future spending on capital assets.

Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

1.4.2 Provision for impairment of receivables

A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, where the time value of money has a material impact, discounted at the effective interest rate computed at initial recognition. Any impairment is recognised immediately in the statement of financial performance.

1.5 Government grants

The Authority is financed from money appropriated by Parliament. All inflows of resources from a non-exchange transaction recognised as an asset are recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

All transactions that satisfy 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 revenue equal to the deduction is recognised. Revenue from non-exchange transactions is measured at the amount of the increase in net assets. A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when it is probable that an outflow of resources embodying future economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The liability amount recognised is the best estimate of the amount required to settle the present obligation at the reporting date. Non-exchange revenue from taxes is only recognised when the taxable event occurs and the asset recognition criteria are met.

1.6 Property, plant and equipment

Property, plant and equipment (owned and leased) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment includes all directly attributable expenditure incurred in the acquisition, establishment and installation of such assets so as to bring them to the location and condition necessary for it to be capable of operating in the manner intended by management. Interest costs are not capitalised. Where an item of property, plant and equipment is acquired at no cost, or for a nominal cost, its cost is its fair value at the date of acquisition.

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful lives to the estimated residual values. Useful lives, residual values and depreciation are reviewed annually with the effect of any changes in estimate accounted for on the prospective basis. Residual values are measured as the estimated amount currently receivable for an asset if the asset were already of the age and condition expected at the end of its useful life. Each significant component included in an item of property, plant and equipment is separately recognised and depreciated.

Depreciation commences when the asset is ready for its intended use. Depreciation of an asset ceases at an earlier of the day the asset is classified as held-for-sale in accordance with GRAP 100 or the date the asset is derecognised.

Properties in course of construction for production, rental or administrative purposes, or for any purposes not yet determined, are carried at cost, less any recognised impairment losses.

1 Summary of significant accounting policies (continued)

1.6 Property, plant and equipment (continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the owned assets or, where shorter, the term of the relevant lease if there's no reasonable certainty that ICASA will obtain ownership at the end of the lease term.

Repairs and maintenance activities, which neither prolong nor materially add to the value of the assets, are recognised as expenses in the period incurred. Minor plant and equipment items are also recognised as an expense during the period in which they are incurred.

Surplus or deficit on the retirement or disposal of property, plant and equipment, being the difference between the actual proceeds and the carrying amounts of the assets, are recognised in the surplus or deficit in the period in which they occur. The disposal date is determined as the date in which ICASA has transferred all the significant risk and rewards of ownership, ICASA does not retain either continuing managerial involvement to the degree associated with ownership or effective control over the goods sold, proceeds on the sales can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to ICASA and the costs incurred or to be incurred in respect of the transaction can be reliably measured.

The assets are derecognised when the significant risk and rewards of ownership to a third party

Property, plant and equipment acquired in exchange for a non-monetary asset or assets is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up

Where a lease contains a restoration clause, or where historical experience indicates that restoration costs will be incurred, a liability for the restoration costs is recorded. The liability recorded is measured at the present value of the estimated future restoration costs to be incurred.

The present value of the liability is capitalised to the underlying asset to which the restorations costs relate at the inception of the restoration obligation. These amounts are amortised over the estimated useful life of the related asset. The restoration liability is accreted to its future value over the lease period.

Item	Useful life
Office equipment	5-24 years
Computer equipment	5 – 24 years
Furniture and fittings	8 -23 years
Motor vehicles	10 – 19 years
Test equipment	10 – 35 years
Leasehold improvements	Over the period of the lease

Depreciation is calculated on the straight-line method to write off the cost less residual values of each asset over their estimated useful lives as follows:

The depreciation charge for each period is recognised in surplus or deficit for the period.

1.7 Intangible assets

Acquired computer software licences are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation on these costs is provided to write down the intangible assets, on a straight line basis, over their useful lives as follows:

Item	Useful life
Computer software	5 - 14 years

Expenditure on research is recognised as an expense when it is incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Authority, and that will probably generate economic benefits or service potential exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads. Amortisation commences when the intangible asset is available for use. Computer software development costs recognised as assets are amortised over their estimated useful lives. Internally generated brands are not recognised as intangible assets.

Surplus or deficit on the retirement or disposal of intangible assets, being the difference between the actual proceeds and the carrying amounts of the assets, are recognised in the surplus or deficit in the period in which they occur. The disposal date is determined as the date in which ICASA has transferred all the significant risk and rewards of ownership, ICASA does not retain either continuing managerial involvement to the degree associated with ownership or effective control over the goods sold, proceeds on the sales can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to ICASA and the costs incurred or to be incurred in respect of the transaction can be reliably measured.

Amortisation commences when the intangible asset is ready for its intended use. Depreciation of an intangible asset ceases at an earlier of the day the asset is classified as held-for-sale in accordance with GRAP 100 or the date the asset is derecognised. All intangible assets that arise from development are recognised ICASA can demonstrate that the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it, its ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits or service potential, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the amortisation method is changed to reflect the changed pattern.

1 Summary of significant accounting policies (continued)

1.7 Intangible assets (continued)

The residual value of an intangible asset with a finite useful life are assumed to be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life; or there is an active market for the asset and such residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life. An intangible asset is derecognised on disposal of such intangible asset or when no future economic benefits or service potential are expected from its use or disposal.

1.8 Impairment of non-financial assets

Cash-generating assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable at reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-cash generating assets are impaired when the amount by which the carrying amount of an asset exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. Such reduction of an asset to its recoverable amount is recognised as an impairment loss. All intangible assets with an indefinite useful life or intangible assets not yet available for use are tested for impairment annually by comparing their carrying amount with their recoverable service amount.

At each reporting date, an assessment is carried out whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. An impairment loss recognised in prior periods for an 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.

1.9 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when ICASA becomes a party to the contractual provisions of the instrument.

ICASA classifies its financial assets in the following categories:

- Financial assets at fair value through profit or loss,
- Held-to-maturity investments,
- Available-for-sale financial assets; and
- Loans and receivables

ICASA classifies its financial liabilities in the following categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

The classification of financial instruments is determined at initial recognition it is based on the nature and purpose of each financial instrument.

Principal financial instruments carried on reporting date include cash and cash equivalents, loans and other receivables, finance lease liabilities, trade receivables and trade and other payables.

Financial assets are recognised and derecognised on trade-date where the purchase or sale of the financial asset is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned. All financial assets are initially measured at fair value, including transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

Available-for-sale financial assets and financial instruments at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method, less any impairment. Gains and losses arising from changes in the fair value of the financial instruments at fair value through profit or loss are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement as gains and losses from investment securities.

However, interest calculated on available-for-sale financial assets using the effective interest method is recognised in the income statement as part of interest income.

The purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention (regular way purchases and sales) are recognised at settlement date, which is the date the asset is delivered or received. Otherwise such transactions are treated as derivatives until settlement. The fair values of financial assets quoted in active markets are based on current bid prices. The fair values of financial liabilities quoted in active markets are based on current ask/offer prices. Alternatively, it derives fair value from cash flow models or other appropriate valuation models where an active market does not exist. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

1.9.1 Financial instruments at fair value through profit or loss

This category has two subcategories: financial instruments held for trading, and those designated at fair value through profit or loss at inception.

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking, or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

1 Summary of significant accounting policies (continued)

1.9 Financial instruments (continued)

1.9.1 Financial instruments at fair value through profit or loss (continued)

- A financial instrument is classified designated at fair value through profit or loss if upon initial recognition it is designated by the entity as at fair value through profit or loss. The financial instruments are classified under this subcategory when doing so results in more relevant information, because either:
- It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases,
- a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel,
- or if a contract contains one or more embedded derivatives, the entire hybrid (combined) contract is designated as a financial asset or financial liability at fair value through profit or loss unless the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortised cost.

1.9.2 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. ICASA does not classify any financial assets as held-to-maturity if it has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held to maturity investments before maturity (more than insignificant in relation to the total amount of held to maturity investments) other than sales or reclassifications that are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value, occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments or are attributable to an isolated event that is beyond the entity's control, is non recurring and could not have been reasonably anticipated by the entity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less any impairment loss. Interest income is recognised in profit or loss by applying the effective interest rate

1.9.3 Available-for-sale financial assets

Available for sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss

The net gain or loss recognised in profit or loss incorporates any gains or losses on re-measurement transferred from equity to profit or loss, dividends and interest income on the financial asset. These investments are classified as non-current assets unless management intends to dispose of the investments within twelve months of the balance sheet date.

1.9.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the entity intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; those that the entity upon initial recognition designates as available for sale; or those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method less any impairment loss. Interest income is recognised in profit or loss by applying the effective interest rate, except for short-term trade receivables where the recognition of interest would be immaterial. Trade receivables are carried at original invoice amount less any impairment loss.

1.9.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments of a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. Cash and cash equivalents in the cash flow statement and in the presentation of net debt are reflected net of overdrafts.

Cash on hand is initially recognised at fair value and subsequently measured at its face value. Deposits held on call are classified as loans and receivables by the Group and carried at amortised cost. Due to the short-term nature of these, the amortised cost normally approximates its fair value.

1.9.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of financial performance within 'operational expenditure'.

1.9.7 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

1.9 Financial instruments (continued)

1.9.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease period. Minimum rentals that fall due after the end of the reporting period are reflected under commitments

When an operating lease is terminated before the lease period has expired, any penalty incurred as a result is recognised as an expense in the period in which termination occurs.

Assets held under finance leases are recognised as assets on inception of the lease at the lower of fair value or the present value of the minimum lease payments derived by discounting at the interest rate implicit in the lease. The interest element of the rental is charged against profit so as to produce a constant yearly rate of interest on the remaining balance of the liability, unless it is directly attributable to qualifying assets, in which case it is capitalised in accordance with the general policy on borrowing costs. The leased assets that qualify for recognition as assets are depreciated over their estimated useful lives in accordance with ICASA's policy on property, plant and equipment.

1.9.9 Derecognition of financial instruments

The financial assets are derecognised when the contractual rights to the asset expires; or where there is a transfer of the contractual rights to receive the cash flows of the financial asset and substantially all of the risks and rewards related to the ownership of the financial asset are transferred; or ICASA retains the contractual rights of the assets but assumes a corresponding liability to transfer these contractual rights to another party and consequently transfers substantially all the risks and benefits associated with the asset.

If a transfer does not result in derecognition because ICASA has retained substantially all the risks and rewards of ownership of the transferred asset, ICASA continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, ICASA recognises any income on the transferred asset and any expense incurred on the financial liability.

Financial liabilities, or a portion thereof, are derecognised when the obligation specified in the contract is discharged, cancelled or expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and settlement amounts paid are included in profit or loss

1.10 Prepayments

Prepayments are recognised when ICASA has made a payment in advance in terms of the contractual obligations which result in the decrease of liabilities or increase in expense or increase in assets in the future periods.

1.11 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events when

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 of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Long-term provisions are discounted to net present value. The increase in the provision due to passage of time is recognised as interest expense.

1.12 Retirement benefits

The Authority operates defined contribution plans, the assets of which are held in trustee-administered funds. Pension benefits are mainly provided by membership of the Government Employees Pension Fund (GEPF). Contributions to the defined contribution plans in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of the cost of employment.

The Authority has no legal or constructive obligation to pay further contributions if the GEPF does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

1.13 Termination benefits

The termination benefits are recognised as a liability in the balance sheet and as an expense in the income statement when ICASA has a present obligation relating to termination. ICASA has a present obligation when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan, without possibility of withdrawal or providing termination benefits as a result of an offer to encourage voluntary redundancy.

1.14 Leave pay provision

ICASA recognises in full employees' rights to annual leave entitlement in respect of past service.

1.15 Bonuses

Management and staff bonuses are recognised as an expense in staff costs as incurred when it is probable that the economic benefits will be paid and the amount can be reliably measured. Bonuses are recognised when the Authority has a present legal or constructive obligation as a result of past events when 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 of the amount of the obligation can be made

1.16 Contingent liabilities

The contingent liability is disclosed as a contingent liability when ICASA has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or it has a present obligation that arises from past events but is not recognised because:

1 Summary of significant accounting policies (continued)

1.16 Contingent liabilities (continued)

- It is not probable that an outflow of resources will be required to settle an obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

1.17 Assets

ICASA recognises assets when it has a control of the resource as a result of the past events and from which future economic benefits or service potential are expected to flow to the Authority

1.18 Liabilities

ICASA recognises a liability when it has a present obligation as a result of past events and the settlement of which will be expected to lead to an outflow of resources embodying economic benefits or service potential.

1.19 Contingent assets

ICASA discloses a contingent asset where, as a result of past events, it is highly likely that economic benefits will flow to it, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Authority.

1.20 Administered Revenue on behalf of the National Revenue Fund

In terms of section 15(3) of the Independent Communication Authority of South Africa Act (Act No. 13 of 2000), the Authority is required to pay all fees received and held on their behalf to the NRF within 30 days after receipt of such revenue.

Separate bank accounts are held for the purpose of collecting these revenues and paying them across to the NRF. The Authority has an obligation in terms of statute to administer these funds on behalf of National Treasury and to pay them across within a prescribed time limit.

1.21 Interest received

In accordance with a National Treasury communication (dated 12 July 2004) all interest earned on surplus funds and funds collected on behalf of the National Revenue Fund during the year are recognised as revenue. Interest received is recognised on a time portion basis using effective interest method.

1.22 Taxation

No provision has been made for income tax as the Authority is exempted in terms of section 10(1) (cA) (1) of the Income Tax Act 1962 (Act No. 58 of 1962).

1.23 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items are reported as part of the fair value gain or loss. Foreign currency translation differences on monetary items classified as available-for-sale are not reported as part of the fair value gain or loss in net assets, but are recognised as a translation gain or loss in the statement of financial performance when incurred.

Translation differences on non-monetary items, classified as available-for-sale are included in the fair value reserve in net assets when incurred.

1.24 Irregular, Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure means expenditure incurred in contravention of or not in accordance with a requirement of any applicable legislation including:

- The Public Finance Management Act (PFMA)
- Regulations issued in terms of the PFMA by National Treasury.

All irregular, fruitless and wasteful expenditure is charged against revenue in the period in which it is incurred.

1.25 Related parties

All transactions where the other entity has the ability to control another entity or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control, are classified as related party transactions. Related parties include instances where ICASA, ICASA directly or indirectly through one or more intermediaries, control, or are controlled by the reporting entity; associates; individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual; key management personnel, and close members of the family of key management personnel; and entities in which a substantial ownership interest is held, directly, or indirectly, described in or over which such a person is able to exercise significant influence. A related party transaction is a transfer of resources or obligations between related parties, 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 not control those policies. Significant influence may be gained by an ownership interest, statute or agreement.

1 Summary of significant accounting policies (continued)

1.26 Borrowing costs

Interest on borrowings directly relating to the financing of qualifying capital projects under construction is added to the capitalised cost of those projects during the construction phase, until such time as the assets are substantially ready for their intended use or sale. Where funds have been borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of ICASA during the construction period.

1.27 Revenue from non-exchange transactions

Revenue from non-exchange transactions relates to all revenue transactions where ICASA receives value from another entity without directly giving approximately equal value in exchange.

1.28 Revenue from exchange transactions

Revenue from exchange transactions relates to all revenue transactions where ICASA receives value from another entity after directly giving approximately equal value in exchange

Revenue from the sale of goods is recognised when ICASA has transferred to the purchaser the significant risks and rewards of ownership of the goods; ICASA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; 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 and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably. Revenue from rendering of services 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 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; the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is recognised using the effective interest rate method. Royalties are recognised as they are earned in accordance with the substance of the relevant agreement. Dividends or similar distributions are recognised when ICASA's right to receive payment is established.

	Note	31 March 2010 R Actual	31 March 2009 R Restated
2 Revenue from non-exchange transactions - Total grants appropriated			
Original allocation from Department of Communications ("DoC")			
Budget vote		<u>269 607 000</u>	<u>247 272 000</u>

ICASA receives its funding from the Department of Communications in order to enable it to carry out its mandate as laid out in the ICASA Act.

3 Change in accounting policy

During the year, ICASA implemented GRAP 23, Revenue from non-exchange contracts. This statement has already been approved by the Accounting Standards Board (ASB) but it is not effective yet since the Minister of Finance has not yet published the effective date of this statement in accordance with section 91(1)(b) of the Public Finance Management Act, Act No. 1 of 1999, as amended. Previously, ICASA recognised all grants received from the Department of Communications in accordance with the Accounting Statement AC 134, Accounting for Government Grants and Disclosure of Government Assistance. The grants related to assets were deferred and they were recognised in profit or loss on a systematic basis over the useful life of the asset. The financial statements for the 2008/9 financial year have been amended to reflect the effects of the change in accounting policy. The effect of this change in accounting policy was as follows:

Impact on the financial statements as at 1 April 2008

Impact on the statement of financial position

	R
Decrease in deferred grants liability	86 678 386
Increase in accumulated surplus	<u>(86 678 386)</u>
	<u>-</u>

Impact on financial statements as at 1 April 2009

Impact on the statement of financial performance

	R
Increase in grants received	(6 777 251)
Increase in net surplus/deficit for the period	(6 777 251)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

Effect on statement of financial position

	R
Decrease in deferred grants liability	93 455 637
Increase in accumulated surplus	<u>(93 455 637)</u>
	<u>-</u>

4 Prior period error

4.1 Start-up fund

During the 2009/10 financial year it was discovered that ICASA had accounted for the start-up fund incorrectly. In terms of section 20(1) of the Independent Communication Authority of South Africa Act (Act No.13 of 2000), "All assets, rights and obligations which immediately before the establishment date (of ICASA) vest in the former authorities pass to the Authority on that date." Accordingly this start-up fund, which arose from the transfer of assets to the South African Telecommunications Regulatory Authority (SATRA) by the Department of Communications (DoC) with effect from 1 April 1997, was transferred to ICASA on 1 July 2000.

The effects of this transaction were treated separately as a non-distributable reserve in the accounting records of ICASA and not as part of the accumulated surplus. GRAP 1, paragraph 44 reads as follows:

"All balances in reserves and trust fund accounts that are not represented by cash, for example the loss of rental reserves, capital reserves, Mayor's Flood Relief Fund, Sport Development Fund, etc., on the date of transition should be transferred to the opening balance of the accumulated surplus/(deficit) account in the statement of changes in net assets. There is no legislative requirement to maintain such separate fund accounts."

Impact on the financial statements as at 1 April 2008

Impact on deferred grants liability and accumulated surplus

	R
Decrease in start-up fund	33 731 342
Increase in accumulated surplus	<u>(33 731 342)</u>
	<u>-</u>

4.2 Assets previously carried at nil

During the financial year, some assets that had been previously carried at zero value in the statements of financial position of the prior financial years were allocated fair values. This led to the increase in the balance of property, plant and equipment as well the balance of accumulated surplus of R2 869 306. All these assets are still in existence and they are also still in use. The actual dates of the acquisition of these assets could not be ascertained since they were acquired more than 10 years ago before the merger of the IBA and SATRA.

Impact on the financial statements as at 1 April 2009**Impact on the property, plant and equipment and accumulated surplus balances**

	R
Increase in property, plant and equipment balances	2 869 306
Increase in accumulated surplus	(2 869 306)
	<hr/> -
Increase in accumulated depreciation	(339 966)
Decrease in accumulated surplus	339 966
	<hr/> -

Impact on accumulated depreciation and accumulated surplus

	R
Increase in depreciation	(339 966)
Decrease in surplus/(deficit) for the period	(339 966)

Impact on the statement of financial performance**4.3 Impairment of property, plant and equipment**

A generator was acquired in the prior financial year was discovered to be impaired during the financial year. This generator had been acquired with the sole purpose of ensuring that the Authority would continue to operate unhindered during the periods of power outages. A service provider was engaged to assess the condition of the generator and it was discovered that the many parts of the generator were impaired. An impairment loss amounting to R423 045 has been recognised in the annual financial statements. At the end of the financial year, no firm legal action had been taken against the supplier of the generator yet. This further led to the reversal of accumulated depreciation totalling R83 732 in the 2008/9 financial year.

Effect on the financial statements as at 1 April 2009

	R
Decrease in depreciation	83 732
Increase in surplus/(deficit) for the period	83 732
Accumulated depreciation	
	R
Decrease in accumulated depreciation	83 732
Increase in accumulated surplus	(83 732)
	<hr/> -

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

4.4 Inclusion of Administered Revenue section's assets and liabilities in the Main Account Financials

During the financial year, ICASA was given a directive by National Treasury to include the assets and liabilities of its Administered Revenue section in its own set of annual financial statements. The effect of this change in accounting policy was as follows:

Effect on the financial statements as at 1 April 2009

Effect on trade and other payables

	R
Increase in unidentified receipts	847 362
Increase in NRF payables	571 738 654
Increase in other payables	67 129
	<hr/>
	572 653 145
	<hr/>

Effect on trade and other receivables

	R
Increase in trade receivables	579 943 988
Increase in provision for impairment	(24 109 351)
	<hr/>
	555 834 637
	<hr/>

Effect on cash and cash equivalents

	R
Increase in cash and cash equivalents	16 818 508
	<hr/>

All monies collected by the Administered Revenue section are paid over to the National Revenue Fund within 30 days of their collection.

For the financial years up to 31 March 2006, ICASA prepared a set of annual financial statements for the Main Account and also included the assets and liabilities of the Administered Revenue section in those financial statements. However, the ICASA received an emphasis of matter on the manner in which it treated the assets and liabilities of the Administered Revenue section. The emphasis of matter read as follows: "ICASA was responsible for the administration and collection of fees on behalf of the National Revenue Fund (NRF). Although in terms of the accounting policy only cash was disclosed, accountability and disclosure would be enhanced if separate administered revenue annual financial statements were presented. Refer to the accounting officer's report relating to a settlement of a dispute ICASA and a licensee."

In the financial years from 31 March 2007 up to and including 31 March 2008, ICASA had been preparing a separate set of annual financial statements for the Administered Revenue section in line with the 31 March 2006 audit opinion. It had been agreed that the preparation of a separate set of financial statements for the Administered Revenue section would enhance

accountability and disclosure of annual financial statements. It was for that reason that a separate set of the annual financial statements was prepared for the Administered Revenue section. However, the auditors obtained a technical opinion after March 2009 and it stated that ICASA will have to incorporate the assets of the Administered Revenue section into its own set of annual financial statements. Due to the fact that these instructions were received very late, permission was sought from National Treasury to prepare two separate sets of annual financial statements for the 31 March 2009 financial year. This permission was granted and ICASA was instructed to include its assets and liabilities in its financial statements for the year ended 31 March 2010. ICASA receives separate funding from National Treasury to fund its operations.

The summary of the impact of the prior period error as at 1 April 2008 is as follows:

	R
Decrease in start-up fund	33 731 342
Increase in accumulated surplus	(33 731 342)
	<hr/> - <hr/>

The impact of the prior period error on financial statements at 1 April 2009 is follows:

- **Assets previously carried at nil**

	R
Increase in property, plant and equipment balances	2 869 306
Increase in accumulated surplus	(2 869 306)
	<hr/>
Increase in accumulated depreciation	(339 966)
Decrease in accumulated surplus	339 966
	<hr/>
	R
Increase in depreciation	(339 966)
Decrease in surplus/(deficit) for the period	(339 966)
	<hr/>

- **Impairment of property, plant and equipment**

	R
Decrease in depreciation	83 732
Increase in surplus/(deficit) for the period	83 732
	<hr/>
	R
Decrease in accumulated depreciation	83 732
Increase in accumulated surplus	(83 732)
	<hr/>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

Note	31 March 2010 R Actual	31 March 2009 R Restated
• Inclusion of Administered Revenue section's assets and liabilities in the Main Account Financials		
		R
Increase in unidentified receipts		847 362
Increase in NRF payables		571 738 654
Increase in other payables		67 129
		<u>572 653 145</u>
Effect on trade and other receivables		
		R
Increase in trade receivables		579 943 988
Increase in provision for impairment		(24 109 351)
		<u>555 834 637</u>
Increase in cash and cash equivalents		<u>16 818 508</u>
5 Other income		
Income from exchange transactions		
Bid handling fee	4 500	16 550
Other	46 438	289 488
Interest received from Administered Revenue	10 488 912	11 857 800
	<u>10 539 850</u>	<u>12 163 838</u>
Income from non-exchange transactions		
Donations	-	406 640
Insurance claim payouts	598 869	322 602
Insurance claims settles	598 869	729 242
	<u>598 869</u>	<u>729 242</u>
The donations were in respect of motor vehicles that were transferred from the Department of Communications to ICASA.		
Total income from exchange and non-exchange transactions		
Other income	<u>11 138 719</u>	<u>12 893 080</u>

	Note	31 March 2010 R Actual	31 March 2009 R Restated
6 Administrative expenses			
General and administrative expenses		1 499 205	1 252 780
Travel and subsistence		9 682 216	9 135 225
Net foreign exchange deficits		7 081	155
Insurance		811 773	414 684
Printing and stationery		2 549 935	1 688 175
Publications		1 669 514	1 793 195
Publicity and advertising		4 498 860	7 065 271
Recruitment costs		1 516 166	1 527 830
Telephone postage and fax		6 173 126	5 975 800
Training and conferences		7 848 047	8 354 895
		36 255 923	37 208 010
7 Staff costs			
Council's and Executive Management's remuneration	8	16 718 076	16 162 116
Salaries and wages		133 248 931	109 285 880
- Salaries		100 823 741	84 149 359
- Performance awards		7 370 734	7 979 656
- Periodic payments		7 077 496	6 056 807
- Temporary staff		238 539	716 541
- Leave expenses		2 325 165	(2 095 900)
- Overtime pay		1 131 456	1 041 099
- Defined contribution plan expense		14 281 800	11 438 318
Social contributions (Employer's contribution)		8 290 374	7 405 503
- Medical aid		7 336 977	6 563 881
- UIF		590 572	521 732
- Workman's compensation		362 825	319 890
- Long-service awards		783 000	463 000
		159 040 381	133 316 499

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

8 Council's and Executive Management's remuneration

Details of remuneration paid are as follows:

Council	Date of Appointment	Date of Resignation/ End of Term	Remuneration	
			31 March 2010 R *Actual	31 March 2009 R *Restated
P Mashile	01/07/2005		1 221 575	1 077 132
T Cohen	01/07/2004	30/06/2008	-	255 269
ZR Masiza	01/07/2004	30/06/2008	-	246 011
R Nkuna	18/10/2006		934 870	829 283
BB Ntombela	01/11/2006		934 870	829 283
JCW Van Rooyen SC	01/01/2007		934 870	747 466
MM Socikwa	01/04/2007		934 870	829 283
M Zokwe	01/07/2005	30/06/2009	230 264	829 283
NA Batyi	04/08/2008		934 870	567 392
TLV Makhakhe	10/07/2008		934 870	619 770
FK Sibanda	01/10/2008		934 870	438 646
WF Stucke	30/11/2009		551 097	-
TOTALS			8 547 026	7 268 818

*Council remuneration is at cost to company and they do not receive performance bonuses.

8 Council's and Executive Management's remuneration (continued)
Permanent Executive Management

Executive Management	Date Appointed	Title	Remuneration 31 March 2010 Actual				Remuneration 31 March 2009 Restated			
			Salary R	Performance Bonus *** R	Acting Allowance R	TOTAL R	Salary R	Performance Bonus R	Acting Allowance R	TOTAL R
K Motlana	03/09/2007	CEO	1 544 237	-	-	1 544 237	1 447 156	73 020	-	1 520 176
T Mosia	06/11/2006	CFO	832 930	-	-	832 930	762 282	73 020	-	835 302
M Mopeli	08/01/2007	GM: HR	790 075	-	-	790 075	733 769	73 020	-	806 789
S Mamaregane	01/04/1999	GM: Legal	790 075	-	-	790 075	733 769	73 020	17 114	823 903
*K Weeks	03/03/2008	GM: Markets and Competition	263 358	-	-	263 358	733 769	73 020	-	806 789
S Tsotetsi	05/06/2006	GM: Licensing	790 075	-	-	790 075	733 769	73 020	-	806 789
P Mashangoane	01/07/2007	GM: Consumer Affair	790 075	-	-	790 075	733 769	73 020	-	806 789
D Ngwenya	01/08/2007	GM: Engineering and Technology	790 075	-	-	790 075	733 769	73 020	-	806 789
BL Ntuli	01/11/2008	GM: Administration	790 075	-	-	790 075	696 966	73 020	70 000	839 986
**BG Jooste	01/11/2008	GM: Compliance, Risk and Audit	790 075	-	-	790 075	696 966	73 020	70 000	839 986
Total			8 171 050	-	-	8 171 050	8 005 984	730 200	157 114	8 893 298

* Mr K Weeks resigned on 31/07/2009

** From 1 September 2009 Internal Audit was separated from the Compliance, Risk and Audit division and is now headed by the Chief Audit Executive.

*** No performance bonuses were paid to executive management until the annual audit is completed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

	31 March 2010 R Actual	31 March 2009 R Restated
8 Council's and Executive Management's remuneration (continued)		
Summary of Council and Executive Management's remuneration		
Council	8 547 026	7 268 818
Executive Management	8 171 050	8 893 298
	16 718 076	16 162 116
9 Audit fees		
- External audit	1 602 727	2 153 768
10 Other operating expenses		
Consultants, contractors and special services	21 933 869	18 499 468
Equipment items expensed	244 492	188 079
Legal fees	8 430 063	4 130 424
Maintenance repairs and running costs		
- Property and buildings	286 436	248 297
- Machinery and equipment	1 917 121	1 230 538
- Motor vehicles	1 847 165	2 068 666
- Other maintenance and repairs	2 339 540	2 552 616
Information technology	4 355 941	5 133 924
Bank charges	226 035	168 216
Rental in respect of operating leases and other related expenses		
- Rental of buildings	31 693 324	27 106 149
- Lights and water	1 252 554	1 429 052
- Rates and taxes	1 223 136	833 227
- Garden maintenance	79 373	70 705
- Office cleaning	1 025 572	883 089
- Security costs	2 253 749	1 163 058
- Equipment	557 700	(51 741)
Loss on disposal of property, plant and equipment	1 155 833	1 067 346
Transaction costs	1 014 044	1 299 003
Associations	1 608 874	1 432 538
Other	1 765 756	1 416 667
Impairment loss	423 045	-
	85 633 622	70 869 321

	31 March 2010 R Actual	31 March 2009 R Restated
11 Finance costs		
Interest expense paid on finance leases	3 343	61 043
Interest – other	2 491	20 161
	5 834	81 204
12 Finance income		
Interest received from cash and cash equivalents		
	4 688 307	7 260 940
	4 688 307	7 260 940
Reconciliation of interest received to the cash flow statement interest:		
Interest as disclosed above	4 688 307	7 260 940
Interest received from Administered Revenue	10 488 912	11 857 800
Interest accrued at year end	(354 085)	(783 975)
Interest accrued in the prior year	783 975	1 007 293
	15 607 109	19 342 058
13 Fruitless, wasteful and irregular expenditure		
The reconciliation of the balance of fruitless and wasteful expenditure is as follows:		
Opening balance	39 570	-
Current year movements	2 487	39 570
	42 057	39 570

The amount of R39 570 was condoned subsequent to year-end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

	31 March 2010 R Actual	31 March 2009 R Restated
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13 Fruitless, wasteful and irregular expenditure (continued)

The reconciliation of the irregular expenditure balance at the end of the financial year is as follows:

Opening balance	387 081	-
Current year movements	268 545	387 081
	655 626	387 081

The amount of R387 081 was condoned subsequent to year end.

Included in expenditure per the statement of financial performance is the following:

Fruitless and wasteful expenditure

Motor vehicle licences	-	264
Other penalties	-	22 862
Interest costs	2 487	16 444
	2 487	39 570

Irregular expenditure

Technical equipment	4 600	-
Postage costs	18 069	-
Payroll costs	115 439	-
Courier services costs	15 669	-
Library costs	5 184	-
Fire fighting equipment	-	2 896
Information Technology costs	109 585	16 359
Employee wellness costs	-	154 482
Payroll project	-	88 237
Leasehold improvements	-	12 882
Time management system	-	25 951
Media monitoring service	-	4 696
Data backup and recovery service	-	10 531
Advertising costs	-	71 047
	268 546	387 081

-

13 Fruitless, wasteful and irregular expenditure (continued)

31 March 2010

Fruitless and wasteful expenditure

Interest costs

Interest costs were incurred on the Telkom account as well as the Office account and the amounts concerned were R2 397 and R90 respectively. The interest on Telkom was due to the late submission of invoices for payment while interest on the Post Office account was mainly due to the unreasonable payment terms of 7 days. The payment terms were subsequently negotiated with the service provider.

31 March 2010

Irregular expenditure

Technical equipment costs

The Durban Regional Office procured goods totalling R4 600 without following the centralized request for quotation process.

Postage costs

The Administration Division procured mailroom services to the value of R18 069 without following the centralised request for quotation process.

Payroll costs

The Finance department procured temporary staff through the recruitment process but the costs escalated to a value above R200 000 without the Bid Adjudication Committee's (BAC) approval. The exceeded amount was not approved by the BAC.

Information technology costs

- The Information Technology department engaged a service provider for procurement of HP 36 GB, 15K, SCSI HDD requesting the Bid Adjudication Committee to approve additional requirements from the existing contract. The amount involved in this regard was R3 420.
- The Information Technology department engaged Bytes Technologies to supply H251N USB Headset without following procurement process. The equipment was bought without going through the SCM request for quotation process. The amount involved in this regard was R31 108.

13 Fruitless, wasteful and irregular expenditure (continued)

Irregular expenditure (continued)

- The service provider was requested by the Administration Division to supply fibre multi made trays without going through the Supply Chain Management unit request for quote process. The amount involved was R68 157.

Courier services costs

The Administration Division procured the services of a courier company for R15 669 without requesting quotes through the supply chain management unit.

Library costs

The Administration Division procured services from an expired contract. The total amount involved was R5 184.

14 Property, plant and equipment

	Office and Computer Equipment R	Furniture and Fittings	Motor Vehicles	Test Equipment	Finance lease assets R	Leasehold Improvements R	Total R
2010							
Cost							
Balance at 1 April 2009 restated	36 239 825	10 238 279	13 435 961	53 236 703	1 789 090	4 793 090	119 732 948
Additions	8 480 316	2 860 027	-	8 672 158	-	435 829	20 448 330
Disposals	(1 901 437)	(873 580)	(504 048)	(146 705)	-	-	(3 425 770)
Impairment	(423 045)	-	-	-	-	-	(423 045)
Balance at 31 March 2010	42 395 659	12 224 726	12 931 913	61 762 156	1 789 090	5 228 919	136 332 463
Accumulated Depreciation							
Balance at 1 April 2009	12 916 007	3 446 334	2 971 501	22 079 148	1 642 042	398 640	43 453 672
Depreciation	(748 630)	(21 249)	(306 126)	(2 484 773)	102 963	230 335	(3 227 480)
Transfers	(3 656)	-	-	-	-	-	(3 656)
Disposals	(1 249 824)	(545 116)	(292 138)	(59 572)	-	-	(2 146 650)
Balance at 31 March 2010	10 913 897	2 879 969	2 373 237	19 534 803	1 745 005	628 975	38 075 886
Net carrying amount at 31 March 2010	31 481 762	9 344 757	10 558 676	42 227 353	44 085	4 599 944	98 256 577

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

14 Property, plant and equipment (continued)

	Office and Computer Equipment R	Furniture and Fittings R	Motor Vehicles R	Test Equipment R	Finance lease assets R	Leasehold Improvements R	Total R
2009 – Restated							
Cost							
Balance at 1 April 2008	26 016 976	8 238 175	11 778 526	50 246 153	1 789 090	4 116 031	102 184 951
Additions	10 262 401	1 159 477	3 269 087	2 561 316	-	677 059	17 929 340
Disposals	(1 027 794)	(607 700)	(1 611 652)	(600)	-	-	(3 247 746)
Fair value changes of assets previously carried at zero	988 243	1 448 327	-	429 834	-	-	2 866 404
Balance at 31 March 2009	36 239 826	10 238 279	13 435 961	53 236 703	1 789 090	4 793 090	119 732 949
Accumulated Depreciation							
Balance at 1 April 2008	9 097 005	2 984 969	2 784 067	18 666 537	1 045 678	273 502	34 851 758
Depreciation	4 398 976	955 373	1 109 644	3 412 726	596 364	125 138	10 598 221
Disposals	(579 974)	(494 008)	(922 210)	(115)	-	-	(1 996 307)
Balance at 31 March 2009	12 916 007	3 446 334	2 971 501	22 079 148	1 642 042	398 640	43 453 672
Net carrying amount at 31 March 2009	23 323 819	6 791 945	10 464 460	31 157 555	147 048	4 394 450	76 279 277

	31 March 2010 R Actual	31 March 2009 R Restated
15 Intangible assets		
Cost		
Opening balance	8 410 805	7 464 765
Additions	2 773 147	943 138
Fair value changes of assets previously carried at zero	-	2 902
Closing balance	11 183 952	8 410 805
Accumulated amortisation		
Opening balance	(5 634 388)	(4 536 220)
Amortisation	87 920	(1 098 168)
Transfers	3 656	-
Closing balance	(5 542 812)	(5 634 388)
Closing net book amount	5 641 140	2 776 417
ICASA's obligation under finance leases is secured by the lessor's title to the leased assets.		
16 Trade and other receivables		
Staff receivables	1 139 928	1 055 143
Less: Impairment of staff receivables	(84 756)	(170 875)
Net staff receivables	1 055 172	884 268
Interest receivable	-	783 976
Other receivables	401 661	121 569
	1 456 833	1 789 813
Impairment of receivables	170 875	185 348
Opening balance		
Impairments recognised	(86 119)	30 959
Impairments recovered	-	(45 432)
Closing balance	84 756	170 875

As at 31 March 2010, the carrying values of trade and other receivables were estimated to approximate their fair values.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2010

31 March 2010 R Actual	31 March 2009 R Restated
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16 Trade and other receivables (continued)

As of 31 March 2010, trade receivables of **R 59 772** (2009: R30 959) were impaired and provided for. The amount of the provision was **R84 756** as of 31 March 2010 (2009: R170 875). The aging of the provision for impairment at 31 March 2010 was as follows:

Amounts in 30 days	19 428	-
Amounts in 61 to 90 days	-	419
Amounts in 91 days +	65 328	170 456
	84 756	170 875

As at 31 March 2010 accounts receivable totalling **R831 747** (2009: R570 211) were past due but not impaired. These relate to a number of independent staff debtors for whom there is no recent history of default.

The aging of these receivables is as follows:

Amounts in 30	36 191	17 378
Amounts in 61 to 90 days	-	864
Amounts in 91 days +	795 556	551 969
	831 747	570 211

The above-mentioned receivables mainly related to bursaries, standing advances, travel and cellular phones. The bursaries are recouped when the staff member stops studying, leaves the employment of the Authority or changes the course that the person was initially sponsored for. The employee is expected to serve a term equivalent to the term sponsored. Standing advances relate to amounts advanced to employees who are not office-bound and are repayable when the employee resigns.

Travel and cell phone debtors refer to amounts that the employee owes the Authority after a business trip or for excess/personal usage of the cell phone provided to the employee by the Authority. Normally no impairment is provided for on these amounts as these amounts are recovered from employees on a regular basis. However, in instances where the employee might have left the organisation before these amounts are settled in full and all possible avenues to recover these amounts have been exhausted. All staff receivables are entered into with the employees of the Authority who are in employment of ICASA. The employees sign contracts for bursaries, standing advance and cell phones which give the Authority the right to deduct outstanding amounts. For training related international travel, employees sign letters that gives the Authority the right to deduct such amounts should employees decide to leave before the stipulated period of time.

As at 31 March 2010 R Nil (2009: R Nil) of trade and other receivables were denominated in foreign currencies.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Authority does not hold any collateral as security.

	31 March 2010 R Actual	31 March 2009 R Restated
16 Trade and other receivables (continued)		
The rating of gross trade and other receivables was as follows:		
High risk	-	-
Medium risk	1 541 589	1 960 688
Low risk	-	-
	1 541 589	1 960 688

The trade and other receivables balances are considered to be medium risk because they are mainly granted to staff members and these are normally directed directly from the employees. Dealings outside ICASA are normally with reputable institutions with good credit ratings.

17 Prepayments

Insurance	304 096	-
Office rental	3 109 090	2 951 124
Computer equipment, motor vehicles, furniture, software guarantees and others	1 118 299	5 132 104
	4 531 485	8 083 228

18 National Revenue Fund – Administered Assets

Accounts receivable due to National Revenue Fund:

Accruals for licence fees	491 119 453	529 532 618
Spectrum receivables	34 706 664	24 450 119
ECS and ECNS receivables	1 848 214	25 585 148
Broadcasting receivables	-	376 103
	527 674 331	579 943 988
Provision for impairment	(31 393 047)	(24 109 351)
	496 281 284	555 834 637

Accruals for licence fees relates to the accrual for all licences that were due at the end of the reporting period but were only due for settlement after the end of the reporting period. These are based on either the actual results of the licensee, where the licensee has finalised its financial statements. In instances where actual results are not available at the end of the reporting period, the licensee submits the expected financial results.

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31 March 2010 R Actual	31 March 2009 R Restated
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18 National Revenue Fund – Administered Assets (continued)

The spectrum receivables relate to the balances that were due by spectrum licensees but had not been settled at the end of the reporting period. These relate to different licences that are awarded for different spectrum frequencies. In terms of the Radio Regulations, licences are valid from the 1st of January to the 31st of December of each year. These licences have to be settled on the 31st of January each year. In instances where licences are awarded during the course of the financial year, the invoices for the spectrum licensees are pro-rated.

For all spectrum licences billed at the beginning of January each year, the amount thereof is split between the two financial periods to which these amounts relate.

ECS and ECNS receivables relate to all the amounts that had been billed to but not settled by the Electronic Communications and the Electronic Communications Network licensees.

The broadcasting receivables relate to all the outstanding licence fees for broadcasting licences.

The aging of the trade and other receivables balances was as follows:

Current	491 119 453	529 532 618
31-60 days	21 485 258	12 468 144
61-90 days	5 093 664	-
Greater than 120 days	9 975 956	37 943 226
	<u>527 674 331</u>	<u>579 943 988</u>

The licences are granted to various customers with very different credit profiles. These include successful multinational corporations, South African corporations with operations in many countries, big security companies, many medium sized entities and other small entities. The credit profiles of these entities vary significantly and in terms of the legislation, ICASA cannot refuse any entity licences due to its credit rating. Despite the fact that no credit vetting takes place, all licensees are granted licences after they have lodged their applications with ICASA. In instances where the licensee fails to comply with its licence condition which includes payments terms, the licensee is taken to the CCC Committee or has their equipment sealed.

19 Cash and cash equivalents

Cash and balances with banks		
- Current accounts	37 984 576	27 321 083
- Short-term deposits	17 454 640	34 370 866
Cash on hand	20 208	21 964
Administered Revenue cash balance	25 684 928	16 818 508
	<u>81 144 352</u>	<u>78 532 421</u>

31 March 2010 R Actual	31 March 2009 R Restated
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19 Cash and cash equivalents (continued)

The cash and cash equivalents balances as disclosed above did not include any restricted cash nor did the Authority have any borrowing facilities at the end of each reporting period. Included above is **R25 684 928** (2009: R16 818 508) for the Administered Revenue section. The funds received collected by the Administered Revenue section are transferred to the National Revenue Fund through the Department of Communications. ICASA does not have the right to withhold these funds or use them for any other purpose it may deem fit. The cash and cash equivalents are placed with high credit quality financial institutions.

20 Trade and other payables

Trade payables	3 912 493	5 549 374
Accrued expenses	14 307 091	6 718 945
Bonus accrued	9 223 104	1 667 191
Leave liability accrued	5 064 842	3 542 685
Other	173 541	167 340
	32 681 071	17 645 535

The fair value of trade and other payables was R32 681 071 (2009: R17 645 535). The amounts included in trade and other payables are not secured. The fair values of trade and other payables approximate their fair values.

21 National Revenue Fund payables

Unidentifiable receipts	1 097 628	847 362
NRF Payables	520 626 433	571 738 654
Other	242 152	67 129
Trade and other payables payable to NRF	521 966 213	572 653 145

22 Operating lease liability

Current portion of operating lease liability– included in current liabilities	22 653	6 369 988
Non-current portion of operating lease liability – included in non-current liabilities	-	22 653
Net operating lease liability – to be released over the period of the leases	22 653	6 392 641

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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31 March	31 March
2010	2009
R	R
Actual	Restated

23 Operating lease arrangements

At 31 March 2010 outstanding commitments existed under non-cancellable operating leases which fall due as follows:

Up to 1 year	16 421 660	15 588 187
2 to 5 years	-	1 533 384
	16 421 660	17 121 571

The operating leases entered into represent arrangements to lease office premises and certain computer equipment. The operating lease commitments comprise cash flow commitments.

The terms of the leases vary with expiry dates between 30 April 2010 and 31 October 2010. Escalation clauses range between 8 and 15 percent depending on the lease agreements. At 31 March 2010 the Authority had no commitments under non-cancellable operating leases as lessor.

24 Finance lease obligations

Current portion of finance lease obligations	-	173 677
Non-current portion of finance lease obligations	-	-
	-	173 677

Reconciliation between the total of the minimum lease payments and the present value:

31 March 2009	Up to 1 year	2 - 5 years	Total
Instalments	177 020	-	177 020
Finance costs	(3 343)	-	(3 343)
Present value	173 677	-	173 677

The finance lease contract was in relation to the multi-purpose copiers that the Authority had leased from a service provider. The lease contract expired in June 2009.

	31 March 2010 R Actual	31 March 2009 R Restated
25 Reconciliation of surplus to cash utilised in operations		
Surplus for the year	6 210 939	12 100 829
Adjusted for:	3 905 218	(60 994 089)
- Depreciation	(3 227 480)	10 598 221
- Amortisation	(87 920)	1 098 168
- Finance income	(15 607 109)	(19 342 058)
- Finance costs	5 834	81 204
- Deficit on disposal of property plant and equipment	1 155 833	1 067 346
- Impairment of property, plant and equipment	423 045	-
- Decrease in lease liabilities	(6 369 988)	(6 945 755)
- Decrease in receivables and prepayments	3 798 606	1 583 514
- Decrease in provision for impairment	86 119	14 473
- Decrease/(increase) in Administered Revenue Assets	59 553 353	(41 444 745)
- Increase/(decrease) in payables	15 035 535	(4 042 724)
- Decrease in Administered Revenue's liabilities	(50 686 933)	(3 018 124)
- Decrease in finance lease liability	(173 677)	(643 609)
Cash generated from/(utilised in) operations	10 116 157	(48 893 260)

26 Contingent liabilities

The Authority's decisions are often challenged through the legal system. There are a number of ongoing legal cases which the Authority is in the process of defending or instituting. The final outcome cannot be reliably determined as it is dependent on the strength of both parties' case and the Judiciary's findings. A contingent liability is noted for legal cases that may have unfavourable decisions.

Contingent liabilities - various legal cases	4 180 000	3 159 332
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31 March
2010
R
Actual

27 Reconciliation of budget surplus with the surplus in the statement of financial performance

Surplus for the period as per the statement of financial performance	6 210 939
Adjusted for:	(6 210 939)
Government grants – underbudget	10 000 000
Other income - underbudget	717 086
Administrative expenses – overbudget	1 908 065
Staff costs - overbudget	18 843 217
Audit fees	(327 273)
Other operating expenses – underbudget	(17 516 356)
Depreciation – underbudget	(14 036 868)
Amortisation – underbudget	(1 116 337)
Finance income – overbudget	(4 688 307)
Finance costs – overbudget	5 834
Net surplus/deficit per approved budget	-

28 Related party relationships and transactions

The Independent Communications Authority of South Africa (ICASA) is a Schedule 1 entity in terms of the Public Finance Management Act (PFMA). The related party disclosure is required in terms of AC126, related party disclosures the specific guidance given by the South African Institute of Chartered Accountants.

ICASA's related parties consist of government departments, state-owned enterprises, public entities in the national sphere of government, close family members of related parties and key management personnel at ICASA. Refer to note 8 for all transactions between ICASA and key management personnel. During the year all the transactions that the Authority entered into were on an arm's length basis.

There was no conflict of interest in procurement.

31 March 2010 R Actual	31 March 2009 R Restated
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29 Financial risk management

Forward foreign exchange contracts

No forward foreign exchange contracts were entered into during the current year under review.

Credit risk

Credit risk is the risk that ICASA may suffer a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations; this arises mainly from staff receivables. Financial assets which potentially subject the Authority to concentrations of credit risk consist principally of cash and cash equivalents and trade and other receivables. The cash and cash equivalents are placed with high credit quality financial institutions. Trade and other receivables are presented net of the allowance for doubtful receivables. The Authority has no significant concentration of credit risk. Trade and other receivables are presented net of the allowance for doubtful receivables

Trade and other receivables mainly originate from transactions that the Authority enters into with the employees. The main components of these receivables are bursary receivables, standing advance receivables, cell phone receivables and travel-related receivables (other). The standing advance receivables are only payable when the employee leaves the employment of the Authority whether through resignation, disability, death or search of greener pastures. The bursary receivables originate when a qualifying employee of the Authority is granted a bursary to pursue studies in a particular field of study that would be useful to the Authority on completion of their studies. Cell phone receivables and travel-related receivables relate to the day-to-day activities and these are recovered on a monthly basis from the employees concerned. No significant losses have been suffered from staff receivables. The staff receivables are owed by many employees and they are diverse and they do not pose any major concentration of credit risk.

Trade and other receivables	1 456 833	1 789 813
Cash and cash equivalents	81 144 352	78 532 421
	82 601 185	80 322 234

The maximum exposure to credit risk for trades receivable by type of customer was as follows:

Staff receivables	1 055 172	884 268
Other receivables	401 661	905 545
	1 456 833	1 789 813

29 Financial risk management (continued)

Interest rate risk

Cash and cash equivalents have maturities of less than three months and are not subject to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority finances its operations through grants received from the Department of Communications and interest earned on positive bank balances. These are the only sources of finance for the Authority due to the fact that the Public Finance Management Act prohibits the Authority from raising loans and other forms of short-term and long-term borrowings.

The entity maintains a reasonable balance between the period over which assets generate funds and the period over which the respective assets are funded. The following table provides detail of the entity's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the entity can be required to pay. The figures below include both estimated interest and principal cash flows of the instruments. Estimated interest of floating interest rate financial liabilities is calculated using the applicable interest rates at the end of the financial year-end.

Maturity analysis

31 March 2010	0-1 year	2-3 years	3-4 years
Trade payables	3 912 492	-	-
Finance lease liability	-	-	-
	3 912 492	-	-
31 March 2009	0-1 year	2-3 years	3-4 years
Trade payables	5 549 374	-	-
Finance lease liability	173 677	-	-
	5 723 051	-	-

Fair values

The carrying amounts of cash and cash equivalents trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities.

Useful lives of property, plant and equipment and intangible assets

The management determines the estimated useful lives and related depreciation charges for property, plant and equipment as well as its intangible assets. The estimates are based on the assessed conditions of the assets, changes in technology such as new technical innovations being introduced in the industry thus rendering our assets obsolete as well as expected future spending on capital assets. These estimates can change significantly as a result of changes in the conditions of assets, introduction of new technologies and availability of finance resources to fund expected future spending on capital assets.

29 Financial risk management (continued)

Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

Risk management policies

There is no significant exposure to foreign currency risk, interest rate risk, credit risk and liquidity risk.

Interest rate sensitivity analysis

The Authority did not have any significant financial instruments that expose it to interest rates at reporting date.

Foreign currency risk management

The Authority did not have any exposure to foreign currency since it did not have any financial instruments denominated in foreign currency.

30 Financial risk management for Administered Assets

Information about ICASA Administered Revenue's exposure to risks, its objectives, policies and processes for measuring and managing such risks, as well as quantitative disclosure, are discussed in this note.

Credit risk

Credit risk is the risk that ICASA Administered Revenue may suffer a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, this arises mainly from Administered Revenue's trade receivables. The licensees of Administered Revenue have to apply in terms of the relevant legislations in order to be authorised to conduct any activities.

Financial assets which potentially subject the Administered Revenue to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables.

The cash and cash equivalents are placed with major banks approved by Treasury Regulations who have high credit credibility. Trade and other receivables are presented net of the allowance for doubtful receivables.

ICASA Administered Revenue collects the majority of its revenue from the major mobile telecommunications companies and these have excellent reputation and they receive very good credit ratings. These companies have been dealing with the Administered Revenue since they were granted their telecommunications licences in the 1990s.

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30 Financial risk management for Administered Assets (continued)

The other third mobile telecommunications licensee is not significant when compared with the major operators no losses have ever been suffered from this operator. Another portion of the revenue is collected from the fixed line telecommunications licensees. The major one of these fixed mobile licensees has been in operation for many years and there has never been any financial loss suffered as a result of this licensee failing to meet its license obligations. The other fixed line licensee has only been in operation for a couple of years and no financial losses have ever been suffered.

The spectrum licensees are diverse and they comprise of different licensees from Government Departments, major telecommunications companies, broadcasting licensees, security companies, etc. There is no significant exposure from major corporations and Government Departments. It must be noted though that collecting from minor licensees and some corporations do pose a challenge due to the value of the amounts outstanding as well as the resources that are available to ICASA to collect the amounts outstanding. The other challenge relates to the legal challenges that ICASA gets embroiled in when it acts in terms of the relevant legislation. The disputes tend to be time-consuming and costly. It is hoped that the new legislation under review will address the shortcomings of the current legislation.

The broadcasting licensees and postal licensees are insignificant when compared to the telecommunications licensees and they are diverse and they do not pose any major concentration of credit risk

The Electronic Communications Act was implemented with effect from the 1st of April 2009; no major shift in the credit risk has been identified since the implementation of these new regulations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Trade and other receivables	527 674 330	579 943 988
	527 674 330	579 943 988

31 March 2010 R Actual	31 March 2009 R Restated
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30 Financial risk management for Administered Assets (continued)

The maximum exposure to credit risk for trades receivable by type of customer was as follows:

Broadcasting services	-	27 024 717
Frequency spectrum services	34 706 663	24 450 119
Telecommunications services	492 967 667	510 178 396
Postal services	-	18 290 756
	527 674 330	579 943 988

At 31 March 2010, carrying amounts of trade and other receivables were estimated to approximate their fair values.

The rating of trade and other receivables at the end of March was as follows:

Low risk	478 222 701	529 532 618
Medium risk	18 058 582	12 468 144
High risk	31 393 047	37 943 226
	527 674 330	579 943 988

Impairment losses

Impairment losses are recognised for all known bad debts and are provided on a specific basis. The movement in the provision for impairment of trade and other receivables was as follows:

Impairment of receivables

Opening balance	(24 109 351)	(26 458 798)
Impairments recognised in profit and loss ¹	(20 187 060)	(11 006 201)
Reversals of impairments recognised in profit and loss	12 903 363	13 355 648
Closing balance	(31 393 048)	(24 109 351)

The aging of the provision for impairment at the end of the financial year was as follows:

Amounts in 31-60 days	19 798 172	-
Amount in greater than 120 days	11 594 876	24 109 351
	31 393 048	24 109 351

As at 31 March 2010, trade receivables of **R20 187 060** (2009: R 11 006 201) were impaired and provided for. The amount of the provision was **R 31 393 048** at 31 March 2010 (2009: R 24 109 351). The individually impaired receivables mainly relate to frequency spectrum debtors, broadcasting services debtors and postal service debtors.

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for the year ended 31 March 2010

31 March 2010 R Actual	31 March 2009 R Restated
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30 Financial risk management for Administered Assets (continued)

As at 31 March 2010 accounts receivable totalling **R17 990 416** (2009: R14 000 000) were past due but not impaired. These relate to a number of independent debtors for whom there is no recent history of default.

The aging of these receivables is as follows:

Trade receivable past due but not impaired

Amount in 61-90 days	17 990 416	-
Amounts in 91 days +	-	14 000 000
	17 990 416	14 000 000

Based on past experience, accounts receivable balances that are past due are not impaired unless they are known to be impaired.

The above-mentioned receivables relate mainly to the telecommunications licensee for multi-media and career of careers licenses, short-payments by broadcasting and telecommunications licensees, interest on late payment of licence fees, Universal Service and Access Fund contributions and VANS licence fees. The major debtor entered into a payment agreement with the Authority and they have been paying in accordance with the agreed-upon payment plans. The other accounts receivable balances were not provided for due to the fact that there was an undertaking from the parties concerned that the outstanding amounts will be settled and for some debtors, there was high probability that the amounts outstanding will be recovered based on the payment patterns of the customers concerned.

As at 31 March 2010 R Nil (2009: R Nil) of trade and other receivables were denominated in foreign currencies.

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

Forward foreign exchange contracts

No forward foreign exchange contracts were entered into during the current year under review.

Interest rate risk

Cash and cash equivalents have maturities of less than three months and are not subject to significant interest rate risk.

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30 Financial risk management for Administered Assets (continued)

Liquidity risk

Liquidity risk is the risk that the Administered Revenue will not be able to meet its financial obligations as they fall due. The Administered Revenue collects licence fees from the Telecommunications Services Licensees Broadcasting Services Licensees and the Postal Services Licensees. All the fees collected are paid over to the National Treasury through the Department of Communications within 30 days of their collection.

Exposure to credit risk

All the operating costs of the Administered Revenue section are financed by ICASA through grants it receives from the Department of Communications and interest earned on positive bank balances. These are the only sources of finance available to ICASA due to the fact that the Public Finance Management Act prohibits ICASA from raising loans and other forms of short-term and long-term finance. Furthermore ICASA is prohibited from utilising the fees it collects to fund its operations.

Fair values


The carrying amounts of cash and cash equivalents trade and other receivables and trade and other payables fair values due to the short-term maturities of these assets and liabilities.

Risk management policies

There is no significant exposure to foreign currency risk, interest rate risk, credit risk and liquidity risk. The Authority does not enter into foreign exchange contracts; it did not have any receivables that exposes it to interest rate fluctuations.

31 Commitments

Opening balance	11 196 950	-
Expenditure	(9 500 743)	-
Contracted for but not provided in the annual financial statements	12 997 598	8 167 142
Authorised but not contracted for	593 712	3 029 808
	15 287 517	11 196 950



32 Events after the reporting date

There were no significant events that took place between the reporting date and the date in which the financial statements were authorised for issue.

Supplementary Schedule to the annual financial statements
World Cup Expenditure

ICASA did not buy any World Cup tickets or promotional materials.

NOTES



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