Annual Report 2022/23

Film and Publication Board

Content Regulatory Authority of South Africa.

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PART A:
GENERAL INFORMATION

GENERAL INFORMATION

Registered Name	Film and Publication Board

Contact Details

Head Office	420 Witch Hazel Avenue Eco Glades 2 Eco Park Centurion 0157 Tel: 012 003 1400 Fax: 012 661 0074
Cape Town	9 Long Street 3rd Floor Corner Riebeek and Long Street Cape Town Tel: 021 418 3038 Fax: 021 461 8126
Durban:	4 Silver Oaks 36 Silverton Road Durban Tel: 031 201 2158 Fax: 031 261 7130
Email:	clientsupport@fpb.org.za
Website:	www.fpb.org.za
External Auditors:	Auditor-General of South Africa (AGSA)
Bankers Information:	ABSA
Council Secretary:	Ngwako Molewa

1. LIST OF ABBREVIATIONS

APP	Annual Performance Plan
CCI	Content Classification Index
CSAM	Child Sexual Abuse Material
DCDT	Department of Communications and Digital Technology
DPME	Department of Planning Monitoring and Evaluation
EA	Executive Authority
FPB	Film and Publication Board
FPGs	Films, Publications and Games
GCIS	Government Communications and Information System
HC	Human Capital
ICASA	The Independent Communications Authority of South Africa
INHOPE	International Association of Internet Hotlines
ICT	Information Communications Technology
ITU	International Telecommunications Union
KPIs	Key Performance Indicators
MDDA	Media Development and Diversity Agency
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding

MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan 2030
OCR	Online Content Regulation
OD	Organisational Design
PFMA	Public Finance Management Act
PMO	Project Management Office
QA	Quality Assurance
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SAFACT	South African Federation against Copyright Theft
SAM	Sexual Abuse Material
SAPS	South African Police Service
SARS	South African Revenue Service
SAOSYC	South African Online Safety Youth Council
SCOPA	Standing Committee on Public Accounts
SF	Strategic Focus
SOP	Standard Operating Procedure
UGC	User-Generated Content

CHAIRPERSON'S REPORT

This report highlights the Film and Publication Board's (FPB) activities and accomplishments for the financial year ended 31 March 2023. These activities are derived from the Films and Publications Act (no 11), as amended in 2019 which came into effect on 1 March 2022. As mentioned previously, this Act did not just expand our mandate, it further transformed us into a fully-fledged regulator with legitimate powers to grant and register online content distribution licences/certificates, while still carrying the historical classification function and operating a Hotline where Child Sexual Abuse Material (CSAM) and Child Sexual Exploitation Material (CSEM) can be reported.

Our Achievements and Milestones

The continued decline in physical materials submitted for classification during this period, through global industry trends, is a reminder of the aftermath of the COVID-19 pandemic which severely impacted all of us socially and economically. As we begin to witness an economic rebound in many areas of the business, I am proud of the resilience our organisation showed, not only to emerge from the Covid-induced hardships, but our ability to successfully manage the transition in response to the Films & Publications Amendment Act.

Noting the unsatisfactory 53% performance rating posted during the 2021/22 Financial Year, we needed to improve in this area so as to demonstrate our capacity to deliver on our expanded mandate to our stakeholders. Despite the massive transformation activities we had to undertake, particularly in the first half of the financial year owing to the alignment to the Act, we still managed to achieve an impressive 92% performance rate against the commitments made in the Annual Performance Plan (APP). This is undoubtedly a testament to our prudent management, resilient businesses, and a commitment by our staff to a high performing organisation.

In addition to this impressive performance, we have succeeded in the following during the financial year:

- the appointment of the Enforcement Committee chaired by a retired judge and ;furthermore, finalised the Committee rules outlining how the Committee will conduct its business when adjudicating the cases of non-compliance,
- the launch of the new logo which is aligned to our new remit as the online content regulator congruent to the objectives of the Films & Publications Amendment Act,
- The finalisation of some key regulatory instruments including the new procedures of registering online distribution certificates/licences and public complaints,
- Continued support for the Law Enforcement Agencies in terms of analysing materials for the South African Police Service (SAPS) and giving evidence in Court on CSAM and CSEM. As an organisation, we pride ourselves on conducting quality analyses in that our evidential reports in this regard were never refuted.

Corporate governance

The FPB is fully committed to managing its regulatory business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. The FPB Council is ultimately accountable for the performance of the entity, appreciating that strategy, risk, performance and sustainability are inseparable.

The clean audit achieved during the reporting period is not only a reflection of our commitment to clean governance, but also our governance framework based on the principles contained in the Films and Publications Act, (no.11 of 2019), the Public Finance Management Act (1998) and King IV Report on Corporate Governance for South Africa (2016).

Our vision in Action!

In line with our vision as a leading African regulator, we have continued to play a leading role championing age-appropriateness to content consumption through a robust rating system on the continent and online safety on the global front. Our participation on the Continental Content Rating Harmonisation Group, INHOPE and global partnerships on Non-Consensual Sharing of Intimate Images (NCII) in Miami-USA, reflect our commitment to this vision. As the FPB online harms is a borderless problem that requires a global response. We will continue to forge partnerships in this regard.

In closing

The online environment is fluid and rapidly evolving. The solid performance posted during this financial year, supported by the clean audit, reaffirms the resilience of our organisation in adapting to the new challenges and our unwavering commitment to play our part as an online content regulator who exists to serve public interest by protecting the public against online harm, particularly children, youth, women and people with disabilities.

We are indebted to all our diverse stakeholders for their continued support during the financial year, particularly the Minister and Deputy Minister for their leadership in driving the necessary reforms shaping the FPB into a content regulatory authority equipped to address the challenges of the digital era. Finally, we owe our achievements to all our hardworking and dedicated employees, the FPB Team who despite all the challenges, have made 2022/23 a successful year. Sisonke! We are together!!

Ms Zamantungwa Mkosi

Chairperson of the FPB

FILM AND PUBLICATION BOARD

CEO'S REPORT

Highlights:

- 92% of the APP targets achieved.
- Clean audit.
- Reliance on public funding decreased by 4% to R88m (92% in 2022).
- New brand logo launched.
- Board seat on International Network of Internet Hotline (INHOPE) secured.

Context: Organisational Transformation

This has been an extremely challenging year for the organisation. With the Films and Publication Amendment Act being operationalised earlier on 1 March 2022, the organisation had to gear itself for the expanded mandate. Commencing the implementation of the new 5-Year strategy aligned to the new mandate on 1 April 2022, we needed to move with speed to ensure that our organisational transformation permeates across the business, and that organisational legacy issues do not hold us back.

We are happy with the progress made during the financial year in that:

- A new organisational structure aligned to the expanded mandate was approved by Council and submitted to our shareholder. Following the lifting of the moratorium, major efforts were made to capacitate the organisation to deliver on its priorities for the financial year as outlined in the 2022/2023 Annual Performance Plan (APP),
- A number of regulatory instruments were finalised to enable us to function as an online regulator pursuant to the objective of the amendment Act. That said, more needs to be done because organisational transformation is a journey.

Performance Highlights

We are excited about the overall 92% achieved by the entity during the period. This is commendable given a lot of transformation issues that had to be dealt with particularly in the first quarter of the year, resulting in delayed traction of the new strategy within the organisation. This is a solid foundation on which we can build this organisation and meet the stakeholders' high expectations. Kudos to the FPB Team for having all hands on deck.

Financial Performance

Income: We commenced the financial year against the backdrop of no additional funding being provided to support the expanded mandate, having received 4% in additional allocation for the financial year. As a result, ours had to be a juggling exercise on a quarterly basis to move our financial resources to where they were needed the most in attempt to deliver on the expanded mandate.

We risked over-reliance on the fiscus which at the beginning of the year was standing at 92%. We are elated to announce that, though more work is still to be done, 12% of our revenue at the end of March 2023 came from Self-Generated Revenues (SGRs), comprising mainly of regulation fees – a 4% increase from previous years. With more efficiencies to be derived from technology and identification of new areas of classification, we hope to fortify these initiatives and build on this foundation into the new financial year.

Expenses: The quest to implement the expanded mandate came at a huge cost to the FPB, particularly owing to:

- capacity challenges that had to be immediately addressed following the lifting of the moratorium on recruitment. Not only did we have to fill the vacancies and bring in new skills for the new mandate, we also needed to raise awareness on the expanded mandate.

- the rise in online harms, including children protection and the global efforts requiring us to actively participate in international forums such as INHOPE and ITU (International Telecommunications Union) where we had to support the Department through participation at various study groups, training of our staff and strengthening regulatory collaboration. Given the budget constraints in this area of our work, together with Council, we took a resolution not to have an annual stakeholder engagement plan, but to produce a plan on a quarterly basis. This allowed us flexibility to review our demanding international programme every quarter and reprioritise our resources in this regard. This expenditure is set to increase in the medium-term. For the period under review, we are happy that the expenses incurred on international work has been value for money in that we:

    - strengthened FPB's enforcement on cross-border cases through its participation at INHOPE,

    - secured a seat on the INHOPE Board and advanced the expansion strategy to other developing countries, particularly those in Africa – FPB is the only INHOPE member on the continent,

    - training of our employees on child protection, content moderation, Hotline Operation, and Staff wellness. These lessons will be realised in the new financial year with the Turnaround Plan for the FPB's Hotline and the revamping of the wellness programme for the organisation. Online harms and child protection knows no borders. As the reports from our Hotline operations have shown, international collaboration is inevitable and the benefits far outweigh the associated costs.

- The clean audit achieved for the second consecutive financial year reflects the soundness of our adherence to compliance frameworks and controls. This is no easy feat! And congratulations to the FPB Team!!

Finally, our due appreciation to the FPB Council for its visionary leadership and guidance during the period, as well as to the Minister, the Deputy Minister and the Department (DCDT) and all our stakeholders for the immeasurable support during the financial year.

Dr Mashilo Boloka

Chief Executive Officer

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

FOR THE YEAR ENDED 31 MARCH 2023

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and free from any omissions.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The accounting authority is responsible for the presentation of the financial statements and for the judgement made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been recognised to provide reasonable assurance as to the integrity of the performance information, the human resource information, and the annual financial statements.

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2023.

Dr Mashilo Boloka
Chief Executive Officer

Ms Zamatungwa Mkosi
Council Chairperson

STRATEGIC OVERVIEW

STRATEGIC PROJECTS

During the medium term, FPB will drive the follow strategic projects which are set to transform it into the future regulatory landscape:

- Implementation of the FPB Amendment Act 11 of 2019 which has significantly expanded the mandate of the FPB from a traditional classification authority to an online content regulator, whose future objective is to protect the citizens and children against online harmful and prohibited content.
- Transformation of the FPB as the future online content regulator in view of the rapidly changing technological development. The transformation of the FPB as the future online content regulator is set to locate and transform the FPB within the context of the changing regulatory landscape by clearly outlining what the FPB should regulate and the model of its regulation.

The Films and Publications Act, 1996 (Act No. 65 of 1996), as amended (FP Act), has been promulgated. The FP Act, repealed the Indecent or Obscene Photographic Matter Act, 1967 (Act No. 37 of 1967), and the Publications Act, 1974 (Act No. 42 of 1974), and created a new comprehensive regulatory framework for films, games, and certain publications. The FP Act provides for the establishment of the Films and Publication Board (FPB) that is responsible for the classification of films, games and certain publications, and no film or game may be distributed or exhibited in public unless it has been classified by the FPB.

VALUES

Figure 1: FPB Values

FPB MANDATE

The Films and Publications Act, 1996 (Act No. 65 of 1996), as amended (FP Act), has been promulgated. The FP Act, repealed the Indecent or Obscene Photographic Matter Act, 1967 (Act No. 37 of 1967), and the Publications Act, 1974 (Act No. 42 of 1974), and created a new comprehensive regulatory framework for films, games, and certain publications. The FP Act provides for the establishment of the Films and Publication Board (FPB) that is responsible for the classification of films, games and certain publications, and no film or game may be distributed or exhibited in public unless it has been classified by the FPB.

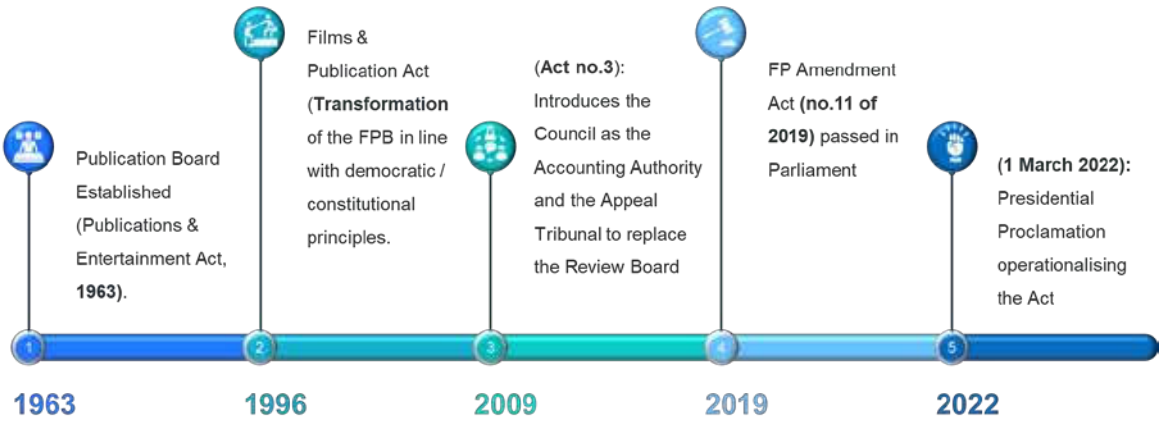

Figure 2: The History of the Film and Publication Board and Timelines

The FP Act is a "law of general application" as required by section 36 (1) of the Constitution. The Constitutional Court has held that such a requirement derives from an important principle of the rule of law, namely that "rules be stated in a clear and accessible manner".[1]

To this end the Legislature may and has consistently with the Constitution promulgated the FP Act to regulate the creation, production, possession and distribution of films, games, certain publications, and the internet by way of classification to:

a. Protect consumers against harmful and disturbing material while allowing adults to make informed choices for themselves and the children in their care by providing consumer advice.
b. Protect children from exposure to disturbing and harmful material and from premature exposure to adult material.
c. Make the use of children in pornography and exposure to pornography punishable.
d. Criminalise the possession, production and distribution of child pornography.
e. Create offences for noncompliance with this Act.[2]

In doing so the provisions of the FP Act are justifiable noting that the nature of the right and the extent of the limitation on the one hand and the purpose of the limitation on the other need to be considered.[3]

Acknowledging that freedom of expression is an important right in our Bill of Rights, there is nonetheless a legitimate government purpose to empower the FPB to execute its legislative mandate. The main purpose of the FP Act, through the regulatory tool used by the FPB is to classify content to provide age-ratings and consumer advisories to ensure consumers make appropriate viewing and gaming choices for themselves and children in their care.

The FPB classification regime is premised on the formulation of classification guidelines[4] informed by empirical evidence deemed harmful for adults and children. The formulation of the classification guidelines entails extensive public consultations, ensuring that the standards placed within the classification guidelines are in line with public expectations. This means the classification guidelines formulation process is evidence-based and transparent and has accountability mechanisms, with all these essential in regulatory policy formulation of a democratic state. Such a process is undertaken, however, within the framework of the Bill of Rights to ensure compliance with section 8 (1) and (3) of the Constitution which provides with regard to the former that the Bill of Rights applies to all law, and binds the Legislature, the Executive, the Judiciary and all organs of state; and with regard to the latter, in giving effect to the Bill of Rights one must apply or if necessary develop the common law to the extent that legislation does not give effect to just any right, and develop rules of the common law to limit any right provided that the limitation is in accordance with section 36 (1) of the Constitution.

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1 *Dawood and Another v Minister of Home Affairs and Others, Shalabi and Another v Minister of Home Affairs and Others; Thomas and Another v Minister of Home Affairs and Others* 2000 (3) SA 936 (CC); 2000 (8) BCLR 837 (CC) para 47.

2 Section 2 of the Films and Publications Act, 1996 (Act No. 65 of 1996), as amended.

3 *S v Manamela and Another (Director-General of Justice Intervening)* 2000 (3) SA 1 (CC); 2000 (5) BCLR 491 (CC) paras 65-66.

4 Section 4A (1)(a) of the Films and Publications Act, 65 of 1996.

LEGISLATIVE MANDATE

The mandate of the FPB is to protect consumers against harmful and prohibited content as defined in the Act by regulating the creation, production, possession and distribution of films, games, certain publications, and the internet.

Functions, Powers, and Duties of the FPB Council

In accordance with section 4A (1) of the FP Act, the Council of the FPB shall:

a) In consultation with the Minister, issue directives of general application including classification guidelines, in accordance with matters of national policy consistent with the purpose of the FP Act.

b) Determine and issue a Code of Conduct for members of the Council.

c) In consultation with the Minister appoint a chief executive officer.

d) In consultation with the Minister determine the qualifications, experience, as well as terms and conditions of the employment of Classifiers.

e) Appoint such number of Classifiers that comply with the determinations as may be required, having regard to the likely volume of applications and submissions that will be made in terms of the FP Act.

f) At least four times a year, review and report to the Minister on the functioning of the FPB to ensure that the objects of the Act are implemented efficiently and that the FPB discharges its obligations and responsibilities in accordance with the Act or any other law.

g) Exercise and perform other such functions, powers, and duties as are conferred or imposed on the Council by or under the Act or any other law.

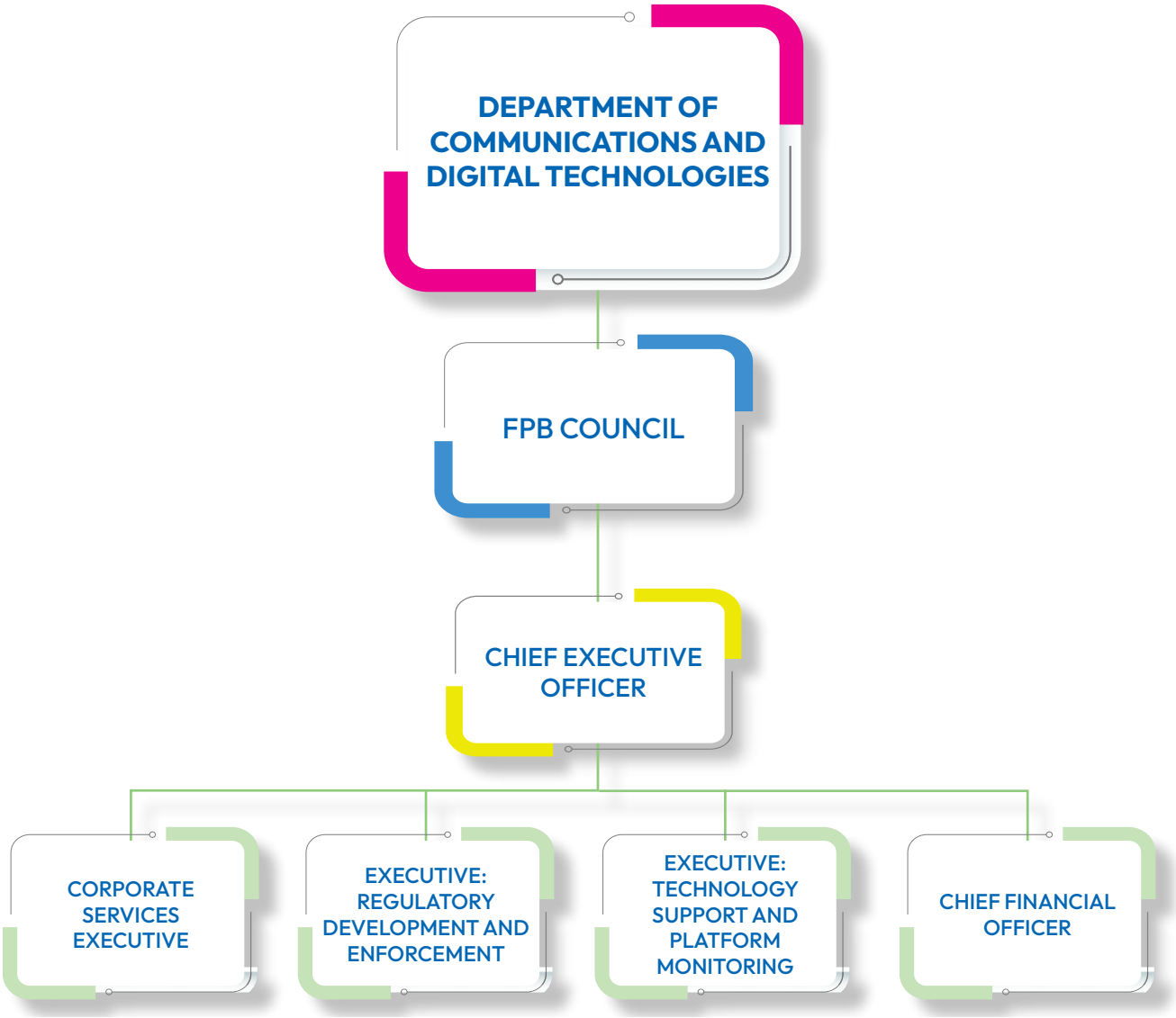
ROLE	DESCRIPTION (AND RELATED PROVISIONS)
Regulatory role	To regulate the creation, production, possession and distribution of films, games and certain publications. The FP Act brings greater accountability and the Enforcement Committee as a legal instrument to strengthen the institution's ability to enforce compliance (section 3(1) (d) and (2).
Issue and renew classification and accredit distribution licences	To issue and renew classification licences and accredit distribution licences.
Classification and compliance-monitoring	To impose age restrictions and give consumer advice on the content of films, games, and certain publications with due regard to the protection of members of the public and in particular children against disturbing and harmful content (section 18 and 21).
Prohibited content and illegal conduct online	To prohibit and penalise the distribution of content that amounts to prohibited content online.

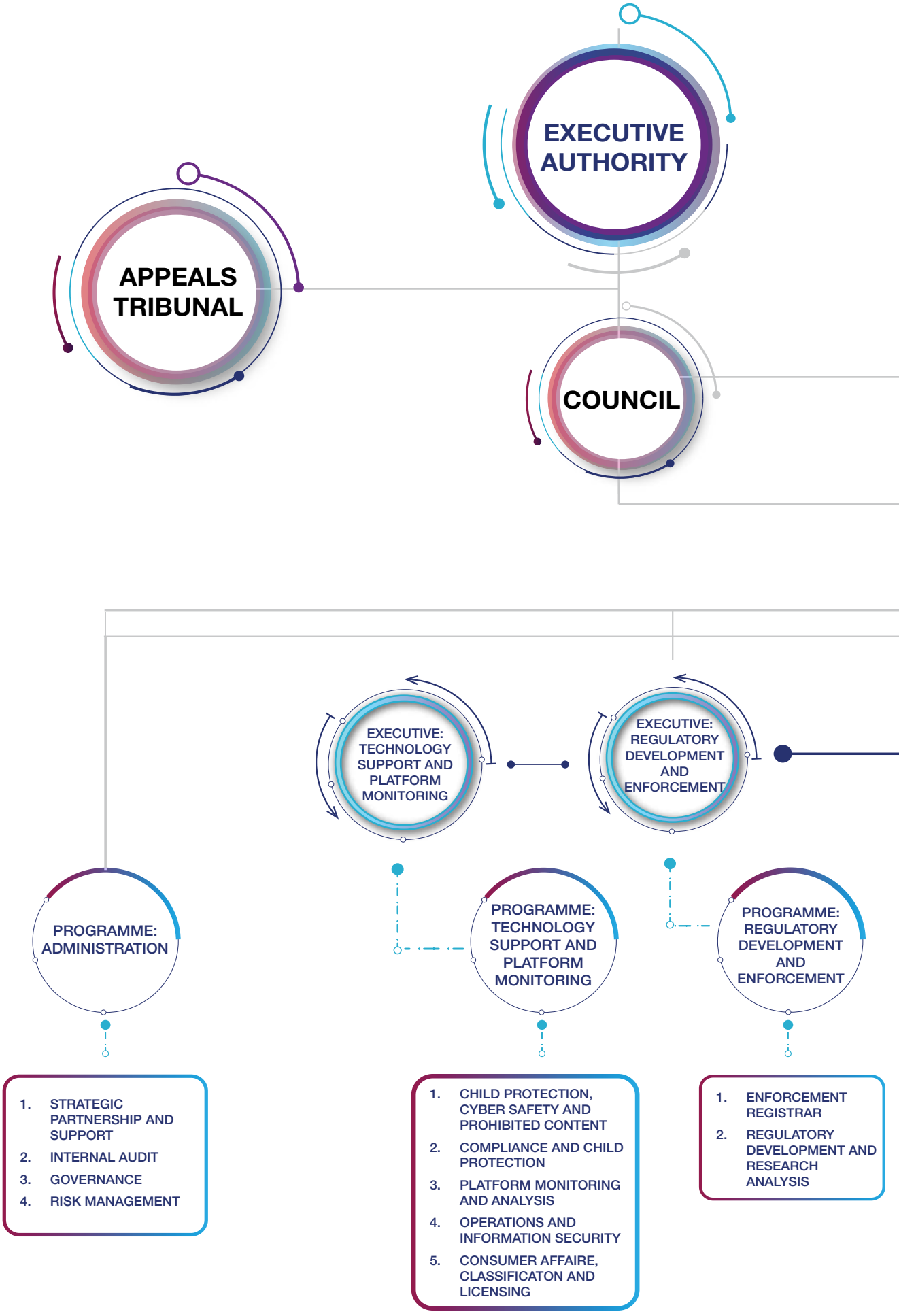
ROLE	DESCRIPTION (AND RELATED PROVISIONS)
Child protection	To make punishable the exploitative use of children in pornographic child sexual abuse material – (CSAM) content of films, games, certain publications and online (mandate).

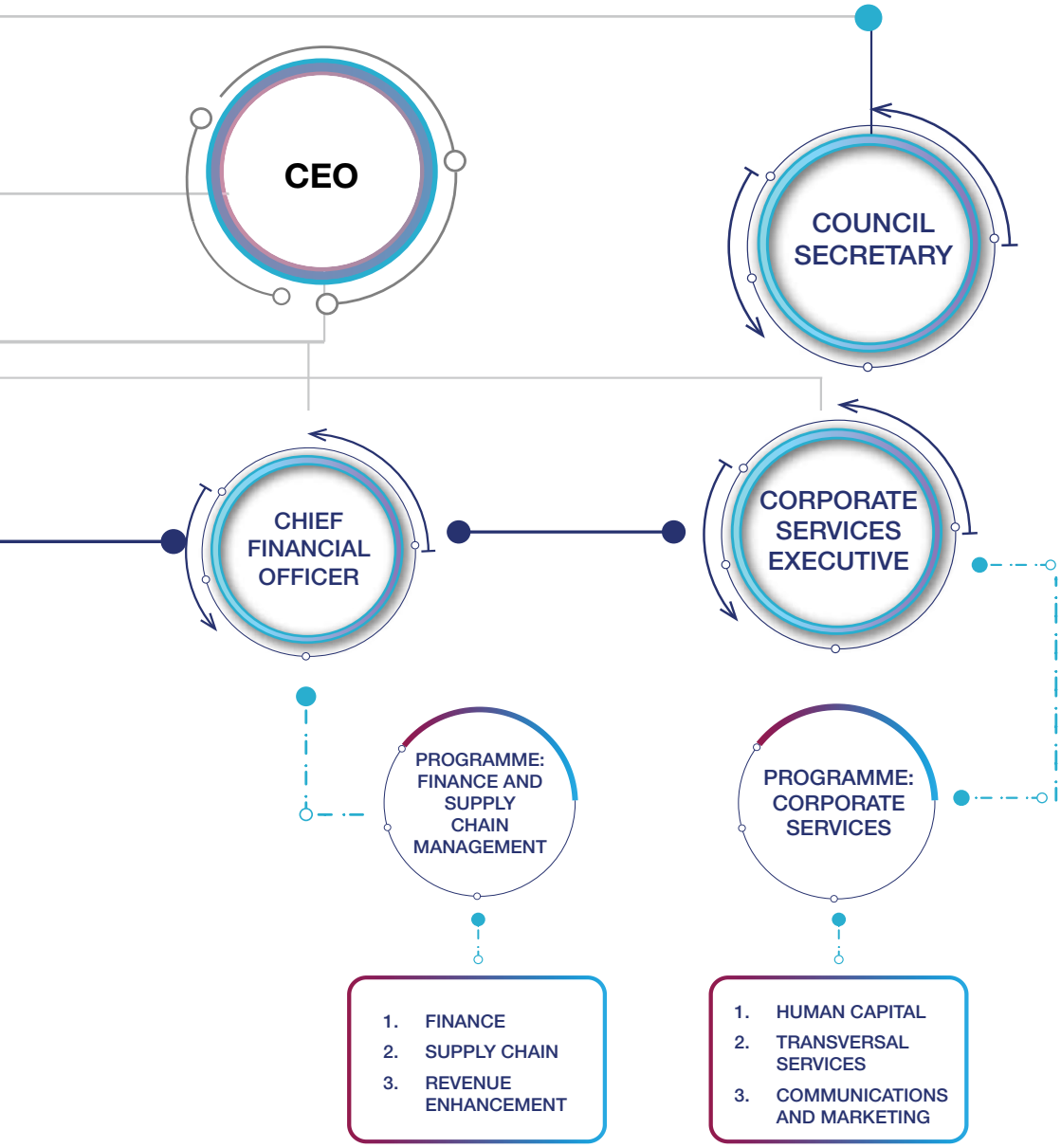
Table 1: The FPB's Legislative Powers and Functions

ORGANISATIONAL STRUCTURE

As the following graphic illustrates, the FPB Council is responsible for the strategic direction and oversight of the entity. The Executive Committee under the leadership of the Chief Executive Officer is responsible for the day-to-day management of the entity.




EXECUTIVE AUTHORITY
APPEALS TRIBUNAL
COUNCIL
EXECUTIVE: TECHNOLOGY SUPPORT AND PLATFORM MONITORING
EXECUTIVE: REGULATORY DEVELOPMENT AND ENFORCEMENT
PROGRAMME: ADMINISTRATION
PROGRAMME: TECHNOLOGY SUPPORT AND PLATFORM MONITORING
PROGRAMME: REGULATORY DEVELOPMENT AND ENFORCEMENT
1. STRATEGIC PARTNERSHIP AND SUPPORT
2. INTERNAL AUDIT
3. GOVERNANCE
4. RISK MANAGEMENT
1. CHILD PROTECTION, CYBER SAFETY AND PROHIBITED CONTENT
2. COMPLIANCE AND CHILD PROTECTION
3. PLATFORM MONITORING AND ANALYSIS
4. OPERATIONS AND INFORMATION SECURITY
5. CONSUMER AFFAIRE, CLASSIFICATON AND LICENSING
1. ENFORCEMENT REGISTRAR
2. REGULATORY DEVELOPMENT AND RESEARCH ANALYSIS


CEO
COUNCIL SECRETARY
CHIEF FINANCIAL OFFICER
CORPORATE SERVICES EXECUTIVE
PROGRAMME: FINANCE AND SUPPLY CHAIN MANAGEMENT
PROGRAMME: CORPORATE SERVICES
1. FINANCE
2. SUPPLY CHAIN
3. REVENUE ENHANCEMENT
1. HUMAN CAPITAL
2. TRANSVERSAL SERVICES
3. COMMUNICATIONS AND MARKETING

MEMBERS OF COUNCIL PHOTOS

Ms Zamatungwa Mkosi
Council Chairperson

Prof. Siyasanga Tyali
Deputy Council Chairperson

Ms Mpho Sedibe
Council Member

Ms Zanele Nkosi
Council Member Chairperson
ARC and FINCOM

Dr Andile Nontso
Council Member

Adv. Lufuno Nevondwe
Council Member Chairperson
HR REMCO

Mr Phosa Mashangoane
Council Member

Ms Lungile Nxele
Council Member Chairperson of OPITCOM

Ms Maggie Pillay
Council Member

Ms Ngwako Molewa
Council Secretary

EXECUTIVE COMMITTEE PHOTOS

Dr Mashilo Boloka
Chief Executive Officer

Ms Hulisani Ramugadi
Chief Financial Officer

Mr Ephraim Tlhako
Executive: Technology Support and Platform Monitoring

Ms Beverley Nkumanda
Acting Executive Corporate Services

Adv. Makhosazana Lindhorst
Executive: Regulatory Development and Enforcement

PART B:
PERFORMANCE INFORMATION

PART B: PERFORMANCE INFORMATION

OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

Service Delivery Environment

The service delivery to the stakeholders has been of a high standard in the financial year. The Consumer Affairs Unit conducted service delivery surveys with the stakeholders, and even though the response rate was not very high, positive feedback was received for the services rendered. The Consumer Affairs Unit is the first line of communication for stakeholders regarding queries, complaints, classification, licensing and overall queries management for the organisation. There have been no issues with queries management or licensing, with these targets having been met through efficient processes resulting in the expected service delivery standards.

The only area that challenges were experienced was in the classification sub-unit. There were a number of challenges that needed to be addressed which resulted in the classification turnaround times not being met for the financial year. The challenges ranged from the manual process of classification, the low number of chief classifiers and quality assurers, training issues and availability of classifiers. Most of these challenges were addressed and resolved, and there was an improvement in getting classification ratings approved with the turnaround times towards the end of the financial year. The most notable achievement was the testing and implementation of the OCR system for game classification in Q4 of the financial year, which has helped to improve the turnaround times for classification.

Organisational Environment

During the year under review, the FPB accomplished remarkable milestones in various areas, including finalising the institutional-readiness assessment .The institutional-readiness assessment was meant to determine the state of the Film and Publication Board (FPB) in successfully delivering and performing its functions in terms of the provisions introduced by the Films and Publications Amendment Act, 2019 (Act No. 11 of 2019) (Amendment Act) by critically assessing the institution's current capacity, challenges and risks concomitant to the actions, functions and responsibilities introduced by the Amendment Act. It further assisted the FPB to identify critical areas of the institution that require attention and the resources needed: human and financial and technological to implement the Amendment Act.

The Institutional Readiness Report revealed that: a) The institutional structure of the FPB is not aligned to the regulatory functions listed above, as they are currently subsumed under support activities thereby downplaying them. b) Beyond the inadequate human capital capacity in the FPB, compounded by the lack of capacity in HR to adequately address staffing issues. c) The institution experienced an exceedingly high attrition rate which severely impacted its ability to be a high-performing organisation.

The organisation undertook an organisational review process to elevate the FPB's new and expanded mandate through streamlining (realignment) of functions and the unbundling of the current function of operations, and consolidation into regulatory development and enforcement. This resulted in the adoption of a programme-based model to ensure efficient use of resources and create clear lines of accountability.

A new organisational structure aligned to the expanded mandate was approved by the Council and submitted to our shareholder. Following the lifting of the moratorium, major efforts were made to capacitate the organisation to deliver on its priorities for the financial year as outlined in the Annual Performance Plan (APP).

The Board managed to maintain a low vacancy rate of 2.04%, which is below the targeted 10%. All the vacant executives position were filled which helped to sustain the desirable productivity-levels across the various programmes and ensure that the strategic priorities of the Board are met.

Key Policy Developments and Legislative Changes

The Film and Publication Board has added functions and responsibilities brought about by the amended provisions of the Films and Publications Act, 1996 (Act No. 65 of 1996) as amended, such as the expanded mandate to accredit commercial online distributors of content to coregulate and accredit foreign or international classification systems and authorities; dealing with complaints relating to the distribution of prohibited content; the distribution of private sexual photographs and films; the filming and distribution of films and photographs depicting sexual violence and violence against children; content containing propaganda for war, incitement of imminent violence, and advocacy of hatred on all online platforms, including social media platforms.

The FPB may proceed to present matters where non-compliance with the provisions of the Act have arisen to the Enforcement Committee which, as a quasi-judicial body and having partly judicial characteristics, and noting that it is empowered to conduct investigations in claims which are disputed and to hold hearings, may proceed to assess the veracity of contraventions of the provisions of legislations and regulations, and impose sanctions where they have established such contraventions in a similar fashion as in the courts.

The organisation undertook a due diligence exercise conducted to determine what is currently available and what is yet to be done to reshape the FPB as the content regulator congruent to the objectives of the FP Amendment Act. The section further outlines the regulatory priorities in the medium term as part of building a capable regulator. The targets which have been set for in the Annual Performance Plan for the FPB.

Legislative Action	Progress
Section 4B(a) In consultation with the Minister, issue directives of general application including classification guidelines regarding the accreditation contemplated in section 18D, in accordance with matters of national policy consistent with the purpose of this Act.	The Film and Publication Board (FPB) has an approved Classification Guideline which directs on the classification of content that falls within the legislative scope of the institution. The FPB has drafted an accreditation framework to process applications by commercial online distributors of content motivating the use of classification ratings issued by a foreign or international classification authority or body. The draft accreditation framework is to be published in the Government Gazette to secure comment and inputs from the public in the 2023/2024 financial period.
Section 6A (5) A quorum for a session of the Enforcement Committee will be the chairperson plus two members and where the votes are equal, the chairperson will have the deciding vote.	The Enforcement Committee rules have been approved, and provide for the quorum of the Enforcement Committee.
Section 6B (1) Powers and duties of the Enforcement Committee.	The Enforcement Committee rules have been approved and provide for the powers and duties of the Enforcement Committee.
Section 9A (2) The functions of the Board will be to – (e) Perform the functions in respect of the complaints procedure in section 18E.	The complaints handling procedures have been approved for dealing with complaints lodged with the FPB in terms of section 18E.
Section 18D Approval of accredited foreign or international classification systems by the Council.	The FPB has drafted an accreditation framework to process applications by commercial online distributors of content motivating the use of classification ratings issued by a foreign or international classification authority or body. The draft accreditation framework is to be published in the Government Gazette to secure comment and inputs from the public in the 2023/2024 financial period.

Legislative Action	Progress
Section 18E Complaints against prohibited content. **Section 18F** Prohibition against distribution of private sexual photographs and films. **Section 18G** Prohibition against filming and distribution of films and photographs depicting sexual violence, and violence against children. **Section 18H** Prohibition against propaganda for war; incitement of imminent violence; and advocacy of hatred based on identifiable group characteristics, and that constitute incitement to cause harm.	The complaints handling procedures have been approved for dealing with complaints lodged with the FPB in terms of sections 18E, 18F, 18G and 18H.
Section 24 Exemption in respect of distribution of certain publications and films: adult premises.	The Films and Publications Regulations, 2022, provides for the process which those who intend to distribute adult content in physical stores would need to meet in order to be registered to do so.
Section 31(1) The Minister may – (a) in consultation with the Minister of Finance, make regulations regarding fees payable in respect of any application, exemption, permit or appeal under this Act.	The Films and Publications Amendment Tariff's Regulations, 2020, sets out the applicable fees payable when considering the applicable provisions of the Films and Publications Act, 1996 (Act No. 65 of 1996), as amended. A draft Films and Publications Amendment Tariff Regulations has been published for public comment in order to accommodate the new provisions of the Act, which have come into operation.

Table 2: Legislative and Mandates

The following proposed regulatory instruments were prioritised in the 2022/2023 financial period, after considering the targets which have been set for in the Annual Performance Plan for the FPB. The instruments have been arranged in accordance with the FPB's streamlined regulatory schemes.

Scheme	Title and scope	Section	Actual performance
Regulatory Guidance	Directives for the accreditation of foreign or international classification authorities or bodies	**Section 4B(a)** In consultation with the Minister, issue directives of general application including classification guidelines regarding the accreditation contemplated in section 18D, in accordance with matters of national policy consistent with the purpose of this Act	The Draft Accreditation Framework has been prepared during the 2022/2023 financial period. The FPB will be publishing the Draft Accreditation Framework in the Government Gazette to secure public comments and inputs in the 2023/2024 financial period, with the view to ultimately securing an approved version for operationalisation
	Procedures on how to apply, renew licenses/certificates within the scope of the FPB and the categories of licenses and exemptions		The processes and procedures regulations were approved by the Council of the FPB in the 2022/2024 financial period. In order to comply with section 31A of the Films and Publications Act, the processes and procedures regulations have been submitted to the Minister of Communications and Digital Technologies, with the view to ensuring that same is published in the Government Gazette for public comments and inputs
	Directives for the accreditation of foreign or international classification authorities or bodies	**Section 18D** Approval of accredited foreign or international classification systems by the Council	The Draft Accreditation Framework has been prepared during the 2022/2023 financial period. The FPB will be publishing the Draft Accreditation Framework in the Government Gazette for public comments and inputs in the 2023/2024 financial period, with the view to securing an approved version for operationalisation

Scheme	Title and scope	Section	Actual performance
	Complaints handling procedures on all matters under section 18	**Section 9A (2)** The functions of the Board will be to – (e) perform the functions in respect of the complaints procedure in section 18	The complaints handling procedures were approved by the Council of the FPB and published in the Government Gazette, the date of publication being the day on which the complaints handling procedures come into operation
	Films and Publications Amendment Tariff Regulations	**The Minister may –** (a) in consultation with the Minister of Finance, make regulations regarding fees payable in respect of any application, exemption, permit or appeal under this Act	The Draft Films and Publications Amendment Tariff Regulations were published in the Government Gazette in the 2022/2023 financial period for public comments and inputs. The Council of the FPB resolved that during the 2023/2024 financial period a position paper be prepared with the view to publishing same, together with the Draft Films and Publications Amendment Tariff Regulations for further public comments and inputs
		To outline how the FPB implements each of its regulatory schemes developed pursuant to the provisions of the Amendment Act	
Content scheme	Guidelines on video-sharing		The Regulator of the Future Report approved by the Council in the 2022/2023 financial period, provides for the creation of guidelines on video-sharing. This will be undertaken in the 2023/2024 financial period.

Table 3: Legislative and Mandates

PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In terms of the Department of Planning, Monitoring and Evaluation, the Revised Framework for Strategic Plans and Annual Performance Plans, December 2019, the outputs a government institution delivers on an annual basis must contribute towards the realisation of its medium-term outcomes and long-term impact outlined in its strategic plan. Therefore, the Board's outputs delivered under the year in review were geared at contributing to the Board's medium-term outcomes and long-term impact as stated below.

3.1 IMPACT STATEMENT

IMPACT STATEMENT	An effective Regulator of content that empowers and protects the public

3.2 OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	TARGET
1.1.1 Digitally driven organisation	% of the Digital Transformation Strategy Roadmap implemented	New indicator	95% of activities planned for the year achieved
1.1.2. Efficient, effective and appropriately resourced regulator.	Approved Human Capital Business Improvement Strategy (HCBIS)	New indicator	100% completion of the HCBIS implementation plan
2.1.1. Improved licensing and content classification	% of content classification decisions issued within 7 working days	New indicator	90% of licensing and classification decisions issued within 5 working days
2.1.2. Improved online content regulation	% of online distributor applications (self-classification) concluded within 6 months	New indicator	90% of online distributor applications received processed within 6 months
2.1.3. Effective and efficient compliance and enforcement	% of matters before Enforcement Committee finalised within a specific timeframe	New indicator	90% of matters before Enforcement Committee finalised within 12 months

OUTCOME	OUTCOME INDICATOR	BASELINE	TARGET
3.1.1. Efficient service delivery	% of consumer complaints/queries resolved within 10 working days	New indicator	60% of consumer complaints/queries resolved within 10 working days
4.1.1. Maximise non-government revenue	The increase in percentage of self-generated revenue over total revenue	New indicator	Self-generated revenue will comprise 21% of total revenue
5.1.1. Increased local and international MOUs signed with strategic partners	Number of MOUs signed with strategic partners	2 formalised MOUs	5 MOUs signed with strategic partners
5.2.1. The public and Industry are informed of the expanded FPB mandate	% implementation of the Public Education Plan	100% implementation of the FPB Public Education Plan	100% implementation of the FPB Public Education Plan

Table 4: Institutional Impacts and Outcomes

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: ADMINISTRATION

This programme provides coordinated strategic leadership, management and support to the FPB Board to deliver on its mandate. This programme will house the CEO, Council Office (the Council, Appeals Tribunal and Enforcement Committee), Internal Audit, Strategic Partnership and Collaboration, Legal, and Risk Management.

The Enforcement Committee was linked to Strategic Focus 2. Regulatory capacity and enforcement of strategic objective 2.1. Efficient and effective content regulation under the outcome 2.1.3. Effective and efficient compliance and enforcement in the Strategic Plan. Strategic partnerships and collaborations linked to Strategic Focus 5. Stakeholder management and collaboration in strategic objective. 5.1. Leverage local and international strategic partnerships to achieve the amended mandate of the FPB under the Outcome 5.1.1. Increased local and international MOUs signed with strategic partners.

STRATEGIC PARTNERSHIPS AND BENEFITS

The FPB's five-year strategy 2022-2026 has identified strategic partnerships as a key pillar to propel and support the achievement of the FPB expanded mandate to position the organisation as the regulator of the future. The Q2 strategic engagement embraced strategic partnerships support in achieving its intended objectives. It is through the collaboration and partnerships that the Q2 strategic engagement plan became a success. Partners who actively participated, cut across sectors from industries including Google, Meta and academia, with institutions of higher learning such as the University of Venda; Vaal University of Technology; University of Limpopo; Unisa Bureau of market research; regulators ICASA, NEMISA, ZADNA; NPO Media Monitoring Africa; as well as the Department of Communications and Digital Technologies (DCDT). The approach to embrace strategic partnerships in the engagements made the sessions robust by opening up conversations on matters not necessarily FPB-related, but very much interlinked with youth experiences in the online an entertainment space.

The collaborations and partnerships with regulators within the DCDT have provided a unified approach to respond to issues raised, therefore concretising the importance of a unified and not fragmented approach by government to public service delivery. At the same time, the approach provided the FPB with resources (stretching the government purse) that reduced what could have been a huge financial bill to cater for: the free venues offered by universities, collateral promotional material provided by industry and partner regulators for the inaugural cocktails and dinner offered by Google SA, live-streaming provided by NEMISA at the seminar (though already procured by service provider).

Strategic partners across the sectors, in particular all the entities within DCDT honoured the events by making available physically the CEOs, senior management, and marketing and communications team members in all the engagements starting from the seminar to the roadshows to institutions of higher learning up to the two-day youth summit.

The level of partner commitment is to be commended, and the FPB should in turn make every effort to reciprocate such gestures. The benefits of these partnerships include the ability to gain access to the target audience – the youth, in their learning environment to afford the organisation to gather valuable insights into their experiences. The use of university premises as well as resources saved the costs of venue and equipment procurement. The commitment made by all the institutions of higher learning to forge a long-term relationship with the FPB by formalising the relationship through Memorandums of Understanding (MoUs) is a major outcome of the engagements. The regulators within DCDT, as well as the department's presence provided credibility to government's promise on service delivery and reaching out to communities. The partners within the industry, through their generous gestures have ensured successful delivery of the Q2 strategic plan of the organisation. It is therefore recommended that the FPB maintains and supports these strategic partnerships across all sectors; it is also important that the review of the strategic partnerships strategy as well as the policy be prioritised and concluded in Q3 & Q4 to guide the organisation going forward.

Picture 1: Fighting Online Gender-Based Violence and Abuse

Seminar on Online Hate and Cyberabuse focusing on women athletes on 30 August 2022 in Menlyn, Pretoria

An Online Nation Study (2021) by the UK's Office of Communications (OFCOM) revealed that while women are avid users of social media platforms, spending more than a quarter of their waking hours online – around half-an-hour each day more than men (4hrs 11min vs 3hrs 46min), for many of them life online is not always a positive experience as they continually face discriminatory, hateful and trolling content, and feel less able to have a voice and share opinions online. As the online content regulator pursuant to the objectives of the FP Amendment Act, the FPB initiated a conversation through the seminar to create a platform for these women in sport to share their experiences to raise their concerns and to also propose solutions. The seminar was a platform for the FPB to solicit inputs from voices of this sector within society to understand the problem, and find means and ways with partner regulators to make the online world a safer space for women and girls, particularly those involved in sport.

Picture 2: Audience at the Seminar

Dr Boloka spoke about the need for regulators to play the role of ambassadors for healthy online behaviours. The online space allows for the accelerated spread of hateful and harmful content, which can have a devastating impact on its targets.

Picture 3: Audience attentive at the seminar.

Picture 4: Consensus on cybersafety during discussions.

Tshepo Mogale of the FPB called for openness among online platform owners to ensure their community standards are reviewed and updated on a continuous basis.

The seminar also sought to chart the way forward in addressing these challenges through social media. One of the three biggest categories of abuse were: sexist attacks (29%); racist attacks (28%); and doping accusations (25%). About 80% of online abuse was targeted at women from minority groups, according to an e-Safety Commission study. The study tracked 200 Twitter accounts of athletes shortly before, during and after the 2021 Tokyo Olympics. The CEO of the Centre for Countering Digital Hate called out online platform corporations for their inaction in the face of online abuse against individuals from the "out-groups". This was the case when online antisemitic vitriol was rising in the lead-up to Brexit.

Annual International Engagement Plan

The Online Content Analyst team travelled to Lyon in France for the INHOPE Content Assessment Training. This is crucial training that provides skills training upgrade for the content analysts, and also serves as a platform to share the global emerging trends on CSAM and in new developments internationally.

The FPB attended the Global Regulators Summit to honour the invitation received from Global Panorama. Panorama Global is a social impact non-profit that empowers changemakers through radical collaboration and bold action. It is dedicated to improving the lives of people and the planet by maximising social impact through advocacy, policy development and lobbying.

The key objective of the summit was to raise awareness and deepen understanding of what image-based sexual abuse is; how quickly it can damage the very real lives of those whose consent, autonomy, and rights have been violated; and offer multiple paths forward on how through collaboration, coordination, and the creation of comprehensive services and support for survivors policymakers and funders can be influenced to contribute towards shifts in culture, norms, regulation, and legislation needed to prevent image-based sexual abuse.

INHOPE conducted a hotline compliance assessment on the FPB. During the visit, the INHOPE team in partnership with the FPB hosted the roundtable on the Online Child Protection Hotline. The roundtable was attended by key stakeholders in the online child protection industry and our regional stakeholders. As we witness the growth and migration of the global community towards online content consumption aided aggressively by easy access to handheld gadgets, the Film and Publication Board (FPB) saw the need to host the roundtable discussion event in partnership with the International Association of Hotline Operators (INHOPE) on 20 February 2023.

The FPB and INHOPE's journey started as far back in 2009, when the FPB hosted the very first conference on Online Child Protection and it is during that conference that Child Online Protection became the unifying subject between us as a country and global communities. The conference paved a way for the FPB to be accepted as a member of the INHOPE, concurred in 2012.

Members from the African Continent Harmonisation Project were also invited. We were joined by the Kenya Film Classification Board (KFCB), the National Film and Video Censors Board (NFVCB) and our local key stakeholders to contribute key insights during the roundtable discussions.

The Film and Publication Board Act 11 of 2019, even though operationalised recently in March 2022, calls for a review to close the emerging gaps. In the conversation, we were graced by the INHOPE delegation. They provided the technical as well as operational aspects on the creation of the hotline. During our campaign for a seat on INHOPE's 6-member Board, the FPB made it clear that they want to take INHOPE to Africa as part of its expansion strategy. Little did we know that it would occur in such a short space of time.

While INHOPE came to do technical assessment of the FPB as a hotline operator, the FPB seized this opportunity by hosting a successful collaborative workshop to discuss new trends in Child Sexual Abuse Material (CSAM) and online children exploitation. The goal of the event was to raise awareness of online Child Sexual Abuse Material (CSAM) among regulators in Sub-Saharan Africa and how the presence of a hotline can combat it, including the importance of the swift removal of online CSAM, wherever in the world it is hosted.

Picture 6: Delegates attend the crucial and insightful INHOPE and FPB roundtable discussion event in Lyon in France.

The event was attended by relevant organisations including national and international experts and delegates from Kenya, Nigeria and representatives from other partners including the South African Police Service (SAPS), the US Homeland Security Investigations, Interpol and industry stakeholders. The workshop was a huge success, and the aim is to make this an annual two-day event to allow more time for engagements and capacity building on the African continent.

A day after the roundtable event, INHOPE visited the FPB office to check the compliance of the FPB Hotline, the organisation itself and how the FPB works on ensuring that children are protected from harmful online content. Members of the INHOPE took a tour of the organisation and after the inspection, the FPB was found compliant and applauded for the work that is being done by the FPB team.

The harmonisation of content regulation steering committee members had a meeting in February to reflect on the implementation of the outcomes of the previous conference. Members raised concerns with the slow progress in the implementation of the outcomes. Nigeria volunteered to host the next steering committee meeting and dates will be communicated to members.

PROGRAMME 2: CORPORATE SERVICES

Corporate services provide support services to the Board through communications, human capital, planning, monitoring and evaluation, and facilities management.

HUMAN CAPITAL

To ensure that the Authority can plan for required human resources, the right talent is recruited in the right positions at the right time, and the talent continuously developed to maintain the required levels of competence in an environment conducive to employee engagement within a high-performance culture.

The Human Resources sub-programme contributes to the organisational transformation outcome. In the year under review, the Human Capital subprogramme managed to maintain a low vacancy rate of 2.04%, which was below the targeted 7%. This helped sustain the desirable productivity-levels across the various programmes and ensure that the strategic priorities of the Board are met.

Furthermore, the Board prioritises diversity and the development of women, youth and persons with disabilities in filling vacant positions. This helps the Board to strengthen its workforce and reflect the country's diversity.

Developing employees' skills also helps maintain a high level of employee productivity, which in turn helps the Board achieve its strategic priorities. The Human Capital subprogramme achieved 100% compliance for workplace skills plan implementation. The subprogramme focused on developing women's skills, those of young people and people with disabilities through various training interventions.

COMMUNICATIONS: EXPANDING THE FPB FOOTPRINT

The year under review was centred around the transformation of the organisation to respond to the implementation of the FP Amended Act which has transformed the FPB from a traditional classification to a fully-fledged regulator of content defined as films, games and certain publications. The transformation was further supported by a rebranding exercise to align the new brand to the expanded mandate of the organisation.

The rebranded logo was launched to national and international stakeholders during the last quarter of the year under review, with the tagline **"Content Regulator Authority of South Africa".** The 2023/2024 financial year will be focused on creating a **High Visibility and High** Impact campaign of the new brand, while supporting the brand's promise to **Educate, Protect and Empower** in the expanded mandate of the FPB.

The role of the Communications and Marketing Unit is to grow the footprint of the organisation among its stakeholder ecosystem through a combination of pro-active and re-active communication relations. In the year under review, the Communications and Marketing subprogramme embarked on a pro-active media campaign to create more publicity around the work of the FPB. A total of 17 media releases were distributed, resulting in an average value equivalent (AVE) of R26 760 343.

Media Platform	AVE	Mentions	Reach
Editorial (online publications)	R20 636 182	199	165 129 449
Print	R3 090 065	54	7 213 383
Broadcast	R3 034 096	33	33 735 000
TOTAL	**R26 760 343**	**286**	**206 077 832**

Table 4: Media Platform Monitoring

Another major highlight of the year under review was the high visibility of the FPB brand on our social media platforms. A total of **1 408** posts were generated across all social media platforms, resulting in a total **10 355** new followers across all social media platforms. The platforms attracted **1 017 734** impressions and generated **218 029** engagements on all platforms.

	Number of posts	Reach	Engagements	Impressions	New followers	Total followers
FACEBOOK	350	368 544	42 903	442 645	1 182	85 299
	Number of posts	Number of mentions	Profile visits	Impressions	New followers	Total followers
TWITTER	538	890	145 222	402 626	1 225	47 409
	Number of posts	Reach	Engagements		New followers	Total followers
INSTAGRAM	301	18 565	20 712	0	6 256	23 874
	Number of posts	Page views	Searched	Impressions	New followers	Total followers
LINKEDIN	219	9 190	9 192	172 463	1 692	14 005
TOTALS	**1 408**	**397 189**	**218 029**	**1 017 734**	**10 355**	**170 587**
WEBSITE TRAFFIC	510					

Table 5: Social Media Platform Monitoring

PLANNING, MONITORING AND EVALUATION

Planning, Monitoring and Evaluation (PME) is responsible for implementing effective organisational strategic planning, performance monitoring, and reporting processes in line with the relevant legislations. Planning and performance provides specialised technical support functions to the FPB related to the design, implementation, analysis and reporting of strategic planning activities on the corporate strategy and annual performance plans for the overall operation of the FPB. The subprogramme is also responsible for the management of all strategic planning processes and guidance as well as the provision of a tracking tool to guide MANCO and EXCO.

FACILITIES MANAGEMENT

To provide an effective facilities management function by adhering to the necessary policies, processes and systems for all logistical services and management of suppliers to ensure the effective running of the FPB offices. We do this by ensuring that all FPB offices are OHS compliant, and all maintenance needs are attended to including, but not limited to procurement of suitable office space and equipment, fleet and its maintenance.

During the 2022/23 financial year, the unit has been able to ensure that office rentals are processed and lease agreements valid. Additionally, we have been able to support the FPB to retain its affiliation to the INHOPE association by keeping the debriefing space available and maintained, which resulted in the confirmation of INHOPE membership during the month of February 2023, following a physical inspection exercise. We have managed to reorganise the unit following a restructuring exercise and increased capacity with additional functions that have been adopted from the month of June 2022. This increase in head count allowed for resources to be spread out to save the entity costs on maintenance work required, with some conducted internally instead of being outsourced.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The Corporate Services Subprogramme did not have major deviations from its planned annual targets. The one target not achieved was due to a planning oversight for one activity that was beyond the control of the sub-programme. Moving forward, the subprogramme will ensure that it has control over all its planned activities or spread them over a reasonable period that will allow it to deal with any unforeseen issues.

PROGRAMME 4: TECHNOLOGY AND PLATFORM-MONITORING

The Technology and Platform-Monitoring Programme oversees the operations of the Film and Publication Board (FPB) and comprises four subprogrammes, namely Compliance and Child Protection; Platform-Monitoring and Analysis; IT Operations and Information Security; and Licensing, Classification and Consumer Affairs. The performance of the programme will focus on the overall performance and highlights for the year as the Strategic Objective programmes are addressed under section seven of the document.

CLASSIFICATION

The target to issue classification decisions within 7 days has proved challenging to achieve given the different steps and processes involved in the classification of content. The lack of adequate numbers of Chief Classifiers and Quality Assurers (QA) were some of the main reasons for not achieving this target. New Chief Classifiers were selected and trained in October while two new Quality Assurers were recruited and trained as well. There were quarterly classifier workshops and mentoring sessions held during the year to capacitate classifiers and QAs in areas where challenges were experienced. As an additional measure, the FPB introduced online/self-classification of games on the Online Content Regulation (OCR) system which enables the classification of games to be done online. The OCR system has made it possible to classify and release game ratings within 24hrs at best. These measures have seen a slight improvement in the turnaround times for the rest of the financial year.

The graph below depicts the number of content submitted for classification and the achievement of turnaround times. There is a general decline in the number of content submitted for classification, as more content is now distributed online. Most online distributors have classification agreements with the FPB.

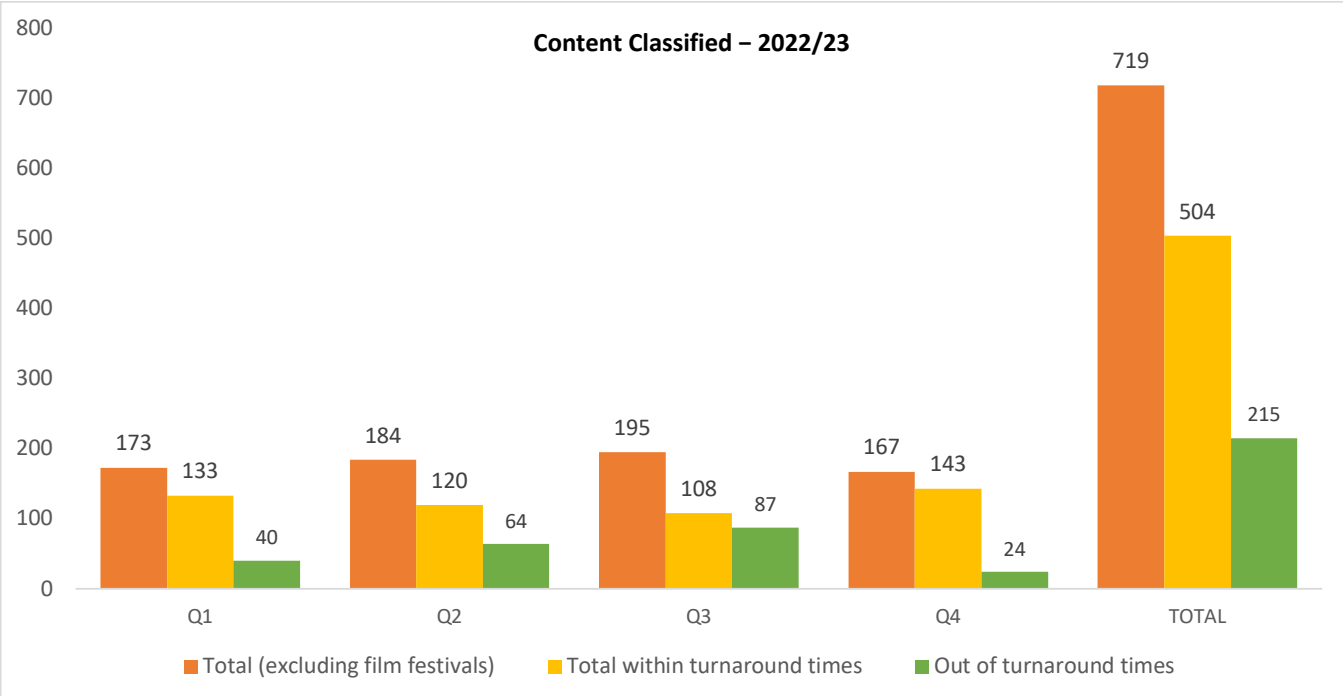


Figure 1.1: Content submitted for classification in 2022/23.

Licensing

With efficient processes in place the target of 95% of licensing decisions issued within 5 working days has been achieved. There were 1 787 applications processed, with 1 778 (99.5%) applications processed within the 5-day turnaround times; and only 9 (0.5%) processed out of the turnaround times as depicted in the graph below.

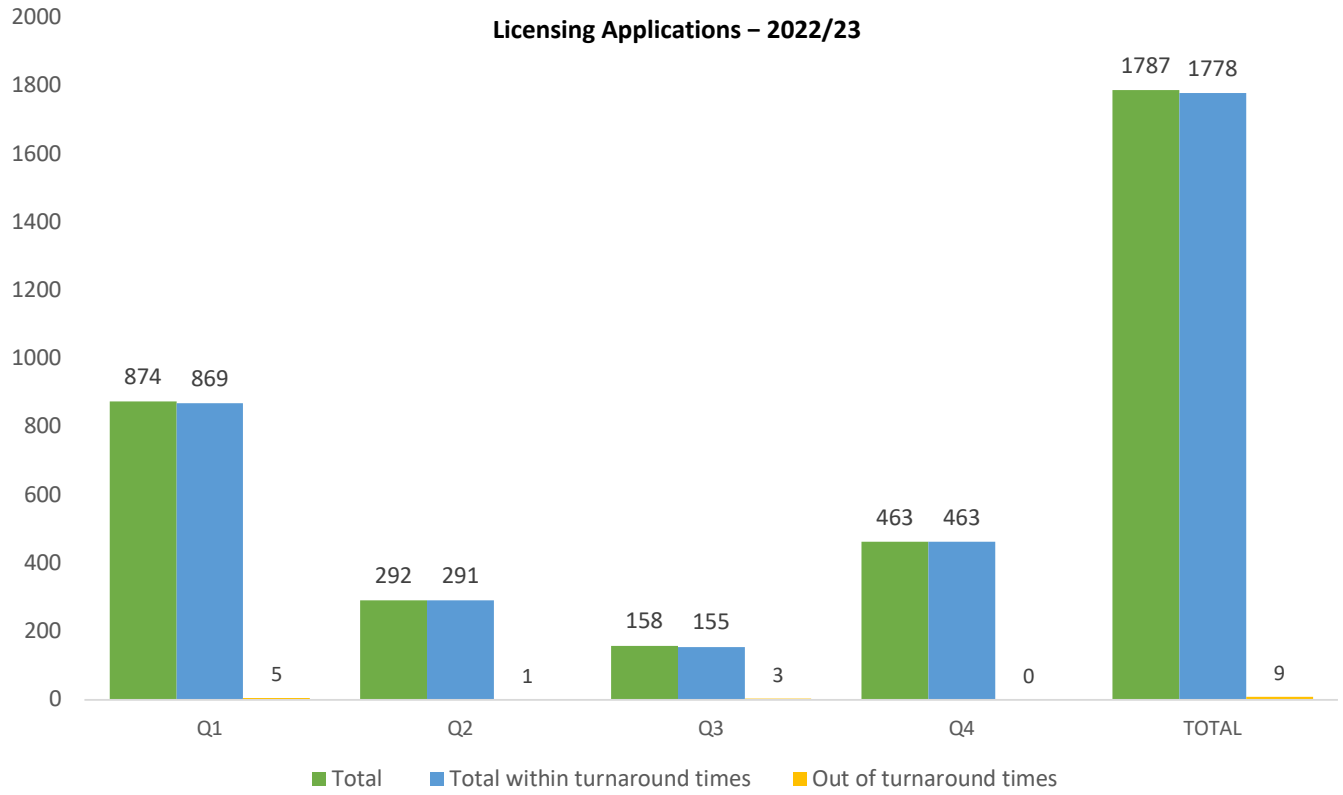


Figure 1.2: Licensing applications for 2022/23.

CONSUMER AFFAIRS

The target to resolve 60% of consumer complaints/queries within 10 working days was achieved. A total of 3 126 queries and complaints were received and of these, 3 108 (99.4%) were resolved within the set turnaround time, while the remaining 18 (0.6%) were resolved after the set turnaround time. The majority of queries received were related to providing inputs into the draft classification guidelines. There were 1 491 queries on registration/renewals: 1 037 related to inquiries about content classification, while only 3 queries were on non-compliance by distributors and the rest were general queries.

The 60% customer satisfaction-level target was achieved. The client satisfaction survey was conducted during the year with an aim to assist the FPB to solicit feedback and assess perceptions on its organisational service delivery. Feedback from the survey respondents indicated that 84% were satisfied, with some indicating that they were extremely satisfied or satisfied. Only 4.65% of the respondents rated the levels of service as neutral, with 11.63% of respondents indicating that they were dissatisfied or extremely dissatisfied with the service-level.

Twelve engagement sessions and a further 33 one-on-one sessions were held with stakeholders. The Client Support together with the Classification team in partnership with the Legal Unit participated in a number of game workshops with game distributors. Sessions were also held with Film Festival organisers and the FPB team also facilitated and assisted film festivals with compliance requirements.

ONLINE PLATFORM-MONITORING

With regard to the target of 90% of Online Distributor Applications (Self-Classification) concluded within 6 months, there was no activity during the year as no new online distributor applications were received, and as such this target is not applicable for the reporting period. There are 20 online distributors on the FPB's records and 16 of these online distributors have valid online distributor agreements, while 4 have expired online distributor agreements. Therefore, in general, the majority of online distributors have valid online distribution agreements and continuous engagements are held with non-compliant online distributors to ensure they renew their agreements, as well as aggressively targeting all unregistered online distributors to bring them on board.

There is a total of **331 436** content titles which include TV series and films available on major online platforms in the South African market. The graph below indicates that AppleTV, Amazon, Netflix, Google Play Showmax and Disney Plus have the highest number of content (titles) available in South Africa.

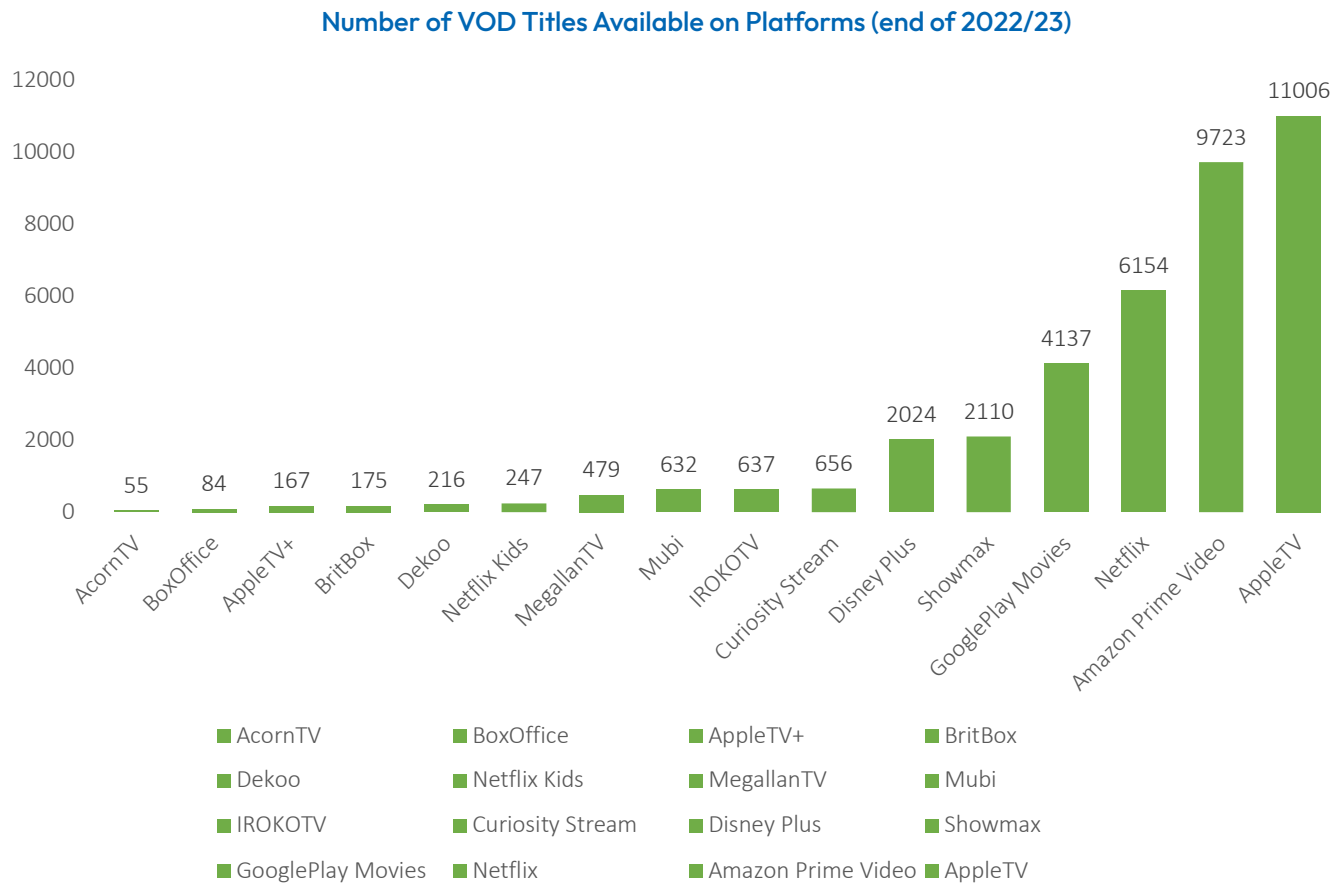


Figure 1.3: VOD Titles Available on Performance

Child Protection and the FPB Hotline

The FPB Child Protection team works closely with law enforcement agencies including the South African Police Service (SAPS) and the National Prosecuting Authority (NPA) to strive towards a Child Sexual Abuse Material (CSAM)-free world. The SAPS often refers cases/dockets that are suspected to contain CSAM or child pornography to the Child Protection team for content analysis and a report is produced thereof. The team performs the duty as personnel trained by INHOPE (International Association of Hotlines) as content assessors. The team makes use of the FP Act of 2019, the Children's Act of 2007 and the Sexual Offences and Related Matters Act of 2007 as guiding pieces of legislation. The Child Protection team are at times subpoenaed to give evidence in court.

- In the financial year 2022/2023, the Child Protection team conducted analysis in a total of 12 cases with a combined 176 406 in content. A total of 12 122 images were identified as CSAM.
- Furthermore, the team received feedback on the cases that were worked on in the past 2 financial years as follows:

Case ID	Case Status/Outcome
Honeydew	Conviction – 10 years' direct imprisonment
Lyttleton	Conviction – 5 years' suspended sentence and a R5 000 fine
Primrose	Conviction – 5 years' suspended sentence
Boksburg	Conviction – 5 years' suspended sentence and a R40 000 fine
Hercules	Guilty plea, case in plea deal proceedings
Johannesburg Central	Matter still in court
Florida	Matter still in court
Matlelerekeng	Matter still in court
Sandringham	Guilty plea, sentencing in July 2024

Table 6: Court Cases and Convictions.

In the 2022/23 financial year, the FPB witnessed one of its Child Protection team members serve as an expert witness in a highly publicised case involving child sexual exploitation, child pornography and child trafficking. The Child Protection team produced a content analysis report for this case and the report was submitted and accepted as evidence in court. The case highlighted the critical role the FPB serves as far as child protection is concerned.

South African Online Safety Youth Council (SAOSYC)

The Child Protection team led the project to form the South African Online Safety Youth Council (SAOSYC). The SAOSYC is aimed at promoting youth voices and youth participation in matters relating to online safety through peer-to-peer dialogues. The SAOSYC was officially unveiled in September 2023 and focused its efforts in hosting workshops with partners, and detailing plans for the 2023/2024 financial year.

The strategic partnerships and collaborations created over the years with our partners within the youth online safety campaigns yielded great benefits for the 2-day Youth Summit. For this specific engagement, the relationship between the FPB and Google South Africa was a public-private partnership that funded the project of a public entity. Despite their advantages, a public-private partnership of this nature may be criticised for blurring the lines between legitimate public purpose and private for profiting activity and for perceived exploitation of the entity due to self-dealing and rent-seeking that may occur. TikTok also sponsored over 100 swagbags.

The FPB has recognised a gap in youth engagement and as result, formed the South African Online Safety Youth Council (SAOSYC), inaugurated on 22 September 2023. The aim of the SAOSYC is to lead youth conversations on online safety through peer-to-peer dialogues. The structure is made up of 11 youth aged between 13 and 21-years old based in Gauteng, KwaZulu-Natal, Limpopo, North West, and the Northern Cape.

The SAOSYC as a formalised structure is aimed at creating a platform revealing the nuances that South African youths face while engaging the online space. The Council's objective is to function as a voice for South African youth. Additionally, its mandate is to articulate solutions to online harms affecting the youth. This means the youth themselves will identify challenges with regard to online harms and develop solutions to the challenges they identified.

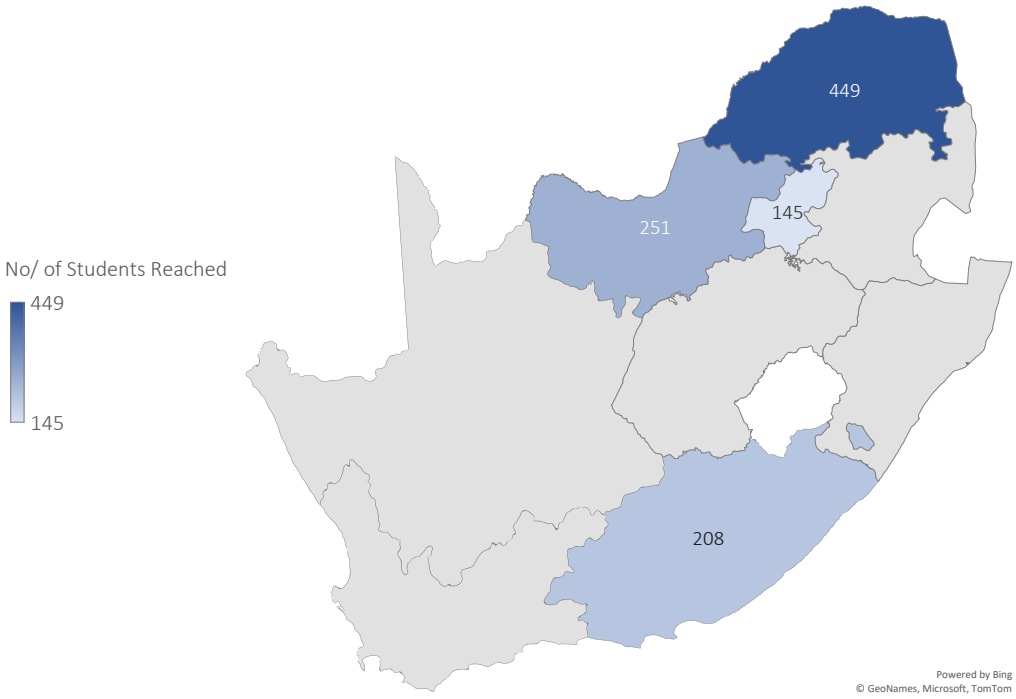
The SAOSYC's primary goal is to create a safe platform for the youth to engage in and provide direction for the FPB in enhancing legislative tools targeted at protecting and safeguarding South African youth from online harms. The SAOSYC is expected to advocate the mandate of the FPB and publicise the work done by the institution. This collaborative effort will also function as an interactive learning process between the FPB and South African youth.

The SAOSYC had by the end of the 2022/2023 financial year undergone induction with the FPB to ensure that they are properly equipped to carry out the pivotal work from the beginning of 2023/2024 financial year. The induction workshop had representation from the FPB, the DCDT, representation from NGOs and social media platform owners.

Figure 4: The SA Online Safety Youth Council's inauguration cocktail dinner held in Polokwane was sponsored by Google SA.

Roadshows to Institutions of Higher Learning

- As a build up to the Youth Summit and launch of the SA Online Youth Safety Council, the FPB undertook a roadshow to previously disadvantaged institutions of higher learning to open dialogue and conversations with the youth with the objective to: Create a platform for the youth to discuss their understating of online harms.
- Gather information on what their experiences and concerns are when using the online platform.
- Ascertain any safety concerns they may have.
- What the proposed solutions are from their perspective.
- The roadshow to institutions of higher learning targeted previously disadvantaged universities for Q2, namely, North West University's Mafikeng Campus, Vaal University of Technology, University of Venda, University of Limpopo, and the East Midlands University of Technology.



Number of students reached in institutions for higher learning.

The above map illustrates that the highest number of students reached through the roadshows were in the province of Limpopo. The figures for Limpopo combine the number students we interacted with at the University of Venda and those we interacted with over the 2-day Youth Summit held at the University of Limpopo on the 22 and 23 September 2022.

Panel discussions were held with students from North West University, Vaal University of Technology, University of Venda and the Film and Publication Board young professionals. The youth provided their own understanding of online harms and the challenges they faced as well as what is it that can be done to alleviate and educate individuals on online harms. Consultation with young people showed that the majority of them had seen content during lockdowns in 2020 and 2021 that was either violent or explicit which included videos of suicide, nudity, and extreme violence. They also described social media as "toxic" and found it negatively impacted a young person's mental health and wellbeing.

Young people cited unwanted contact online from adults, while there were also complaints of cyberbullying, threats and sharing of explicit content.

Compliance-Monitoring and Outreach

The Compliance-Monitoring team conducted 6 222 inspections as per the graph below and identified 235 cases of non-compliance of which Notice of Contraventions were issued; 84 raids were conducted resulting in 19 arrests and prohibited content (discs) confiscated. A total of 26 158 discs were confiscated in various areas across the country including Limpopo, Gauteng, KwaZulu-Natal, North West, the Eastern Cape and Western Cape. The Compliance-Monitoring team arranged 2 destruction events in Cape Town and Durban, with 39 500 discs valued at around R39 million being destroyed.

INSPECTIONS	Q1	Q2	Q3	Q4	Total
PHYSICAL	484	519	505	514	2022
ONLINE	1353	1413	842	592	4200
COMBINED TOTAL	1837	1932	1347	1106	6222

Table 3: Compliance-Monitoring Inspections.

The organisation conducted various workshops which included 166 learner workshops, 43 parent workshops, 3 distributor workshops, 81 law enforcement workshops, 69 cinema workshops and 116 educator workshops with a total of **53 707** attendees reached.

Under the theme "Together for a Better Internet", the FPB conducted a series of build-up activities leading up to Safer Internet Day (SID) celebrated on 7 February 2023. The Multi-Unit activities for the Safer Internet Day took place in Gqeberha and targeted 8 primary schools. These activities reached a total of 2 495 learners in the Nelson Mandela Metropolitan Municipality. On the day of the main event, 20 learners from 20 high schools across the municipality were invited to attend as the FPB's guests of honour at the Nelson Mandela Bay Stadium. The Deputy Minister of Communications and Digital Technologies Philly Mapulane delivered a keynote address to the attendees. Midlands TVET College also formed part of the activities in Kariega (Uitenhage).

The Safer Internet Day was supported by Media Development and Diversity Agency (MDDA) and ZADNA. Representatives from various departments also attended, including the Departments of Communications and Digital Technologies, Basic Education, and Social Development. Google, Meta (Facebook), TikTok, and UNICEF were present to lend their support to the occasion.

Other Multi-Unit Outreach Campaigns/Flagship activities:

Child Protection Week (CPW) as a prevention strategy has become government's programme of action to mobilise all sectors and communities towards embracing the holistic development, care, and protection of children. The FPB conducted 2 build-up events for CPW from 27 to 28 May 2022, followed by the official launch on 29 May 2022. All activities pertaining to the CPW were held in Mpumalanga. The closing event together with related activities took place in the Northern Cape: 582 children and 79 parents attended.

Women's Month activities were conducted in Hoedspruit and Bushbuckridge as part of the build-up activities to the main event. The target audience were educators, learners and law enforcement officers. For the main event, the target audience included parents/caregivers and children living with disabilities. Those who attended included: learners: 1 548, parents 32, stakeholders 15, SAPS 64, people with disabilities 35, and educators 77.

The 16 Days of Activism of No Violence Against Women and Children Campaign multi-unit activities were conducted in Eldorado Park at the Nespro Centre, where the launch was held in collaboration with the Media Development Diversity Agency (MDDA). The Eldorado Park Women's Forum played a pivotal part in ensuring that the event was a success. Other activities were held in Diepsloot.

ICT Operations and Security

In the 2022/2023 financial year, a major priority for the Film and Publication Board has been the implementation of the digital strategy. As part of efforts to make this strategy a reality, the ICT Operations and Information Security team in partnership with other business units implemented the following key aspects related to the organisation's mandate in the 2022/23 financial year.

1. **Online classification:** The gaming matrix was implemented in the OCR. The internal Classification team was able to classify gaming content using OCR automation.

2. **FPB hotline:** The FPB Hotline was deployed, and it can be accessed through a link on the FPB corporate website.

3. **SAGE 300:** Sage 300 was deployed on 30 March 2023.

4. **Disaster recovery:** A disaster recovery facility was implemented to ensure recovery of data, and continued functionality of ICT during a disaster. A disaster-recovery test was conducted successfully and a disaster-recovery test report was submitted and approved by the FPB.

5. **New intranet site and central document management system:** A new FPB intranet site was developed on SharePoint and successfully deployed. The SharePoint Online Platform to migrate organisational records and documents into an integrated and cloud-based document management system was also completed. All business units have been successfully migrated to SharePoint which will enhance the FPB information management capabilities.

There are a number of other planned and ongoing projects in line with the digital transformation roadmap focusing on data analytics, business process automation, business continuity and information and cybersecurity, which will be implemented in the next financial year.

PROGRAMME 5: REGULATORY DEVELOPMENT AND ENFORCEMENT PROGRAMME

The financial year 2022/23 ushered in a new epoch for the FPB through the presidential proclamation and coming into operation of the amendments to the Films and Publications Act 65 of 1996, as amended ("the Act").The amendments ushered in the FPB as a Content Regulatory Authority of South Africa; thereby transitioning from its previous guise as a classification authority. The role of the institution was previously regulating the distribution of content, which was easily identifiable. Films were either distributed *via* disc (DVD and Blu-ray) and in cinema format, and games were likewise distributed in disc format whereas publications were in pre-packaged magazines and books. But with the developments in technology, content has moved to online streaming or digital platforms. Consumers, and particularly children now can access content which may not have been appropriately classified and labelled through such online streaming and digital platforms.

The purpose of the amendments therefore was to close the regulatory gap that currently exists in the expanded market. Consumers, and children in particular, run the risk of exposure to harmful content which is distributed on online streaming and digital platforms. It is important to note that what is deemed to be harmful content may differ from one jurisdiction to the next. Harmful content is a value laden concept and it is important for it to reflect the societal values and norms of that country. The amendments therefore extend the current rating system and content regulatory regime to digital and online content-providing services. This enhances the protection of children and limits consumer concerns and confusion.

Thus, the operationalisation of the Act also signalled the need for a stronger research function to able to comprehend the intricate environment of content regulation in South Africa. Interestingly, the FPB prioritised research and regulatory development as accelerants for the implementation of the Act and its amended provisions. One of the flagship projects was the development of the Accreditation Framework, as stipulated in section 18D of the Act. The provision outlines the conditions for accreditation of Foreign or International Classification Systems. Thus, the development of the Accreditation Framework required the research unit to conduct a *Critical Analysis of the FPB Classification System and Processes* for purposes of evaluating the efficiency and effectiveness of the current classification system.

This also included conducting a *Comparative Analysis of Systems and Processes of Foreign or International Classification Authorities to inform the FPB Accreditation Framework.* Subsequently, the Accreditation Framework was developed and approved by the Council.

In order to understand the environment in which the FPB operates as well as providing insights on the emerging technological trends in relation to our mandate, it was imperative for us to conduct the Market Intelligence and Trends Analysis study. This is due to the arising need for understanding current and future penetrations of technology in the industry, and its impact on media governance and policy implementation. The rapid development and increase of media technology usage in every facet of people's lives means that content regulators, distributors and the public are required to keep abreast with new technological developments as they happen. Thus, it is a prerequisite for the FPB to constantly evaluate its response to these developments and enhance its operational efficiency and effectiveness. In efforts to strengthen stakeholder relations and research partnerships, the Regulatory Development and Research Analysis Unit

submitted an abstract research report titled the *"Impact of Technology on Media Content Regulation"* to the Bureau of Market Research (Youth Research Unit) for purposes of participating in the 2022 inaugural *Coalition to End Sexual Exploitation Africa Summit.* The summit took place during September 2022 at the University of South Africa (UNISA). Surprisingly, the Senior Researcher of the FPB Mr Eugene Mashapa was bestowed the best local paper award during this prestigious event. Additionally, during the month of September 2022, the FPB hosted the inaugural South African Online Safety Youth Council Summit at the University of Limpopo. South African youth were afforded an opportunity to join the FPB as youth council members, with the aim to create a platform for the youth to have honest conversations on matters relating to online harms and the FPB's mandate.

On the other hand, in order to ensure that the FPB is in a position to execute its expanded legislative mandate aligned to the Act, the programme proceeded to develop regulatory tools and instruments aligned to the expanded mandate of the FPB to strengthen our regulatory function. In order to ensure that the FPB is in a position to execute its expanded legislative mandate aligned to the FP Act, the Regulatory Development and Enforcement programme proceeded to develop regulatory tools and instruments namely, the complaints handling procedures and the Enforcement Committee rules aligned to the expanded mandate of the FPB to adequately capacitate the compliance and enforcement team to be familiar with recent developments in the field. Such capacitation empowers the FPB to commence to investigate and ensure that proceedings may be launched before the Enforcement Committee in instances where non-compliance has been identified and persists.

The programme undertook consultations with industry stakeholders, policymakers, researchers, academics, and social commentators to discuss and establish the issues which the FPB should consider to formulate the necessary regulatory tools. Such consultation contributed to developing a more comprehensive understanding of the manner in which the regulatory tools should be developed, and provided structured guidelines on how to respond to complaints which the institution shall be receiving aligned to its expanded mandate.

The programme through the processes highlighted, assisted in consolidating all of the work undertaken by the institution in bringing into operation the provisions of the FP Act, and provided a clear position of the institution's approach to executing its expanded legislative mandate. In instances where there is a need to launch formal proceedings before the Enforcement Committee, the programme highlighted the challenges regarding the need for adequate resources to ensure that the objects of the legislation, and in particular that the expanded legislative mandate is adequately executed.

The approval of the regulatory instruments developed, by the Council of the FPB and their publication in the Government Gazette triggered the process for the workshops with members of staff, and resulted in the successful implementation.

The 2022/23 financial year also provided the FPB with an opportunity to capitalise on strengthening collaboration with other regulators. This was done through a collaborative discussion of matters of mutual interest with the Independent Communications Authority of South Africa (ICASA), the Domain Name Registrar (ZADNA), and the Information Regulator as well as the need to establish a Digital Regulators Forum to better regulate matters of mutual interest.

Children with Disabilities

One of the non-regulatory functions of the FPB is to roll out a public education and outreach plan focused on children with disabilities. Children with disabilities should have full access to safety and protection programmes that allow them to be safe online. The stigma and taboo that surrounds abuse, especially in the global south, adds additional barriers which make it difficult for children with disabilities to disclose their experience of abuse.

Children with disabilities have not received the necessary attention as part of the outreach and awareness-raising initiatives, and the FPB has now taken the responsibility to ensure that the community is served adequately as well. The organisation reached out to schools for the deaf to raise awareness particularly in online safety issues. The challenge raised was their ability to access the FPB Hotline reporting portal given their disability. The FPB, given the latter is embarking on a proposal to improve the hotline to ensure that it caters to persons with disabilities beyond the deaf community.

PREDETERMINED OBJECTIVES

The Board planned to deliver 13 outputs during the year under review: 10 were delivered, one was not delivered; and two were not applicable for the financial year, as there was no performance throughout the year under review translating into an overall annual achievement of 92%.

STRATEGIC FOCUS 1: ORGANISATIONAL TRANSFORMATION

Strategic Objective 1.1: Migration from the Classification Authority to Online Content Regulator

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
1.1.1 Digitally-Driven Organisation	% of Digital Transformation Roadmap Implemented	New Indicator	Approved Digital Transformation Roadmap	The Digital Transformation Roadmap was approved by the Council in July 2022. The gaming matrix was implemented in OCR. Internal classifiers are able to classify gaming content using OCR automation. This feature will be extended to distributors for self-classification. The FPB Hotline was implemented, and it can be accessed through a link on the FPB corporate website. A disaster-recovery facility was implemented to ensure the recovery of data, and continued functionality of ICT, after events such as natural disasters and cyberattacks.	Achieved	N/A	Alignment to the Expanded mandate of the FPB

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
				Disaster-recovery (DR) tests were conducted successfully in Q3, and a DR test report was submitted and approved by the FPB. Sage 300 was deployed on 30 March 2023 and it is currently active.			
1.1.2 Efficient, effective, and appropriately resourced regulator.	Approved Human Capital (HC) Business Improvement Strategy (HCBIS) and plan implemented.	New Indicator	HC Business Improvement Strategy and implementation plan approved by the Council and implementation commenced.	Prioritised HC Business Improvement Strategy and implementation plan approved. HR plan implementation ongoing, and progressing. Sage 300 was deployed on 30 March 2023 and it is currently active.	Achieved	N/A	Alignment to the expanded mandate of the FPB.

STRATEGIC FOCUS 2: REGULATORY CAPACITY AND ENFORCEMENT

Strategic Objective 2.1. Efficient and Effective Content Regulation

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
2.1.1 Improved Content Classification	Percentage (%) of licensing and content classification decisions issued within 7 working days.	New Indicator	90% of classification decision issued within 7 working days.	70.1% of Classification Decisions issued within 7 working days	**-19.1%**	Deviation: Manual Classification Process Plan of Action: Develop and implement games matrix to reduce classification turnaround times on games.	Alignment to the Expanded mandate of the FPB

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
	% of application for licenses processed within 5 working days.	New Indicator	95% of application for licenses processed within 5 working days.	99.4% of application for licenses processed within 5 working days.	**+4.4%**	The efficient registration and renewal process resulting to the approval within turnaround times	Alignment to the Expanded mandate of the FPB

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
2.1.2 Improved Online Content Regulator	Percentage (%) of online distributor applications concluded (self-classification).	New Indicator	90% of online distributor applications received processed within 6 months.	Not applicable	**N/A**	No applications were received for the financial year	Alignment to the Expanded mandate of the FPB
	Developed accreditation standards and framework to process applications for international classification authorities.	New Indicator	Council approved accreditation standards and framework to process applications for international classification authorities.	Accreditation framework revised and presented before Operations and Information Technology Committee and approved by Council.	**Achieved**		Alignment to the Expanded mandate of the FPB

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
2.1.3 Implementation of FPB Amendment Act Developed and/ or updated	Number of Regulatory frameworks for the Implementation of FP Amendment Act developed and/ or updated.	New Indicator	Regulator of the future proposal developed and approved.	Regulator of the Future Proposal drafted, approved by Council and submitted to Executive Authority in Quarter 1	**Achieved**		Alignment to the Expanded mandate of the FPB
2.1.4 Effective and Efficient Compliance and Enforcement	Percentage (%) of matters before Enforcement committee finalized as stipulated by the Enforcement Committee Regulations / ToR.	New Indicator	90% (ninety percent) of matters before the Enforcement Committee finalized within 12 (twelve) months.	Enforcement Committee rules published and shared with the enforcement Committee. No matters presented before the Committee.	**N/A**	No matters presented before the Committee.	Alignment to the Expanded mandate of the FPB

STRATEGIC FOCUS 3: CUSTOMER FOCUS

Strategic Objective 3.1: Effective and Efficient Service Delivery

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
3.1.1 Efficient Service Delivery	Percentage (%) of consumer complaints/ queries resolved within 10 working days.	New Indicator	Resolve at least 60% of queries/ complaints received within turnaround times.	Resolved 99.4% of queries/ complaints received within turnaround times.	+39.4%	Fewer complaints received compared to queries, which resulted in queries being resolved quicker.	Alignment to the expanded mandate of the FPB.
	Percentage (%) of customer satisfaction levels	New Indicator	Achieve customer satisfaction level of 60%	Achieved customer satisfaction level of 84%	+24%	Efficient service delivery in registration, renewals and attending to queries, resulting in satisfied customers.	Alignment to the expanded mandate of the FPB.

STRATEGIC FOCUS 4: FINANCIAL SUSTAINABILITY

Strategic Objective 4.1: To increase the percentage of self-generated revenue

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
4.1.1 Maximise non-government revenue	The increase in percentage (%) of self-generated revenue over total revenue	New indicator	18% Increase on own generated revenue	31.4%	+13.4%	There was no baseline on the target as this was a new target and the 18% was an estimation; and we had a number of new online distributors compared to the previous financial year (2021/2022)	Alignment to the expanded mandate of the FPB.

STRATEGIC FOCUS 5: STAKEHOLDER MANAGEMENT AND COLLABORATIONS

Strategic Objective 5.1: Leverage local and international strategic partnerships to achieve the amended mandate of the FPB

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
5.1.1 Increased Local and International MOUs signed with Strategic Partners	Number of MOUs signed with Strategic Partners	2 MOUs signed with Strategic Partner	1 MOU signed with Strategic Partner	2 MOUs signed with Strategic Partner SABC and ZEDNA	+1	Reached out to more partners to assist the organisation to achieve on the expanded mandate	Alignment to the expanded mandate of the FPB.

STRATEGIC FOCUS 5: STAKEHOLDER MANAGEMENT AND COLLABORATIONS

Strategic Objective 5.2: Improved awareness of the expanded FPB mandate

Outcome Indicator	Output Indicator	Actual Achievement 2021/22	Planned Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement for 2022/23	Reasons for Deviation	Reason for Revisions to Outcome/ Output Indicators and Planned Targets
5.2.1 The public and industry are educated on the expanded FPB mandate	Percentage (%) implementation of the Public Education Plan	New indicator	100% implementation of the Public Education Plan	54 activities were planned, and 71 activities were conducted Actual performance is 131%	+31%	Stakeholder collaborations built during the year, yielded more public education platforms in collaboration with stakeholders for the FPB through invitations. The FPB in the financial year supported the Ministry programmes more than any other year	Alignment to the expanded mandate of the FPB.

REVENUE COLLECTION

Classification fees

The reason for undercollection on classification is as a result of less material submitted for classification than anticipated.

Registration fees

The reason for undercollection on registration is as a result of stores that are closing down from distributing material physically.

Annual renewal fees

The reason for undercollection on renewal is as a result of stores that are no longer renewing, because they are no longer distributing material.

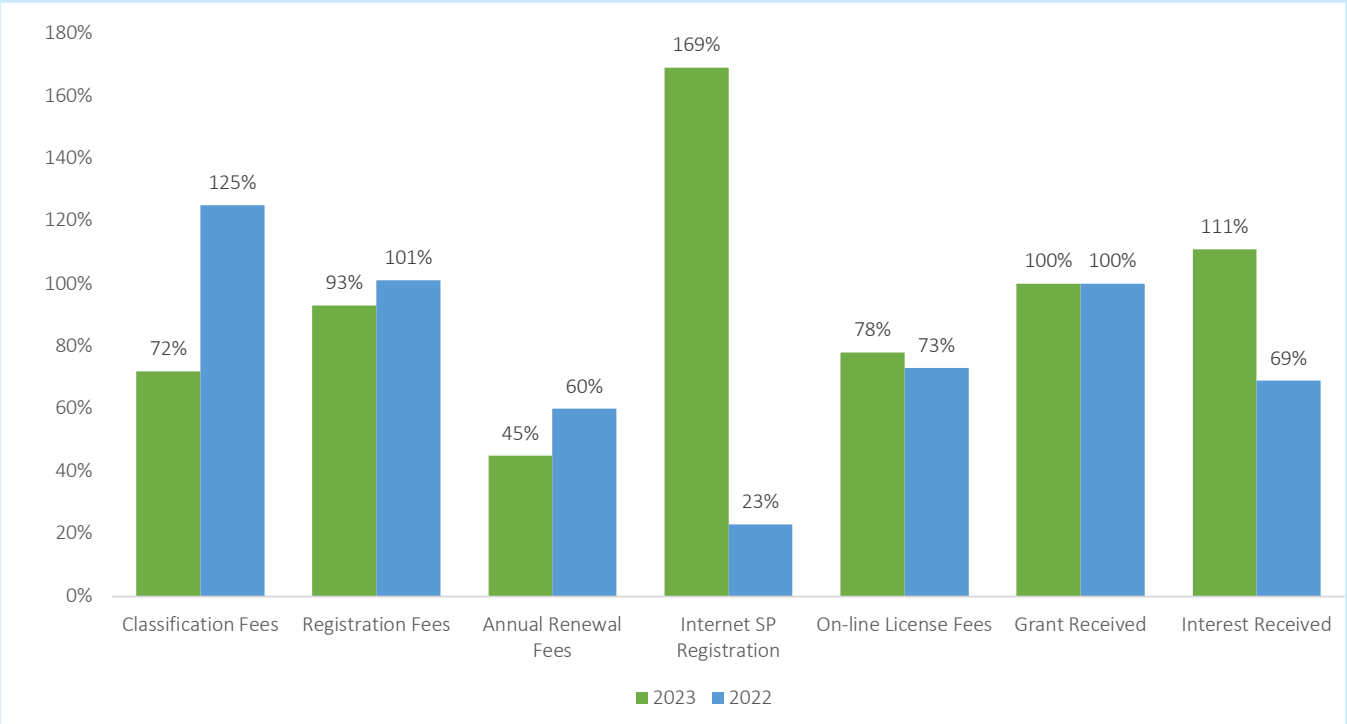
Online license fees

The reason for undercollection on online license fees is as result of less online distributors concluding the license agreement with the FPB than what was projected.

Interest income

The reason for overcollection on interest is as a result of good cash-flow management and the interest rate that was high.

	2023			2022		
Sources of revenue	Estimate	Actual amount collected	(Over)/ under-collection	Estimate	Actual amount collected	(Over)/ under-collection
Operational grant	102 870	102 870	0	100 937	100 937	0
Classification fees	1 795	1 297	-498	1 391	1 171	-221
Registration fees	284	264	-20	316	317	2
Annual renewal fees	343	153	-190	324	193	-131
Copies of certificates			0		1	1
Online license fees	12 271	11 043	-1 228	10 335	7 397	-2 938
Internet service provider registration	104	175	72	98	22	-75
Interest income	1 974	2 191	217	1 075	926	-148
Other income		105	105		147	147
Total	**119 641**	**118 098**	**-1 648**	**114 475**	**111 112**	**-3 510**



PART C:
GOVERNANCE

PART C: GOVERNANCE

The Council is responsible for monitoring principles of corporate governance and completely aligns itself with the application of the recommendations of the King Report on governance (King IV). The Council is committed to corporate processes and ensures that FPB's operations are conducted ethically, taking into account best practice.

To the best of the Council's knowledge, information and belief, the FPB complied with applicable legislation, policies and procedures, as well as the codes of governance in the review period.

Council Charter

The Council has adopted a formal charter which clearly articulates its duties and responsibilities and which is reviewed and approved bi-annually. The Council Charter is closely aligned with King VI. The Council confirms that, during the period under review, it satisfactorily discharged its duties and obligations as contained in the Council Charter.

Composition of the Council and its role

The FPB Council comprised 10 Council members including the Chief Executive Office all from diverse backgrounds, appointed by the Minister of Communication and Digital Technologies based on experience, technical skills, qualifications and knowledge. The Minister of Communication and Digital Technologies appointed the Council on 21 April 2022 in line section 6 and 8 of the Films and Publications Act.

The primary responsibility of the Council is the leadership of the FPB, strategic direction and policy, operational performance, financial matters, risk management and compliance. It is responsible for the general management and control, exercising leadership, integrity and judgement in directing the FPB based on transparency, accountability, and responsibility. The Council is the focal point of the corporate governance system of the FPB. Authority for day-to-day management of the FPB's activities is delegated to the management team through a Delegation of Authority Framework approved by the Council. The mandate, role, and responsibilities of the Council are stipulated in the Council Charter as set out in the FP Act.

Induction of new members

A comprehensive induction programme is to be conducted once the new Council is appointed to ensure that new Council members are informed of the required knowledge of the FPB's structure, operations, policies and industry-related issues, and to enable them to fulfil their duties and responsibilities. The Council secretary administered this programme.

Delegation of authority

The Council exercises oversight authority to lead, control and manage the business of the FPB. Through a Delegation-of-Authority Framework the Council has delegated certain powers and functions to the Chief Executive Officer and executive committee (Exco) to manage the day-to-day business affairs of the FPB. The delegation of authority assists the Chief Executive and Exco in decision-making and meeting strategic objectives without absolving the Council of its accountability and responsibilities to the FPB. There are, however, some non-delegated matters reserved for approval by the Council and/or the Minister of Communication and Digital Technologies in terms of the FP Act, the Council Charter and the delegation-of-authority document.

Minimising conflict of interest

Conflict of interest is managed through mandatory annual declarations of interest. All Council members are required to declare any conflict of interest on an ongoing basis. The Council Charter details the importance of declaring any conflict of interest and contains provisions for dealing with such conflicts.

Code of Conduct

The Code of Conduct regulates and controls the Council members' conduct and behaviour. The Code of Conduct applies to the Council as well as the committee and other meetings relating to the affairs of the Board. The Code of Conduct requires the members to act with the utmost good faith, honesty, professionalism, and integrity in all their dealings with the Board's affairs. The values encapsulated in the Code of Conduct are continuously instilled through ongoing communication and training.

Portfolio Committees

Parliament exercises its oversight role through evaluating the performance of the public entity by interrogating their annual financial statements and other relevant documents which have to be tabled, as well as any other documents tabled from time to time.

Parliament's Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor.

The Portfolio Committee exercises oversight over the service delivery performance of the public entity. It reviews the non-financial information contained in the annual reports of the public entity and is concerned with service delivery and enhancing economic growth.

SCOPA also provides commentary on the number of meetings held with the portfolio committees, and the key issues raised by the portfolio committee members.

Executive Authority

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The PFMA governs/ gives authority to the Executive Authority for oversight powers.

The Executive Authority also has the power to appoint and dismiss the Board of a public entity. The Executive Authority must also ensure that the appropriate mix of executive and non-executive directors is appointed and that directors have the necessary skills to guide the public entity.

It also provides commentary on the reports submitted to the Executive Authority and the dates submitted, and discusses any issues raised by the Executive Authority.

Council Secretary

The Council Secretary has a pivotal role to play in advising the Council on its roles and responsibilities, among other duties. The roles and responsibilities of the Council Secretary are defined in the Council Charter, read together with the Companies Act and the King IV Report. The Council Secretary is responsible to the Council through the office of the CEO for, *inter alia,* ensuring compliance with procedures and applicable statutes and regulations. All directors have unlimited access to the advice and services of the Council Secretary, and all directors are entitled to seek independent professional advice at the FPB's expense concerning the affairs of the FP, after obtaining the approval of the Chairperson.

The Council Secretary maintains an arm's length relationship with the Council and its members, and is empowered with the necessary authority and support to carry out her duties, which include: maintaining all statutory records; bi-annually reviewing all Council and committee charters; assisting the Chairperson with the annual Council evaluation; advising the Council on business ethics and good governance; ensuring that the Council's policies and instructions are communicated to the appropriate persons in the FPB; ensuring that the Council receives adequate information so as to make informed decisions; and ensuring the Council's induction, training and development.

The Council has considered the skills, qualifications and performance of the Council Secretary, Ms Ngwako Molewa. The Council is satisfied with her continuing suitability for the position.

Council meetings and Council committees

Council meetings are held at least once every quarter, with special meetings convened when necessary. In the review period there were 4 scheduled Council meetings, 5 special Council meetings, an AGM and several Council workshops convened. Executive members attended Council meetings as invitees. Details of attendance are shown below:

Attendance at Council Meetings	**Dates**									
Council Member	12/04/22 Special Meeting	29/04/22	13/05/22 Special Meeting	31/05/22 Special Meeting	29/07/22	06/09/22 Special Meeting	16/09/22 AGM	28/10/22	09/12/22 Special Meeting	30/01/23
Ms Zama Mkosi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Lungelo Nxele	✓	✓	✓	✓	✓	✓	A	✓	✓	✓
Adv Tokyo Nevondwe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Zanele Nkosi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Mpho Sedibe	✓	✓	A	✓	✓	A	A	✓	A	✓
Mr Phosa Mashangoane	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Maggie Pillay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table: 7: Attendance at Council Meetings

✓: Attended A: Apology

The members of the Council have the following subcommittees:

Audit and risk committee (the Arc)

The audit and risk committee is appointed by the Council of the FPB and has four independent non-executive Council members. The executive officer and chief financial officer are permanent invitees to committee meetings, while the Auditor-General attends by invitation.

The Audit Committee has adopted Terms of Reference based on the Public Finance Management Act (the PFMA). The Audit Committee members have considered and are of the view that they are effectively independent of the Board and its management thereof.

Roles and responsibility

The committee is regulated by approved terms of reference, and it is responsible for, *inter alia,* he review of financial performance, external audit strategy and reports, the internal audit function, risk management, budgets, PFMA compliance, fraud and corruption, information technology governance, and the monitoring

of CAPEX projects. The terms of reference are aligned with the requirements of the Public Finance Management Act (PFMA), the National Treasury regulations and the King IV Report.

During the period under review, the Audit and Risk Committee met 5 times to review, *inter alia,* the year-end and interim results of the Board as well as to consider regulatory and accounting standards compliance. (See the table below.)

Attendance at ARC Committee Meetings	Dates of meetings				
	22/04/22	30/05//22 Joint ARC and FINCOM	25/07/22	21/10/22	25/01/22
ARC Committee Member	✓	✓	✓	✓	✓
Ms Zanele Nkosi	✓	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓	✓
Ms Mpho Sedibe	✓	✓	✓	✓	✓
Adv Tokyo Nevondwe	✓	✓	✓	✓	✓

Table:8: Attendance at ARC Committee Meetings

✓: Attended A: Apology

FINANCIAL COMMITTEE (the FINCOM)

The Financial Committee was appointed by the Council of the FPB and has four independent non-executive Council members. The Chief Executive Officer and Chief Financial Officer are permanent invitees to committee meetings. The FINCOM is mainly to assist the Council by overseeing and providing guidance to management on financial administration, budgeting, financial reporting and related matters.

During the period under review, the FINCOM met 8 times to review, *inter alia,* major financial transactions that fall within the threshold requiring the Council's approval on behalf of the Council. This also included conducting quarterly review of financial statements, reviewing and monitoring organisational cash-flow reports, overseeing and monitoring risk and control environments of the finance unit. (See the table below.)

Attendance at FINCOM Committee Meetings	Dates of meetings							
FINCOM Committee Member	20/04/22	11/05/22 Joint HR and FINCOM	30/05/22 Joint ARC and FINCOM	29/06/22	22/07/22	19/10/22	26/01/23	14/03/23 Joint HR and FINCOM
Ms Zanele Nkosi	✓	✓	✓	✓	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓	✓	✓	A	✓
Ms Mpho Sedibe	✓	✓	✓	A	✓	✓	✓	✓
-Ms Lungelo Nxele	✓	✓	✓	✓	✓	✓	✓	✓

Table: 9: Attendance at FINCOM Committee Meetings

✓: Attended A: Apology

Operations and ICT Committee (the OPITCOM)

The OPITCOM was appointed by the Council of the FPB and has four non-executive Council members. The Chief Operating Officer, Chief Executive Officer and Chief Financial Officer are permanent invitees to committee meetings. The duties and functions of the committee *inter alia*, includes: to provide oversight and advice to the Council on the strategic direction and activities of the Operations and Shared Services Division, including but not limited to planning, implementation, performance-reporting and risk-monitoring in the following functions: Industry Regulation of:

(i) Classification;

(ii) Child Protection;

(iii) Communications and Public Education;

(iv) Compliance-Monitoring;

(v) Facilities Management;

(vi) Legal and Regulatory Framework; and

(vii) Research, Policy and Advocacy.

ICT governance:

(i) Alignment of IT with the business direction;

(ii) Achievement of strategic IT objectives;

(iii) Availability of suitable IT resources, skills and infrastructure;

(iv) Optimisation of IT costs and risk, return and competitive aspects of IT investments.

During the period under review, the Operations and ICT Committee met 6 times to review the FPB's functions in respect of operational, performance-reporting and ICT governance matters as well as make recommendations to the Council regarding their relevance to the Board's mandate. (See the table below)

Attendance at OPITCOM Meetings	Date of meetings					
OPITCOM Member	25/04/22	27/07/22	19/11/21 Regulatory Instruments	24/10/22	24/01/23	08/03/23 Special
Ms Lungelo Nxele	✓	✓	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓	✓	✓
Ms Maggie Pillay	✓	✓	✓	✓	✓	✓
Mr Phosa Mashangoane	✓	✓	✓	✓	✓	✓

Table: 10: Attendance at OPITCOM Meetings

✓: Attended A: Apology

Human Resource and Remuneration Committee (the HR & REMCO)

The HR & REMCO was appointed by the Council of the FPB and has four non-executive Council members. The Shared-Services Executive, Chief Executive Officer and Chief Financial Officer are permanent invitees to committee meetings. The duties and functions of the committee *inter alia*, includes: overseeing and providing guidance to management on human capital, human resources, remuneration, recruitment and other related matters.

During the period under review, the HR & REMCO met 9 times to review the strategic direction and activities of the Shared-Services Division, with a particular focus on Human Resources planning, administration and remuneration. (See the table below)

Attendance at HR REMCO Meetings	**Date of meetings**								
HR & REMCO Member	22/04/22	11/05/22 Joint HR & FINCOM	29/06/22Joint HR & FINCOM	26/07/22	28/07/22	05/09/22 Special	21/10/22	23/01/23	14/03/23 Joint
Adv Tokyo Nevondwe	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Mpho Sedibe	✓	A	A	✓	✓	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Phosa Mashangoane	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table: 11: Attendance at HR REMCO Meetings

✓: Attended A: Apology

Chairpersons Committee and Social and Ethics Committee (the CHAIRCO)

The CHAIRCO is appointed by the Council of the FPB and has four non-executive Council members. The Chief Executive Officer is a permanent invitee to committee meetings.

The CHAIRCO is responsible for performing advisory functions to the Council and Chairperson. In addition, the Chairperson's Committee is tasked with taking decisions on any matters within the prerogative of the Chairperson's Committee, as well as other urgent matters that will have an impact on the operations of the FPB, except policy matters. The CHAIRCO is also responsible for advising the Council on social and ethics, safety, security and environmental matters. During the period under review, the CHAIRCO met 9 times to assist the Council in respect of all activities of the Council and its Committees.

Attendance at CHAIRCO Meetings	Date of the Meeting								
CHAIRCO Member	01/04/22 Enforcement Committee Interviews	07/04/22 Enforcement Committee Interviews	28/04/22	28/07/22	05/10/22 Special CHAIRCO	24/10/22 Special CHAIRCO	26/10/22	01/11/22 CEO Interviews	27/01/23
Ms Zamantungwa Mkosi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Zanele Nkosi	✓	✓	✓	A	✓	✓	✓	✓	✓
Adv Tokyo Nevondwe	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms Lungelo Nxele	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table: 12: Attendance at CHAIRCO Meetings

✓: Attended A: Apology

AD-HOC Meetings and Workshops

Council held 7 ad hoc meetings mainly focusing on the strategy and workshop on the future regulator and regulatory instruments.

Attendance of Ad-hoc Meetings	**Dates**						
Names of Council Members	12/04/22 Content of the Future Regulator Proposal Workshop	24/05/22 Content of the Future Regulator Workshop	18/07/22 Bi-Annual Meeting with NEHAWU	25/08/22 Strategy Review	26/08/22 Strategy Review	15/03/23 Strategy Review	16/03/23 Strategy Review
Ms Zamantungwa Mkosi	✓	✓	✓	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓	✓	✓	✓
Ms Lungelo Nxele	✓	✓	✓	✓	✓	✓	✓
Adv Tokyo Nevondwe	✓	✓	✓	✓	✓	✓	✓
Ms Zanele Nkosi	✓	A	✓	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓	✓	✓	✓
Ms Mpho Sedibe	✓	✓	✓	✓	✓	✓	✓
Mr Phosa Mashangoane	✓	✓	✓	✓	✓	✓	✓
Ms Maggie Pillay	✓	✓	✓	✓	✓	✓	✓

Table: 13: Attendance of Ad-hoc Meetings

✓: Attended A: Apology

Council remuneration

Council remuneration is determined by the Minister of Communication and Digital Technologies in consultation with the Minister of Finance. Council members are remunerated a sitting fee for meeting attendance and preparation. Members are also reimbursed for any travel expenses incurred. The Council remuneration is disclosed in the Annual Financial Statements and is summarised hereunder:

Name	Annual remuneration R
Mkosi Z (Chairperson)	224,145
Tyali SM (Deputy Chairperson)	284,839
Nevondwe LT	248,237
Nxele L	228,879
Sedibe M	157,143
Pillay M	140,610
Nkosi GZ	286,889
Mashangoane PJ	175,494
Nontso A	166,614

Table: 14: Council remuneration

APPEALS TRIBUNAL COMPOSITION

The members of the Film and Publication Board (FPB) Appeal Tribunal were appointed in October 2022 for a period of 5 years, terminating in 2027. The appointed members were:

- Siyazi Tyatyam (Chairperson)
- Sohani Natasha Chundhur
- Litheko Modisane
- James Hlamalani-Shikwambana
- Phuthi Phukubje
- Nomaswazi Shabangu-Mndawe
- Shandukani Mulaudzi
- Sisanda Nkoala
- Manko Buffel (reappointment)

OCTOBER 2022

Event: Breakfast with Industry

Date: 28 October 2022

The members of the FPB Appeal Tribunal were introduced to the industry stakeholders at a **breakfast meeting.**

JANUARY 2023

Event: High-level induction

Date: 31 January 2023

The introduction and induction meeting was held in January 2023. The meeting included the official handover from the previous chairperson to the current serving chairperson.

FEBRUARY 2023

Event: ***I Am Here*** Appeal Hearing

Date: 14 February 2023

The first appeal that was dealt with by the Tribunal was *I am Here.* The appeal was lodged by the distributor, Sanktuary Films (Appellant). The FPB had classified the film and awarded the age-rating and consumer advice of 16 P SV V, respectively.

The Appellant appealed the award with a request of a lower age-rating of 13, without provision as to consumer advice.

However, the Respondent set as its premise and argument that the main purpose of the Film and Publication Act, 1996 (Act No. 65 of 1996), is the protection of children from the exposure to potentially disturbing or harmful material and from premature exposure to the adult experience.

After considerable deliberation, the Appeal Tribunal delivered the following award:

The Appeal Tribunal upheld the decision of the Film and Publication Board which classified the film and awarded the age-rating and consumer advice of 16 P SV V, respectively.

This decision was in consensus with the full complement of the Appeal Tribunal members present.

The workshop was held with the members of the FPB and Enforcement Committee pictured below:

RISK MANAGEMENT

Risk-Management Approach

The Film and Publication Board (FPB) uses the Top-Down risk management approach and assesses, manages and reports all significant risks and related mitigation plans consistently throughout the organisation in line with defined risk-management practices and reporting protocols. The approach fosters the management of risks from the Top (Executive and Management managing strategic risks) to the Bottom (Managers and Assistant Managers managing operational risks) within respective programmes.

Enterprise Risk-Management Policy and Strategy

The FPB operates in terms of the Enterprise Risk-Management Framework (Policy, Strategy, and Implementation Plan) derived from the National Treasury's Risk-Management Framework. This framework is further aligned to the FPB's Strategic and Annual Performance Plans to ensure that it is relevant for managing the organisation's risk exposure.

The FPB has established risk appetites and a tolerance threshold, which are used to measure the level of acceptable risks throughout the organisation. This framework is applied to ensure effective implementation of enterprise risk-management systems and processes.

The approved Risk Appetite and Tolerance-levels assist with the determination of the points at which risks are considered significant and require mitigations to be implemented to manage the risk exposures to acceptable levels.

Awareness Culture

There are various processes to ensure awareness and commitment of the entire Department, such as:

- Risk-awareness workshops; and
- Uploading of risk management enabling documents in the FPB's intranet for ease of access by all employees.

Risk Assessments

The Top-Down risk-management approach adopted by the FPB requires strategic risk assessments to be completed first, and thereafter operational risk assessments completed. The risk assessments are further considered on the basis of the FPB's risk appetite and tolerance-levels.

The 2022/23 strategic risk assessments were completed on time with relevant reports presented to the Management Committee (MANCO), Executive (EXCO), Audit and Risk Committees (ARC) for consideration and approval, and the Council for sign-off.

Management of Risks

Management of strategic risks and the implementation of the respective risk-mitigation plans were monitored on a quarterly basis. Monitoring reports were compiled and presented on a quarterly basis to the Management Committee (MANCO), Executive Committee (EXCO), Audit and Risk Committee (ARC) and Council.

Strategic-Risk Management

Of 12 strategic risks identified during the 2022/23 financial year, 3 retired/moved from the register to operational risk register. Zero (0) has been managed within acceptable risk-level (appetite) while 9 remained outside acceptable risk-levels. Strategic risks that remained outside the acceptable risk-levels were due to the following key challenges/root causes:

a) Expanded mandate.

b) Transformation in the organisation to align to the expended mandate.

c) Reluctance to participate in the change management programme.

d) Ageing ICT infrastructure.

e) Stakeholder relations strategy not aligned with the new strategic objectives of the organisation.

f) Inadequate technology to review and classify content electronically (manual classification).

g) Unfavourable economic conditions of the country or global.

Value Add

Enterprise Risk-Management systems and processes have assisted the FPB in the achievement of strategic focus by ensuring that the following are considered during the 2022/23 strategic planning processes:

a) Risk management being part of the strategic planning process – this assisted with ensuring that resources are prioritised and allocated to the relevant key strategic focus and that realistic targets are set. This was also the case when the FPB revised the APP targets and milestones due to the expanded mandate.

b) Current and emerging strategic risks – these risks assist the process by ensuring that the annual performance plan includes mitigations/ interventions to address these identified strategic risks.

c) Key root causes for the identified strategic risks – these key root causes or challenges have also been considered and analysed to ensure that proper mitigations are planned to address the identified strategic risks to acceptable appetite and tolerance-levels, e.g. availability of resources (financial, human and other relevant resources), inadequate technologies, etc.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance Policy and Framework

The FPB operates in terms of the approved Compliance Framework and the Legislative Policy which are derived from the relevant legislation and best practices. The approved policy was revised in 2021, and the framework was approved in late 2022/23 to start implementation in the 2023/24 financial year. The framework is further aligned to relevant FPB policies to ensure alignment and relevance for managing the FPB's compliance exposures. Implementation of the policy is achieved through the following initiatives:

a) Monitoring and reporting on the implementation of the Policy and Legislative Matrix to MANCO, EXCO, ARC and the Council on a quarterly basis.

b) Incorporating and ensuring compliance risks are identified at different levels of the risk-management process, i.e. during strategic and operational risk identification and assessment processes; this will ensure that compliance risk becomes part of the enterprise risk-management value chain.

FRAUD AND CORRUPTION

1.1 Fraud Prevention Plan and Implementation

The Film and Publication Board has developed a Fraud-Prevention Plan (Strategy, Policy, Investigation Procedure, Implementation Plan and Whistle-Blowing Policy) derived from the National Anti-Corruption Framework (NACF), Public Service Regulation 2016 (PSR 2016) and other relevant prescripts. The plan excluding the Whistle-Blowing Policy was revised in June 2021 for implementation in the 2021/22 financial year and the whistle-blowing was developed in the 2022/23 financial year. These enabling documents are further aligned to the relevant FPB Policies and Procedures to ensure relevance for managing the FPB's fraud and unethical practices exposures.

Implementation of the framework is achieved through the following initiatives:

c) Awareness on prevention of fraud and unethical practices including, among others, uploading of fraud-prevention enabling documents on the FPB's intranet for ease of access by all employees.

d) Monitoring and reporting on the implementation of the Fraud-Prevention Plan to the MANCO, EXCO, ARC and Council on a quarterly basis.

e) Incorporating and ensuring fraud risks are identified at different levels of the enterprise risk-management process, i.e. during strategic, project and operational risk identification and assessment processes; this will ensure that fraud risk becomes part of the enterprise risk-management value chain.

f) The ARC and Council providing oversight over the effectiveness of fraud-prevention systems and processes.

1.2 Mechanisms to report fraud and corruption

a) The FPB use the Ethics and Fraud Hotline facilitated by advance Call for whistle-blowing purposes that is operated and managed by the independent service provider. Employees were encouraged to report any suspected corrupt, fraudulent, criminal or unethical practices using this Hotline number.

CODE OF CONDUCT

The FPB has an approved Code of Ethics Policy that set the principles and standards to be followed during financial disclosures. This policy is aligned to the Public Service Regulation 2016, which places the requirement for all public servants to comply with ethics and financial disclosure requirements. The policy was approved in June 2021 for implementation in the 2021/22 financial year.

An ethics and code of conduct-awareness session was held with staff to conscientise them on expected business codes and how to report allegations of fraud.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Health and safety matters have not been dealt with, as we are still to constitute the internal Ethics Committee who will then report at Council and committee-level. These will also include issues of health and safety as those are also part of the social and ethics agenda.

REPORT OF THE AUDIT AND RISK COMMITTEE

The establishment of the audit and risk committee is in accordance with Section 51(1)(a)(ii) and Section 77 of the Public Finance Management Act (PFMA), as well as Treasury Regulation 27.1.

The committee comprises of four members, including the chairperson. In terms of the charter, the committee should meet at least four times per year. During the financial year under review, the committee convened a total of five meetings, including one joint session held with the Finance Committee. The table below shows the attendance of these meetings.

Members and attendance

Member	1 April 2022 – 31 March 2023				
	22/04/2022-ARC	30/05/2022-Joint Fincom and ARC	25/07/2022- ARC	21/10/2022- ARC	25/01/2023- ARC
Ms Z Nkosi (Chairperson)	Attended	Attended	Attended	Attended	Attended
Ms M Sedibe	Attended	Attended	Attended	Attended	Attended
Adv L Nevondwe	Attended	Attended	Attended	Attended	Attended
Dr S Tyali	Attended	Attended	Attended	Attended	Attended

Charter

The committee plays a crucial role in supporting the Council by actively contributing to its oversight responsibilities. Specifically, the committee focuses on evaluating the effectiveness and efficiency of internal controls, the financial reporting process, risk management practices, and compliance measures.

In line with this objective, the committee has thoroughly reviewed and formally adopted a charter for the current year. This charter, duly approved by the Council, serves as a guiding document for the committee's activities and ensures alignment with the relevant statutory requirements outlined in the regulations mentioned above.

Effectiveness of internal controls

The PFMA requires the Accounting Authority to ensure that the organisation has and maintains effective, efficient and transparent systems of financial, risk management and internal control.

In line with this, the committee conducted a thorough review of significant matters raised by both the internal and external audit processes. An evaluation of financial controls and action plans implemented to address any identified deficiencies was performed. The committee's review identified the following control weaknesses:

- Inadequate processes to resolve identified and reported irregular, fruitless and wasteful expenditure.

The committee recommends management develop proper processes and respond to the issues within reasonable time. Consequence management should also be implemented where necessary.

Quality of quarterly management reports

The committee received and consistently reviewed both financial and non-financial information and ensured that monthly and quarterly reporting processes were of the appropriate quality and in accordance with the PFMA and all relevant legislation.

Effectiveness of internal audit

Internal audit is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the organisation and its operations.

The committee has the responsibility of ensuring that the function is independent, resourced and has the necessary skills and authority to enable it to discharge the responsibilities effectively. The function has unrestricted access to the committee.

In the financial year under review, the committee reviewed and approved the three-year rolling and an annual risk-based plan. Activities of the function were monitored quarterly against this plan. The committee also assessed the adequacy and appropriateness of management's action plans in response to identified areas of improvement.

The committee is satisfied that the function has properly discharged its functions and responsibilities for the year under review. The function also undertook a quality assessment review performed by an independent firm. A generally conform overall rating was consequently achieved. Where any shortcomings have been identified, the committee is quarterly monitoring the implementation of actions.

Risk management

As a fundamental pillar of effective governance, the committee plays a crucial role in overseeing the systems and processes of risk management within the entity.

During the year under review, the committee analysed and reviewed the entity's annual assessment processes. The committee also performed a review of the risk framework, strategy and implementation plan. Fraud prevention plan and strategy was also reviewed. Furthermore, the committee monitored the progress of mitigation actions as planned.

As part of integrated reporting and to complement risk management, a combined assurance framework was developed and presented to the committee. The committee reviewed and then recommended the framework to Council.

The committee has emphasized the need to enhance risk management processes within the IT environment. This measure aims to effectively address potential vulnerabilities and ensure the robust safeguarding of critical information and systems.

Summary of main activities undertaken by the committee during the year under review

- Review the quarterly financial statements and unaudited annual financial statements;
- Monitoring and implementation of corrective action plans to address AGSA and internal audit findings;
- The process to ensure compliance with relevant laws and regulations;
- Review of quarterly performance information report and annual report
- Review of operational risk registers
- Review of ARC and internal audit charter
- Approve the terms of engagement of the external auditor, including fees

External audit

The committee noted the engagement letter, strategy and audit fees from the AGSA for the 2022/23 financial year.

The committee also monitored the implementation of the actions plans to address matters arising in prior years. The AGSA kept the committee informed of the progress made with the external audit process and the challenges thereof. Meetings were held with external auditors, ensuring their impartiality and unhindered execution of the audit.

Evaluation of annual financial statements and performance information

The Committee has:

- Reviewed the draft AFS and Performance Information Report to be included in the Annual Report;
- Reviewed the AGSA's Management Reports and the Management responses thereto;
- Reviewed significant adjustment resulting from the audit;
- Reviewed any changes in accounting policies and practices; and
- Reviewed entity compliance with applicable regulatory provisions.

Auditor's Report

The committee engaged in discussions with both management and the Auditor-General South Africa (AGSA) regarding the audit outcomes for the financial year 2022/23. The committee therefore acknowledges and accepts the audit opinion and concurs that the audited financial statements should be accepted and read in conjunction with the Auditor-General's report.

Appreciation

The committee extends its gratitude to the accounting authority, senior management team, internal audit, and the AGSA for their unwavering support and commitment throughout the year under review. Their collaborative efforts have been instrumental in upholding the principles of transparency, accountability, and sound governance within the organization.

Zanele Nkosi

Chairperson: Audit and Risk Committee

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	Compliance through supply chain process
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Not applicable

PART D:

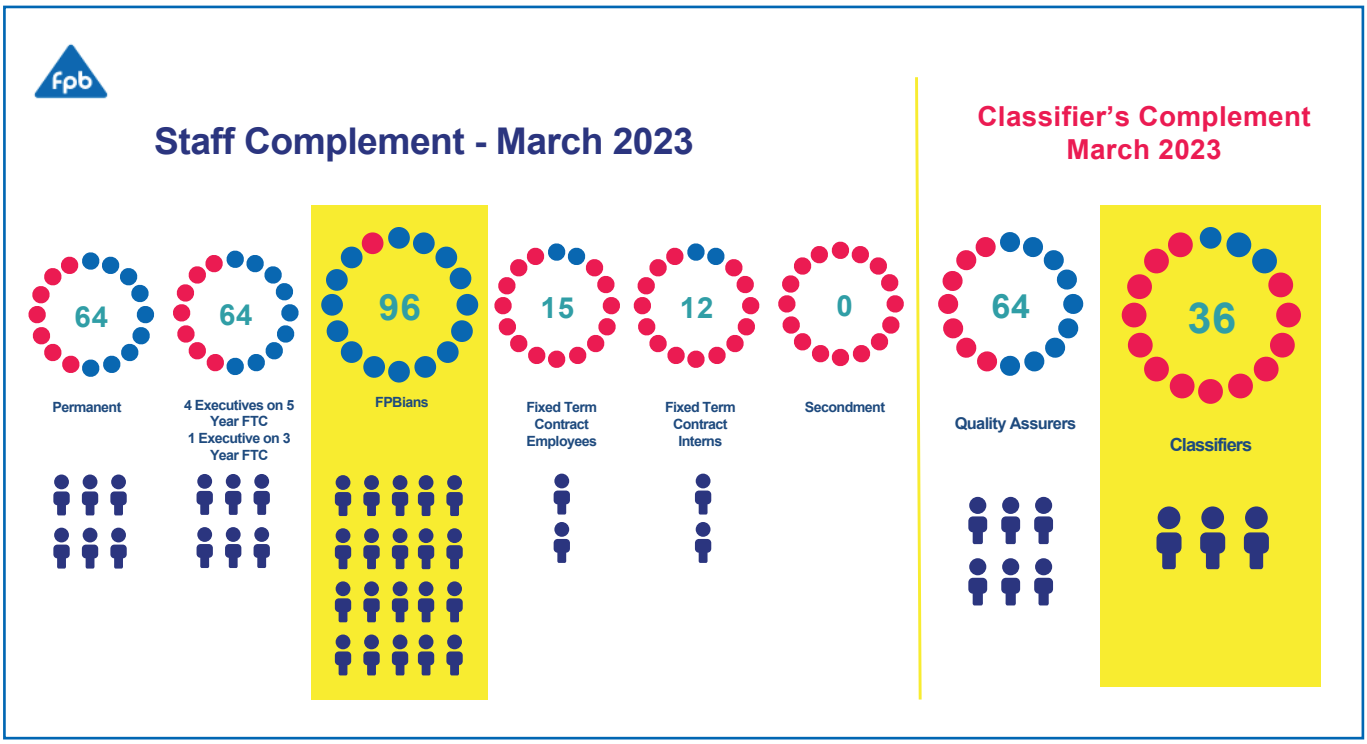
HUMAN RESOURCE MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT

The FPB-approved strategy prioritised organisational transformation so that the organisation has a capable, ethical, and highly performing workforce. To ensure that the FPB achieves its strategic objectives, the organisation undertook a restructuring programme resulting in the executives engaging the Council and the Minister on the upliftment of the moratorium as it inhibited the organisation's ability to attract and retain the needed critical and core skills.

The Minister approved the transitional structure with effect from 1 June 2022 to address the implementation of the extended mandate. The Minister's approval was subject to executives prioritising critical positions in line with the available funds. The executives prioritised 27 critical positions to deliver the new mandate while awaiting the funding of the approved structure. The additions of the prioritised positions change the headcount from 98 to 125 for the financial year. The process of evaluating the prioritised positions was also prioritised and the grading outcomes approved by the executives. The training of line managers was also initiated to ensure that job profiles are aligned to reengineered business processes to remove duplication and improve efficiencies.

The total headcount at 31 March 2023 was 96 employees which consist of 64 permanent staff and 32 fixed-term contracts including the young professionals.



The Young Professionals Programme is an intervention aimed at providing opportunities of practical skills training to unemployed qualified youth and those who have completed their theoretical course work at recognised institutions of higher learning to enhance their chances of employability, while at the same time contributing to service delivery. The FPB will continue to strengthen and implement its Young Professionals Programme focusing on its prioritised critical and core skills. The HC Unit continues to monitor the quarterly developmental programme for the young professionals through the line managers.

The review of the organisational end-to-end processes for automation and process reengineering is planned for the next financial year. The SCM processes were initiated to source a suitable service provider. Quotations were received awaiting assessments by the executives. The Business Process Modernisation seeks to scope the utilisation of the most current technologies in developing strategies to update ineffective processes within an organisation, with the objective being to maximise efficiency. Council approved the Digital Transformation to transform services or businesses, through replacing non-digital or manual processes with digital processes or replacing older digital technology with newer digital technology. Digital transformation marks a radical rethinking of how an organization uses technology, people and processes to fundamentally change business performance.

The vacancy rate on the approved and funded structure is 2%, while in the transitional structure with the addition of 27 prioritised positions resultant in a vacancy rate of 23% for the financial year. The organisation recorded 12 exits for the year under review which consisted of resignations and 4 end-of-contract terminations. The recruitment drive resulted in 8 appointments and the recruitment process of all executive positions was finalised to close the leadership vacuum.

The organisation also implemented a change management strategy to facilitate the planned organisational transformation for an efficient and effective mandate achievement of the FPB. The organisational change management strategy was aimed at creating an organisational culture that is ethical, professional, values-driven and aimed at performance excellence in attending to the work of the FPB. The implementation of the approved transformation plan is to be implemented in 3 years to close all the identified gaps and address the identified negative perceptions associated with organisational culture. The organisation managed to facilitate a staff engagements session to address employees' perceptions and for information-sharing.

The approved transformation plan is also aimed at ensuring that the organisation has a competent workforce. Reskilling and ongoing development of employees through various training programmes was prioritised in partnership with various tertiary institutions. A total of 53 employees participated in training and development programmes, which amounted to above seven hundred thousand expenditures for the year. The development of executives and managers was also prioritised to close the identified gaps on staff communication and engagement. The appointment of suitable service providers for leadership coaching, and career management were finalised and approved to be implemented in the next financial year.

The organisation's personnel salary bill is under severe pressure due to the general constraints faced by the South African economy and national fiscus. The executive continue to align the remuneration framework including salary negotiations to better manage the salary bill, and ensure a greater degree of uniformity and alignment in remuneration between the various identified regulators in the sector. The salary increments for the 2021/22 financial year was implemented and backpay processed in the March 2022 pay run.

The executive implemented all planned consultation meetings with organised labour in the organisational restructuring and other identified organisational matters. The change management intervention highlighted the fact that how discipline is managed in the workplace has a bearing on organisational efforts in developing a professional and ethical workforce. It was noted by the executives that a high level of discipline influences organisational performance and ultimately results in positive service delivery outcomes. Conversely, the lack of discipline (or its mismanagement) is usually a tell-tale sign of an unethical culture and organisational dysfunctionality. The Human Capital Unit in consultation with the line managers implemented interventions to reduce the timelines in which employees' grievances and disciplinary processes are resolved. The litigation report is presented to the Council on a quarterly basis to ensure timeous resolution of reported grievances and disciplinary actions. The position of a Labour Relations specialist was created to assist in this regard.

Two cases are still pending at the Labour Court and 3 grievances were received. One was resolved and the 2 are awaiting implementation of the recommendations from the forensic report.

The organisation continued to implement the Employment Equity Action Plan to ensure a conducive environment for the appointed designated groups (Women, black and other racial groups, and People Living with Disabilities. The organisation has reached 2% on the employment of persons with disabilities. The Employment equity profile for the organisation is still reflective of the Economically active population with females being at 61% and 46% at Managerial representation.

The approved organisational transformation plan emphasised a need to ensure that individual employees' performance is enhanced for the attainment of approved outcomes, and improvement of organisational performance. The approved Performance Management Development System (PMDS) ensures that employees understand the links between performance measures, and successful accomplishment of strategic outcomes. The organisation will continue to ensure the alignment between the departmental strategic planning documents with individual performance agreements.

The Performance Moderation meetings conducted in the 21/22 Performance Review period and moderation outcome were submitted to the Council, and feedback was communicated. The Council did not approve payment of performance bonuses, and pay progression for the financial year.

The Human Capital Unit continues to monitor the submission of performance agreements and assessments. Reports are escalated to EXCO to address non-submission and non-compliance with the Performance Management Policy.

The unit managed to review several of its policies which were presented to staff and recommended by EXCO to be presented to the Council. The process to present the policies to the Council was postponed in finalising the financial implications of the reviewed policies. The project will be prioritised in the new financial year.

The challenge remains for the Human Capital Unit to establish a balance between sound and effective administration processes and its role in assisting the organisation to achieve excellence through the implementation of a holistic and relevant Human Capital Turnaround Strategy. The Human Capital Unit consciously strives to improve service delivery and ensure a comprehensive service to all staff. Key and

ongoing challenges recorded as high risks continue to be the culture change, the attraction and retention of critical and core skills to deliver on the new mandate.

The following mitigations will be implemented in the new financial year:

- Expedite the OD processes and the business process reengineering to accommodate the future look of the Film and Publication Board.
- Implement employee engagement interventions to re-affirm the organisational values and culture.
- Implement a Leadership Development and Talent Management Strategy to attract and retain critical and core skills.

HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel costs by programme/activity/objective

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Personnel costs as a % of total expenditure (R'000)	No of employees	Average personnel cost per employee (R'000)
Staff	58 199	58 199	92%	96	606
Classifiers	4 990	4 990	8%	41	121

Personnel costs by salary bands

Salary band	Personnel expenditure (R'000)	% of total personnel cost (R'000)	No of employees	Average personnel cost per employee (R'000)
Classifiers	4 990	8%	41	121
Support staff	42 707	68%	80	533
Management	11 964	19%	11	1 087
Executive *	3 527	5%	5	705
Total	**63 190**	**100%**	**137**	**461**

* Executive appointments done and start date impacts on the cost for the period.

Performance Rewards

	Number of beneficiaries	Cost	% of rewards to employees
African			
Male	0	0	0%
Female	0	0	0%
Indian			
Male	0	0	0%
Female	0	0	0%
Coloured			
Male	0	0	0%
Female	0	0	0%
White			
Male	0	0	0%
Female	0	0	0%
TOTAL			0%
Employees with disability	0		

No performance bonuses were paid for the 2021/22 performance period.

Training Costs

Programme/activity/ objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No of employees trained	Average training cost per employee
Power BI	725	R6 379.05	0.88%	1	R6 379.05
ISO27001	785	R9 660.00	1.23%	1	R9 660.00
Annual Tax Training	598	R1 719.25	0.29%	1	R1 719.25
Compensation Management	598	R31 935.50	5.34%	1	R31 935.50
Human Capital Best Practices benchmarking	1350	R14 000.00	1.04%	1	R14 000.00
SAIA Conference	1350	R14 950.00	1.11%	1	R14 950

Programme/activity/ objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No of employees trained	Average training cost per employee
Risk Intolerance	6 500	R55 434.50	0.85%	11	R5 039.50
SAICA Membership	1 771	R7 661.00	0.85%	1	R7 661.00
SAIBA Membership	1 247	R 4 206.52	0.34%	1	R4206.65
First level 1 and 2 training	3 251	R34 051.50	1.05%	7	R4 864.50
Employment Equity Training	5 923	R35 9901.54	0.61%	9	R3 989.06
Post Graduate Diploma in Internal Auditing	1 218	R59 336.00	4.87%	2	R29 668.00
Bachelor Degree in Forensic Investigation	488	R5 865.00	1.2%	1	R5 865.00
BCom in economics	464	R17 235.00	3.71%	1	R17 235.00
Bachelor of Applied Social Science	488	R90 000.00	18.43%	1	R90 000.00
Bachelor of Arts in Government Administration and Development	928	R42 889.04	4.62%	2	R42 889.04
LLB	598	R15 434.75	2.58%	1	R15 434.75
Diploma in Policing	592	R29 785.00	5.03%	1	R29 785.00
Bachelor Degree in Public Administration	567	R27 489.04	4.85%	1	R27 489.04
Advance Diploma in Business Management	780	R3 752.00	4.07%	1	R31 752.00
Bachelor of Commerce (Hons) in Human Resource Management	275	R39 060.00	14.18%	1	R39 060.00
Masters of Forensic Science and Technology	275	R40 000.00	14.52%	1	R40 000.00
Masters in Business Leadership (MBL)	1 806	R156 430.00	8.66%		R156 430.00
Total	**32 586**	**R771 175.28**	**Average 2.37%**	**53**	**R14 550.48**

Employment and Vacancies Table to be as follows:

A – Employment and Vacancies by Programme

Programme/activity/ objective 2022/2023	No of Employees 2021/2022	Approved Posts 2022/2023	No of Employees 2022/23	No of Vacancies 2022/23	% Vacancy Rate
Programme 1:	11	13	11	2	15.38%
Programme 2:	15	19	15	4	21.05%
Programme 3:	7	11	7	4	36.36%
Programme 4:	56	64	54	10	15.63%
Programme 5:	9	18	9	9	50.00%
Total	**98**	**125**	**96**	**29**	**23,20%**

During the 2022/23 financial year the Film and Publication Board obtained approval on the revision of the Organisational Structure to support the extended mandate. As of 31 March 2023, 29 positions were prioritised for recruitment. With the amended structure, the current vacancy rate of the FPB is 23%.

Recruitment processes are under way to fill the positions speedily.

Employment Changes

Employment Changes reflect the appointments made and terminations within the organisation for the 2022/23 period.

Salary Bands	Number of employees per level as at 1 April 2022 check	Appointments and Transfers In	Terminations and Transfers Out	Employment at end of Period at 31 March 2023
Support Staff	75	4	9	70
Management	11	1	2	10
Executive Management	2	3	1	4
Total	**88**	**8**	**12**	**84**

Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	0	0
Resignation	8	67
Expiry of Contract	4	33
Dismissal – organisational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharge due to ill-health	0	0
Retirement	0	0
Other	0	0
Total	12	100
Total number of employees who left as a % of the total employment.		14%

This includes all staff, permanent and FTC

During the period, the FPB was impacted by a mandate on recruitment that allowed placement on Fixed-Term Contracts only. Four of the terminations within the period were due to the end of these contracts, and thus contributed to the turnover rate. Individuals left the organisation during the period citing the following reasons: career growth, financial benefit and permanent employment. The organisation has taken the following actions to reduce turnover: revision of the organisational structure to align with the FPB's extended mandate and Career Development Programme that would feed into a greater Talent Management Strategy for the FPB.

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling (included letters of caution in this)	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Grievances	1	50
CCMA	0	0
Theft and Loss Committee	0	0
Case withdrawn	0	0
Other – historical matters ongoing	1	50
Total	2	100

Misconduct and disciplinary action, 1 April 2022 to 31 March 2023

PART E:
PFMA COMPLIANCE REPORT

PART E: PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	2 766 359	2 127 626
Add: Irregular expenditure confirmed	33 553	638 733
Less: Irregular expenditure condoned		-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off		-
Closing balance	**2 799 912**	**2 766 359**

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	33 553	638 733
Total	**33 553**	**638 733**

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description[1]	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	33 553	-
Irregular expenditure under investigation	-	-
Total[2]	**33 553**	**-**

None

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned		-
Total		-

No irregular expenditure was Condoned

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

No irregular expenditure was removed

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

No irregular expenditure was recovered

1 Group similar items
2 Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

No irregular expenditure was written off

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

None

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

None

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
No disciplinary actions were taken during the current financial year

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	3 549 441	3 553 167
Add: Fruitless and wasteful expenditure confirmed		
Less: Fruitless and wasteful expenditure written off		
Less: Fruitless and wasteful expenditure recoverable		3 726
Closing balance	3 549 441	3 549 441

The

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	-	-
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/2023	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total [4]	**-**	**-**

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description[3]	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	537 697
Fruitless and wasteful expenditure under determination	-	144 679
Fruitless and wasteful expenditure under investigation	3 549 441	2 867 065
Total[4]	**3 549 441**	**3 549 441**

FPB made a settlement payment to the former employees for their exit. The further investigation underway on treatment of the expenditure

c) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	3 726
Total	-	3 726

This was an salary overpayment to an employee, the amount was recovered

3 Group similar items
4 Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

d) Details of current and previous year irregular expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

No fruitless and wasteful expenditure was recovered during the year

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	**-**	**-**

None

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
		-
Total		-

None

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)		
Total		

None

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)		
Total		

None

PART F:
FINANCIAL INFORMATION

LIST OF ABBREVIATIONS

GRAP	Generally Recognised Accounting Practice
CCMA	Commission for Conciliation, Mediation and Arbitration
DCDT	Department of Communications and Digital Technologies
FPB	Film and Publication Board
ICT	Information and Communications Technology
MTEF	Medium-Term Expenditure Framework
PAYE	Pay as You Earn
PO	Purchase Order
PFMA	Public Finance Management Act
SITA	State Information and Technology Agency

GENERAL INFORMATION

Business address

420 Witch Hazel Street
Eco Park
Centurion
0160

Postal address

Private Bag X31
Highveld Park
0169

(012) 003 1400

Bankers

ABSA Bank
(011) 501 5050

Auditors

Auditor General of South Africa
(012) 426 8000

Report of the auditor-general to parliament on the Film and Publication Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Film and Publication Board (FPB) set out on pages 119 to 161, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Film and Publication Board as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Statutory receivables – exchange transactions

7. As disclosed in note 5 to the financial statements, the public entity has a material balance of statutory receivables older than 180 days on the age analysis. Management analysed this balance and concluded that it should not be impaired as the probability of non-payment is negligible.

Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Report of the auditor-general to parliament on the Film and Publication Board

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 27 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Film and Publication Board. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to strategic objective 2.1: efficient and effective content regulation presented in the annual performance report for the year ended 31 March

Report of the auditor-general to parliament on the Film and Publication Board

2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Percentage (%) of licensing and content classification decisions issued within 7 working days.
- % of application for licences processed within 5 working days
- Percentage (%) of online distributor applications concluded (self-classification)
- Developed accreditation standards and framework to process applications for international classification authorities
- Number of Regulatory frameworks for the Implementation of FP Amendment Act developed and/or updated
- Percentage (%) of matters before Enforcement committee finalised as stipulated by the enforment committee regulations/TOR

16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
    - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only.

19. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matter

20. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

Report of the auditor-general to parliament on the Film and Publication Board

Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Other information in the annual report

26. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting authority's report. The other information does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in strategic objective presented in the annual performance report that have been specifically reported on in this auditor's report

27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in strategic objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

Annexure to the auditor's report

Internal control deficiencies

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

30. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
PFMA	Section 1 (definition of irregular expenditure)
	Section 38(1)(a)(iv)
	Section 38(1)(b)
Section 38(1)(c)(i)	
	Section 38(1)(c)(ii)
	Section 38(1)(d)
	Section 38(1)(h)(iii)
	Section 39(1)(a)
	Section 39(2)(a)
	Section 40(1)(a)
	Section 40(1)(b)
	Section 40(1)(c)(i)
	Section 43(4)
	Section 44
	Section 45(b)
	Section 51(1)(a)(iv)
	Section 57(b)
Treasury Regulations	Regulation 4.1.1
	Regulation 4.1.3
	Regulation 5.1.1
	Regulation 5.2.1
	Regulation 5.2.3(a)
	Regulation 5.2.3(d)
	Regulation 5.3.1
	Regulation 6.3.1(a)
	Regulation 6.3.1(b)
	Regulation 6.3.1(c)
	Regulation 6.3.1(d)
	Regulation 6.4.1(b)
	Regulation 7.2.1
	Regulation 8.1.1
	Regulation 8.2.1
	Regulation 8.2.2
	Regulation 8.2.3
	Regulation 8.4.1
	Regulation 9.1.1
	Regulation 9.1.4
	Regulation 10.1.1(a)

LEGISLATION	SECTIONS OR REGULATIONS
Treasury Regulations (continued)	Regulation 10.1.2
	Regulation 11.4.1
	Regulation 11.4.2
	Regulation 11.5.1
	Regulation 12.5.1
	Regulation 15.10.1.2(c)
	Regulation 16A3.2 (fairness)
	Regulation 16A3.2(a)
	Regulation 16A6.1
	Regulation 16A6.2(a)
	Regulation 16A6.2(b)
	Regulation 16A6.3(a)
	Regulation 16A6.3(b)
	Regulation 16A6.3(c)
	Regulation 16A6.3(e)
	Regulation 16A6.4
	Regulation 16A6.5
	Regulation 16A6.6
	Regulation 16A7.1
	Regulation 16A.7.3
	Regulation 16A7.6
	Regulation 16A.7.7
	Regulation 16A8.3
	Regulation 16A8.4
	Regulation 16A9.1(d)
	Regulation 16A9.1(e)
	Regulation 16A9.1(f)
	Regulation 16A9.2(a)(ii)
	Regulation 17.1.1
	Regulation 18.2
	Regulation 19.8.4
Construction Industry Development Board (CIDB) Act 38 of 2000	Section 18(1)
CIDB Regulations	Regulations 17
	Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1(i)
	Section 2.1(a)
	Section 2.1(b)
	Section 2.1(f)

LEGISLATION	SECTIONS OR REGULATIONS
Preferential Procurement Regulations of 2011	Regulation 4.1
	Regulation 4.3
	Regulation 5.5
	Regulation 6.1
	Regulation 6.5
	Regulation 7.1
	Regulation 9.1
	Regulation 9.5
	Regulation 11.2
	Regulation 11.5
Preferential Procurement Regulations of 2017	Regulation 4.1
	Regulation 4.2
	Regulation 5.1
	Regulation 5.3
	Regulation 5.6
	Regulation 5.7
	Regulation 6.1
	Regulation 6.2
	Regulation 6.3
	Regulation 6.5
	Regulation 6.6
	Regulation 6.8
	Regulation 7.1
	Regulation 7.2
	Regulation 7.3
	Regulation 7.5
	Regulation 7.6
	Regulation 7.8
	Regulation 8.2
	Regulation 8.5
	Regulation 9.1
	Regulation 10.1
	Regulation 10.2
	Regulation 11.1
	Regulation 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

LEGISLATION	SECTIONS OR REGULATIONS
Public Service Regulations of 2016	Regulation 18(1)
	Regulation 18(2)
	Regulation 25(1)(e)(i)
	Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Paragraph 3.3
NT SCM Instruction Note 04 of 2015/16	Paragraph 3.4
NT SCM Instruction Note 03 of 2016/17	Paragraph 8.1
	Paragraph 8.2
	Paragraph 8.3
	Paragraph 8.5
NT SCM Instruction Note 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 07 of 2017/18	Paragraph 4.3
NT SCM Instruction note 03 of 2019/20 [Annexure A – FIPDM]	Paragraphs 5.5.1(vi)
	Paragraph 5.5.1(x)
NT SCM Instruction Note 08 of 2019/20	Paragraph 3.1.1
	Paragraph 3.6
	Paragraph 3.7.2
	Paragraph 3.7.6(i)
	Paragraph 3.7.6(ii)
	Paragraph 3.7.6(iii)
NT SCM Instruction Note 03 of 2020/21	Paragraph 3.6
	Paragraph 3.7
	Paragraph 5.1(i)
	Paragraph 6.1
	Paragraph 6.3`

Accounting Authority's Report

The members submit their report for the year ended March 31, 2023.

1. Legal Form and Nature of Business

The Film and Publication Board is a public entity which was established in terms of the Film and Publications Act and commenced business in March 1998. It is listed as a schedule 3A in terms of the Public Finance Management Act of 1999. The Executive Authority is the Department of Communications and Digital Technologies.

2. Review of activities

Main business and operations

The Film and Publication Board regulates the creation, production, possession and distribution of films, games, certain publications by way of classification to:

a) protect consumers against harmful and disturbing material while allowing adults to make informed choices for themselves and the children in their care by providing consumer advice
b) protect children from exposure to disturbing and harmful material and from premature exposure to adult material;
c) make the use of children in pornography and exposure to pornography punishable;
d) criminalise the possession, production and distribution of child pornography? and
e) create offences for noncompliance with this Act.

The FPB classifies films, games and certain publications through the provision of age-ratings and consumer advisories. This ensures that consumers of content, and particularly parents and guardians, by being informed of what may be contained therein are able to ensure that children are not prematurely exposed to harmful content that may have a socio-psychological impact on their development.

3. Results for the year

The financial operating results for the period were satisfactory. The Film and Publication Board recorded a net deficit of R 918,351 (2022 - surplus R 4,397,469)

4. Going concern

We draw attention to the fact that at March 31, 2023, the entity had an accumulated surplus of R 46,146,357 (R47 064 709 - 31 March 2022) and that the entity's total assets exceed its liabilities by R 46,146,357 (R47 064 709 - 31 March 2022).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. There is no indication from the Department that the FPB will not continue to receive funding going forward.

5. Funding

The Film and Publication Board received a Government Grant of R 102,870,000 for the period ended March 31, 2023 and R 100,937,000 for the year ended March 31, 2022.

6. Subsequent events

Ms Ramugadi BH was appointed as CFO with effect from 8 May 2023..

Accounting Authority's Report

7. Accounting policies

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP),including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements set out on pages 119 to 161, which have been prepared on the going concern basis, were approved by the accounting authority on May 31, 2023 and were signed on its behalf by:

Dr Mashilo Boloka

Chief Executive Officer

Ms. Zamantungwa Mkosi

Chairperson of Council

Statement of Financial Position

as at 31 March 2023

FIGURES IN RAND	NOTE(S)	2023	2022 (RESTATED)
Assets			
Current Assets			
Cash and cash equivalents	3	35 787 114	38 707 211
Receivables from exchange transactions	4	3 088 722	2 548 762
Statutory receivable – Exchange transaction	5	7 369 966	6,302 768
		46 245,802	**47 558 741**
Non-Current Assets			
Property, plant and equipment	6	9 059 769	9 253,221
Intangible assets	7	10 036 432	10 215 765
		19 096 201	**19 468 986**
Total Assets		**65 342 003**	**67 027 727**
Liabilities			
Current Liabilities			
Finance lease obligation	8	–	290,522
Payables from exchange transactions	9	10 363 299	12 685 686
Provisions	10	8 832 347	6 986 810
		19 195 646	**19 963 018**
Total Liabilities		**19 195 646**	**19 963 018**
Net Assets		**46 146 357**	**47 064 709**
Accumulated surplus		**46 146 357**	**47 064 709**

Statement of Financial Performance

for the year ended March 31, 2023

FIGURES IN RAND	NOTE(S)	2023	2022 (RESTATED)
Revenue			
Revenue from exchange transactions			
Regulation Fees	12	12 931 987	9 101 555
Other revenue	13	104 889	146 947
Interest received - investment	15	2 191 010	926 277
Total revenue from exchange transactions		**15 227 886**	**10 174 779**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	14	102 870 000	100 937 000
Total revenue	11	**118 097 886**	**111 111 779**
Expenditure			
Employee related costs	16	(65 451 506)	(65 436 751)
Depreciation and amortisation	6&7	(2 390 948)	(2 289 339)
Finance costs	18	(9 783)	(28 304)
Lease rentals on operating lease	22	(6 442 456)	(8 333 021)
General expenses	17	(44 721 544)	(30 626 895)
Total expenditure		**(119 016 237)**	**(106 714 310)**
Surplus for the period		**(918 351)**	**4 397 469**

Statement of Changes in Net Assets

for the year ended March 31, 2023

FIGURES IN RAND	ACCUMULATED SURPLUS/ (DEFICIT)	TOTAL NET ASSETS
Opening balance as previously reported	41 884 889	41 884 889
Adjustments		
Prior year errors - 28	782 351	782 351
Balance at March 31, 2021 as restated*	**42 667 240**	**42 667 240**
Surplus for the period	4 397 469	4 397 469
Total changes	4 397 469	4 397 469
Restated* Balance at March 31, 2022	**47 064 708**	**47 064 708**
Surplus for the period	(918 351)	(918 351)
Total changes	(918 351)	(918 351)
Balance at March 31, 2023	**46 146 357**	**46 146 357**

Cash Flow Statement

for the year ended March 31, 2023

FIGURES IN RAND	NOTE(S)	2023	2022 (RESTATED)
Cash flows from operating activities			
Receipts			
Grants		102 870 000	100 937 000
Interest received		2 191 010	926 277
Other receipts		104 889	146 947
Regulation Fees		11 324 830	7 090 786
		116 490 729	109 101 010
Payments			
Employee costs		(65 378 467)	(66 434 211)
Suppliers		(51 713 890)	(34 532 570)
		(117 092 357)	(100 966 781)
Net cash flows from operating activities	20	**(601 628)**	**8 134 229**
Cash flows from investing activities			
Purchase of infrastructure, plant and equipment	6	(2 018 169)	(1 161 386)
Proceeds from sale of Infrastructure, plant and equipment	6	–	172 018
Purchase of intangible assets	7	–	(37 358)
Net cash flows from investing activities		**(2 018 169)**	**(1 026 726)**
Cash flows from financing activities			
Finance lease payments		(290 517)	(298,563)
Finance cost		(9 783)	(28,304)
Net cash flows from financing activities		**(300 300)**	**(326 867)**
Net increase/(decrease) in cash and cash equivalents		**(2 920 097)**	**6 780 636**
Cash and cash equivalents at the beginning of the period		38 707 211	31 926 575
Cash and cash equivalents at the end of the period	**3**	**35 787 114**	**38 707 211**

Statement of Comparison of Budget and Actual Amounts

for the year ended March 31, 2023

Budget on Accrual Basis						
FIGURES IN RAND	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Regulation fees	20 680 868	(5 884 496)	**14 796 372**	12 931 987	**(1 864 385)**	(a)
Other income	–	–	**–**	104 889	**104 889**	(b)
Interest received - investment	1 474 350	500 000	**1 974 350**	2 191 010	**216 660**	(c)
Total revenue from exchange transactions	**22 155 218**	**(5 384 496)**	**16 770 722**	**15 227 886**	**(1 542 836)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	102 870 000	–	**102 870 000**	102 870 000	**–**	
Total revenue	**125 025 218**	**(5 384 496)**	**119 640 722**	**118 097 886**	**(1 542 836)**	
Expenditure						
Personnel	(74 262 293)	9 449 021	**(64 813 272)**	(65 451 506)	**(638 234)**	(d)
Finance costs	–	–	**–**	(9 783)	**(9 783)**	
Lease rentals on operating lease	(6 299 009)	(598 242)	**(6 897 251)**	(6 442 456)	**454 795**	(e)
Travel and subsistance	(9 659 580)	(1 741 708)	**(11 401 288)**	(10 871 636)	**529 652**	(f)
Training and development	(1 497 560)	450 000	**(1 047 560)**	(1 270 269)	**(222 709)**	(g)
Administrative	(24 426 018)	(1 611 966)	**(26 037 984)**	(24 476 087)	**1 561 897**	(h)
Marketing and communications	(2 929 848)	(934 224)	**(3 864 072)**	(2 511 042)	**1 353 030**	(i)
Consulting	(4 542 236)	515 999	**(4 026 237)**	(3 400 525)	**625 712**	(j)
Legal services	(920 000)	(74 384)	**(994 384)**	(1 568 754)	**(574 370)**	(k)
Repairs and maintenance	(488 674)	(70 000)	**(558 674)**	(623 231)	**(64 557)**	(l)
Total expenditure	**(125 025 218)**	**5 384 496**	**(119 640 722)**	**(116 625 289)**	**3 015 433**	
Surplus before taxation	**–**	**–**	**–**	**1 472 597**	**1 472 597**	
Surplus for the year from continuing operations	**–**	**–**	**–**	**1 472 597**	**1 472 597**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**–**	**–**	**–**	**1 472 597**	**1 472 597**	
Reconciliation						
Basis difference						
Depreciation and amortisation				(2 390 948)		
Actual Amount in the Statement of Financial Performance				**(918 351)**		

Statement of Comparison of Budget and Actual Amounts

for the year ended March 31, 2023

The budget for 2022/2023 financial year was approved and prepared on the accrual basis (except for depreciation and amortisation) and all transactions were accounted for on accrual basis. Transfers received during the current financial year were from the Department of Communications and Digital Technologies and entities included in the budget were disclosed in Note 21.The changes between original budget and the adjustment budget is mainly due to a consequence of reallocation within the budget.

(a) Mid term revenue projections indicated a decrease in regulation fees to be collected for the remainder of the year, budget was therefore adjusted downwards and this is attributable to the poor performance at the time of less material submitted for classification and the online distributors that could not conclude the license agreements at year end.

(b) Other revenue is not budgeted for as it is not material, however FPB received the income from the insurer for an employee who was placed on temporary disability.

(c) Interest revenue generated surpassed the target as a result of good cashflow management and the effect of high interest rate.

(d) The personnel budget was adjusted downwards as a result of the underspend due to vacancies. When positions are filled on an acting basis, the acting allowance is lower than the full time cost.

(e) The under expenditure was as a result of the lease agreement for Gauteng that was negotiated and the commitments on the revised rate were made which resulted in lower rentals.

(f) The overspending was mainly due to the additional costs incurred in implementing the expanded mandate and introducing additional outreach activities in all the provinces to disseminate the information about the FPB's new mandate.

(g) The overspending on staff development was mainly because of the bursaries that FPB offer to its employees which is paid directly to the universities and as a result of late invoicing there is a timing difference, the expenditure was incurred towards the end of the financial year when the universities open.

(h) The underspending in admin costs is due to the fact that management implemented cost containment measures on line items like stationery,workshops and delay in finalisation of projects.

(i) The underspending was due to delay in the finalisation of the communication strategy and new branding.

(j) The underspending on consulting was as a result of some of the project being done internal

(k) The overspending on legal services was largely due to year end adjustment on labour costs provision based on CCMA award.

(l) Underspending on repairs and maintenance is not material and does not necessitate reasons for variance.

Accounting Policies

for the year ended March 31, 2023

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise. They are presented in South African Rand value.The AFS is rounded to the nearest Rand.

A summary of the significant accounting policies, which have been consistently applied are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements made relates to: the useful lives of, or expected pattern of consumption of economic benefits or service potential embodied in, depreciable assets, provisions, contingent liabilities, tax revenue due to government, bad debts arising from uncollected taxes, the fair value of financial assets and financial liabilities and warranty obligations.

Trade and other receivables

The entity assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit. The impairment is established when there is objective evidence that the FPB will not be able to collect all amounts due according to the original terms of receivables.

Impairment testing

Property, plant and equipment and Intangible assets are considered for impairment if there is a reason to believe that an impairment may be necessary.

The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

The leave pay provision is based on actual days leave due to employees at their rate of remuneration. Remuneration increases take effect annually at the beginning of the financial year. In determining the provision, itis assumed that no leave will be forfeited. The assumption is based on past history.

The entity is required to recognise provisions for claims arising from litigation when the occurrence of the claim is probable and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters

Accounting Policies

for the year ended March 31, 2023

require judgments regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal unit.

Litigation is however unpredictable and actual costs incurred could differ materially from those estimated at the reporting date

Going Concern Assumption

The Annual Financial Statements have been prepared on a going concern basis.

Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

Depreciation and amortisation

At the end of each financial year, management assesses whether there is any indication that the FPB's expectations about the useful life of assets included in the property, plant and equipment and intangible assets have changed since the preceding reporting date. If any such indication exists, the change has been accounted for as a change in accounting estimate in accordance with Standards of GRAP on Accounting Policies, changes in accounting estimates and errors. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Accounting Policies

for the year ended March 31, 2023

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

ITEM	AVERAGE USEFUL LIFE
Furniture and fixtures	12-20 years
Motor vehicles	5 years
Office equipment	4-15 years
Computer equipment	4-8 years
Leasehold improvements	2-10 years
Leased – Motor vehicles	3-5 years

The entity assesses at each reporting date whether there is any indication that the entity expectations about the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity will test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable amount and recoverable service amount, as appropriate, with its

Accounting Policies

for the year ended March 31, 2023

carrying amount:

(a) annually; and
(b) whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software	Straight line	3 - 12 Years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.4 Financial instruments

Classification

The entity has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

The classification depends on whether or not the financial instrument meets the criteria of a specific financial instrument category.

Financial assets Class	Category
Receivables from exchange transaction Cash and Cash Equivalents	Financial asset measured at amortised cost

Financial liabilities Class	Category
Payables from exchange transaction	Financial liability measured at amortised cost

Initial recognition and measurement

The enity recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument

The entity classifies the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or residual interest in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and a residual interest.

The entity measures all financial assets and financial liabilities at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Accounting Policies

for the year ended March 31, 2023

The entity shall disclose the carrying amounts of each of the categories of financial instruments.

Subsequent measurement

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Payables from exchange transactions

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

1.5 Statutory receivables

Identification

Statutory receivables are receivables that arise from the Films and Publications Act 65 of 1996, as amended, and require settlement by another entity in cash or another financial asset.

Accounting Policies

for the year ended March 31, 2023

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

The transaction amount (for purposes of this Standard) for a statutory receivable is dertemined using the gazzetted tarrifs as approved by the minister of Communications and Digital Technologies in line with the Films and Publications Act 65 of 1996. .

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Subsequent measurement

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether statutory receivables are impaired, an entity assesses whether there are any indications that:

(a) individually significant receivables are impaired; and/or

(b) groups of similar, individually insignificant, receivables are impaired.

If there is no indication that an individually significant statutory receivable is impaired it is included in a group of similar receivables and collectively assessed for impairment. Statutory receivables shall be grouped together and assessed collectively for impairment when they exhibit similar characteristics which provide information about the possible collactability of the amounts owing to the entity. If an impairment loss is, or continues to be, recognised for an individually

Accounting Policies

for the year ended March 31, 2023

significant receivable, then those receivables are not included in a collective assessment.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

Accounting Policies

for the year ended March 31, 2023

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

At the commencement of the lease term, lessees shall recognise assets acquired under finance leases as assets and the associated lease obligations as liabilities in their statement of financial position. The assets and liabilities shall be recognised at amounts equal to the fair value of the leased property or if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate

of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standards of GRAP on Property, Plant and Equipment (GRAP 17) and Intangible Assets (GRAP 31). If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life

Operating leases - lessee

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

Accounting Policies

for the year ended March 31, 2023

1.7 Impairment of cash-generating assets

Criteria developed by entity for cash-generating assets are as follows:

Designation

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

Identification

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

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

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Recognition and measurement (individual asset)

An impairment loss is recognised immediately in surplus or deficit.

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

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

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Accounting Policies

for the year ended March 31, 2023

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.8 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the

Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries, UIF and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

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for the year ended March 31, 2023

- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.9 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A contingent asset is a possible asset that arises from past events, and whose existence 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. Contingent liability is a possible obligation that arises from past events, and whose existence 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;

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount to be recognised as a provision shall be the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 23.

1.10 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.11 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.12 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate; Exchange differences are recognised in surplus or deficit in the period in which they arise.

1.14 Comparative figures

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

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

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

1.16 Irregular expenditure

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

(a) this Act; or

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

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

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.17 Budget information

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 04/01/2022 to 03/31/2023.

1.18 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

1.19 Change in accounting policy

There was no change in accounting policy and standard that was adopted during the year.

Notes to the Financial Statements

for the year ended March 31, 2023

2. New standards and interpretations

The following standards of GRAP have been approved but are not yet effective and not yet applied for the year ended 31 March 2023:

GRAP 104 - Financial instruments - Effective date 1 April 2025

The amendments are aligning GRAP 104 to IFRS 9. In terms of the new classification requirements, financial assets may only be classified at amortised cost if entity's management model is to hold financial assets to collect contractual cash flows, and those cash flows consist solely of principal and interest payments. Based on management's initial assessment, the classification of financial assets is unlikely to change following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decis.

The new impairment requirements are based on an Expected Credit Loss (ECL) model. Management is in the process of assessing the impact of the new impairment requirements on the financial statements.

GRAP 25 - Employee Benefits (as revised) - Effective date 1 April 2023

The entity has been in compliance with the previous version of GRAP 25 and does not foresee any significant changes or additional disclosure when the revised standard is effective as it does not a defined benefit plan.

GRAP 103: Heritage Assets - Effective date (To be confirmed)

The entity does not have any heritage asset therefore this standard will not have any impact on the entity.

GRAP 1 (amendments related to materiality) Presentation of Financial Statements - Effective date 1 April 2023

The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.

GRAP 1 (amendments related to going concern) Presentation of Financial Statements - The effective date is yet to be determined by the Minister of Finance

The transitional provisions are specified in the revised Standard. The enity will consider using the Standard in developing an accounting policy once it becomes effective

Notes to the Financial Statements

for the year ended March 31, 2023

3. Cash and cash equivalents

FIGURES IN RAND	2023	2022 (RESTATED)
Cash and cash equivalents consist of:		
Cash on hand	817	2 695
Bank balances	8 313 403	5 181 938
Short-term deposits	27 472 894	33 522 578
	35 787 114	38 707 211

The short term deposits relate to investments held at Corporation for Public Deposit (CPD) and ABSA call account and it is available for use immidiately as required by FPB.

Cash and cash equivalents held by the entity are available for use.

4. Receivables from exchange transactions

FIGURES IN RAND	2023	2022 (RESTATED)
Debtors	2 954 942	2 378 183
Staff petty cash advance	16 380	5 125
Sundry Deposit	117 400	117 400
Pre payments	–	48 054
	3 088 722	**2 548 762**

Debtors

The debtors amount include the amount owed by staff for overpayment and other sundry debtors. At the end of the reporting period none of the trade and other receivables from exchange transations were past due and impaired.

Staff petty cash advance

The Staff petty cash advance are the advances given to staff members for catering, fuel, and other petty items.

Sundry Deposit

The sundry deposit are held by the lessor of the operating leases for the rental of FPB Offices in Durban.

Prepayments

The amount for prepayments relates to payment made in advance for the lease rentals.

Notes to the Financial Statements

for the year ended March 31, 2023

5. Statutory receivable - Exchange transaction Current assets

FIGURES IN RAND	2023	2022
Statutory receivable	7 369 966	6 302 768

Statutory receivables arise from the Films and Publications Act 65 of 1996, as amended, and requires the distributors to register with the board for an annual license to distribute content physically or online. The receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably. The entity is required or entitled in terms of Films and Publications Act 65 of 1996, as amended to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" as well as the relevant policy on Revenue from exchange transactions.

Management analysed the statutory receivable to consider if there is any of them that are past due but not impaired and concluded that none of the statutory receivable as at 31 March 2023 qualified to be impaired because the delay on the payment relates to system challenges on the distributors payment portal and the other one made arrangements to pay quartely. At the end of the reporting period management reviewed the composition of the receivables and concluded that the material statutory receivables were high quality companies which were leaders in their fields and well capitalized and the probability of these companies not paying their debts was negligible.

Age analysis for statutory receivable - 2023

180 Days	– R4 954 659
150 Days	– R355 457
120 Days	– R30 000
90 Days	– R285 477
60 Days	– R498 842
30 Days	– R1 178 927
Current	– R66 604
Total	**– R7 369 966**

Age analysis for statutory receivable - 2022

180 Days	– R4 590 439
120 Days	– R1 030 834
90 Days	– R6 061
60 Days	– R0
30 Days	– R0
Current	– R675 434
Total	– R6 302 768

Notes to the Financial Statements

for the year ended March 31, 2023

6. Property, plant and equipment

	2023			2022		
FIGURES IN RAND	COST/ VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST/ VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Furniture and fixtures	3 742 744	(2 105 517)	1 637 227	3 747 070	(1 937 489)	1 809 581
Motor vehicles	3 332 324	(1 865 123)	1 467 201	3 332 324	(1 346 086)	1 986 238
Office equipment	3 460 830	(2 083 982)	1 376 848	3 466 083	(1 938 958)	1 527 125
Computer equipment	9 028 523	(4 594 842)	4 433 681	7 678 656	(4 038 004)	3 640 652
Leasehold improvements	1 968 866	(1 960 363)	8 503	1 968 866	(1 951 860)	17 006
Leased - office equipment	892 206	(755 897)	136 309	892 206	(619 587)	272 619
Total	**22 425 493**	**(13 365 724)**	**9 059 769**	**21 085 205**	**(11 831 984)**	**9 253 221**

Reconciliation of property, plant and equipment - 31 March 2023

FIGURES IN RAND	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Furniture and fixtures	1 809 581	–	(1 908)	(170 446)	1 637 227
Motor vehicles	1 986 238	–	–	(519 037)	1 467 201
Office equipment	1 527 125	37 221	–	(187 498)	1 376 848
Computer equipment	3 640 652	1 980 942	–	(1 187 913)	4 433 681
Leasehold improvements	17 006	–	–	(8 503)	8 503
Leased - Office equipment	272 619	–	–	(136 310)	136 309
	9 253 221	**2 018 163**	**(1 908)**	**(2 209 707)**	**9 059 769**

Reconciliation of property, plant and equipment - 31 March 2022

Furniture and fixtures	1 980 026	–	–	(170 445)	1 809 581
Motor vehicles	2 648 422	–	(118 528)	(543 656)	1 986 238
Office equipment	1 644 456	60 503	–	(177 834)	1 527 125
Computer equipment	3 456 540	1 100 881	–	(916 769)	3 640 652
Leasehold improvements	34 011	–	–	(17 005)	17 006
Leased - office equipment	570 020	–	–	(297 401)	272 619
	10 333 475	1 161 384	(118 528)	(2 123 110)	9 253 221

Compensation received for losses on property, plant and equipment – included in operating profit.

FIGURES IN RAND	2023	2022
Motor vehicles	-	172 017
	-	**172 017**

Notes to the Financial Statements

for the year ended March 31, 2023

6. Property, plant and equipment (continued)

Pledged as security
None of the assets disclosed above have been pledged as security for liabilities.

Repairs and Maintenance
There was no amount incurred in relation to repair and maintenance of property plant and equipment.

7. Intangible assets

	2023			2022		
FIGURES IN RAND	COST/ VALUATION	ACCUMULATED AMMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST/ VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Computer software	5 717 960	(1 797 481)	3 920 479	2 869 284	(1 672 057)	1 197 227
Intangible assets under development	6 115 953	–	6 115 953	9 018 538	–	9 018 538
Total	**11 833 913**	**(1 797 481)**	**10 036 432**	**11 887 822**	**(1 672 057)**	**10 215 765**

Reconciliation of intangible assets - 31 March 2023

FIGURES IN RAND	OPENING BALANCE	TRANSFERS	AMORTISATION	TOTAL
Computer software	1 197 227	2 902 585	(179 333)	3 920 479
Intangible assets under development	9 018 538	(2 902 585)	-	6 115 953
	10 215 765	**–**	**(179 333)**	**10 036 432**

Reconciliation of intangible assets - 31 March 2022

Computer software	1 326 100	37 357	(166 230)	1 197 227
Intangible assets under development	9 018 538	–	–	9 018 538
	10 344 638	**37 357**	**(166 230)**	**10 215 765**

Notes to the Financial Statements

for the year ended March 31, 2023

7. Intangible assets (continued)

Online Content Regulation Software (OCR)

The amount of intangible assets under development is for costs of development for the OCR and it is material to the operations of FPB. There was a delay in the finalisation of OCR system. The Gaming component has been finalised in Q4 of 2022/23 and the asset value of R2 902 585 was transfered from work in progress to assets: The following still need to be finalised.

a) Configuration and Implementation of the film classification component;

b) Business to conduct User Acceptance testing to ensure system is functioning correctly in the new environments;

Pledged as security

None of the assets disclosed above have been pledged as security for liabilities.

8. Finance lease obligation

FIGURES IN RAND	2023	2022
Minimum lease payments due		
- within one year	132 022	299 682
	132 022	299 682
less: future finance charges	–	(9 160)
Present value of minimum lease payments	**132 022**	**290 522**
Present value of minimum lease payments due		
- within one year	132 022	290 522

The FPB has entered into a lease agreement for six (6) photocopiers for a period of three years (36 months) effective from 01 March 2020, ending 28 February 2023. The transaction has been treated as a finance lease as per the requirements of GRAP. The lease contract does not have an annual escalation Interest rates and the repayments are fixed at the contract date. The entity will pay the total monthly minimum charge and the additional scan/copy charges if any. The service provider will also be entitled to an interest on all overdue amounts at the rate of 2% above the prime lending rate.

The contract expired end of February 2023 and it was further extended for a period of 6 months while finalisation of the tender process to acquire a new photocopiers.

Notes to the Financial Statements

for the year ended March 31, 2023

9. Payables from exchange transactions

FIGURES IN RAND	2023	2022
Trade payables	1 607 263	5 242 585
Payments received in advanced - contract in process	677 366	718 324
Debtors with credit balance	2 674 608	2 633 175
Pension	206 964	215 252
Medical aid	24 934	281 932
Other accruals *	3 034 451	1 528 391
Deferred Revenue**	2 137 713	2 066 027
	10 363 299	**12 685 686**

** Included under other accrual is the 13th cheque accrual of R652 937.82 (R387 387. 31 March 2022). The 13th cheque is an option available to employees to receive their total cost to company remuneration over 13 months and not 12 months. The 13th cheque is paid to staff in December.*

*** The amount of deferred revenue relates to services that FPB must render to online distributors for the remaining period of the contract.*

10. Provisions

Reconciliation of provisions - 31 March 2023

FIGURES IN RAND	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	TOTAL
Perfomance Bonuses	3 468 661	3 143 804	-	(3 168 661)	3 443 804
Leave Pay	1 421 043	567 366	(202 109)	–	1 786 300
Litigation and claims	2 097 106	1 505 137	–	–	3 602 243
	6 986 810	**5 216 307**	**(202 109)**	**(3 168 661)**	**8 832 347**

Reconciliation of provisions - 31 March 2022

Perfomance Bonuses	2 349 360	3 468 661	(2 349 360)	–	3 468 661
Leave Pay	1 542 884	139 559	(261 400)	–	1 421 043
Litigation and Claims	1 956 611	1 090 494	(267 352)	(682 647)	2 097 106
	5 848 855	**4 698 714**	**(2 878 112)**	**(682 647)**	**6 986 810**

Notes to the Financial Statements

for the year ended March 31, 2023

10. Provisions (continued)

Provisions are liabilities of uncertain timing or amount thus the reason for the disclosure of uncertainties about timing or amounts. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provision recognised on performance bonuses amount is based on the 6% of the approved annual salary cost. The payment for bonuses is subject to approval by council and is not expected to exceed the budgeted amount.

The leave pay provision accounts for vested leave pay to which employees may become entitled upon exit from the service of FPB.

Provision raised for litigation and claims relate to labour relations matter and the assumption used to determine the amount is based on the cost to company salary that the employee was earning when they exited FPB. On 5th May 2021 the CCMA awarded a former employee who was dismissed R1,174,380. The FPB has launched a review application in the Labour Court on 15 June 2021

11. Revenue

FIGURES IN RAND	2023	2022
Regulation fees (Classification and Registration fees)	12 931 987	9 101 555
Other income	104 889	146 947
Interest received - investment and bank balance	2 191 010	926 277
Government grants & subsidies	102 870 000	100 937 000
	118 097 886	**111 111 779**

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

Classification fees	1 296 699	1 170 622
Registration fees	263 805	317 404
Annual renewal fees	152 977	193 180
Copies of certificates	–	869
Online license fees	11 043 307	7 397 079
Internet service provider registration	175 199	22 399
Other income	104 889	146 947
Interest received - investment and bank balance	2 191 010	926 277
	15 227 886	**10 174 777**

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

Government grants and subsidies

Government grants & subsidies	102 870 000	100 937 000

Notes to the Financial Statements

for the year ended March 31, 2023

12. Regulation fees

FIGURES IN RAND	2023	2022
Classification fees	1 296 699	1 170 622
Registration fees	263 805	317 405
Annual renewal fees	152 977	193 180
Copies of certificates	–	870
Online license fees	11 043 307	7 397 079
Internet service provider registration	175 199	22 399
	12 931 987	**9 101 555**

13. Other revenue

FIGURES IN RAND	2023	2022
Sale of tender documents	–	4 800
Other income and recoveries*	104 889	142 147
	104 889	146 947

** Included under other income and recoveries is the amount of R104 888.70 received by the entity from the insurer for an employee placed on temporary disability.*

14. Government grants and subsidies

FIGURES IN RAND	2023	2022
Operatin grants		
Department of Communication and Digital Technologies - Operating grant	102 870 000	100 937 000

The entity receives government grants from the National Treasury via the Department of Communication and Digital Technologies. These funds are utilised to execute the mandate of the Film and Publication Board. The Grant from the National Treasury is not a conditional grant.

15. Interest received - Investment

FIGURES IN RAND	2023	2022
Interest revenue		
Interest from investment accounts	2 191 010	926 277

Notes to the Financial Statements

for the year ended March 31, 2023

16. Employee related costs

FIGURES IN RAND	2023	2022
Salaries and Bonuses	37 432 501	40 747 608
Classifiers remuneration	3 810 902	3 209 778
Medical aid - Employer contributions	3 206 756	3 022 839
UIF	1 435 202	375 856
Leave pay provision charge	367 332	(121 841)
Retirement fund contributions	6 010 945	5 441 655
Staff debt	478 640	92 481
PAYE	12 709 228	12 668 375

17. General expenses

Advertising	2 270	309 373
Auditors remuneration	1 896 388	1 424 727
Bank charges	68 202	58 923
Cleaning and Maintenance*	623 231	664 140
Internal audit fees	–	406 170
Consulting and Professional Fees**	4 969 279	3 561 870
FPB Council	1 970 938	1 421 605
Insurance	1 427 924	1 319 354
ICT expenses***	9 166 801	6 839 905
Fleet	719 522	187 518
Fuel and oil	812	13 427
Postage and courier	2 548	9 775
Printing and stationery	192 292	537 184
Public relations ****	2 511 042	1 853 453
Research and development costs	207	–
Staff development, recruitment and welfare	2 298 136	1 360 010
Subscriptions and membership fees	298 988	79 524
Telephone and fax	833 366	2 070 350
Transport and freight	40 352	–
Travel - local ****	9 591 506	6 414 787
Travel - overseas	1 280 130	–

Notes to the Financial Statements

for the year ended March 31, 2023

17. General expenses (continued)

FIGURES IN RAND	2023	2022
	65 451 506	**65 436 751**
Refuse	280 683	–
Water and Electricity	1 261 376	818 495
Management fees ##	3 786 156	491 349
Workshops & meetings	1 146 667	756 260
Loss on forex exchange	–	1 392
Profit on disposal of assets	–	(53 489)
Stakeholders Relations	84 993	–
Lease expenses	63 198	29 511
Appeal Tribunal	124 177	–
Storage - Classification Material	80 360	51 282
	44 721 544	**30 626 895**

**Cleaning and Maintenance - amount include the general maintenance, office maintenance and deep cleaning.*

***Consulting fees - is inclusive of legal fees amount of R1 568 754.*

****ICT expenses - Include system maintenance and license fees - The cost drivers is mainly due to the disaster recovery services, connectivity fees and license fees*

*****Public relations and Travel (Local) - In an effort to implement the expanded mandate of the FPB there were a number of outreach activities across the country to education the public about the new mandate of the FPB and that escalated costs of public relations and travel.*

 # Management fees - The management fees include the salaries paid to DCDT and SITA respectively for the secondment of the CEO and CIO

The amount of repairs and maintenance in relation to property, plant and equipment is immaterial and it is included under ICT expenses and cleaning and maintenance.

18. Finance Costs

FIGURES IN RAND	2023	2022
Finance leases	9 783	28 304

Notes to the Financial Statements

for the year ended March 31, 2023

19. Auditors' remuneration

FIGURES IN RAND	2023	2022
Fees	1 896 388	1 424 727

20. Net cash flows from operating activities

(Deficit) surplus	(918 351)	4 397 469
Adjustments for:		
Depreciation and amortisation expense	2 390 948	2 289 339
Gain on sale of assets	–	118 528
Finance costs - Finance leases	9 783	28 304
Movements in provisions	1 845 537	1 137 955
Proceeds from sale of assets	–	(172 018)
Changes in working capital:		
Receivables from exchange transactions	(539 960)	162 753
Statutory receivables	(1 067 197)	(2 173 523)
Payables from exchange transactions	(2 322 388)	2 345 422
	(601 628)	**8 134 229**

21. Employee benefit obligations

Retirement Benefit Payment

The Film and Publication Board contributes for all qualifying employees the retirement benefits to a Fund in which assets

are held and controlled by Alexander Forbes Retirement Fund. As at 31 March 2023, current services costs of R6 010 945 - (31 March 2022 R 5 441 655) were recognized as expenses which is limited to the contributions that were paid. Actual contributions paid during the current financial year have been disclosed as Note 17.

22. Lease rentals on operating lease

FIGURES IN RAND	2023	2022
Operating lease		
Premises	6 442 456	8 333 021

Notes to the Financial Statements

for the year ended March 31, 2023

22. Lease rentals on operating lease (continued)

22.1 Operating Lease - Head Office

Film and Publication Board has an outstanding commitment in respect of operating lease for Head Office situated in Centurion, The lease agreement was entered into for a period of 5 years effective from 1 February 2012.

In February 2014, the Film and Publication Board acquired additional office space for their Head Office situated in Centurion, The lease agreement was entered into for a period of 3 years effective from 1 February 2014.

In February 2018, The Film and Publication board entered into an agreement on a month to month lease until recently when they entered into another lease agreement for 12 months from 1 March 2022 to 28 February 2023.

There is no contingent rental payable in terms of the agreement.

FIGURES IN RAND	2023	2022
Annual escalations	6.5%	6.5%
Future Minimum Lease Payments		
Up to 1 Year	5 391 430	4 615 510
5 or More Years	–	–

22.2 Operating Lease - Durban Office

The Film and Publication Board acquired additional office space for their Regional Office situated in Durban, The lease agreement was entered into for a period of 3 years effective from 1 August 2015 to July 2018 and it was further extended for additional 3 years from 01 August 2018 to 31 July 2021 and it was again extended for additional 12 months from 01

August 2021 to 31 July 2022 . There is `an additional extension of 12 months from 1 August 2022 to 31 July 2023. Operating leases liabilities for this lease fall due as follows:

There is no contingent rental payable in terms of the agreement.

FIGURES IN RAND	2023	2022
Annual escalations	0%	0%
Future Minimum Lease Payments		
Up to 1 Year	760 027	79 247
5 or More Years	–	–

Notes to the Financial Statements

for the year ended March 31, 2023

22. Lease rentals on operating lease (continued)

22.3 Operating Lease - Cape Town Office

The Film and Publication Board acquired office space for their Regional Office situated in Cape Town, The lease agreement was entered into for a period of 5 years effective from 1 March 2016 to February 2021 and it was further extended for additional 12 months from 01 March 2021 to 28 February 2022 and it was again extended for another 12 months from 1 March 2022 to February 2023. The lease was further extended for another 12 months from 1 March 2023 to 28 February 2024. Operating leases liabilities for this lease fall due as follows:

There is no contingent rental payable in terms of the agreement.

FIGURES IN RAND	2023	2022
Annual escalations	5.5%	5.5%
Future Minimum Lease Payments		
Up to 1 Year	654 156	565 769
5 or More Years	–	–

23. Contingencies

FIGURES IN RAND	2023	2022
Contingent liability for Labour disputes (23.1.1)	10 208 104	–
Contingent Liability for Legal Cost (23.1.2)	-	227 568
	10 208 104	227 568

23.1. Litigation and claims

This amount relates to a labour disputes between FPB and the Union (NEHAWU) . NEHAWU has launched an application on 27 January 2023 before the Labour Court requesting specific performance by the FPB in terms of a collective agreement concluded between the parties. Should the FPB be unsuccessful in opposing the application it should be liable to pay.

23.2. Accumulated surplus

In terms of the section(53)3 of the PFMA, a public entity may not accumulate surplus funds without approval from National Treasury. Approval will be requested from National Treasury to retain current year's accumulated surplus. In the preceding years the National Treasury has always allowed the retention of the accumulated surplus.

24. Events after the reporting date

There were no material events after the reporting date.

Notes to the Financial Statements

for the year ended March 31, 2023

25. Related parties transactions

FPB is a section 3A Public Entity listed in the PFMA. In terms of the PFMA, FPB is mandated to report to the Minister of Communications and Digital Technologies as its Executive Authority

Related parties transactions

Amount paid to (received from) related parties

FIGURES IN RAND	2023	2022
Department of Communications and Digital Technologies	102 870 000	100 937 000
Remuneration of management		
Management class: Councillors		
Councillors/Board members		
Nevondwe LT	248 237	169 980
Mkosi Z (Chairperson)	224 145	214 110
Tyali SM (Deputy Chairperson)	284 839	240 052
Nxele L	228 879	152 667
Sedibe M	157 143	129 165
Pillay M	140 610	84 693
Nkosi GZ	286 889	142 545
Mashangoane PJ	175 494	168 680
Nontso A	166 614	127 530
	1 912 850	**1 429 422**

Notes to the Financial Statements

for the year ended March 31, 2023

25. Related parties transactions (continued)

Management class: Executive management

2023 - Executive Management

NAME	BASIC SALARY	RETIREMENT BENEFITS	MEDICAL AID	ACTING ALLOWANCE	GROUP LIFE	CELLPHONE ALLOWANCE	TOTAL
Boloka M - Chief Executive Officer *	2 091 736	47 992	30 634	–	10 952	13 860	2 195 174
Chowan M - Chief Financial Officer**	1 774 825	–	–	–	–	55 440	1 830 265
Tlhako E - Technology support and Platform Monitoring Executive***	301 044	–	–	–	–	9 240	310 284
Bacwadi J - Chief Information Officer (Seconded) ****	1 648 298	–	–	–	–	–	1 648 298
Lindhorst M - Regulatory Development and Enforcement Executive *****	371 202	39 644	13 859	–	10 580	11 798	447 083
Litha M - Corporate Service Executive #	418 614	47 168	–	–	11 661	17 058	494 501
May N - Chief Operations Officer (Acting) ##	–	–	–	21 339	–	–	21 339
Gregoriou P - Regulatory Development and Enforcement Executive	–	–	–	50 395	–	–	50 395
(Acting) ###							
Nkumanda B - Corporate Service Executive (Acting) ####	–	–	–	59 552	–	–	59 552
	6 605 719	**134 804**	**44 493**	**131 286**	**33 193**	**107 396**	**7 056 891**

** Boloka M was seconded from DCDT and he was subsequently appointed as the CEO effective from 1 January 2023*

*** Chowan M is on contract hence his salary does not include other contributions*

**** Tlhako E was appointed from 1 February 2023*

***** Bacwadi J was seconded from SITA and his last day of service with the FPB was 10 January 2023*

****** Lindhorst M was appointed from 16 January 2023*

 # Litha M was appointed from 12 December 2022

May N commenced acting from 1 September 2021 to 31 May 2022

Gregoriou P commenced acting from 1 June 2022 to 30 November 20222

Notes to the Financial Statements

for the year ended March 31, 2023

Nkumanda B commenced acting as from 1 June 2022 to 30 November 2022

Key management personnel have also been identified as related parties because of the position that they hold and their remuneration has been disclosed above. There were no commitments to related parties for the year-ended 31 March 2023 and 31 March 2022.

25. Related parties transactions (continued)

2022 - Executive Management

NAME	BASIC SALARY	RETIREMENT BENEFITS	MEDICAL AID	ACTING ALLOWANCE	GROUP LIFE	CELLPHONE ALLOWANCE	TOTAL
Mashele A – Chief Executive Officer (Acting)*	–	–	–	39 717	–	–	39 717
Mashele A– Chief Operations Officer**	633 978	58 192	37 084	–	12 553	22 744	764 551
Batyi N – Chief Executive Officer (Acting) ***	907 085	–	–	–	–	–	907 085
Less LD – Shared Service Executive ****	1 355 230	128 727	–	–	28 372	50 820	1 563 149
May N – Chief Operations Officer (Acting) *****	–	–	–	65 607	–	–	65 607
Chowan M – Chief Financial Officer******	1 668 516	–	–	–	–	55 449	1 723 965
Tjabadi R – Chief informationOfficer (Acting) #	1 087 497	–	–	–	–	–	1 087 497
Bacwadi J – Chief Information Officer (Acting) ##	362 499	–	–	–	–	–	362 499
Boloka M – Chief Executive Officer – (Interim) ###	118 716	–	–	–	–	–	118 716
	6 133 521	**186 919**	**37 084**	**105 324**	**40 925**	**129 013**	**6 632 786**

** Acting allowance for Mashele A who acted as CEO until 31 July 2021*

*** Mashele A last day of service with the FPB was 31 August 2021*

**** Batyi N was seconded from the DCDT from 1 August 2021 to 11 February 2022*

***** Less LD last day of service with the FPB was 28 February 2022*

****** May N commenced acting from 1 September 2021*

******* Chowan M is on contract hence his salary does not include other contributions*

 # Tjabadi R was seconded from SITA from 1 April 2021 to December 2021

Bacwadi J was seconded from SITA from 3 January 2022 to date

Boloka M was seconded from DCDT from 6 February 2022 to date

Notes to the Financial Statements

for the year ended March 31, 2023

26. Risk management Liquidity risk

The FPB is only exposed to liquidity risk with regard to the payment of its payables and finance lease obligation. These payables are all due within the short-term. The FPB manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in investment accounts

	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
At March 31, 2023				
Trade and other payables	10 363 299		–	–
Finance lease liability	132 022		–	–
At March 31, 2022				
Trade and other payables	12 685 686	–	–	–
Finance lease liability	290 522		–	–

Interest rate risk

FPB invests surplus cash on which it earns interest income. The interest income is not independent of changes in market interest rates.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Maximum exposure to credit risk

FPB's exposure to credit risk to loans and receivables is limited

The entities maximum exposure to credit risk is the carrying amount of the financial assets.

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

Trade and statutory receivables are exposed to a low credit risk as most of FPB' s revenue transactions require deposits

FIGURES IN RAND	2023	2022
Financial assets		
Cash and cash equivalents	35 787 114	38 707 211
Receivables from exchange transactions	3 088 722	2 548 762
	38 875 836	**41 255 973**
Financial liabilities		
Finance lease liability	–	290 522
Payables from exchange transactions	10 363 299	12 685 687
	10 363 299	**12 976 209**

Notes to the Financial Statements

for the year ended March 31, 2023

27. Fruitless and wasteful and Irregular Expenditure

FIGURES IN RAND	2023	2022
Fruitless and wasteful expenditure	–	3 549 441
Irregular expenditure	33 553	2 766 359
Closing balance	**33 553**	**6 315 800**

Please refer to page 103 - 107 in the annual report for the reconciling notes of the fruitless and wasteful expenditure and irregular expenditure.

28. Prior period errors

1. Online license fees

During the year 2022/23 the commercial distribution agreement was concluded between FPB and the distributor and the period for the license covered the period 2019/2020, 2020/21 and 2021/22 financial years and this was not accrued for in the prior financial period as there was no contract between the FPB and the distributor. Based on the accrual accounting principle a portion of the revenue needs to be recognised in accounting period which it relates to if the amount is material.

The correction of the error(s) results in adjustments as follows:

FIGURES IN RAND	2023	2022
Statement of financial position		
Statutory receivables	–	1 030 485
Accumulated surplus	–	(782 351)
Statement of financial performance		
Regulation fees	–	(248 134)

AS PREVIOUSLY STATED	AS PREVIOUSLY STATED	ADJUSTMENT	RESTATED BALANCE
Statement of financial position as adjusted:			
Statutory receivables	5 272 284	1 030 485	6 302 769
Accumulated surplus opening balance	(41 884 889)	(782 351)	(42 667 240)
Surplus for the year	(4 149 335)	(248 134)	(4 397 469)
	(40 761 940)	**–**	**(40 761 940)**
Statement of financial performance as adjusted:			
Regulation fees	8 853 421	248 134	9 101 555

Statement of Cashflow

The impact of the error on the statement of cashflow was a increase in the regulation fees by R1 030 485 and increase in the

Notes to the Financial Statements

for the year ended March 31, 2023

statutory receivables by R1 030 485 but the net effect is zero on the face of the statement of cashflow.

28. Prior period errors (continued)

2. Publishing error on the related parties

Management discovered a publishing error on the annual report for 2021/22 period relating to the related party note on executive management. The table for executive management salary for 2021 was printed as 2022 and the 2021 was not printed. There is no impact on the amounts disclosed.

29. Commitments

FIGURES IN RAND	2023	2022
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	1 310 861	753 214
• Intangible assets	714 818	697 908
	2 025 679	**1 451 122**
Total capital commitments		
Already contracted for but not provided for	2 025 679	1 451 121
Authorised operational expenditure		
Already contracted for but not provided for		
• Operating Expenditure	28 806 202	21 461 761
Total operational commitments		
Already contracted for but not provided for	28 806 202	21 461 761

Commitments disclosed relates to contracts awarded but not completed before 31 March 2023. The operating lease commitments have been disclosed in Note 22. Cash and cash equivalents balance disclosed in Note 3 as well as the MTEF budget will be utilised to finance these commitments during the 2023/24 financial year.

30. Changes in accounting estimate

GRAP 17 - property, plant and equipment requires the review of the useful life of an asset at least at each financial year end. The FPB revised the useful life as at 1 April 2022 for various category of assets within the range that was initially approved in 2015/16 financial year. The assumptions were revised as follows.

Leasehold improvement - additional 12 months

Motor vehicle - additional 12 months

Computer software - additional 24 Months

Leasehold equipment - additional 6 Months

Office equipment - additional 12 Months

The effect of the change in accounting estimate on the current year's results was an increase in the current year's surplus by R160 506 The effect of the change in accounting estimate on future financial periods will be a decrease in net surplus by R160 506.

Accounting Authority's Responsibilities and Approval

While the Film and Publication Board is not a company by legislation, the members of council are guided by the requirements of the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the financial statements and given unrestricted access to all financial records and related data for their audit.

The financial statements have been prepared in accordance with the Standards of Generally recognised accounting practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

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

The accounting authority are primarily responsible for the financial affairs of the entity and these are audited by the entity's external auditors.

The financial statements set out on pages 119 to 161, which have been prepared on the going concern basis, were approved by the accounting authority on May 31, 2023 and were signed on its behalf by:

Dr Mashilo Boloka

Chief Executive Officer

Ms. Zamantungwa Mkosi

Chairperson of Council

Note

HEAD OFFICE:
420 WITCH HAZEL AVENUE
ECO GLADES 2
ECO PARK
CENTURION
0157

TEL: 012 003 1400
FAX: 012 661 0074

WWW.FPB.ORG.ZA

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Film and Publication Board

Content Regulatory Authority of South Africa.