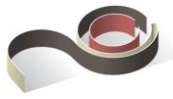




NATIONAL CONSUMER COMMISSION


QUARTER FOUR REPORT
2024-2025





Endorsement Support by the Audit Committee

I hereby support the endorsement of the report.

Signature:  _____

Name: Mr Faizal Docrat

Rank: ARC Chairperson

Date: 29 April 2025 _____

Approval by the Accounting Authority

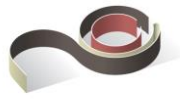
I hereby approve the report.

Signature:  _____

Name: Mr Hardin Ratshisusu

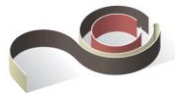
Rank: Acting Commissioner

Date: 30 April 2025 _____



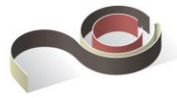
ACRONYMS

ADR	Alternative Dispute Resolution
ADRA	Alternate Dispute Resolution Agent
AOPO	Audit of Predetermined Objectives
ARC	Audit and Risk Committee
CGSO	Consumer Goods and Services Ombud
CompCom	Competition Commission
CPA	Consumer Protection Act
CTFL	Clothing, Textile, Footwear and Leather goods
DRP	Disaster Recovery Plan
ERM	Enterprise Risk Management
HRM	Human Resource Management
ICT	Information Communication Technology
MIOSA	Motor Industry Ombud of South Africa
NCC	National Consumer Commission
NCT	National Consumer Tribunal
NRCS	National Regulator for Compulsory Standards
SCM	Supply Chain Management
the dtic / Executive Authority	Department of Trade, Industry, and Competition

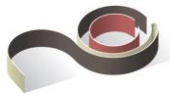


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EXECUTIVE SUMMARY AND KEY HIGHLIGHTS



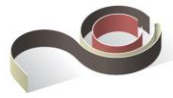
1. INTRODUCTION

- 1.1 The NCC has a total of 20 performance targets in the 2024/25 Annual Performance Plan (APP). The NCC achieved 19 targets and did not achieve 1.
- 1.2 Therefore, the NCC achieved a performance score of 95% against the Q4 APP targets.

2. KEY HIGHLIGHTS

2.1 Matters for further enforcement and their impact

- 2.1.1 The enforcement actions undertaken this quarter reflect the NCC's ongoing commitment to protecting consumer rights and promoting fair business practices within the marketplace. The NCC took enforcement action on forty-eight (48) matters through the issuance of Compliance Notices, referrals, and settlement agreements to hold non-compliant suppliers accountable.
- 2.1.2 Of the forty-eight (48) matters, twenty-two (22) related to Clothing, Textile, Footwear and Leather goods (CTFL) matters, leading to the prevention of non-compliant imported CFTL goods valued at R4 994 142.81 (Four Million, Nine Hundred and Ninety-Four thousand, One Hundred and Forty-two Rand and Eighty-One cents) from entering the South African market.
- 2.1.3 The National Consumer Tribunal (NCT) granted five (5) judgments in favour of the NCC which resulted in redress to consumers and administration fines imposed on non-compliant suppliers in the following order:



- a. Redress to consumers to the amount of R1 146 084.54 (One million, One hundred and forty-six thousand, Eighty-Four Rand and fifty-four cents).
- b. Administrative fines to the value of R1,200,000.00 (One Million, Two Hundred Thousand Rand) were levied by the NCT, following prosecutions by the NCC.

2.1.4 These efforts not only deter future contraventions but also reinforce the NCC's role as an effective and responsive regulator, ultimately fostering a safer and fairer consumer environment in South Africa.

2.2 Notable high-level investigations

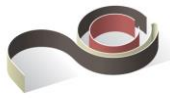
2.2.1 BM Foods and Shoprite Checkers

The NCC has finalised a high impact investigation against Shoprite Checkers and its supplier BM Foods.

The investigation emanated from the product recall of the Hummus Range (Deli Hummus 300g and 125g) manufactured by its supplier, BM Foods, following the detection of *Listeria Monocytogenes* which is a species of foodborne bacteria. Based on the collected evidence, adverse findings were made against BM Foods. The matter will be filed with the NCT in the next quarter.

2.2.2 FlySafair

The NCC launched an investigation into FlySafair in January 2025 after public outcry on social media over an incident where a customer, despite booking and paying for a flight, was denied boarding due to no available seats. Similar complaints surfaced, highlighting issues like missed appointments, disrupted travel plans, and inadequate compensation linked to overbooking. The NCC is assessing whether FlySafair's



practices comply with the Consumer Protection Act (CPA), aiming to complete the investigation by the second quarter of the financial year 2025/26.

2.3 Market Monitoring Inspections

In this quarter, the NCC conducted market monitoring inspections in Gauteng, KwaZulu-Natal, Free State, Mpumalanga and North-West provinces in order to ensure that foodstuffs were safe and complied with the price disclosure and labelling requirements. The NCC joined forces with the Consumer Affairs Offices, South African Police Service, Environmental Health Practitioners from various municipalities, Waste Management Departments, the Department of Employment and Labour and the Department of Home Affairs.

2.4 World Consumer Rights Day 2025 Commemoration

Each year, 15 March is commemorated globally as World Consumer Rights Day (WCRD) - a key event aimed at promoting awareness and advocacy for consumer rights. First observed in 1983, WCRD serves as an annual reminder that consumer rights are not merely theoretical principles, but essential foundations of a fair and ethical society. Upholding the right to safety, the right to be informed, and the right to choose fosters a marketplace that serves and protects everyone.

In celebration of WCRD 2025, the National Consumer Commission (NCC), in partnership with the Mpumalanga Department of Economic Development and Tourism (DEDT) and the Competition Commission, successfully hosted a two-day commemorative event at the University of Mpumalanga on 13–14 March 2025. The first day began with a Business Breakfast, followed by an engaging Symposium, and concluded with a prestigious Gala Event hosted by the MEC for Mpumalanga Economic Development and Tourism. A key highlight of the Gala was the unveiling of the newly appointed Mpumalanga Consumer Court members.



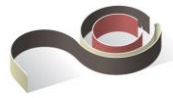
The main event on 14 March featured expert-led Panel Discussions covering pivotal topics, namely:

- Food Safety and Sustainability;
- Emerging Consumer Trends in the Digital Age; and
- Fair Digital Financial Marketplace and Consumer Protection.

This year's theme, "Empowering Consumers – Balancing Rights with Ethical Business Practices", was thoughtfully coined by South African consumer protection authorities under the Consumer Protection Forum (CPF). It reflects the current challenges faced by South African consumers and underscores the need for ethical business conduct aligned with consumer empowerment.

2.5 Partnership with University of Pretoria

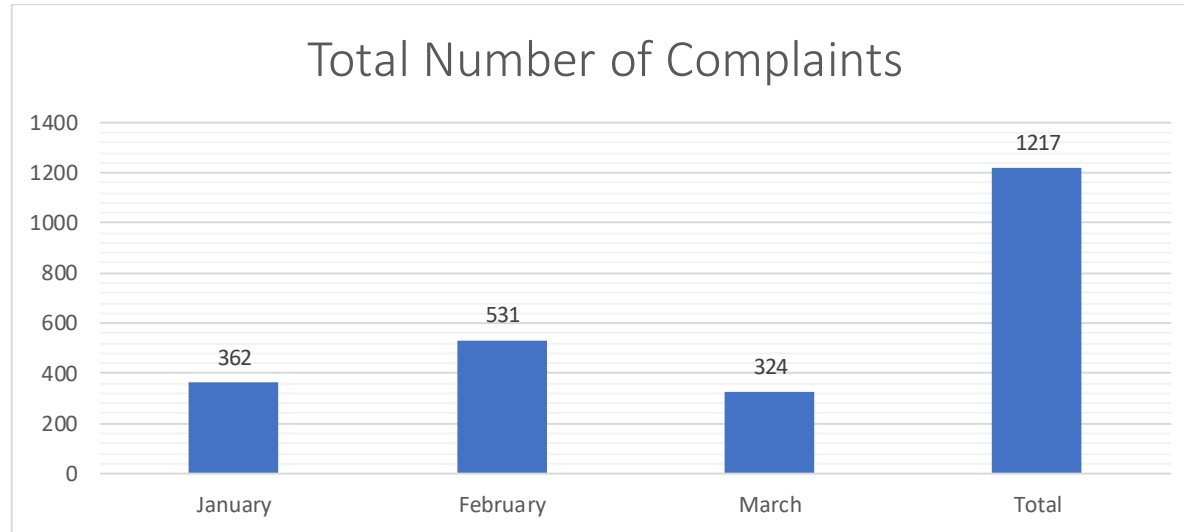
On 03 March 2025, the National Consumer Commission (NCC) entered into a Memorandum of Understanding (MoU) with the University of Pretoria to strengthen collaboration in promoting consumer protection. This partnership aims to advance the field of consumer law by integrating consumer protection principles into academic curricula. Both institutions will work jointly on the development and delivery of various academic modules focused on consumer rights and legal frameworks.



2.6 Complaints Received

2.6.1 During the period under review 1 217 consumer complaints were received. Figure 1 is a breakdown of the complaints per month in Q4:

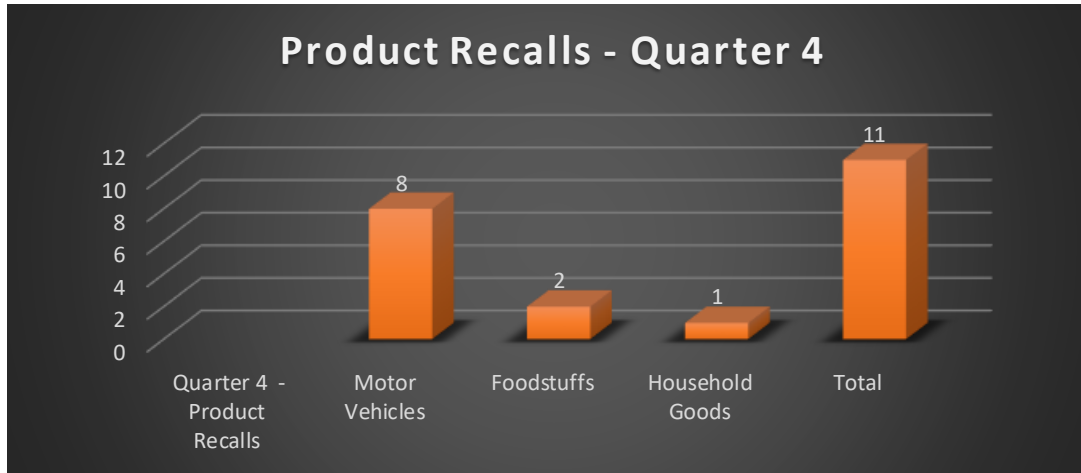
Figure 1: Total number of complaints in Q4



2.7 Product Recalls

The NCC administered 11 product recalls in this quarter. These were administered to ensure that consumers receive goods that are of good standards, free of defects and safe for public consumption. Figure 2 below shows the recalls by category:

Figure 2: product recalls by category



2.8 The Contribution to the Action Plan on South Africa's Grey listing

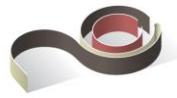
In this quarter, the NCC obtained two preservation orders to the tune of **R 1 078 922.51 (One million, seventy-eight thousand, nine hundred and twenty-two Rand, fifty-one cents)** against Ponzi schemes.

2.9 Media Highlights

2.9.1 To empower consumers and businesses with information, the NCC issued several media statements on various topical issues, including product recalls, market monitoring inspections, World Consumer Rights Day, and decisions of the National Consumer Tribunal.

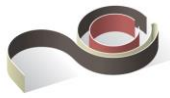


2.9.2 Due to these activities, the NCC garnered widespread favourable media coverage across the nation. The voice of the NCC in the media space has increased, while the tone of coverage remains balanced. In the fourth quarter alone, the Commission was featured approximately 476 times across a variety of media platforms, as reported by our media monitoring company.



SECTION B

PERFORMANCE AGAINST APP



3. PERFORMANCE BY FUNCTION

3.1 INTRODUCTION

The NCC has a total of 20 performance targets in the 2024/25 Annual Performance Plan (APP). In Quarter 4, the NCC achieved 19 targets and did not achieve 1. Therefore, the NCC achieved a performance score of 95% against the Q4 APP targets.

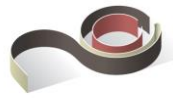
3.2 INVESTIGATION AND ENFORCEMENT FUNCTION

3.2.1 These functions are performed by the Investigations Division and the Legal Services.

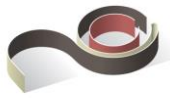
3.2.2 In this quarter, enforcement action was taken in a total of 48 cases. The breakdown is as follows:

Table 1: Enforcement Action

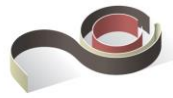
NO	SUPPLIER	NATURE OF THE MATTER	NATURE OF ENFORCEMENT
1	MN Logistics and transport	CTFL	PAJA
2	Jumbo Zips CC	CTFL	Compliance Notice
3	Ndeez Unlimited Durban CC	CTFL	PAJA



NO	SUPPLIER	NATURE OF THE MATTER	NATURE OF ENFORCEMENT
4	Cape Rover Parts (Pty) Ltd T/A Philipi Auto Parts	Poor quality services	NCT Referral
5	Bohogirl	CTFL	Compliance Notice
6	Undeez Unlimited Durban CC	CTFL	Compliance Notice
7	Circle Cell & Computer Centre	Market Monitoring	Compliance Notice
8	MIDAS	Market Monitoring	Compliance Notice
9	786 ABM Business T/A Seshesgo Supermarket	Market Monitoring	Compliance Notice
10	ZIZ Well T/A Voice Africa	Market Monitoring	Compliance Notice
11	Tony Tonero Motors	Defective Motor vehicle	Compliance Notice
12	Titus Shafieka t/a Titus and Sons Clothing	CTFL	Compliance Notice
13	Sindi Mabaso-Koyana OLK Cloting c/o Mantac	CTFL	Compliance Notice
14	Undeez Unlimited Durban CC	CTFL	Compliance Notice
15	Western Accessories	CTFL	Compliance Notice



NO	SUPPLIER	NATURE OF THE MATTER	NATURE OF ENFORCEMENT
16	The trustees of Shabach Trust t/a Droom Troue	Unfair promotional Competition	10 Complaints referred to the NCT
17	Zuhara Nasibu Abdulra	CTFL	PAJA
18	Suleiman Ahmed Asir	CTFL	PAJA
19	Simone's Boutique t/a The Hip Shop	CTFL	PAJA
20	Simone's Boutique	Market Monitoring	Destruction
21	Anafield Distributors	CTFL	PAJA and release
22	Amiiraa (Pty) Ltd	CTFL	PAJA
23	DOMINIQUE v FIGHT CLUB S.A PTY LTD	Failure/Refusal to cancel contract	Compliance Notice
24	Majorie Webb v FIGHT CLUB S.A PTY LTD	Failure/Refusal to cancel contract	Compliance Notice
25	House of Natural Butters (Pty) Ltd	Poor quality / unsafe goods	Settlement agreement/consent order
26	Lluvia Nutrition	Poor quality / unsafe goods	Settlement agreement/consent order
27	Shipping Masters Group	CTFL	PAJA



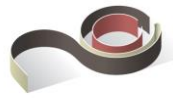
NO	SUPPLIER	NATURE OF THE MATTER	NATURE OF ENFORCEMENT
28	Saric Enterprises (Pty) Ltd	CTFL	Release letter
29	Patricia Nongai Zhou	CTFL	Release letter
30	PA CARGO.CO.ZA (Global Worldwide Logistics (Pty) Ltd)	CTFL	PAJA
31	Edura (Pty) Ltd	CTFL	PAJA and Re-exportation
32	K20193850992 South Africa	CTFL	PAJA and Compliance notice
33	Point Butchery Seshego	Market Monitoring	Compliance notice
34	NJ General Store	Market Monitoring	Compliance notice
35	Zheng Natura City (Pty) ltd t/a Prime Meat	Market Monitoring	Compliance notice
36	Bargain	Market Monitoring	Compliance notice
37	Boxer Store Sibasa	Market Monitoring	Compliance notice
38	Gejamo Trading t/a Rail General Trading	Market Monitoring	Compliance notice
39	AZ Supermarket	Market Monitoring	Compliance notice



NO	SUPPLIER	NATURE OF THE MATTER	NATURE OF ENFORCEMENT
40	Ali's Super Market	Market Monitoring	Compliance notice
41	All Star Hardware	Market Monitoring	Compliance notice
42	Bismillah supermarket Pty Ltd	Market Monitoring	Compliance notice
43	Locispex CC	CTFL	PAJA and Re-exportation
44	Fresh Grocery Store	Market Monitoring	Compliance notice
45	Dynamic Shop	Market Monitoring	Compliance notice
46	HW General (Pty) Ltd T/A Adamo Supermarket	Market Monitoring	Compliance notice
47	F&J Auto wholesalers	Defective Motor vehicle	Compliance notice
48	CK Coachworks Tokai	Poor service	Compliance notice

3.2.3 The Contribution to IO7 of the Action Plan on South Africa's Grey listing

The NCC contributes to Immediate Outcome (IO) number 07 (IO7) of the Action Plan on South Africa's Grey listing. IO7 requires South Africa to demonstrate "a sustained increase in investigations and prosecutions of serious and complex money laundering, in particular involving



professional money laundering networks/enablers and third-party ML in line with its risk profile.” In this regard, the notable cases that NCC investigated are:

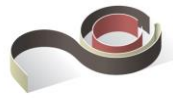
- i) Trouva
- ii) Hot Farm
- iii) Tiger Agriculture
- iv) Euureka Gold Mining
- v) THE FRUIT SLEEVE
- vi) DMW SOLAR

3.2.4 Product recalls

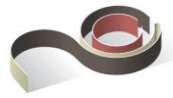
The NCC administered 11 product recalls in this quarter. Table 2 below shows the distribution of different categories: Motor Vehicles, Foodstuff and Household Goods. These are fully shown in table below:

Table 2: Product Recalls

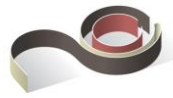
No.	NAME OF SUPPLIER	PRODUCT	DEFECT	HAZARDS
1	Volvo Car South Africa	XC90 - BCM2 - Push rod (R10289)	The supplier's investigations have identified the rod between the brake pedal and brake booster may not have been assembled according to manufacturing specifications.	The rod could detach and cause the breaks to malfunction.
2	Volvo Car South Africa	XC40 - Turn indicator system (R10256)	The supplier's investigations have identified an issue related to the turn indicator system.	This could in rare cases lead to a temporary loss of the left rear turn indicator function.



No.	NAME OF SUPPLIER	PRODUCT	DEFECT	HAZARDS
3	Volvo Car South Africa	XC40 - Ball joint (R10244)	The supplier's investigations have identified that the front suspension may have been incorrectly attached in manufacturing.	This could in some cases affect the maneuverability of the vehicle. The retailers will inspect the affected motor vehicles to ensure that the ball joint is mounted in the correct position.
4	Volvo Car South Africa	XC90 - BCM2 Update (R10217)	The supplier's investigations have identified a potential software failure in the brake control module.	In rare cases it could lead to a loss of braking support functions.
5	PMI WW Brands LLC, dba Stanley 1913, of Seattle, Washington	The Stanley Switchback and Trigger Action stainless steel double-walled travel mugs sold in a variety of colors including white, black, and green in 12 oz, 16 oz and 20 oz sizes with a polypropylene lid the "affected products".	The affected products' lids threads can shrink when exposed to heat and torque, causing the lid to detach during use, posing a burn hazard.	The affected products lids threads can shrink when exposed to heat and torque, causing the lid to detach during use, posing a burn hazard.
6	Cape Herb & Spice - A Division of Libstar Operations (Pty) Ltd	Cape Herb and Spice Chilli & Garlic Seasoning 190g/ Black Peppercorns 185g/ Pink Salt 390g/ Salt & Pepper 310g/ Sea Salt 360g/ Seasoned Salt 240g/ Sweet & Smoky BBQ 230g	A product recall has been issued for certain Cape Herb & Spice products due to the presence of hard plastic pieces caused by a faulty grinder mechanism. The affected batches were produced between September 2023 and May 2024.	The hard plastic foreign object (size: 4.6mm x 4.6 mm)



No.	NAME OF SUPPLIER	PRODUCT	DEFECT	HAZARDS
7	Stellantis South Africa	Jeep Grand Cherokee (Rear Coil Spring Isolator)	The motor vehicles may have been built with an incorrectly installed rear coil spring. An inspection is required, and spring isolators need to be replaced if necessary.	The rear coils spring may detach from the motor vehicle while driving. This may result in a hazard for operators and occupants of other motor vehicles which can cause such vehicles to crash, and/or may result in injury.
8	Suzuki Auto South Africa	Swift Sport (A2L414)	The fastening force of the fastening part of the steering wheel and the steering column could be insufficient.	The steering wheel operation may not be possible under certain circumstances.
9	Honda Motor Southern Africa (PTY) Ltd	CIVIC 4 door / CIVIC TYPE R 5 door / CR-V 5 door	The EPS Gear Box Worm Wheel Swelling Failure.	The steering gearbox resulting in an abnormal noise or a dangerous sticking occurs when turning the steering.
10	INEOS Automotive South Africa (Pty) Ltd	INEOS Grenadier (M1 Passenger Vehicle - Station Wagon & N1 Light Commercial vehicle - Double Cab Pick-Up)	The supplier reported the possibility of a button within the door handle malfunctioning due to it being either faulty or defective by remaining in a depressed position when a door is opened from the outside.	This could cause the door not to fully close & latch as designed.
11	Heartland Foods and Shoprite Checkers	Cereal products manufactured by Heartland Foods	It has come to the supplier's attention that falsified laboratory results were submitted to Shoprite Checkers to secure approval for product listing and associated nutritional claims. The products do not provide nutritional benefits as claimed in the packaging.	While there are no serious health risks associated with consuming these products, they may not deliver the full nutritional benefits as indicated on the packaging. Additionally, some products contain slightly higher sugar levels than stated, which could be of concern for individuals or consumers with diabetes if the



No.	NAME OF SUPPLIER	PRODUCT	DEFECT	HAZARDS
				product was specifically selected based on the sugar content in the nutritional information.

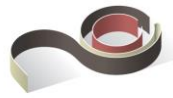
3.3 EDUCATION AND AWARENESS FUNCTION

3.3.1 Consumer Education

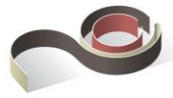
A total of 10 consumer education initiatives were conducted at Mpumalanga and KwaZulu-Natal Provinces. Table 3 provides a breakdown of activities, topics, and modes of engagements undertaken and used during the reporting period:

Table 3: Consumer Engagement

No.	TYPE OF OUTREACH	DATE OF EVENT	PROVINCE	DISTRICT	AUDIENCE & NO. OF ATTENDEES	TOPIC SHARED
1.	Consumer Education Workshop	10 March 2025	Mpumalanga	Nkangala District Municipality/Thembisile Hani Local Municipality	89	Unsafe/ expired foods and product recalls.
2.	Consumer Education Exhibition	10 March 2025	Mpumalanga	Nkangala District Municipality/Thembisile Hani Local Municipality	62	Unsafe/ expired foods and product recalls.
3.	Consumer Education Exhibition	10 March 2025	Mpumalanga	Nkangala District Municipality/Thembisile Hani Local Municipality	44	Unsafe/ expired foods and product recalls.



No.	TYPE OF OUTREACH	DATE OF EVENT	PROVINCE	DISTRICT	AUDIENCE & NO. OF ATTENDEES	TOPIC SHARED
4.	Consumer Education Workshop	11 March 2025	Mpumalanga	Nkangala District Municipality/Thembisile Hani Local Municipality	51	Unsafe/ expired foods and product recalls.
5.	Consumer Education Exhibition	11 March 2025	Mpumalanga	Nkangala District Municipality/Thembisile Hani Local Municipality	200	Unsafe/ expired foods and product recalls.
6.	Consumer Education Exhibition	12 March 2025	Mpumalanga	Ehlanzeni District Municipality/Thaba Chweu Local Municipality	34	Unsafe/ expired foods and product recalls.
7.	Consumer Education Exhibition	13 March 2025	Mpumalanga	City of Mbombela	171	Unsafe/ expired foods and product recalls.
8.	Consumer Education Exhibition	14 March 2025	Mpumalanga	City of Mbombela	227	Empowering Consumers - Balancing Rights with Ethical Business Practices.
9.	Consumer Education Workshop	27 March 2025	KwaZulu-Natal	City of eThekweni	30	Contracts and the Consumer Protection Act.
10.	Consumer Education Workshop	28 March 2025	KwaZulu-Natal	City of eThekweni	Due to inclement weather, only 16 consumers signed the registers.	Contracts and the Consumer Protection Act



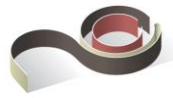
3.3.2 Business Education

There were four, (4) targeted workshops and exhibitions that were held with SMMEs in Limpopo and Mpumalanga provinces. The workshops were aimed at raising business compliance on Section 55 [The Consumer's right to Safe, Good Quality Goods) and 56(2) (Consumer's right to redress] of the Consumer Protection Act No. 68 of 2008. Additionally, there was an exhibition, and a workshop held at Botshabelo Industrial Park for SMMEs

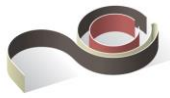
Table 4 below provides a breakdown of activities, topics, and modes of engagement undertaken and used during the reporting period: -

Table 4: Business Education

No.	TYPE OF OUTREACH	EVENT DATE	STAKEHOLDERS	PROVINCE	DISTRICT	AUDIENCE	TOPIC SHARED
1.	Workshop	28 Feb 2025	NCC, SABS, NRCS, SARS	Free State	Botshabelo Industrial Park Municipality	Women/Men owned SMMEs	Section 55 (The Consumer's right to Safe, Good Quality Goods) and 56(2) (Consumer's right to redress) of the Consumer Protection Act No. 68 of 2008
2.	Exhibition	28 Feb 2025	NCC, SABS, NRCS, SARS	Free State	Botshabelo Industrial Park Municipality	Women/Men owned SMMEs	Section 55 (The Consumer's right to Safe, Good Quality Goods) and 56(2) (Consumer's right to redress) of the Consumer Protection Act No. 68 of 2008
3.	Workshop	04 Mar 2025	NCC, MIOSA, Limpopo Provincial Consumer Office, University of Limpopo	Limpopo	Sekhukhune Municipality	Youth, Women, Men	Food safety; on-line transactions



No.	TYPE OF OUTREACH	EVENT DATE	STAKEHOLDERS	PROVINCE	DISTRICT	AUDIENCE	TOPIC SHARED
4.	Workshop	05 Mar 2025	NCC, SEDA, NRCS,	Mpumalanga Province,	Malelani Kamhlushwa District	Women/Men owned SMMEs	Section 55 (The Consumer's right to Safe, Good Quality Goods) and 56(2) (Consumer's right to redress) of the Consumer Protect Act No. 68 of 2008.
5.	Workshop	06 Mar 2025	NCC, SEDA, NRCS,	Mpumalanga Province,	Malelani Kamhlushwa District	Women/Men owned SMMEs	Section 55 (The Consumer's right to Safe, Good Quality Goods) and 56(2) (Consumer's right to redress) of the Consumer Protect Act No. 68 of 2008.
6.	Exhibition	12 Mar 2025	MIOSA, CSGO, FSCA, State SA, SABS, SARS, Police, Municipal Inspectors, Traffic Officers, ICASA, NERSA, Provincial Economic Development office,	Mpumalanga Province	Thaba Chwe Local Municipality	Youth/ Women and Men	Section 55 (The Consumer's Right to Safe, Good Quality Goods) and 56 (2) (Consumer's Right to Redress) of the Consumer Protect Act No. 68 of 2008.

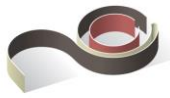


3.4 PROGRESS MADE AGAINST CURRENT QUARTERLY MILESTONES

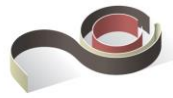
Table 5 below shows the progress made against current quarterly milestones.

Table 5: Performance Table

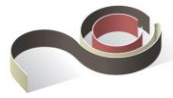
Output Indicator		Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4
1.	Number of market monitoring inspections.	9 market monitoring inspections.	3 market monitoring inspections.	Target Exceeded 5 Market Monitoring Inspections were carried out in Free State, KZN and Mpumalanga	The Gauteng and North West market monitoring inspections were in reaction to requests from stakeholders in the Provinces	None	None
2	Time taken to finalize the investigations.	Finalize CTFL matters within 20 business days.	Finalize CTFL matters within 20 business days.	Achieved 25 CTFL matters were finalised within 20 business days of receipt	None	None	None



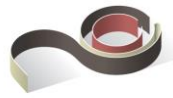
Output Indicator		Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4
3	Number joint initiatives conducted in collaboration with regulatory bodies with concurrent jurisdiction.	1 joint initiative conducted in collaboration with regulatory bodies with concurrent jurisdiction.	1 joint initiative conducted in collaboration with regulatory bodies with concurrent jurisdiction.	Target Exceeded 2 joint initiatives were conducted in collaboration with Limpopo Economic Development, Environment and Tourism Department (LEDET) and Mpumalanga Economic Development and Tourism Department (DEDT) as regulatory bodies with concurrent jurisdiction	The additional collaboration initiative was enabled by the World Consumer Rights Day activities	None	None
4	Number of engagements with accredited consumer protection ombud schemes.	4 engagements with accredited consumer protection ombud schemes.	2 engagements with accredited consumer protection ombud schemes.	Achieved 2 engagements were held with MIOSA and CGSO as the accredited consumer protection ombud schemes	None	None	None
5	Percentage of preferential procurement from SMME's in designated groups.	60% of preferential procurement from SMME's in designated groups.	60% of preferential procurement from SMME's in designated groups.	Target Exceeded 100% of preferential procurement from SMME's in designated groups.	None	None	None



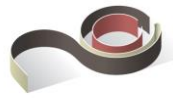
Output Indicator		Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4
6	Number of business education initiatives targeted at companies in industrial parks conducted.	4 business education initiatives targeted at companies in industrial parks conducted.	2 business education initiatives targeted at companies in industrial parks conducted.	Achieved 2 business education initiatives targeted at companies in industrial park were conducted at Botshabelo Industrial Park	None	None	None
7	Number of interns employed by the NCC and accredited ombud schemes namely, MIOSA and CGSO.	20 interns employed by the NCC and accredited ombud schemes namely, MIOSA and CGSO.	10 interns employed by the NCC and accredited ombud schemes namely, MIOSA and CGSO.	Target Exceeded 14 interns employed by the NCC and accredited ombud schemes namely, MIOSA and CGSO	Additional interns were recruited due to availability of budget	None	None
8	Time taken to finalize Ponzi scheme and scams investigations.	Finalize investigations into Ponzi Schemes and scams within 40 days.	Finalize investigations into Ponzi Schemes and scams within 40 business days.	Achieved 6 investigations into Ponzi Schemes and scams were finalized within 40 business days.	None	None	None
9	Number of high impact investigation into high priority sectors including steel, food and unsafe goods exploitative	One high impact investigation into high priority sectors including steel, food and unsafe goods	One high impact investigation into high priority sectors including steel, food and unsafe goods	Achieved Investigations into exploitative practices of FlySafair initiated.	None	None	None



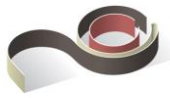
Output Indicator	Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4	
supplier practices initiated.	exploitative supplier practices initiated.	exploitative supplier practices initiated.					
10	Number of high impact investigation into high priority sectors including steel, food and unsafe goods exploitative supplier practices finalized..	One high impact investigation into high priority sectors including steel, food and unsafe goods exploitative supplier practices finalized.	One high impact investigation into high priority sectors including steel, food and unsafe goods exploitative supplier practices finalized.	Achieved Investigation into exploitative practices of – BM Foods/Checkers Shoprite finalised	None	N/A	
11	Percentage of complaints finalized in priority sectors including second-hand cars.	75% of complaints in priority sectors including second-hand cars finalized.	75% of complaints in priority sectors including second-hand cars finalized.	Not Achieved 72.70% (1484 of 2041) of complaints in priority sectors including second-hand cars finalized.	Inadequate implementation of contingency plans when dealing with competing priorities prioritizing older complaints.	Proper Implementation and management of contingency plans	None
12	Percentage of cases in favour of the NCC matters brought before the National	80% success rate in cases presented before the National	80% success rate in cases presented before the National	Target Exceeded 100% success rate in cases presented before the	All cases presented to the NCT were substantially	None	None



Output Indicator	Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4
Consumer Tribunal and/or Courts.	Consumer Tribunal and Courts.	Consumer Tribunal and/or Courts.	National Consumer Tribunal and/or Courts	investigated ,researched and presented with supporting facts.		
13 Time taken to administer and issue communication on product recalls.	Administer product recalls and issue communication thereon within 20 business days of receipt of recall notice from suppliers.	Administer product recalls and issue communication thereon within 20 business days of receipt of recall notice from suppliers.	Achieved Administered 11 product recalls and issued communication thereon within 20 business days of receipt of recall notice from suppliers.	None	None	None
14 Percentage of energy-related complaints finalized within a specified period.	Finalize 80% of energy-related complaints within 6 months.	Finalize 80% of energy-related complaints within 6 months.	Target Exceeded Finalised 87.5% (7 of 8) of energy-related complaints within 6 months.	4 of the 7 suppliers investigated had ceased to operate.	None	None
15 Number of business education and awareness initiatives targeted at consumers.	16 consumer education and awareness initiatives targeted at consumer conducted.	4 consumer education and awareness initiatives targeted at consumer conducted.	Target Exceeded 18 consumer education and awareness Initiatives targeted at consumers were conducted	World Consumer Rights Day build-up activities created ad-hoc opportunity for additional	None	None



Output Indicator		Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4
					consumer education and awareness initiatives		
16	Number of business education and awareness initiatives targeted at SMMEs	8 business education and awareness initiatives targeted at SMMEs conducted.	2 business education and awareness initiatives targeted at SMMEs conducted.	Achieved 2 business education and awareness initiatives targeted at SMMEs were conducted at Mpumalanga Province	None	None	None
17	Number of Education and Awareness Newsletters published.	Publication of Newsletter on NCC interventions and outreach.	Publication of one Newsletter on NCC interventions and outreach.	Achieved One Newsletter on NCC interventions and outreach was produced	None	None	None
18	Percentage of answered calls made to the contact centre.	Answer 90% of answered calls made to the contact centre.	Answer 90% of answered calls made to the contact centre.	Target Exceeded 96% of calls made to the call centre were answered	There was no system down-time experienced	None	None
19	Percentage of availability of complaints handling e-Service System and Website	95% availability of complaints handling e-Service System and Website	95% availability of complaints handling e-Service System and Website	Target Exceeded 98% availability of complaints handling e-Service System and Website.	There was no system down-time experienced	None	None



Output Indicator		Target for 2024/25 as per APP	Quarter Four Target as per APP	Quarter Four Actual Output	Reasons for Deviation	Corrective Action	Comments for Q4
20	Number of days taken to pay suppliers.	Pay service providers within 20 business days.	Pay service providers within 20 business days.	Achieved All service providers paid within 20 business days.	None	None	None



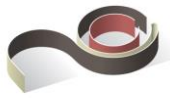
NATIONAL CONSUMER COMMISSION

SECTION C

RISK MANAGEMENT

QUARTER 4
2024-25





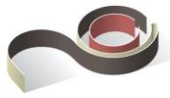
4. AUDIT AND RISK MANAGEMENT

4.1 Progress on actions in the Risk Register

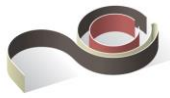
Table 6 below shows the progress made on risk register.

Table 6: Risk Register actions

No.	Risk Description	Risk Treatment Plan Required	Responsible Person	Progress on Risk Treatment Plan	Residual Rating
STR 1	Cyber attacks	"1. Regular monitoring and review of cybersecurity controls 2. Regular cybersecurity awareness training 3. Perform network penetration testing to identify weaknesses in controls. 4. Review ICT security and related policies 5. Develop incident response plan 6. Regular review of systems and infrastructure licenses. 7. Systems and infrastructure changes approved by ICT CAB before implementation to the live systems environment 8. Develop data privacy policy	CIO	1. Implemented Cybersecurity controls are now monitored weekly using automated tools and manual review processes. Monthly reports are generated and submitted to the Committee. 2. Implemented Quarterly cybersecurity awareness training sessions are conducted for all staff. The completion rate for the last training session was 90%, with follow-up scheduled for non-compliant employees. 3. Implemented Network penetration testing was finalised in January 2025. 4. Not Implemented Review of the ICT security policy was not finalised. 5. Implemented	High



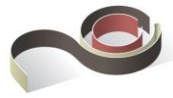
No.	Risk Description	Risk Treatment Plan Required	Responsible Person	Progress on Risk Treatment Plan	Residual Rating
		9. Business systems access reviews with manual generated evidence (Finance and HR)"		<p>Access reviews for Finance and HR systems are conducted quarterly.</p> <p>6. Implemented A structured schedule has been established to review all active licenses quarterly. License compliance and renewals are being tracked and documented.</p> <p>7. Implemented A CAB approval process is in place. All change requests are logged, assessed, and approved prior to deployment.</p> <p>8. Not Implemented Data privacy policy in draft.</p> <p>9. Implemented Sage audit logging implemented.</p>	
STR 2	Inadequate National footprint to educate consumers and business.	<ol style="list-style-type: none"> 1. Self-initiated workshop 2. Use of media (social, print, electronic, webinars) platforms. 3. Customised presentation to relevant target audience. 4. Collaboration with internal and external stakeholders. 5. Partnership with institutions of higher learning. 	Divisional Head: Education and Advocacy	<p>1. Implemented 13 self-initiated workshops were conducted.</p> <p>2. Implemented Electronic, broadcast, social, and print media were used to convey messages.</p> <p>3. Implemented Three presentations were tailor-made to suit the target audience, i.e., a presentation on the pyramid and related schemes, contracts, and the Consumer Protection Act, as well as a presentation on Food Safety.</p>	Low



No.	Risk Description	Risk Treatment Plan Required	Responsible Person	Progress on Risk Treatment Plan	Residual Rating
				<p>4. Implemented Collaborated with the Investigation unit (internal) and CPF member organizations to augment the NCC mandate.</p> <p>5. Implemented Partnered with FSCA, SABRIC, FAIS Ombudsman etc</p>	
STR 3	Limited inspection capacity and misalignment of existing labelling standards.	<ol style="list-style-type: none"> Engagement with Departments of DARRLD, DoH Draft interpretation of labelling requirements SLA with Departments of DARRLD, DoH." 	DH: CID	<p>1. Implemented</p> <ul style="list-style-type: none"> DoH and NCC Meeting was held to discuss the draft interpretation of Labelling Requirements in the Draft Regulation (R3337). NCC sent letter to DG DAARLD on 26 March 2025, requesting a meeting in April 2025 <p>2. Not Implemented Draft interpretation of Labelling Requirements in the Draft Regulation (R3337).</p> <p>3. Not Implemented SLA obsolete</p>	High
STR 4	Lack of skill to investigate fraudulent and deceptive conduct.	<ol style="list-style-type: none"> Provide skills to investigate. In-house training for other investigators. Conduct awareness campaigns for consumers." 	CS	<p>1. Not Implemented Unavailability of inspectors because of competing priorities</p> <p>2. Not Implemented Unavailability of inspectors because of competing priorities</p> <p>3. Not Implemented</p>	Medium



No.	Risk Description	Risk Treatment Plan Required	Responsible Person	Progress on Risk Treatment Plan	Residual Rating
				Awareness sessions not conducted on scams. "	
STR 5	Inadequate financial resources (budget) to achieve the mandate of the organisation.	1. Engage the dtic and NT for additional funds to increase the baseline. 2. Engage the dtic to disburse the full grant. "	CFO	1. Implemented the dtic has pronounced on the amount to be appropriated to the NCC in the next three years, and only inflationary increase has been provided for. 2. Implemented Letter written to the dtic to request the disbursement of the full grant.	High
STR 6	"Inability to retain suitable qualified, capable and skilled workforce. "	1. Engage the dtic by communicating ideal financial requirement of the NCC through the MTEF process. 2. Identification and training of critical skills. 3. Initiate the process to align the remuneration structure to the OSD. 4. Initiate the process filling of critical unfunded vacant position in the approved structure. "	CFO	1. Implemented the dtic has pronounced on the amount to be appropriated to the NCC in the next three years and only inflationary increase has been provided for. The transfer will only be made in April, and it is currently premature to request the full amount upfront. 2. Not Implemented The training of critical skills was not done. 3. Not Implemented The OSD system is currently under review. and NCC will be guided by the final recommendations on conclusion of the project 4. Implemented Letter written to the dtic to request funds to fill critical unfunded positions.	High

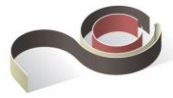


4.2 **Progress against Internal Audit Findings Matrix**

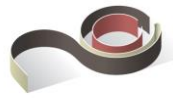
Table 7 below show the progress made internal audit matrix.

Table 7: Internal Audit Matrix

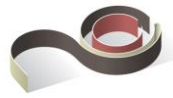
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/ closed)
				Due Date	Completed Date				
1.	Delayed Resolution and Documentation Deficiency Of Standard Operating Procedure (Sop)	During the presentation of the 4th quarter report to the Audit and Risk Committee on April 22, 2024, management stated that the issue described below had been resolved. However, upon further review and our request for documentation to confirm the revision of the SOP, management was unable to furnish the	Management is urged to ensure timely updating of the Standard Operating Procedure (SOP) as previously highlighted in the Q1 Internal Audit Report, incorporating and obtaining approval for the addressed issues outlined above. Given the critical importance of these recommendations for			There is a change of processes happening at NCC as such various SOPs, TOR's and Committees are being reviewed. All SOPs will be updated in Q4,	Company Secretary	There are a changes of processes and as such, various SOPs, TOR's and Committees are still being reviewed.	Open



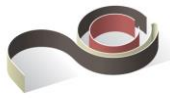
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
		requested materials at the outset of our audit in early May 2024. Despite management's assertion that the gaps were closed as of March 28, 2024, and their clear indication that the SOP had been reviewed and approved in March 2024, the final SOP was sent to internal auditors only on June 19, 2024, after completion of the audit work. Regrettably, it did not address the concerns raised in the Q1 internal audit report.	improving NCC's operational effectiveness and accountability, Internal Audit recommends that NCC prioritize their integration into the revised SOPs without further delay. This will not only address the findings highlighted in the Q1 audit report, but also strengthen NCC's resilience and responsiveness.			however there is a draft in place.			
2.	Notable delays in approving cases for	The audit review revealed significant delays in finalizing investigation cases. from the initial	Establish a strict and transparent First-In, First-Out (FIFO) policy for the processing of all referrals for	Q4	Ongoing	To list all complaints received in	DH:CI	The first-in first-out approach is being implemented.	Open



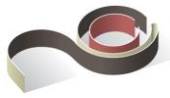
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
	investigations	receipt of cases to the approval of certificates,	<p>investigation, with regular monitoring to ensure adherence.</p> <p>Develop standardized timelines and key milestones for the investigation process, ensuring that progress is tracked, and any deviations are flagged for immediate corrective action.</p> <p>Evaluate current resource allocation and investigate if additional staffing or technology solutions are required to improve efficiency in handling cases.</p> <p>Introduce regular performance reviews and</p>			<p>terms of dates received</p> <p>Include age analysis of complaints in all complaints' reports presented at MANCO</p> <p>.Prioritize the older complaints in allocation for investigation.</p>			



No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
			<p>reporting mechanisms to monitor the age of open cases and identify bottlenecks. This would allow for proactive management intervention to address delays.</p> <p>While adhering to the FIFO principle, introduce a prioritization framework that ensures urgent or high-risk cases are expedited, while maintaining overall process efficiency.</p>						
3.	Unauthorized Access and Data Exposure via Unauthenti	Successfully accessed unauthenticated file shares with read and write access rights using guest and null users. We successfully	Disable guest and null user access to file shares and implement strict access controls based on the principle of least privilege. Configure authentication	28-Feb-25	01-Mar-25	The server identified as 10.0.3.249 has been disabled and discontinued	CIO	The server has been decommissioned.	Closed



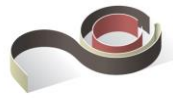
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
	cated File Shares	downloaded database tables and backup files	and authorization mechanisms to ensure that only authorized users can access sensitive file shares. Regularly review and monitor access logs for unusual activity and employ advanced threat detection tools to identify and mitigate potential threats. Perform a comprehensive malware scan and investigate the presence of any suspicious files, such as "LAWRENCE.eml," to ensure no active compromises exist. Lastly, enforce security policies, including regular backups with encryption and secure			following the receipt of the findings report. As this host contributed significantly to the overall risk ratings due to the severity of findings			



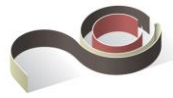
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
			storage, to safeguard critical data.						
4	Default Credentials on Network-Connected Printers Allow Unauthorized Access	It was observed that KONICA MINOLTA printers within the environment were configured with default credentials. Using publicly available information, we identified that the default password for the Administrator account was set to "1234567812345678."	Update the default credentials on ALL printers to strong, unique passwords and ensure the use of secure authentication mechanisms. Perform an inventory of all network-connected devices to identify and remediate any other instances of default or weak credentials. Implement a policy requiring all default credentials on newly deployed devices to be changed during the configuration process. Additionally, restrict access to printer web portals by implementing network	15-Feb-25	29-Mar-25	To address risks, the service provider will be engaged as they require access to the devices for reconfiguration and updates. This process, including replacing default login credentials with secure ones, is scheduled to be completed before the end of February 2025.	CIO	Credentials harden	Closed



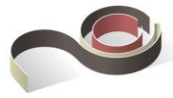
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
			segmentation and IP-based access controls to limit exposure. Regularly audit device configurations to maintain adherence to security best practices.						
5	Exploitation of Hosts via Null and Anonymous SMB Logins.	It was observed that certain hosts permitted anonymous or null SMB (Server Message Block) logins. Exploitation of this vulnerability was successfully demonstrated on host 10.0.3.180, enabling command execution to enumerate and retrieve critical information about users, groups, and the domain tree.	Management should consider enforcing message signing in the host's configuration. On Windows, this is found in the policy setting 'Microsoft network server: Digitally sign communications (always)'. Alternatively, management can upgrade any SMBv1 protocols to SMBv2 or SMBv3.	28-Feb-25	01-Mar-25	The server identified as 10.0.3.249 has been disabled and discontinued following the receipt of the findings report. The host identified as 10.0.3.180 has also been discontinued. to address	CIO	The server has been decommissioned.	Closed



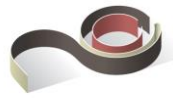
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
						vulnerabilities in a prioritised manner.			
6	Netatalk OpenSession Remote Code Execution Vulnerability	A Tenable Nessus scan identified the presence of a Netatalk OpenSession Remote Code Execution vulnerability. This vulnerability could allow an attacker to execute arbitrary code, trigger a buffer overflow, and potentially establish a shell session.	Immediately disable the vulnerable Netatalk service if it is not required. Apply the latest security patches and updates to address the Netatalk OpenSession vulnerability e.g. upgrading to Netatalk 3.1.12 or later. Conduct a thorough review of all systems for similar vulnerabilities and apply updates where necessary. If the service is essential, consider isolating the affected system within a secure network segment to minimize exposure while the issue is being resolved.	28-Feb-25	01-Mar-25	The server identified as 10.0.3.249 has been disabled and discontinued following the receipt of the findings report. As this host contributed significantly to the overall risk ratings due to the severity of findings.	CIO	The server has been decommissioned.	Closed



No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
			Implement network intrusion detection systems (IDS) to monitor for exploitation attempts and review system logs to ensure no successful unauthorized access has occurred.						
7	Unsupported Microsoft SQL Server	A Tenable Nessus vulnerability scan identified that host 10.0.5.238 is running an unsupported version of Microsoft SQL Server.	Immediately upgrade the Microsoft SQL Server to a supported version that receives regular updates and patches from Microsoft. Prior to the upgrade, ensure that a full backup of the database is taken to prevent data loss. If upgrading is not feasible in the short term, isolate the server from external networks and implement additional security controls, such as	26-Jan-25	26-Jan-25	The server at 10.0.5.238 is a development server. Patching for this server is scheduled for after-hours to minimize disruptions, with a Change Advisory Board (CAB) approval and overtime request process	CIO	SQL Server was upgraded to latest version	Closed



No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
			strict firewall rules and monitoring for suspicious activity. Develop a long-term plan to replace unsupported software across the organization to maintain a secure and compliant environment.			in place. The deadline for this activity is also the end of February 2025.			
8	Cleartext Protocols - Use of Cleartext Protocols Exposing Sensitive Data to Interception .	It was observed that the identified hosts are transmitting data in cleartext, making them susceptible to interception. This could potentially lead to the disclosure of sensitive information, including credentials, during transmission.	Immediately disable the use of cleartext protocols and replace them with secure alternatives that use encryption, such as HTTPS instead of HTTP, SFTP instead of FTP, and SSH instead of Telnet. Implement Transport Layer Security (TLS) to secure data in transit and ensure that all endpoints and servers are configured to	28-Feb-25		Host 10.0.5.173 eService has identified SSL configuration issues and clear text data transmission vulnerabilities. A solution function to address these issues is available but requires	CIO	Disabled cleartext protocols and enforced encrypted alternatives like HTTPS, SFTP, and SSH. Implementing TLS for secure data transmission and configured all endpoints to	Open



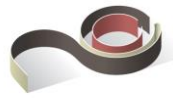
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
			support encrypted communications. Conduct a thorough review of network traffic to identify and eliminate any remaining instances of cleartext transmission. Additionally, train staff to recognize and avoid using insecure protocols and ensure compliance with security policies. Regularly monitor and audit network traffic to verify adherence to these standards.			implementation. The implementation will proceed after Change Advisory Board (CAB) approval.		support encryption.	
9	Open and Unfiltered Ports Exposing Systems to Reconnaiss	We ran an Nmap scan on the IP ranges provided and noted that systems had open or unfiltered ports. This allowed us to gather information on the services	Filter all ports and disable unused services across all enterprise assets.	28-Feb-25	28-Feb-25	The server identified as 10.0.3.249 has been disabled and discontinued	CIO	The server has been decommissioned.	Closed



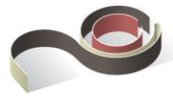
No.	Audit Findings	Audit Finding Description	Auditors' Recommendation	Implementation period		Management Action	Responsible Manager	Progress Made	Status (Open/closed)
				Due Date	Completed Date				
	ance and Targeted Attacks	and versions running on the various ports better assisting us in crafting tailored attacks. One of the systems was host 10.0.3.249				following the receipt of the findings report. As this host contributed significantly to the overall risk ratings due to the severity of findings.			

4.3 **Progress against External Audit Findings Matrix**

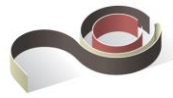
Table 8: Progress made on external audit findings



No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
1.	IT Access Management	<p>List of new users created on the financial application requested, was not provided. In addition, sample of completed request form was not provided for new user created.</p> <p>List of amendment / modification of users account on the financial application requested, was not provided. In addition, sample of completed request form was not provided for amendment / modification.</p>	<p>"•Recommended that management should provide information requested for audit purposes in a timely manner.</p> <p>•The generic LAR & Associates 'Administrator' account on the SAGE 300 (Finance) user list •Management should be deactivated as it violates the Segregation of Duties principle. The administrative account can be used to perform changes</p>		Q3	<p>Management will review the ICT Security Policy and related procedures. Sage system access will be reviewed and signed off by relevant management. Audit logger evidence will be appended to the reviews where possible</p>	CIO	<p>Sage audit logging implemented.</p> <p>Access Review containing system-generated lists from Sage 300 ERP audit logger for Finance and logs from Sage 300 People was not performed on Q4.</p> <p>Support personnel on Sage 300 ERP use their credentials, not the system admin account. The system admin account should not be deleted as per Sage.</p>	Open



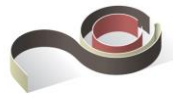
No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>List of users account that were suspended / disabled / terminated on the financial application requested, was not provided. In addition, evidence of request to IT to suspend / disable / terminate account was not provided.</p> <p>While the IT Security policy, states that “user access reviews on SAGE 300 should be performed 'at least bi-annually by the Network Administrator, System Custodian and the Senior Manager (ICT)”, evidence of such review was not provided.</p> <p>"</p>	<p>on the SAGE application (development environment) and perform administration activities in the production environment. The risk is further exacerbated by the absence the audit logger.</p> <p>•ICT management should perform regular reviews on the AD and disable accounts that have been dormant for more than 60 days as required by the IT Security Policy.</p>					<p>Review of the ICT security policy is still under review..</p>	



No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>While the IT Security policy, states that “administrator/controller activities review on SAGE 300 should be performed by a supervisor”, evidence of such review was not provided.</p> <p>Through inspection of the user list obtained from the application, a generic “administrator” account was identified with no valid reason provided.</p> <p>List of new users created on the Active Directory requested, was not provided. In addition, a sample of completed request forms was not</p>	<p>•NCC should ensure that the SAGE environment has the ability to capture and maintain access and activity logs. The Log files should be protected from tampering,</p> <p>proactively analysed on a regular basis, and retained for a minimum of 12 months.</p> <p>•The User Access Management Procedure should be updated and aligned with the IT Security Policy regarding the frequency of user access reviews."</p>						



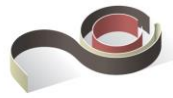
No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>provided for new users created.</p> <p>List of users account that were suspended / disabled / terminated on the Active Directory requested, was not provided. In addition, evidence of request to IT to suspend / disable / terminate account was not provided.</p> <p>Two user accounts on the Active Directory were inactive for more than 60 days. The IT security policy requires that the accounts be disabled after 60 days of inactivity.</p>							



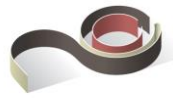
No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		There is misalignment between the IT Security Policy that requires that user access reviews should be performed bi-annually, while the User Access Management Procedure requires that user access reviews should be performed on an annual basis.							
2.	IT Program Change Management – (Sage 300 (Finance), Sage VIP and Active Directory)	While the NCC ICT Change Management Policy includes some guidance on the change management process, the policy did not provide guidance on the migration of changes from the development to the production environment, and the migration of data	"•Management should develop and implement an ICT Change Management Standard Operating Procedure (SOP) based on the outlined key elements in the findings. The SOP should provide a standardized step-by-		Q3	Management to review the ICT Change Advisory Board (CAB) TOR and implement the recommendations in the ICT service desk system.	CIO	The procurement process for the new colocation and Disaster Recovery (DR) as a Service provider has been finalized and a service provider, was appointed	Open



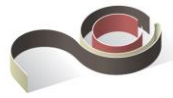
No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>during new system implementations.</p> <p>The adopted ICT Help desk solution does not classify changes into 'Emergency, Standard & Pre-approved' as required by the ICT Change Management policy.</p> <p>A Data Conversion Policy statement and a Standard Operating procedure that defines management of data conversion/migration to ensure the accuracy, completeness, and integrity of converted data, was not in place. Consequently, the following key minimum</p>	<p>step process for executing Change Management procedures.</p> <p>Furthermore, the document should be communicated to all personnel involved in change management processes and regularly updated to reflect evolving best practices and lessons learned.</p> <p>•Management should develop a Data Conversion Policy and a Standard Operating procedure. The Data Conversion Policy and SOP should include.</p>						



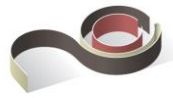
No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>elements could not be determined during the review of Data Conversion process at NCC:</p> <ul style="list-style-type: none"> - Guidelines for data conversion activities, including balancing and reconciliation. - The role of management in approving and monitoring the conversion process." 	<p>1. Guidelines for data conversion activities, including balancing and reconciliation.</p> <p>2. The role of management in approving and monitoring the conversion process."</p>						
3.	IT Service Continuity Management	"A documented and approved Disaster Recovery Plan (DRP), that describes how the NCC can quickly resume IT operation after an unplanned incident, was in place at NCC. However, the following key minimum elements could not be	"Recommended that a BIA should be performed, and the results used to inform the priority of systems that should be run during the subsistence of a disaster.		Q3	"Once the BIA is conducted RTO and RPO for critical systems will be determined and documented. The revised DR plan is planned for finalisation by quarter 3	CIO	The procurement process for the new colocation and Disaster Recovery (DR) as a Service provider has been finalized and a service provider, was appointed	Open



No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>determined by reviewing the DRP:</p> <ul style="list-style-type: none"> - That a business impact analysis (BIA) was performed prior to documenting the DRP. - The required individual system Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO)." <p>Furthermore, it was determined through enquiry that DRP testing was not conducted during the period under review.</p> 	<ul style="list-style-type: none"> •The RTO and RPO should be documented for the critical applications within the NCC. •Conduct a comprehensive IT Disaster Recover testing to validate its effectiveness and identify any gaps or areas for improvement. This testing should include simulated disaster scenarios and involve relevant stakeholders to ensure readiness and familiarity with recovery procedures" 			The BIA will inform the type of DR services that ICT should look for."			
4.	IT Security Management	"It was noted that an IT Security policy and	"Recommended that management		Q3	The firewall policy and procedures will	CIO	The review of ICT security and firewall	Open



No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		<p>Incident Management Procedure outlines how the NCC plans to protect its Information Technology (IT), which ensure the Confidentiality, Integrity and Availability of financial systems and subsequent business activities were in place. However, the IT security policy framework did not provide guidance on the following:</p> <p>-Management and review of alerts generated by the Intrusion Prevention and/or Detection System (IPS/IDS). The IT function however monitored alerts from the IPS during the period under review.</p>	<p>Implement a management process for vulnerability scanning and investigation, including regular vulnerability assessments and penetration testing.</p> <p>•A procedure outlining how security alerts are generated by the Intrusion Prevention System should be processed for meaningful insights."</p>			<p>be updated to incorporate IPS reviews in line with current attainable processes.</p>		<p>policies are under review.</p>	

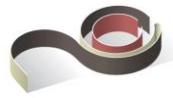


No.	Audit Findings	Audit Finding Description	Auditors Recommendation	Implementation dates		Management Actions	Responsible Manager	Progress Made	Finding open or closed
				Start	End				
		-The performance of vulnerability assessments and penetration testing to identify weaknesses within the network. The IT function however performed a penetration test in July."							

SECTION D

FINANCIAL REPORT

QUARTER 4
2024-25



5. FINANCIAL PERFORMANCE

5.1 Revenue for the Period

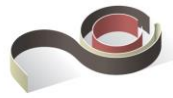
5.1.1. The NCC has an allocated budget for the financial year of R69 120 000 as per the Allocation letter. The total amount has been received. The dtic granted the NCC an additional R2 100 000 in March 2025 to supplement the budget due to the crisis relating to foodborne illnesses. An application was also made to the National Treasury for permission to retain and use surplus funds to the value of R12,8 million generated in the prior financial year. Permission has been granted, and the budget has been adjusted accordingly in the thrift quarter.

5.1.2. Funds that were not immediately required were invested in an interest-bearing account with the South African Reserve Bank (Corporation for public deposits) and interest to the value of R2 729 631 was earned as at the end of March 2025.

5.1.3. Table 1 (one) below provides a summary of movements in revenue for the financial year against the budget.

Table 1 (one): Summary of revenue movements for the current year

Description of item	Annual Budget	Adjustment	Final budget	Year to date budget	Year to date actual	Variance
Government grants	69,120,000	2,100,000	71,220,000	71,220,000	71,220,000	-
Interest income	4,950,000	- 1,950,000	3,000,000	3,000,000	2,729,631	270,369
Other Income	-		0	-	30,939	- 30,939
Retention of Surplus		12,805,249	12,805,249	12,805,249	12,805,249	-
Total	74,070,000	12,955,249	87,025,249	87,025,249	86,785,819	239,430

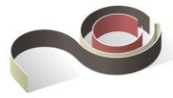


5.2 Expenditure against the budget per economic classification

Table 2 (two): Summary of expenditure against the budget per economic classification.

Description of item	Annual Budget	Adjustment	Final budget	YTD Budget	YTD Actual expenditure R'000	YTD Variance R'000	Remaining Budget for the 2025 Financial Year
Compensation of employees	50,854,306	-	50,854,306	50,854,306	48,627,448	2,226,858	2,226,858
Goods and services	23,215,694	12,403,252	35,618,946	35,618,946	29,671,900	5,947,046	5,947,046
Capital	-	551,997	551,997	551,997	528,997	23,000	23,000
Total	74,070,000	12,955,249	87,025,249	87,025,249	78,828,345	8,196,904	8,196,904

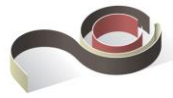
- 5.2.1. Compensation of employees indicates an underspending of R2,226,858. This is attributable to savings generated by vacant positions. The variance is not expected to change significantly.
- 5.2.2. Goods and services expenditure is underspending by an amount of R5,947,046. This is due to lack of spending on the budget allocated to certain projects for which implementation is yet to take place as well as invoices that are yet to be recorded for work done in the prior year.
- 5.2.3. Even though the variance on goods and services is positive, it does not translate to availability of excess funds. This is attributable to the timing difference between the rendering of services and receipt of invoices. While such expenses are ordinarily accrued, the expenditure cannot be estimated, such as legal costs and the NCC is continuously requesting invoices as part of the 2024/25 financial year end activities. The NCC is a litigant in a number of matters where invoices are yet to be received. Furthermore, SABS is also yet to bill for some of the variable costs such as water and electricity. Management has also committed expenditure on a systems migration project costing R4 million per annum. Had expenditure been incurred on this project, the variance would have been at a minimum.



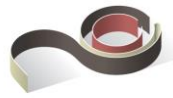
5.3 **Detailed Revenue and Expenditure Variances.**

Table 3 (three): Detailed Revenue and Expenditure Variances

Description	Approved Annual Budget	Adjustment	Final budget	YTD Budget	YTD Actual	Variance	YTD Variance (%)	Remaining Budget for the 2025 Financial Year	Note (Variance explanation)
Revenue									
Government grants	69,120,000	2,100,000.00	71,220,000	71,220,000	71,220,000	0	0%	0	
Interest Income	4,950,000	- 1,950,000	3,000,000	3,000,000	2,729,631	270,369	9%	270,369	
Other Income			0		30,939	-30,939	100%	-30,939	
Retention of Surplus		12,805,249	12,805,249	12,805,249.00	12,805,249	0		0	
Total Revenue	74,070,000	12,955,249	87,025,249	87,025,249	86,785,819	239,430	0%	239,430	
Compensation of employees									
Salary & Wages	44,518,228	0	44,518,228	44,518,228	43,588,905	929,323	2%	929,323	
Social contributions	6,336,078	0	6,336,078	6,336,078	4,785,080	1,550,998	24%	1,550,998	
Leave provision expense	0	0	0		253,463	-253,463		-253,463	
Total compensation of employees	50,854,306	0	50,854,306	50,854,306	48,627,448	2,226,858	4%	2,226,858	
Goods and services									
Audit Committee fees	415,000	0	415,000	415,000	363,623	51,377	12%	51,377	



Description	Approved Annual Budget	Adjustment	Final budget	YTD Budget	YTD Actual	Variance	YTD Variance (%)	Remaining Budget for the 2025 Financial Year	Note (Variance explanation)
Advertising	200,000	900,000	1,100,000	1,100,000	589,593	510,407	46%	510,407	5.4.1.
Assets <R5000	20,000	0	20,000	20,000	101,961	-81,961	-100%	-81,961	5.4.2
External audit fees	1,100,000	0	1,100,000	1,100,000	1,118,392	-18,392	-2%	-18,392	
Bank charges	43,000	0	43,000	43,000	35,385	7,615	18%	7,615	
Catering and consumables	169,000	0	169,000	169,000	466,231	-297,231	-176%	-297,231	5.4.3
Communication costs	1,415,829	0	1,415,829	1,415,829	606,566	809,263	57%	809,263	5.4.4
Computer services	2,680,815	3,208,017	5,888,832	5,888,832	3,198,036	2,690,796	46%	2,690,796	5.4.5
Consultants	702,615	720,000	1,422,615	1,422,615	566,610	856,006	60%	856,006	
Insurance	160,000	90,000	250,000	250,000	177,019	72,981	29%	72,981	
Internal Audit fees	657,510	0	657,510	657,510	709,470	-51,960	-8%	-51,960	
Lease payments	356,112	-100,000	256,112	256,112	237,971	18,141	7%	18,141	
Legal fees	870,000	1,392,740	2,262,740	2,262,740	3,334,777	-1,072,037	-47%	-1,072,037	5.4.6
Printing and publication	200,000	0	200,000	200,000	61,079	138,921	69%	138,921	
Postage and courier	54,000	-23,845	30,155	30,155	15,018	15,137	50%	15,137	
Stationery	150,000	0	150,000	150,000	179,011	-29,011	-19%	-29,011	
Subscriptions and membership	27,000	50,000	77,000	77,000	147,537	-70,537	-92%	-70,537	5.4.7
Software Licenses	4,989,361	1,060,006	6,049,367	6,049,367	4,340,233	1,709,134	28%	1,709,134	5.4.8
Repairs and Maintenance	156,000	0	156,000	156,000	13,025	142,975	92%	142,975	



Description	Approved Annual Budget	Adjustment	Final budget	YTD Budget	YTD Actual	Variance	YTD Variance (%)	Remaining Budget for the 2025 Financial Year	Note (Variance explanation)
Training and staff development	200,000	300,000	500,000	500,000	26,600	473,400	95%	473,400	
		4,806,334	6,090,764	6,090,764	4,203,668	1,887,096	31%	1,887,096	5.4.9
		0	0	0	1,636,889	-1,636,889	-100%	-1,636,889	5.4.10
Water and Electricity	1,413,298	0	1,413,298	1,413,298	561,583	851,715	60%	851,715	5.4.11
Property costs (garden, waste,property rates)	38,674	0	38,674	38,674	38,675	0	0%	0	
Cleaning (cleanng and pest control)	71,616	0	71,616	71,616	71,616	0	0%	0	
Security	163,666	0	163,666	163,666	163,665	0	0%	0	
Property rental	5,677,767	0	5,677,767	5,677,767	6,707,668	-1,029,901	-18%	-1,029,901	5.4.12
Total goods and services	23,215,694	12,403,252	35,618,946	35,618,946	29,671,900	5,947,046	17%	5,947,046	
Total budget/expenditure	74,070,000	12,403,252	86,473,252	86,473,252	78,299,348	8,173,904	9%	8,173,904	
CAPITAL EXPENDITURE									
Computer Equipment	-	334,497	334,497	334,497	311,497	23,000	7%	23,000	
Furniture and Fixtures	-	217,500	217,500	217,500	217,500	0	0%	0	
Total capital budget	-	551,997	551,997	551,997	528,997	23,000	4%	23,000	
Total budget/expenditure	74,070,000	12,955,249	87,025,249	87,025,249	78,828,345	8,196,904	0	8,196,904	



5.4 **Explanations for material variances and remedial actions**

5.4.1. Advertising- Underspending

The budget is utilized mainly for the filling of vacancies and other marketing campaigns. There was also a budget allocated for marketing activities relating to opt-out registry which has not been utilized.

5.4.2. Assets less than R5000- Overspending

The unfavourable variance is due to the headsets purchased for staff to connect to the new telephone system. The NCC has recently improved its Office Voice Solution and disconnected from the SABS telephone system with Microsoft teams being used to make and receive calls. There was therefore a need to procure headsets for some members of staff.

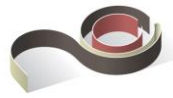
5.4.3. Catering and Consumables- Overspending

The variance is due to the order for promotional materials that was placed in the prior year and delivery was made in the current financial year.

5.4.4. Communication Costs- Underspending

The positive variance is due to pending invoices from the South African Bureau of Standards before SABS telephone system was discontinued and implementation of the new voice solution. The new infrastructure/ systems migration project was also approved on the basis of savings from cancellation of services from SABS.

5.4.5. Computer Services- underspending



This is due to funds allocated for some items in the procurement plan such as ICT Infrastructure migration for which expenditure has not been incurred as procurement has been finalised in March 2025.

5.4.6. Legal fees- Overspending

The overspending is attributable to an increasing trend of appeals on matters that were decided on behalf of the NCC by the tribunal. The NCC is as a result compelled to appoint attorneys to handle such matters on behalf of the NCC at the relevant courts. More invoices are still anticipated for the remainder of the financial year.

5.4.7. Subscriptions and membership- Overspending

The adverse variance is linked to under budgeting. The variance is compensated by savings on other expenditure areas.

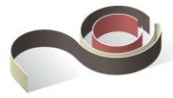
5.4.8. Software Licenses-underspending

The underspending is linked to various licenses on the procurement plan for which procurement is yet to be finalised. A retention of unspent funds will be requested from National Treasury

5.4.9. Travel and subsistence.

The variance is due to the funds that were received from the National Treasury (R2100 000) to fund increasing levels of travel within the organisation, especially due to market monitoring activities. The NCC is still also processing some invoices relating to travel undertaken in the prior year.

5.4.10. Depreciation



This is a non-cash item which will have a positive overall impact on the NCC's funds.

5.4.11. Water and Electricity-Underspending

The underspending is due to the fact that the invoices are yet to be received from SABS (delayed billing).

5.4.12. Property Rental- Overspending

The difference between expenditure is mainly due to the straight lining of the lease rental in terms of GRAP and the property rates which were under budgeted.

5.5 Summary of actions to ensure that the projected expenditure and revenue remain within the budget.

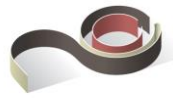
5.5.1 The expenditure is continuously monitored against the approved budget and projections are observed.

5.5.2 The implementation of the procurement plan is being monitored.

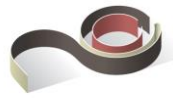
5.5.3 The budget adjustment has been implemented. Additional funding was received from the National Treasury which was used to supplement the budget relating to market monitoring activities.

5.6 **Progress on the Implementation of the Procurement Plan**

No.	Project Description	Estimated Value (incl. taxes)	Date Service Required	Comments
1	External Audit Services for 36 months	R 3 300 000.00	01 June 2025	<p><u>November 2024</u> Approved submissions and Terms of Reference were received on 08 November 2024, BSC was scheduled on 19 and 20 November 2024. The BSC Committee returned the Terms of Reference to the end-user for necessary improvements.</p> <p><u>December 2024</u> No activity in December as terms of reference are still pending.</p> <p><u>January 2025</u> Terms of Reference have been finalized by the BSC, to be advertised not later than 07 January 2025.</p> <p><u>February 2025</u> The bid has been advertised with a closing date of 3rd March 2025.</p> <p><u>March 2025</u> The tender is before the Bid Evaluation Committee. It closed on the 3rd of March 2025.</p>
2	Internal Audit Services for 36 months	R1 971 000.00	23 March 2025	<p>Approved submission has been received, BSC is yet to be scheduled. No activity in December as terms of reference are still pending.</p> <p><u>January 2025</u> Terms of Reference have been finalized by the BSC, to be advertised not later than 07 January 2025.</p> <p><u>February 2025</u></p>



No.	Project Description	Estimated Value (incl. taxes)	Date Service Required	Comments
				The bid has been advertised with a closing date of 3 rd March 2025. <u>March 2025</u> The tender is before the Bid Evaluation Committee. It closed on the 3 rd of March 2025.
3	Back-end Infrastructure Support for a period of 36 months	R4 301 393.76	01 November 2024	<u>March 2025</u> The tender has been awarded in March 2025. Transaction has been concluded.
4	Microsoft Licenses	R 900 000.00	01 April 2025	<u>March 2025- April 2025</u> Terms of reference which were received in March 2025 will be changed by the ICT department to ensure that procurement is for a long term as opposed to annual renewals as initially planned. A tender will also be issued in April 2025 after approval of the ToRs.
5	FortiGate Firewall License for 12 months	R 1 400 000.00	12 May 2024	The purchase order was raised on 17 May 2024. Transaction has therefore been concluded.
6	Web Application Firewall	R 700 000.00	Immediate	<u>December 2024</u> The bid was not approved as the response was not enough for a closed bid, therefore there is need for re-advertisement if directed by the ICT team. The ICT team was made aware of this outcome.
7	Panel of Attorneys	Not applicable	Immediate	<u>December 2024</u> Panel of attorneys were appointed on 09 December 2024.
8	Veeam Subscription	R 500 000.00	01 March 2025	<u>January 2024</u> Terms of reference have not yet been received.



No.	Project Description	Estimated Value (incl. taxes)	Date Service Required	Comments
				<u>February 2025</u> Terms of reference have not yet been received. <u>March 2025</u> The submission and TORs were received and currently under procurement process.
9	HP Subscription	R 600 000.00	01 March 2025	<u>January 2025</u> Terms of reference not yet received. <u>February 2025</u> Terms of reference have not yet been received. <u>March 2025</u> The submission and TORs were received and currently under procurement process.



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