



*an Agency of the Department of Sport, Arts and Culture*

# ANNUAL PERFORMANCE PLAN 2024/25 Financial Year

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## List of Abbreviations and Acronyms

ADO	Arts Development Officer
APP	Annual Performance Plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSI	Corporate Social Investment
DSAC	Department of Sport, Arts and Culture
EXCO	Executive Committee
ENE	Estimates of National Expenditure
FDI	Financial Development Institutions
GMS	Grant Management System

GDP	Gross Domestic Product
GVA	Gross Value Added
HR	Human Resources
ICT	Information and Communications Technology
IKS	Indigenous Knowledge Systems
IP	Intellectual Property
MGE	Mzansi Golden Economy
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
NAC	National Arts Council
PACC	Provincial Arts and Culture Council
PESP	Presidential Employment Stimulus Programme
NDP	National Development Plan
SOP	Standard Operating Procedure
SETA	Sector Education and Training Authority

## 1. ACCOUNTING AUTHORITY STATEMENT

On behalf of the Council, Management and Staff of the National Arts Council, I am pleased to present the Annual Performance Plan for the 2024/2025 financial year.

The National Arts Council (NAC) is the largest funding Agency for the Arts and culture sector under the Department of Sport, Arts and Culture. This funding responsibility allows us to serve seven of the industry disciplines namely, *Music, Dance, Craft, Literature, Music, Multidiscipline, Theatre and Visual Arts* as mandated by the NAC Act.

The NAC has 6 strategic outcomes strategic outcomes namely:

Outcome 1: Increased access to the NAC by providing support to all sectors of our communities, particularly those who are marginalised.

Outcome 2: Promoted the appreciation, understanding and enjoyment of, and fostered the expression of national identity by means of the arts.

Outcome 3: Provided thought leadership, advocacy and policy direction on matters concerning arts and culture.

Outcome 4: Established and strengthened partnerships for arts delivery and promotion.

Outcome 5: Economic growth increased through the arts.

Outcome 6: Strengthened internal capabilities of the NAC to effectively deliver on its strategic plan.

As we embark on the development of the Annual Performance Plan for 2024/2025, we find ourselves facing unprecedented challenges in the wake of declining budgets and cost containment measures imposed by the Treasury. The economic downturn in South Africa has cast a long shadow over our ability to support and nurture the arts and culture sector, a sector that is not only integral to our nation's identity but also central to our socio-economic recovery. Despite these daunting financial constraints, the National Arts Council remains unwavering in its commitment to addressing the needs of the sector.

The NAC's dedication to the arts community and our mission to foster creativity and cultural expression are steadfast. While we must acknowledge the reality of a limited budget, we are equally determined to maximize the impact of every resource at our disposal. The year 2024/2025 calls for innovative strategies, efficient use of our budget, and an unwavering focus on the sustainability and resilience of our cultural ecosystem. We must adapt, evolve, and find creative solutions that empower artists and cultural organisations in these trying times.

In the face of these challenges, we reaffirm our pledge to provide accessible and equitable support for artists, protect the rich cultural tapestry of our nation, and stimulate economic growth within the arts sector. This Annual Performance Plan reflects our determination to navigate the storm of fiscal austerity while ensuring that the arts

continue to flourish. We seek to align our outcomes with the evolving needs of our creative community, despite the economic downturn.

This plan is not just a document; it is a testament to our collective will to persevere, innovate, and champion the arts in South Africa. We recognise that challenges lie ahead, but we are equally inspired by the enduring resilience, creativity, and talent that characterises our nation's artists and cultural organisations. Together, with a shared commitment to excellence and an unyielding passion for the arts, we will weather this storm and emerge stronger on the other side.

I extend my deepest appreciation to the dedicated staff, artists, and stakeholders who have worked tirelessly to shape this plan. Your commitment to the cultural vitality of our nation is a beacon of hope in these trying times. Let us, as one united arts community, step into the future with courage, determination, and a profound belief in the transformative power of the arts.



H.R.H. Princess Celenhle Dlamini

Chairperson

National Arts Council of South Africa

## 2. Official sign-off

It is hereby certified that this APP:

- was developed by the management of the NAC under the guidance of Council,
- was prepared in line with the current Strategic Plan of the NAC, and
- accurately reflects the performance targets the NAC will endeavour to achieve given the resources made available in the budget for 2024/25.

Reshma Bhoola



Interim Chief Financial Officer

Signature: \_\_\_\_\_

Julie Diphofa

Interim Chief Executive Officer

Signature: \_\_\_\_\_

Approved by:

H.R.H. Princess Celenhle Dlamini

Chairperson

Signature: \_\_\_\_\_

Minister

Executive Authority

Signature: \_\_\_\_\_

### 3. OVERVIEW FOR THE NATIONAL ARTS COUNCIL

As we approach the upcoming year, I am pleased to present the Annual Performance Plan (APP) for the National Arts Council (NAC). This comprehensive document outlines our strategic objectives, key initiatives, and performance indicators aimed at advancing our mission to foster creativity, promote cultural diversity, and support the arts in our nation.

The overarching theme of our APP centres on resilience, innovation, and inclusivity as we navigate the evolving landscape of the arts sector. Despite the challenges posed by external factors such as the economic downturn and budget limitations, our commitment to nurturing the arts remains steadfast, and our strategies are designed to adapt to the dynamic environment.

Key Highlights of the Annual Performance Plan:

**Strategic Priorities:** The APP reflects our strategic priorities, emphasising the cultivation of emerging talents, provincial equity, the promotion of accessibility to the arts, and the continued support of established artists. These priorities align with our mission to position the National Arts Council as a catalyst for positive change within the cultural landscape.

**Innovation and Technology:** Recognising the transformative power of technology, our plan includes initiatives to continue to enhance digital platforms and innovative tools to broaden the reach to our dedicated stakeholders. This includes webinars, and other digital resources and platforms that enhance engagement with diverse audiences.

**Capacity Building:** We remain committed to enhancing the capabilities of artists and arts organizations. The APP outlines initiatives for capacity-building programs, professional development opportunities, and collaborations to empower the arts community and ensure sustainable growth.

**Inclusivity and Diversity:** Our commitment to fostering an inclusive arts environment is evident in initiatives aimed at promoting diversity in artistic expression, representation, and audience engagement. We will actively work towards supporting artforms that celebrate the richness of our cultural heritage and embrace the diversity of our society.

**Stakeholder Collaboration:** Building on the success of previous partnerships, the APP outlines strategies to strengthen collaborations with government agencies, corporate partners, and community organisations. These partnerships will amplify the impact of our initiatives and contribute to the overall growth of the arts sector.

This plan is more than a set of targets; it reflects our shared values, aspirations, and the collective vision we have for our organisation. It outlines our strategic priorities, key performance indicators, and the initiatives that will propel us forward. It is a call to action, a commitment to delivering exceptional results and creating value for our stakeholders.



As we execute this plan, we remain steadfast in our commitment to integrity, collaboration, and a customer-centric approach. Our success is not only measured by financial metrics but also by the positive impact we have on the lives of our customers, employees, and the communities we serve.



Julie Diphofa

Interim Chief Executive Officer

National Arts Council

## 4. PART A – OUR MANDATE

### 4.1. Legislative Mandates

Section 16 (1) (c) of the Bill of Rights underscores the importance of artistic expressions by declaring; “Everyone has the right to freedom of expression, which includes: freedom of artistic creativity and by extension the NAC has a legislative mandate to ensure that everyone has the right to freedom of expression”.

This constitutional provision elevates the right to artistic expression of citizens at the same level as other rights that makes our country a revered constitutional democracy with a strong human rights posture.

For this reason, arts functions, as envisaged in our Constitution, are concurrent functions that are performed at national, provincial, and local levels; in terms of our three-tier system of government.

Between schedule 4 and 5 of the Constitution, the arts functions can be delineated as follows:

*Table 1 - Delineation of Arts and Culture functions as per Constitution*

Sphere of Government	Category of Functions	of Specific Functions	Reference
National and provincial spheres	Functional areas of concurrent national and provincial legislative competence	Cultural Matters Provincial recreation and amenities	Schedule 4, Part A
Provincial sphere	Functional areas of exclusive provincial legislative competence	Provincial cultural matters	Schedule 5, Part A
Local sphere	Local government matters to the extent set out for provinces in section 155(6)(a) and (7)	Local amenities	Schedule 5; Part B

The National Arts Council is one of the statutory bodies, agencies, of the Department of Sport, Arts and Culture with each being created by specific legislation. Accordingly, the NAC was established through the promulgation of Act No. 56 of 1997: National Arts Council Act. This Act makes the NAC the sole national arts agency in support of the broader mandate of the department.

This is also the Act that further articulates the mandate for the NAC in greater detail and in a manner that distinguishes it from other agencies and the department. Specifically, section 3, “objects of the council” enumerates the totality of what the act was established to achieve as reproduced in the incept below.

3. The objects of the Council are—

- a) to provide, and encourage the provision of, opportunities for persons to practice the arts;
- b) to promote the appreciation, understanding and enjoyment of the arts;
- c) to promote the general application of the arts in the community;
- d) to foster the expression of a national identity and consciousness by means of the arts;
- e) to uphold and promote the right of any person to freedom in the practice of the arts;
- f) to give the historically disadvantaged such additional help and resources as are required to give them greater access to the arts;
- g) to address historical imbalances in the provision of infrastructure for the promotion of the arts;
- h) to promote and facilitate national and international liaison between individuals and institutions in respect of the arts;
- i) to develop and promote the arts and to encourage excellence in regard to these.”

A synchronised review of table 1 and figure 1, above, creates a succinct mandate for the NAC in relation to the performance of the arts’ functional areas nationally; and the two other spheres of provincial and local governments, respectively. The most significant of which is the reality that strategic partnerships and seamless cooperation, against the backdrop of the principle of corporate governance as envisaged in the constitution, are paramount for success.

#### 4.2. Relevant Legislation and Policy Framework

The following pieces of legislation and policy frameworks have a direct impact on the work of the NAC and how it goes about its business as a legal entity:

- a) National Arts Council Act, (Act No. 56 of 1997),
- b) National Arts Council Regulations (1999),
- c) Public Finance Management Act, (Act No. 1 of 1999),
- d) Cultural Laws Amendment Act (Act No 36 of 2001),
- e) Treasury Regulations (2001),
- f) Promotion of the Administrative Justice Act (Act No. 3 of 2000),
- g) Promotion of Access to Information Act (Act No. 2 of 2000),
- h) Protection of Personal Information Act (Act No. 4 of 2013),
- i) Revised White Paper on Arts, Culture and Heritage (Cabinet, 22 August 2018),
- j) DSAC 2020-2025 Strategy,
- k) National White Paper on Arts, Culture and Heritage (1996)
- l) Labour Relations Act (Act No. 56 of 1995)
- m) Basic Conditions of Employment Act (Act No. 75 of 1997)
- n) Employment Equity Act (Act no 55 of 1998)

The furtherance of the NAC mandate is further informed by creativity, language, and intellectual and artistic freedom as enshrined in:

- o) the Bill of Rights in the Constitution of the Republic of South Africa (1996),
- p) the National Development Plan: Vision for 2030 (2011),
- q) the African Charter on Human and Peoples' Rights (1981),
- r) the Charter for African Cultural Renaissance (2006),
- s) the UNESCO Declaration on Cultural Diversity (2001),
- t) the Convention for the Safeguarding of Intangible Cultural Heritage (2003),
- u) the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005), and
- v) the African Union's Agenda 2063 (2014).

#### 4.3. MTSF Priorities Alignment

<p><b>Priority 1</b></p> <p>Building a capable, ethical, and developmental state</p>	<p>For the NAC, this priority is of strategic importance because it must be anchored on the recognition that the arts sector is at its various phases of development; some sectors and communities are more advanced than others, whilst others remain in the margins of society. It is important that marginalised and indigenous arts are developed to the same level as those in the mainstream and be able to build creative skills that can produce competitive artistic goods and services with access to local and international markets.</p>
<p><b>Priority 2</b></p> <p>Economic transformation and job creation</p>	<p>The NAC's funding trajectory must be informed by the need to grow the economy, whilst ensuring that the sector produces artistic goods and services that shape the character of the country. The NAC will support participation of arts practitioners from marginalised communities to increase job opportunities.</p>
<p><b>Priority 3</b></p> <p>Education, skills, and health</p>	<p>The NAC's commitment to skills development, education and capacity building is knit through the arts disciplines, including bursaries, to ensure that the country does create a skills base of arts practitioners that compete at international level and produce goods and services good enough for exports. Mental health remains one of the most challenging social ills in our society, particularly the arts sector. As the NAC we remain cognisant of the need to stimulate the economy so that artists do not fall into depression because of their socio-economic circumstances.</p>
<p><b>Priority 4</b></p> <p>Consolidating the social wage through reliable and quality basic services</p>	<p>The NAC will continue to influence policy and legislation that will address social security and a living wage for arts practitioners. The arts practitioners rely on their craft and profession to earn a living, and during economic strife, similar to what has been experienced during COVID-19, it became clear that the government needs to do more in ensuring the security of tenure for the arts.</p>

<p><b>Priority 6</b></p> <p>Social cohesion and safe communities</p>	<p>This is the core of the NAC’s mandate, which is to make sure that cultural productions and art creations contribute to social cohesion and create a safe environment where artists can practice their craft. This will translate into a funding programme that promotes the diversity of cultural expressions whilst promoting national unity.</p>
<p><b>Priority 7</b></p> <p>A better Africa and World</p>	<p>South Africa’s artistic and cultural expressions continue to make meaningful impact on the Continent and the rest of the world. The NAC continues to create an environment, through its funding and support, to ensure that the country produces competitive artistic expressions, whether it is in theatre, music, dance, visual arts, multi-discipline, craft and literature.</p>

#### 4.4. Updates on Institutional Policies and Strategies

The NAC’s new and enhanced strategy has shifted from a programme-focused funding approach back to a discipline-focused funding approach. The change was implemented during the 2021/2022 financial year. These changes in the policy environment do not impact the NAC’s ability to achieve all targets as set out in the NAC’s five-year strategy.

The NAC’s funding categories are made up of the following funding disciplines listed below:

- a) Craft
- b) Dance
- c) Literature
- d) Music
- e) Theatre
- f) Visual arts
- g) Multi-discipline

The arts disciplines listed above are meant to support the various art genres that the sector practices or is involved in. The National Arts Council (NAC) is the largest funding Agency for the Arts & Culture sector under the Department of Sports, Arts and Culture and has funding responsibility to serve seven (7) of the industries disciplines as mandated by White Paper on Arts and Culture (1996) the NAC Act (No. 56 of 1997).

## 4.5. Update on Relevant Court Rulings

Ruling on Mr Freddie Nyathela and the South African Roadies Association – 04 July 2023. The matter has been closed.

# 5. PART B – OUR STRATEGIC FOCUS

## 5.1. Vision

A catalyst in the arts, cultural and creative community that supports free and diverse artistic expressions.

## 5.2. Mission

An accessible and responsive funding agency, delivering public value by leveraging partnerships to foster the development, promotion and sustainability of the arts sector.

## 5.3. Values

- Transparency
- Accountability
- Integrity
- Caring
- Excellence

## 5.4. Updated Situational Analysis

The arts and culture in South Africa are marked by a dynamic and diverse landscape, reflecting the country's rich history and multicultural society. South Africa boasts a vibrant artistic scene encompassing visual arts, literature, music, craft, multidiscipline dance, and theatre, with contributions from various ethnic groups. However, challenges such as economic disparities and historical inequalities have affected the sector. The newfound appreciation for the arts, coupled with increased government support such as the Presidential Employment Stimulus Programme (PESP), is bolstering the creative economy's revival. Artists and cultural organisations are harnessing this renewed momentum to create impactful, socially relevant works, contributing to a brighter future for the arts economy.

During 2023/24, the organisation enhanced its digital operations with limited business disruption and was able to continue to operate. This resulted in strengthened digital

systems and communications including social media to ensure that the external stakeholders are informed, and services are uninterrupted to the public.

Many artists and cultural organisations in South Africa continue to struggle with limited financial support. Public funding for the arts is insufficient, leading to increased reliance on other limited sources of funding.

South Africa is known for its rich cultural diversity and history. Many arts practitioners are making efforts to preserve and promote the country's various cultural expressions, languages, and traditions. Initiatives aimed at inclusivity and representation are gaining importance.

The digitalisation of the arts has become more pronounced, with artists exploring online platforms to showcase their work and engage with audiences. Virtual events, digital exhibitions, and online performances gained popularity as alternatives to traditional in-person experiences.

The arts in South Africa serve as a platform for addressing social issues, including racial inequality, gender issues, and other forms of social justice. Artists played a crucial role in raising awareness and advocating for positive change. In addition, efforts are also being made to enhance arts education and skills development programs. Supporting emerging talent and providing opportunities for training and mentorship have been identified as key areas for growth.

South African artists and cultural institutions are increasingly engaging in international collaborations and exchanges. This not only provides exposure for local talent but also contributes to the global dialogue on arts and culture.

### 5.5. External Environment Analysis

<b>Political Factors</b>	<ul style="list-style-type: none"><li>- The operation of the National Arts Council (NAC) is influenced by priorities of government. Firstly, government funding plays a crucial role in the NAC's operations. The allocation of financial resources to the arts sector is determined by government policies and budgetary decisions, which can fluctuate based on political priorities and economic conditions.</li><li>- Additionally, the impending national elections, political leadership and governance impact the NAC's leadership appointments and the overall direction of arts and culture policy.</li><li>- Political decisions on issues like censorship, freedom of expression, and cultural diversity can also have a profound impact on the NAC's ability to foster a vibrant and inclusive arts community in South Africa. Thus, the NAC must navigate a complex political landscape to fulfil its mission of promoting and supporting the arts in the country</li></ul>
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<p style="text-align: center;"><b>Economic Factors</b></p>	<ul style="list-style-type: none"> <li>- The National Arts Council has been navigating through challenging economic factors that have an effect on the entire budget. One of the factors is the declining budget allocation from the National Treasury, which has limited the Council's ability to support and promote the arts in the country.</li> <li>- In response to this financial challenge, the NAC is has taken a proactive approach to seek partnerships and collaboration with various organisations nationally and internationally to create more opportunities for the sector outside the normal NAC funding programmes. The NAC will also be partaking in fundraising initiatives in the next financial year to augment the allocation from the National Treasury.</li> <li>- In addition, the Council has been mandated to implement various cost containment measures, such as reducing administrative expenses and seeking alternative sources of funding. Additionally, the state of youth unemployment has posed a considerable threat to the arts, as talented young artists struggle to find or create stable employment opportunities and financial security. This not only hampers the development of new artistic talent but also reduces the audience and market for artistic endeavours. In these trying economic times, the National Arts Council faces the formidable task of navigating these intertwined challenges to ensure the vibrancy and sustainability of the arts in the nation</li> </ul>
<p style="text-align: center;"><b>Social Factors</b></p>	<ul style="list-style-type: none"> <li>- Social factors have a profound impact on the National Arts Council, influencing its strategies and priorities. South Africa's complex and diverse society plays a critical role in shaping the Council's work. Issues such as cultural diversity, inequality, and access to the arts are central considerations.</li> <li>- Social factors also include changing demographics, with a growing emphasis on youth engagement and the need to represent the evolving demographics of the nation in the arts. Additionally, social movements and issues, such as the ongoing conversations around identity, race, and social justice, impact the themes and narratives that artists explore. These factors drive the Council's efforts to foster inclusivity, support marginalised communities, distribute funding equitably across the country and ensure that the arts reflect the full spectrum of South African society.</li> <li>- Furthermore, social, and economic disparities in the aftermath of COVID-19 have underscored the importance of the Council's role in aiding the recovery and resilience of artists and arts organisations. In navigating this intricate social landscape, the National Arts Council is committed to promoting a vibrant, equitable, and socially resonant arts sector.</li> </ul>
<p style="text-align: center;"><b>Technological Factors</b></p>	<ul style="list-style-type: none"> <li>- The National Arts Council is not immune to the ever-evolving landscape of technological advancements. Several technological factors affect its operations. First and foremost, the accessibility and usability of its online application platforms play a critical role in facilitating artists' and organisations' engagement. The user interface, website responsiveness, and compatibility with various devices are pivotal for ensuring that applicants can seamlessly navigate the application process.</li> <li>- Additionally, cybersecurity and data protection measures are paramount to safeguard sensitive information submitted by applicants. Embracing emerging technologies for virtual exhibitions and online art showcases is another technological aspect that the National Arts Council must consider, as it influences how artists present their work to a wider audience. In this digital age, staying technologically up-to-date and user-friendly is key to serving the creative community effectively.</li> </ul>



<b>Environmental Factors</b>	<ul style="list-style-type: none"> <li>- The National Arts Council of South Africa faces a myriad of environmental issues that have the potential to impact its operations and the creative community it serves. Climate change, for instance, poses a significant threat to cultural heritage and artistic expression. Rising temperatures and extreme weather events can lead to damage to historical art and artifacts, as well as affect the scheduling of outdoor events.</li> <li>- Additionally, the NAC must contend with issues related to environmental sustainability in its facilities and events, such as reducing waste and energy consumption in the face of the country's energy incapacities. The ongoing loss of biodiversity and habitat destruction also impacts indigenous artistic practices and cultural diversity. The NAC plays a crucial role in fostering the arts in South Africa, and addressing these environmental challenges is essential to ensure the continued vibrancy of the country's artistic community.</li> </ul>
<b>Legal Factors</b>	<ul style="list-style-type: none"> <li>- The National Arts Council, as a grant-making institution, operates within a framework of legal factors that shape its activities. Firstly, compliance with South African laws and regulations pertaining to non-profit organisations, grants, and public funding is essential. Ensuring that its grant disbursement processes align with legal requirements and transparency standards is imperative.</li> <li>- Additionally, intellectual property laws are of utmost importance, particularly in protecting the rights of artists and creators, ensuring fair compensation, and safeguarding against copyright infringements.</li> <li>- Furthermore, the NAC must remain vigilant regarding discrimination and equality laws to ensure that grant opportunities are accessible to all artists and groups, regardless of factors such as race, gender, or disability. Navigating these legal factors is crucial for the NAC to fulfil its mission of supporting the arts and fostering creativity while adhering to the rule of law and upholding ethical standards in its operations</li> </ul>

## 5.6. Internal Environment Analysis

The National Arts Council deals with a range of internal environmental issues that significantly impact its ability to function efficiently and effectively. Loadshedding, a recurring energy crisis in the country, poses a major challenge, often with the potential of disrupting operations. The NAC has explored alternative energy sources to continue to operate optimally. Despite these challenges facing the country, the NAC has shown resilience by exploring a hybrid operational model. This model combines digital and physical engagement to mitigate disruptions caused by loadshedding and water scarcity, enabling the Council to continue supporting the arts community.

### 5.6.1. Organisational Environment

The amalgamation between the National Arts Council and the National Video Foundation signifies a significant shift in the landscape of cultural and artistic support in South Africa. While the merger brings about various benefits, such as streamlined resources, increased synergy, and potential for more comprehensive artistic endeavours, it also has implications for staffing. The integration process necessitates a thorough assessment of the workforce, potentially leading to staff reassignments, layoffs, or restructuring to eliminate duplications in roles and responsibilities. It may also bring

about new opportunities for cross-training and skill development, as amalgamation requires staff to adapt to a broader spectrum of artistic mediums and projects.

Additionally, the fusion of the two organizations might create new positions or roles, enhancing career prospects for some employees. Overall, the amalgamation represents a pivotal moment in the evolution of arts and culture support in South Africa, with staffing changes being an integral part of this transformative process.

The National Arts Council also faces a challenging and uncertain landscape in terms of the continuation of the Presidential Employment Stimulus Programme (PESP). This uncertainty is paramount in safeguarding staffing and sustaining support for the arts sector through larger grants. While PESP has played a crucial role in providing financial relief and job security in a sector hit hard by the global pandemic, its future remains uncertain and subject to government budget allocations and policy changes.

The NAC's ability to maintain and potentially increase grant support relies heavily on the sustainability of the PESP. The arts sector plays an essential role in South Africa's cultural and economic landscape, and the continuation of this support is vital not only for the NAC's staffing stability but also for the broader artistic community's livelihood and the preservation of the country's rich cultural heritage. The NAC faces the ongoing challenge of advocating for consistent and substantial government support to ensure the continued growth and vibrancy of the arts in South Africa

#### 5.6.1.1. Arts Development

The National Arts Council's Arts Development Unit has demonstrated remarkable capabilities in handling large volumes of applications and processing them within set timelines despite the challenges they bring. The efficiency and dedication of staff are evident in their ability to manage the substantial influx of grant applications from artists and cultural organisations. However, this comes at a price of working for extended hours as multiple funding sessions are handled in one year. The Grant Management System (GMS) has helped in streamlining processes, and a team of dedicated Arts Development Officers, Junior Arts Development Officers, Call Centre staff and the Project Funding Manager within the unit ensures that applications are thoroughly reviewed, verified, evaluated, and processed within stipulated timeframes. This efficient approach not only minimises delays but also fosters transparency, encouraging artists and organisations to plan and execute their projects with confidence. The NAC's Arts Development Unit plays a pivotal role in the successful distribution of grants, which, in turn, bolsters South Africa's dynamic arts and culture sector, enabling it to thrive and make a meaningful contribution to the nation's cultural and artistic tapestry.

The NAC is also currently facing with a significant challenge, primarily stemming from its limited budget, which prevents it from conducting site visits to all projects funded. This financial constraint poses a considerable obstacle to the Council's mission to ensure accountability and effective utilisation of funds within the artistic community. Site visits play a vital role in verifying the progress and impact of projects, offering valuable insights into the real-world outcomes of grants and the degree of alignment with the NAC's objectives. The inability to visit every project risk is hindering the Council's ability

to assess the true value and impact of its investments. Thus, NAC faces the pressing task of finding innovative strategies, such as more rigorous reporting mechanisms or targeted visits to higher-risk projects, to address this limitation and ensure the responsible allocation of its resources.

The Arts Development Unit is committed to fostering a vibrant arts community by going beyond just processing grants. They actively strive to create funding awareness and facilitate capacity-building initiatives that empower artists and cultural organisations to navigate the grant application process effectively and to responsibly report back on projects funded. Through workshops, webinars, and outreach programs, they provide valuable guidance, helping potential grant recipients understand the intricacies of the application process, develop compelling proposals, and meet reporting requirements. This proactive approach not only ensures that artists have equitable access to funding but also promotes accountability and transparency in the arts sector. By offering these vital resources, the Arts Development Unit not only supports individual artists and organisations but also strengthens the broader cultural ecosystem in South Africa.

#### 5.6.1.2. Finance

The NAC has maintained an Unqualified Audit result through effective administrative processes and is in the process of integrating the Finance Accounting System into the GMS to attain a fully digital process in the grant life cycle.

The entity might well experience budget cuts and will need to find a way of operating under these constrained conditions.

#### 5.6.1.3. Human Resources

The organisation will focus on employee wellness and provide continuous support to staff through measuring and assessing individual employee performance. To capacitate and empower employees with the necessary skills and knowledge to assist with service delivery.

The maintenance of a healthy and compliant working environment is a priority. Budget constraints are restricting the unit from achieving its operational plans fully to address the capacity enhancements in the different units.

#### 5.6.1.4. Information Technology

The Grant Management System (GMS) has been updated to allow beneficiaries to upload reports thereby eliminating possible human error and improved recordkeeping. The Unit also conducted research to cater for remote areas where data access is an issue. Vodacom was appointed to create a zero-rating platform for applicants with limited data. The unit is unable to fully realise its operational plans such as a full migration to cloud due to limitations imposed by budget constraints.

The NAC is faced with challenges of downtime due to loadshedding (stage 6). The UPS in place reduces the amount of downtime, however it is sensitive to power surges. The Unit has put temporary measures in place to ensure uptime of services whilst prioritising the purchase of a new generator and solar panels through UAMP funds.

### 5.6.1.5. Communications

The unit has strengthened its digital marketing strategy through the utilisation of social media. However, budget constraints are restricting the unit from achieving from meeting its optimal targets such as conducting roadshows, community outreaches and fully fledged traditional advertising through mainstream media such radio, newspapers and television to amplify the current marketing efforts which is predominately electronic or digital marketing.

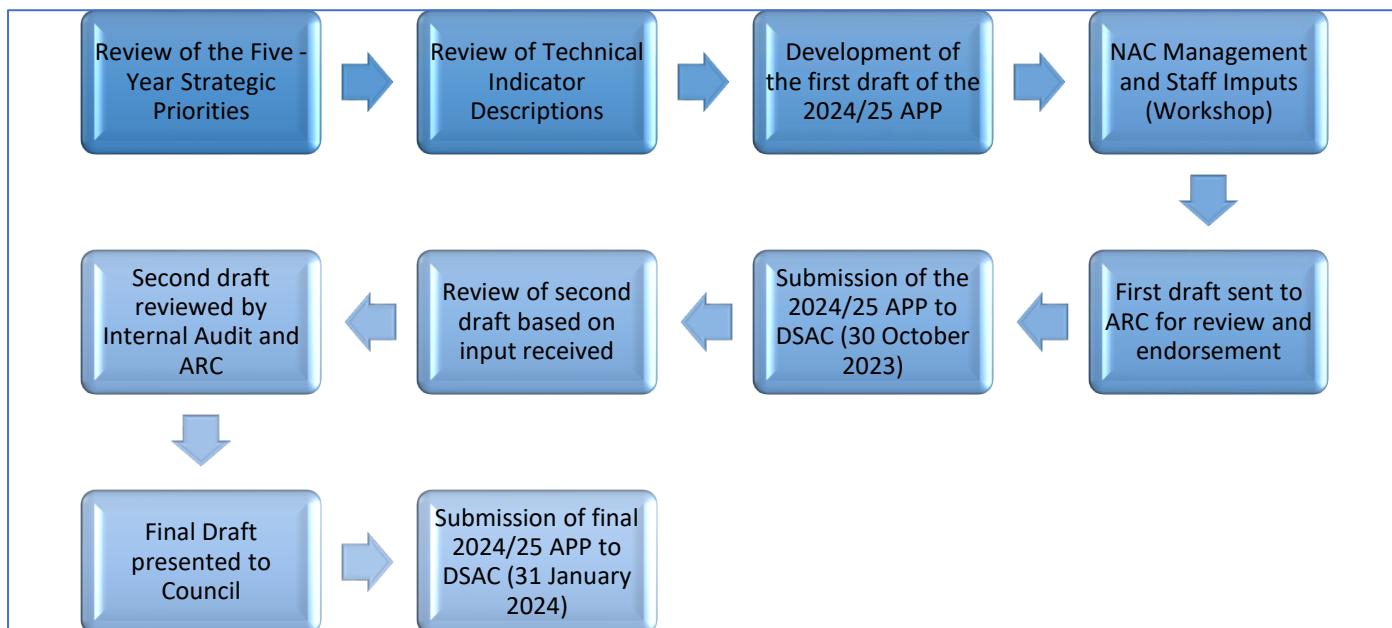
Table 2 - SWOT Analysis

Strengths	Weaknesses
<b>Arts industry capacity developed</b>	
<ul style="list-style-type: none"> <li>• Funding (mobilisation/distribution)</li> <li>• Artist development</li> </ul>	<ul style="list-style-type: none"> <li>• Arts infrastructure developed through partnerships.</li> </ul>
<b>Arts industry promoted</b>	
<ul style="list-style-type: none"> <li>• Arts awareness created.</li> <li>• Public / community education</li> </ul>	<ul style="list-style-type: none"> <li>• Limited national / international liaison due to budgetary constraints</li> <li>• Inability to reach stakeholders in the marginalised areas due to lack of resources</li> </ul>
<b>Arts industry thought leadership advanced</b>	
<ul style="list-style-type: none"> <li>• Knowledge custodianship</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate monitoring &amp; evaluation due to limited resources</li> <li>• Lack of research publications (outcomes / position papers / articles)</li> <li>• Lack of input into policy instruments</li> <li>• Inadequate Industry stakeholder engagement (national / international)</li> </ul>
<b>Arts industry strategic partnerships developed</b>	
<ul style="list-style-type: none"> <li>• National and international partnerships established</li> <li>• Arts promotion partnerships developed</li> </ul>	<ul style="list-style-type: none"> <li>• Limited budget to sustain partnerships.</li> </ul>
<b>Corporate governance</b>	
<ul style="list-style-type: none"> <li>• Strategic positioning</li> <li>• Business performance management</li> <li>• Stakeholder relations management</li> <li>• Compliance management</li> <li>• Company secretariat</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate Communication / branding</li> <li>• Limited organisational culture development</li> </ul>
<b>Resource management</b>	
<ul style="list-style-type: none"> <li>• HR management</li> <li>• Financial management</li> <li>• Technology management</li> <li>• Information / knowledge management</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of capable internal resources</li> <li>• Insufficient budget to cater for technological advances.</li> </ul>

	<ul style="list-style-type: none"> <li>• Lack of external resources support areas with limited access to data a/aqq;’ vd ccess.</li> <li>• Old human resources administration systems leading to task conducted manually.</li> <li>• Lack of succession plan resulting in limited upward mobility of staff.</li> <li>• Staff Performance not recognised or remunerated through Performance bonuses timeously</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Capitalise on alternative sources of funds (e.g., channeling lottery funding to the NAC, SETA’s, FDI, CSI, international funding through bilateral agreements, etc.)</li> <li>• Capitalise on national and international STEAM concept.</li> <li>• Virtual technologies for international collaborations / partnerships</li> <li>• Collaboration with sister cities and provinces’ arts councils</li> <li>• Enhancement of Digitisation (funding app, etc.)</li> <li>• Collaboration with traditional councils for resources</li> <li>• Collaboration with private sector company to invest in arts.</li> <li>• Partnerships with educational sector (partners)</li> <li>• Centralised grant system.</li> <li>• Collaboration with other arts federations</li> <li>• Collaboration with other national arts entities</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of sufficient funding</li> <li>• Budget Cuts</li> <li>• Duplication of functions with shareholder (DSAC)</li> <li>• Shifting political priorities</li> <li>• Negative publicity from the arts sector</li> <li>• Lack of access to technology in rural areas</li> <li>• Loadshedding and water restrictions impacting on business continuity.</li> <li>• Arts sectors slow in adapting to future technologies in rural areas.</li> <li>• Competition for resources</li> </ul>

## 5.7. Overview of the Drafting of the APP

Figure 2 - The Drafting Process Illustrated



## 5.8. Compliance With Legislation

The NAC complies with the following legislations:

- National Arts Council Act
- National Arts Council Legislation
- Public Finance Management Act
- National Treasury
- Supply Chain Regulations
- Labour Relations Act

A compliance deviation refers to an instance of non-compliance with the criteria for a specific subject matter or to a limitation placed on the auditor in auditing compliance with the criteria. The assessment of what represents a material compliance deviation includes considerations of quantitative and qualitative aspects of the transactions or legislative requirement concerned.

A percentage compliance deviation rate is used for criteria that are applied in respect of high volumes of transactions or activities and where a margin of error is tolerated.

If a compliance deviation is not quantitatively material, several factors are considered in applying professional judgment to determine whether the non-compliance is qualitatively material. Such factors may include the following:

- Impact of the non-compliance in terms of value on irregular or unauthorised expenditure incurred

- Circumstances of the non-compliance
- Nature of the non-compliance
- Cause leading to the non-compliance
- Possible effects and consequences of non-compliance
- Visibility and sensitivity of the programme in question
- Needs and expectations of the oversight, the public or other users of the auditor's report.

### 5.9. Oriented Strategic Outcomes

The NAC's vision, mission and outcomes are in alignment with those of the DSAC, in particular the **DSAC's MGE Strategy** and the DSAC's **National Strategy for Developing an Inclusive and a Cohesive South African Society**. In turn, DSAC's outcomes are aligned with the 12 outcomes of government's programme of action that drives the plans and actions of all government departments.

**Outcome 1:** Increased access to the NAC by providing support to all sectors of our communities, particularly those who are marginalised.

**Outcome 2:** Promoted the appreciation, understanding and enjoyment of, and fostered the expression of national identity by means of the arts.

**Outcome 3:** Provided thought leadership, advocacy and policy direction on matters concerning arts and culture.

**Outcome 4:** Established and strengthened partnerships for arts delivery and promotion.

**Outcome 5:** Economic growth increased through the arts.

**Outcome 6:** Strengthened internal capabilities of the NAC to effectively deliver on its strategic plan.

**Outcome 1 and 2** focus on **content creation and distribution**, and the supply side of the arts equation.

**Outcome 3** focuses on **educating the sector** in thought leadership, advocacy and policy direction in the arts.

**Outcome 4** focuses on **facilitating sustainable partnerships** and creating **enabling opportunities** for the arts. It focuses on the demand side of the arts equation.

**Outcome 5** focuses on increasing **awareness of the arts**. It focuses on the demand side of the arts equation.

**Outcome 6** is an **internal outcome** that focuses on enabling the NAC to build the **capabilities it requires** to support the arts sector.

## 5.10. Overview of the 2024/25 Budget and MTEF Estimates

Statement of Financial Performance		Estimated Performance						
	Notes	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>								
<b>Tax Revenue</b>								
<b>Non-Tax Revenue</b>		3 374	6 985	4 136	1 800	2 500	2 800	3 000
<b>Other Non-Tax Revenue</b>		19	2 742	87				
<b>Interest Income</b>		3 355	4 243	4 049	1 800	2 500	2 800	3 000
<b>Transfers received</b>	1	111 879	120 137	123 015	131 886	120 904	126 297	132 094
<b>Additional Conditional Grants</b>		321 545	65 375	185 261	190 000	-	-	-
<b>Total Revenue</b>		<b>436 798</b>	<b>192 497</b>	<b>312 412</b>	<b>323 686</b>	<b>123 404</b>	<b>129 097</b>	<b>135 094</b>
<b>Expenses</b>								
<b>Current expenses</b>		<b>35 289</b>	<b>47 084</b>	<b>44 706</b>	<b>34 772</b>	<b>32 726</b>	<b>34 374</b>	<b>36 023</b>
<b>Compensation of employees</b>	2	20 987	25 661	25 501	23 549	24 679	25 913	27 209
<b>Goods and services</b>	3	13 176	20 724	17 852	11 223	8 047	8 461	8 814
<b>Depreciation</b>		1 126	699	1 353	-	-	-	-
<b>Grant transfers</b>		<b>404 308</b>	<b>161 710</b>	<b>271 320</b>	<b>288 915</b>	<b>90 678</b>	<b>94 723</b>	<b>99 071</b>
<b>Total Expenses</b>		<b>439 597</b>	<b>208 794</b>	<b>316 026</b>	<b>323 686</b>	<b>123 404</b>	<b>129 097</b>	<b>135 094</b>
<b>Surplus / (Deficit)</b>		<b>- 2 799</b>	<b>- 16 297</b>	<b>- 3 614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Notes to Statement of Financial Performance

Transfers received	The National Arts Council (NAC) receives allocations from National Treasury for the MTEF period and the entity will experience an 8% budget cut for the 2024/25 financial year. The Presidential Employment Stimulus Programme (PESP) allocation letter was not received for the 2024/25 financial year.
Compensation of Employees	This budget will accommodate for the annual legislative increase as well as intangible provisions at year end.
Goods and Services	The NAC Act stipulates that 75% of the total budget allocated should be awarded to the sector in the form of grants. As outlined in the table above, the bulk of the strategic objectives are driven through grant funding. The goods and services budget is constrained due to the budget cuts. However, the entity will ensure adherence to cost containment measures and contractual commitments are honoured.

## 5.11. Expenditure Estimates

Statement of Financial Position	Notes	2020/21	2021/22	2022/23	Performance 2023/24	Medium Term Estimates		
		2024/25	2025/26	2026/27				
<b>ASSETS</b>								
<b>Current assets</b>		<b>298 659</b>	<b>71 002</b>	<b>134 963</b>	<b>104 455</b>	<b>106 235</b>	<b>124 700</b>	<b>115 350</b>
Trade and other receivables	1	928	401	348	265	265	300	350
Cash and cash equivalents	2	297 731	70 601	134 615	104 190	105 970	124 400	115 000
<b>Non-current assets</b>		<b>13 513</b>	<b>18 130</b>	<b>23 479</b>	<b>21 844</b>	<b>16 905</b>	<b>18 350</b>	<b>19 400</b>
Property, plant and equipment	3	13 446	18 086	23 116	21 544	16 555	18 000	19 000
Intangible assets	4	67	44	363	300	350	350	400
<b>Total assets</b>		<b>312 172</b>	<b>89 132</b>	<b>158 442</b>	<b>126 299</b>	<b>123 140</b>	<b>143 050</b>	<b>134 750</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>		<b>294 031</b>	<b>82 137</b>	<b>150 307</b>	<b>105 274</b>	<b>106 120</b>	<b>122 350</b>	<b>113 250</b>
Trade and other payables	5	3 458	2 278	1 369	1 250	1 550	3 500	3 820
Current provisions	6	272 861	68 232	139 861	99 224	102 670	112 650	99 930
Deferred income	7	15 995	9 666	6 487	4 000	1 000	5 000	8 000
Other current financial liabilities	8	1 717	1 961	2 590	800	900	1 200	1 500
<b>Total liabilities</b>		<b>294 031</b>	<b>82 137</b>	<b>150 307</b>	<b>105 274</b>	<b>106 120</b>	<b>122 350</b>	<b>113 250</b>
<b>NET ASSETS</b>		<b>18 141</b>	<b>6 995</b>	<b>8 135</b>	<b>21 025</b>	<b>17 020</b>	<b>20 700</b>	<b>21 500</b>
Accumulated surplus / (deficit)		10 674	(5 616)	(9 230)	1 770	4 770	14 400	15 000
Reserves		7 467	12 611	17 365	19 255	12 250	6 300	6 500
<b>Total net assets and liabilities</b>		<b>312 172</b>	<b>89 132</b>	<b>158 442</b>	<b>126 299</b>	<b>123 140</b>	<b>143 050</b>	<b>134 750</b>

## Notes

1. Trade and other receivables - This is attributed to interest receivable in the NAC's bank account. Interest is accrued on a monthly basis.
2. Cash and Cash equivalents - This remains consistent and with an expectation to increase by the end of the MTEF period with the additional revenue generation plans
3. Property, Plant and Equipment - It is anticipated that the Downtown Studios be transferred to Department of Sports Arts and Culture (DSAC) and thereafter a steady increase
4. Intangible Assets - The NAC will do considerable enhancements on the grant management system over the MTEF period.
5. Trade and Other Payables - There is a steady increase as cost of expenditure rises with inflation.
6. Current Provisions - There will be slight increase with the anticipation that there will be further revenue generation which would result in more projects approved.
7. Deferred Income - This relates to additional funding in terms of conditional grants eg. Third Wave and Infrastructure
8. Other Current Financial Liabilities - These are provisions which are estimated to increase over the MTEF period.

## 6. PART C – MEASURING OUR PERFORMANCE

### 6.1. Institutional Programme Performance Information

#### Programme 1: Arts Development

The purpose of this programme is to create sustainable arts capabilities, through funding and strategic partnerships. The aim is to increase access markets, adequate performing arts spaces which will lead to showcasing and networking opportunities. The NAC's funding categories are made up of the following funding disciplines listed below:

- Craft
- Dance
- Literature
- Music
- Theatre
- Visual arts
- Multi-discipline

#### Programme 2: Administration

This outcome seeks to build the internal capabilities and capacity that the NAC will require to implement its strategy. It incorporates, governance and risk management strengthening initiatives, HR support, Finance, Communications, ICT and Research.

### 6.1.1. Programme 1: Arts Development – Outcomes, outputs, performance indicators and targets

*Outcome No.1: Increased access to the NAC by providing support to all sectors of our communities, particularly those who are marginalised .*

<b>Strategic Outcome 1</b>	<b>Increased Access to the NAC by providing support to all the sectors of our communities, particularly those who are marginalised.</b>
<b>Outcome Statement</b>	More arts practitioners and beneficiaries, across the length and breadth of the country, accessing and benefiting from the NAC Grant funding
<b>Link to DSAC Strategic Outcomes</b>	<p><b>Strategic outcome 1:</b> Job creation</p> <p><b>Strategic outcome 5:</b> Development, protection, preservation and promotion of arts and culture</p> <p><b>Strategic outcome 6:</b> Governance and accountability</p>
<b>Link to DSAC Strategic Outcome-oriented Outcomes</b>	A transformed and productive arts and culture sector.
<b>Link to the National Development Plan</b>	Chapter 15, Action 116
<b>Link to SDG's</b>	Outcome 1, 2, 3, 5, 8, 9, 10, 11, 16 & 17

<b>Link to NAC Funding Disciplines/Activities</b>	<p>Link to all NAC disciplines</p> <ul style="list-style-type: none"> <li>- Support for Arts incubator programme for entrepreneurship.</li> <li>- NAC help desks in partnership with provinces, local community arts centres and other relevant structures.</li> <li>- Strategic alliances with local, traditional, and municipal authorities to support marginalised groups.</li> </ul> <p>Run capacity building workshops in the form of road shows to assist prospective applicants with information pertaining to accessing grant funding and administrative compliance requirements.</p>
<b>Commentary</b>	<p>This outcome will ensure that a vibrant, inclusive, and transformed arts and culture sector is created through the advocacy of the sector in South Africa and internationally. The outcome will further focus on the development of the arts through grant funding for arts organisations and practitioners with the aim of creating a vibrant art and culture sector.</p> <p>This outcome will ensure that allocations are distributed to all provinces, in a manner that achieves redress and transformation.</p>

Outputs	Outputs Indicator	Annual targets						
		Audited Performance			Estimated Performance		MTEF Targets	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
a) Percentage of Grant Funding allocated to the 6 under resourced Provinces	Percentage	N/A	46%	56.62%	58%	50%	55%	60%

Outputs	Outputs Indicator	Annual targets					MTEF Targets		
		Audited Performance			Estimated Performance		2024/25	2025/26	2026/27
		2020/21	2021/22	2022/23	2023/24	2023/24			
b) Percentage of Grant Funding allocated to under resourced Groups across the 9 provinces	Percentage	N/A	N/A	42.94%	40%	40%	50%	60%	
c) Number of capacity building programmes on indigenous knowledge Systems and Intellectual Property	Number	N/A	N/A	6	26	6*	7	8	
d) Number of community Arts Centres funded producing content or training on	Number	N/A	N/A	4	4	4	5	5	

Outputs	Outputs Indicator	Annual targets						
		Audited Performance			Estimated Performance		MTEF Targets	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
indigenous arts								
e) Number of indigenous art forms funded by the NAC	Number	N/A	N/A	30	108	8*	9	10

\* The number of funded beneficiaries is expected to reduce since the implementation of the PESp by the NAC is not guaranteed beyond 2023. The percentage above is based on the baseline of the annual DSAC grant.

#### Annual and Quarterly Targets

Outputs	Annual Target	Q1	Q2	Q3	Q4
a) Percentage of Grant Funding allocated to the 6 under resourced Provinces	50%	-	-	50%	-
b) Percentage of Grant Funding allocated to under resourced Groups across the 9 provinces	40%	-	-	40%	-
c) Number of capacity building programmes on indigenous knowledge Systems and Intellectual Property	6	-	-	6	-
d) Number of community Arts Centres funded producing content or training on indigenous arts	4	-	-	4	-
e) Number of indigenous art forms funded by the NAC	8	-	-	8	-



*Outcome No.2: Promoted the appreciation, understanding and enjoyment of, and fostered the expression of national identity by means of the arts*

<b>Strategic Outcome 2</b>	<b>To promote the appreciation, understanding and enjoyment of; and to foster the expression of national identity, by means of the arts.</b>
<b>Outcome Statement</b>	Increase in the number of arts practitioners producing artistic goods and services, as well as an increase in the demand for the consumption of artistic goods and services.
<b>Link to DSAC Strategic Outcomes</b>	Strategic outcome 1: Job creation Strategic outcome 5: Development, protection, preservation and promotion of arts, culture and heritage
<b>Link to DSAC Strategic Outcome-oriented Outcomes</b>	A transformed and productive ACH sector.
<b>Link to the National Development Plan</b>	Chapter 15, Action 113 Chapter 15, Action 114 Chapter 15, Action 116 Chapter 15, Action 119
<b>Link to SDG's</b>	Outcome 8, 9, 10, 11, 16 & 17
<b>Link to NAC Funding Disciplines /Activities</b>	Link to all NAC disciplines
<b>NAC Projects/Activities</b>	<ul style="list-style-type: none"> <li>• Support global touring ventures.</li> <li>• Support performance circuits</li> <li>• Support education and training initiatives.</li> <li>• Identify and collaborate with partners that offer residencies.</li> <li>• Identify country to country partnerships in support of the arts.</li> <li>• Benchmarking against international standards.</li> </ul>
<b>Commentary</b>	<p>This outcome will focus on exposing indigenous art forms and uniquely South African initiatives to national and global platforms and markets.</p> <p>Recognition and support of the diverse South African artistic expressions</p>

Outputs	Outputs Indicator	Annual Target						
		Audited Performance			Estimated Performance		MTEF Targets	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
f) Percentage increase in the number of NAC approved grants	Percentage	N/A	N/A	156%	16%	1%*	2%	3%
g) Increase in the number of approved grants	number	Not applicable	Not applicable	850 Approved Grants	917 Approved Grants	927 Approved Grants	945 Approved Grants	974 Approved Grants

\* The number of funded beneficiaries is expected to reduce since the implementation of the PESP by the NAC is not guaranteed beyond 2023. The percentage above is based on the baseline of the annual DSAC grant.

*Annual and Quarterly Targets*

Outputs	Annual Target	Q1	Q2	Q3	Q4
f) Percentage increase in the number of dedicated NAC grants	1%	-	-	1%	-
g) Increase in the number of dedicated NAC approved grants	-	-	-	-	917 Approved Grants

Outcome No.3: Provided thought leadership, advocacy and policy direction on matters concerning arts and culture.

<b>Strategic Outcome 3</b>	<b>To provide thought leadership, advocacy and policy direction on matters concerning arts and culture</b>
<b>Outcome Statement</b>	Providing input, insights and commentary on matters concerning the Arts
<b>Link to DSAC Strategic Outcomes</b>	<p><b>Strategic outcome 2:</b> Human capital development</p> <p><b>Strategic outcome 3:</b> Access to information</p> <p><b>Strategic outcome 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage</p>
<b>Link to DSAC Strategic Outcome-oriented Outcomes</b>	A professional and capacitated Arts and Culture sector.
<b>Link to National Development Plan</b>	Chapter 15, Action 119
<b>Link to SDG's</b>	Outcome 1, 2, 3, 4, 5, 8, 9, 10, 11, 16 & 17
<b>Link to NAC Funding Disciplines /Activities</b>	Link to all NAC disciplines
<b>NAC Projects/Activities</b>	<ul style="list-style-type: none"> <li>• Undertake research in the field of the arts</li> <li>• Develop position papers and contributions on legislative and policy changes affecting the Arts sector</li> <li>• Partner with a research institution</li> <li>• Support applications for research initiatives</li> <li>• Report on research findings</li> </ul>

	<ul style="list-style-type: none"> <li>Engage /advise the Minister on research findings</li> </ul>
<b>Commentary</b>	This outcome will ensure that the Ministry is advised accordingly regarding policy direction, trends and matters concerning the arts. The outcome will ensure a transformed arts and culture sector is created through the advocacy of the sector in South Africa and internationally.

Outputs	Outputs Indicator	Annual targets						
		Audited Performance			Estimated Performance		MTEF Targets	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
a) Number of arts related publications (Research, position papers, articles, success stories, best-practices, etc.)	Number	N/A	N/A	12	8	8	8	8
b) Number of industry engagements	Number	N/A	N/A	N/A	8	6	6	6

Outputs	Outputs Indicator	Annual targets					MTEF Targets		
		Audited Performance			Estimated Performance		2024/25	2025/26	2026/27
		2020/21	2021/22	2022/23	2023/24	2023/24			
(interviews, roundtables, webinars, workshops, arts summit etc.)									
c) Monitoring and Evaluation	Report	N/A	N/A	N/A	N/A	Impact assessment report	Impact assessment report	Impact assessment report	

*Annual and Quarterly Targets*

Outputs	Annual Target	Q1	Q2	Q3	Q4
a) Number of arts related publications (Research, position papers, articles, success stories, best-practices, etc.)	8	2	2	2	2
b) Number of industry engagements (interviews, roundtables, webinars, workshops, arts summit etc.)	6	2	2	1	1
c) Monitoring and Evaluation	Impact Assessment Report	Research Design	Data collection	Preliminary report	Impact assessment report

Outcome No.4 - Established and strengthened partnerships for arts delivery and promotion.

<b>Strategic Outcome 4</b>		<b>To establish and strengthen partnerships for arts delivery and promotion</b>	
<b>Outcome Statement</b>	Increase access to markets and enable creative engagement for South African art and artists through partnerships.		
<b>Link to DSAC Strategic Outcomes</b>	<b>Strategic outcome 1:</b> Job creation <b>Strategic outcome 2:</b> Human capital development <b>Strategic outcome 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage		
<b>Link to DSAC Strategic Outcome-oriented Outcomes</b>	A transformed and productive ACH sector.		
<b>Link to National Development Plan</b>	Chapter 14, Action 114		
<b>Link to SDG's</b>	Outcome 1, 2, 3, 4, 5, 8, 9, 10, 11, 16 & 17		
<b>Link to NAC Funding Disciplines /Activities</b>	Link to all NAC disciplines		
<b>NAC Projects/Activities</b>	Support for Arts Promotions: <ul style="list-style-type: none"> <li>• Arts Platforms</li> <li>• Arts Exhibitions</li> <li>• Showcasing new South African talent and products</li> <li>• Partner with and fund networking platforms (i.e., roundtable discussions)</li> <li>• Collaborate with provincial and local structures in establishing NAC helpdesks</li> </ul>		

<b>Commentary</b>	<p>This outcome will entail entering Memorandum of Understanding with associations (organisations) in all the sectors of the industry on the development and promotion of the arts.</p> <p>It will also focus on identifying and entering key strategic cooperation and funding agreements with local and international funding/donor agencies</p>
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Outputs	Outputs Indicator	Annual targets						
		Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
a) Number of MoUs signed with industry strategic international and national partners	Number	N/A	N/A	3	2	1	2	2
b) Number of operational help desks	Number	N/A	N/A	8	2	2	2	2
c) Number of Block Bursaries MoUs signed.  40% of Block bursaries approved to 6 underserved provinces And 60% shared between remaining provinces.	Number	N/A	N/A	11	10	9	9	9

*Annual and Quarterly Targets*

Outputs	Annual Target	Q1	Q2	Q3	Q4
a) Number of MoUs signed with industry strategic international and national partners	1	-	-	1	-
b) Number of operational help desks	2	-	-	1	1
c) Number of Block Bursaries MoUs signed	9	-	-	-	9

*Outcome No.5 - Economic growth increased through the arts.*

<b>Strategic Goal 5</b>		<b>To grow the economy through the arts</b>
<b>Goal Statement</b>	Increase the number of job opportunities and beneficiaries from the NAC Grant	
<b>Link to DSAC Strategic Goals</b>	<b>Strategic goal 1:</b> Job creation <b>Strategic goal 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage	
<b>Link to DSAC Strategic Outcome-oriented Goals</b>	A transformed and productive ACH sector.	
<b>Link to National Development Plan</b>	Chapter 15, Action 112	
<b>Link to SDG's</b>	Goal 1, 2, 3, 4, 5, 8, 9, 10, 11, 16 & 17	



<b>Link to NAC Disciplines</b>	Link to all NAC disciplines
<b>NAC Projects/Activities</b>	<ul style="list-style-type: none"> <li>• Work in collaboration with provinces and other relevant industries to support arts endeavours in rural areas.</li> <li>• Raise additional funding outside of the state funding</li> <li>• Partner with community arts centers, arts incubation programmes through partnerships with institutions and community arts centers to grow the arts.</li> <li>• Fund the promotion of audience engagement and development.</li> <li>• Support job creation opportunities through the arts.</li> <li>• Support formal arts focused schools (NSA).</li> </ul>
<b>Commentary</b>	This goal focuses on ways of increasing the demand for the arts to grow the arts economy. The goal also aims to showcase the various values of the arts to society and increase the appreciation thereof.

Outputs	Outputs Indicator	Annual target				MTEF Targets		
		Audited Performance			Estimated Performance			
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
A mechanism for funding mobilisation with external bodies	A service provider	N/A	N/A	N/A	N/A	Service provider appointed	Service provider appointed	Service provider appointed
A partnership for skills development	MoU for capacity building	N/A	N/A	N/A	N/A	An MoU for capacity building	An MoU for capacity building	An MoU for capacity building

Annual and Quarterly Targets

Outputs	Annual Target	Q1	Q2	Q3	Q4
h) A mechanism for funding mobilisation with external bodies	Service provider appointed	-	-	-	A service provider
i) A partnership for skills development	An MoU for capacity building	-	-	-	signed MoU

Outcome No.6 - Strengthened internal capabilities of the NAC to effectively deliver on its strategic plan.

Strategic Outcome 6		To strengthen the internal capabilities of the NAC to effectively deliver on its strategic plan
Outcome <b>Statement</b>	A fast and responsive organisation capable of delivering its mandate in an efficient and effective manner.	
<b>Link to DSAC Strategic Outcomes</b>	Strategic outcome 6: Governance and accountability	
<b>Link to DSAC Strategic Outcome-oriented Outcomes</b>	<ul style="list-style-type: none"> <li>• An effective and efficient Arts and Culture sector.</li> <li>• A sound governance system to ensure service delivery.</li> </ul>	
<b>Link to National Development Plan</b>	Chapter 15, Action 115 Chapter 14, Action 103 Chapter 14, Action 104 Chapter 14, Action 105 Chapter 14, Action 106 Chapter 14, Action 109	
<b>Link to SDG's</b>	Outcome 8, 12, 13 & 17	
<b>Link to NAC Disciplines</b>	Link to all NAC disciplines	

<b>NAC Projects/Activities</b>	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Governance</li> <li>• Marketing and Communications</li> <li>• Human Resources</li> <li>• Administration</li> <li>• ICT</li> </ul>
<b>Commentary</b>	This outcome seeks to build the internal capabilities and capacity that the NAC will require for future success. It incorporates the current organisational development initiatives, governance and risk management, finance, HR, marketing and communications, ICT and administration.

6.1.2. Programme 2: Administration – Outcomes, outputs, performance indicators and targets

Outputs	Outputs Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
a) Excellent corporate governance	Audit opinion	Unqualified audit option	Unqualified audit option	Unqualified audit option	Unqualified audit option	Unqualified audit option	Unqualified audit option	Unqualified audit option
b) Percentage threshold of reduced vacancy rate	Percentage	N/A	N/A	N/A	9%	9%	8%	7%
c) Percentage of skills plan implemented	Percentage	N/A	N/A	N/A	60%	60%	65%	70%
d) Percentage network uptime	Percentage	N/A	N/A	N/A	98%	98%	98%	98%

e) Readiness for NFVF Merger	NAC position	N/A	N/A	N/A	N/A	NAC position paper	Revised NAC position paper	Revised NAC position paper
f) Downtown asset disposal	Signed MOU with Downtown Studios	N/A	N/A	N/A	N/A	Signed MOU with Downtown Studios	Signed MOU with Downtown Studios	Signed MOU with Downtown Studios

Annual targets									
Outputs	Outputs Indicator	Audited Performance			Estimated Performance		MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
a) Number of art platforms supported (programmes & showcasing)	Number	N/A	N/A	58	22	8	10	13	
b) Number of art industry promotion engagements (events, workshops, campaigns, round table, etc.)	Number	N/A	N/A	9	10	6	6	6	
c) Number of industry stakeholders reached through social media	Number	N/A	N/A	N/A	53 000	53 000	45 000	46 000	

Outputs	Outputs Indicator	Annual targets							
		Audited Performance			Estimated Performance		MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
d) Number of industry stakeholder impressions on social media	Number	N/A	N/A	N/A	28 500	28 500	20 000	20 000	

*Annual and Quarterly Targets*

Outputs	Annual Target	Q1	Q2	Q3	Q4
a) Excellent corporate governance	Unqualified audit option	-	Unqualified audit option	-	-
b) Percentage threshold of reduced vacancy rate	9%	-	-	-	9%
c) Percentage of skills plan implemented	60%	-	-	-	60%
d) Percentage network uptime	98%	98%	98%	98%	98%
e) Readiness for NFVF Merger	NAC position paper	-	-	Internal stakeholder consultative workshop	NAC Position paper
f) Downtown asset disposal	Signed MOU with Downtown Studios	-	-	-	Signed MOU with Downtown Studios
a) Number of approved art platforms supported (programmes & showcasing)	8	-	-	8	-

Outputs	Annual Target	Q1	Q2	Q3	Q4
b) Number of art industry promotion engagements (events, workshops, campaigns, round table, etc.)	6	-	-	-	6
c) Number of industry stakeholders reached through social media	53 000	-	-	-	53 000
d) Number of industry stakeholder impressions on social media	28 500	-	-	-	28 500

## 6.2. Updated Key Risks

Risk Description	Risk	Rating
1.Inability to fully realise NAC mandate	1.Declining revenue allocation 2.Admin burden of PESP disbursements 3. Lack of own revenue generation 4.Applicants lack IT infrastructure	<b>20</b>
2.Business interruptions	1.Municipal service disruptions (water, etc.) 2.Load shedding	<b>20</b>
3.Brand reputation	1.Negative audit outcomes 2.Litigation 3.Corruption	<b>16</b>
4.Data loss / leaks	1. Cyber Attacks 2. Poor information security	<b>20</b>

Risk Rating	
High	
Medium	
Low	

	<ul style="list-style-type: none"> <li>3.Inadequate IT systems</li> <li>4.Inadequate IT skills</li> <li>5.Sabotage</li> <li>6.Poor understanding of policy</li> </ul>	
5.Poor corporate governance	Unclear roles between council and management	<b>20</b>
6.Fraud / corruption /Bribes	<ul style="list-style-type: none"> <li>Weak control environment</li> <li>2.Non-compliance to supply chain management</li> </ul>	<b>20</b>

### 6.3. Infrastructure Projects

The NAC does not have infrastructure projects.

### 6.4. Public-Private Partnerships

The NAC does not have any public-private partnerships.

## **Explanation of Planned Performance of the Medium-Term Period.**



Strategic Alignment	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	Outcome 6
Outcome Statement	To Increase Access to the NAC by providing support to all the sectors of our communities, particularly those who are marginalised.	To promote the appreciation, understanding and enjoyment of; and to foster the expression of national identity, by means of the arts.	To provide thought leadership, advocacy and policy direction on matters concerning arts and culture	To establish and strengthen partnerships for arts delivery and promotion	To grow the Economy through the Arts	To strengthen the internal capabilities of the NAC to effectively deliver on its strategic plan
<b>Outputs</b>						
Link to DSAC Strategic Outcomes	<b>Strategic Outcome 1:</b> Job creation  <b>Strategic Outcome 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage  <b>Strategic Outcome 6:</b> Governance and accountability	<b>Strategic Outcome 1:</b> Job creation  <b>Strategic Outcome 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage DSAC's focus on redress, transformation, social cohesion, and nation building	<b>Strategic Outcome 2:</b> Human capital development  <b>Strategic Outcome 3:</b> Access to information	<b>Strategic Outcome 1:</b> Job creation  <b>Strategic Outcome 2:</b> Human capital development  <b>Strategic Outcome 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage	<b>Strategic Outcome 1:</b> Job creation  <b>Strategic Outcome 5:</b> Development, protection, preservation and promotion of arts, culture, and heritage	<b>Strategic Outcome 6:</b> Governance and accountability
Link to DSAC Strategic Outcome-oriented Outcomes	A transformed and productive ACH sector	A transformed and productive ACH sector	A professional and capacitated ACH sector	A transformed and productive ACH sector	A transformed and productive ACH sector	An effective and efficient ACH sector – a sound governance system to ensure service delivery
Link to National Development Plan	Chapter 15, Action 116	Chapter 15, Action 113 Chapter 15, Action 114 Chapter 15, Action 116 Chapter 15, Action 119	Chapter 15, Action 119	Chapter 14, Action 114	Chapter 15, Action 112	Chapter 15, Action 115 Chapter 14, Action 103 Chapter 14, Action 104 Chapter 14, Action 105 Chapter 14, Action 106 Chapter 14, Action 109
NAC Projects /Activities	Strategic projects, arts projects, Arts Incubator Programme for	Strategic projects benefiting marginalised and indigenous art forms and groups	Strategic projects, partnerships, arts projects, and bursaries	Strategic projects, travelling companies, international	Student outreach, communications,	Governance, ADO of the future, human resources practices and administration

	entrepreneurship, NAC helpdesks and Membership to the International Federation of Arts Councils and Culture Agencies (IFACCA)	facilitated and supported by the NAC	(study assistance), capability development in arts education, e-learning, music education and information intelligence.	cooperation, precinct development and tourism	stakeholder management, NAC Alumni and brand evolution	
Commentary	<p>This outcome will focus on strengthening the arts through focused grant funding for arts organisations and practitioners with the aim of creating a vibrant and transformed Arts, Culture and Heritage sector that allows for the free expression in chosen languages and cultures. Creating a sector that pays attention to indigenous arts forms with a focus on equity, inclusivity, and diversity in participation.</p> <p>This outcome will ensure that the funds available for grants and projects are utilised in accordance with the NAC's mandate,</p>	<p>This outcome will focus on promoting equity in the arts through specific grant-making focused on disadvantaged and marginalised individuals, groups and communities highlighting unique South African arts and culture.</p> <p>This outcome focuses on addressing historical imbalances through a positive focus on content creation and distribution that favours disadvantaged and marginalised groups of the South African society. It aims to support indigenous arts forms, youth, and people living with disabilities, women, and marginalised communities - particularly those in rural areas.</p>	<p>This outcome focuses on proactive projects and grant-making that builds human capacity through training and education. It will also focus on providing support to community arts centres and developing an accessible database of information for the arts community that will inform decision and policymaking.</p>	<p>This outcome aims to enable artists to practise freely and to assist artists to find markets for their work through focused projects, as well as international, continental, and regional cultural engagement and exchanges. The outcome also seeks to develop audiences as well as the engagement of those audiences.</p>	<p>This outcome focuses on ways to increase the demand for the arts and creating critically engaged citizens who learn, appreciate, enjoy, experience, and practice the arts. The outcome also aims to showcase the value of the arts to society and increase the appreciation thereof.</p>	<p>This outcome seeks to build the internal capabilities and capacity that the NAC will require for future success. It incorporates the current organisational development initiative, governance and risk management-strengthening initiatives, HR support, communications, ICT and research.</p>

	<p>desired impact, and sound governance practices. Developing focused grant "products" by proactively targeting specific areas and disciplines within the arts as well as the proactive deployment of strategic projects to ensure an appropriately focused funding balance.</p> <p>Strengthening oversight through a risk-based approach to monitoring and evaluation ensuring good governance to reduce the "surplus" not disbursed.</p>	<p>The NAC will allocate a collective of 40% of its funding to grants and projects that have indigenous art forms, by previously disadvantaged artists, in previously disadvantaged communities, rural areas/neglected provinces, with women, people living with disabilities and the youth as their primary beneficiaries.</p>				
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## 7. PART D – TECHNICAL INDICATOR DESCRIPTIONS (TID)

### 7.1. Programme 1: Arts Development

Indicator Title	Percentage of Grant Funding allocated to the 6 under resourced Provinces
<b>Definition</b>	This indicator tracks the increased allocation of funds across the six under resourced provinces.
<b>Source of Data</b>	The Grant Management System and Approved applications schedules/indexes
<b>Method of Calculation/Assessment</b>	Grant funded amount per province ÷ total allocation budget X 100
<b>Means of Verification</b>	Approved applications on GMS and GMS funding reports and approved funding schedules/indexes
<b>Assumptions</b>	An increased number of qualifying applications received from under resourced provinces.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieving the target set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>7.2.2. Indicator Title</b>	<b>Percentage of Grant Funding allocated to under resourced Groups across the 9 provinces</b>
<b>Definition</b>	This indicator tracks the funding allocated to under resourced groups across the 9 provinces.
<b>Source of Data</b>	Approved funding index/schedules and the Grant Management System Reports.
<b>Method of Calculation/Assessment</b>	Grant funded amount per under resourced group ÷ total allocation budget X 100
<b>Means of Verification</b>	Approved Funding schedule and GMS Reports
<b>Assumptions</b>	High number of under resourced and vulnerable groups will apply for funding. Applications for marginalised arts will be lodged with the NAC.
<b>Disaggregation of Beneficiaries (where applicable)</b>	All beneficiaries particularly, women, members of the LGBTIQ+ community, youth and people living with disabilities
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Number of capacity building programmes on indigenous knowledge Systems and Intellectual Property</b>
<b>Definition</b>	This indicator tracks the number of capacity building programmes on indigenous knowledge Systems and Intellectual Property.

<b>Indicator Title</b>		<b>Number of capacity building programmes on indigenous knowledge Systems and Intellectual Property</b>
<b>Source of Data</b>	GMS- Approved applications schedules	
<b>Method of Calculation/Assessment</b>	Simple Count	
<b>Means of Verification</b>	Signed MoU's, Approved applications, and panel reports	
<b>Assumptions</b>	Applications focussing on training on indigenous art for and intellectual property are submitted to the NAC.	
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable	
<b>Spatial Transformation (where applicable)</b>	Not applicable	
<b>Calculation Type</b>	Non-cumulative	
<b>Reporting Cycle</b>	Annually	
<b>Desired Performance</b>	Achieve target as set in the APP	
<b>Indicator Responsibility</b>	Arts Development Unit	

<b>Indicator Title</b>		<b>Number of community Arts Centres funded producing content or training on indigenous arts</b>
<b>Definition</b>	This indicator tracks the number of community arts centres funded that train and present artworks that deals with indigenous art forms	
<b>Source of Data</b>	GMS- Approved applications and panel reports & Signed MoUs	
<b>Method of Calculation/Assessment</b>	Simple Count	
<b>Means of Verification</b>	Signed MoU's, Approved applications, and panel reports	

<b>Indicator Title</b>	<b>Number of community Arts Centres funded producing content or training on indigenous arts</b>
<b>Assumptions</b>	Applications from community arts centers that train and present art works that deal with indigenous art forms are submitted to the NAC.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP.
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Number of indigenous art forms funded by the NAC</b>
<b>Definition</b>	This indicator tracks the number of indigenous art forms funded by the NAC.
<b>Source of Data</b>	GMS- Approved applications and panel reports & Signed MoUs
<b>Method of Calculation/Assessment</b>	Simple Count
<b>Means of Verification</b>	Signed MoU's, Approved applications, and panel reports
<b>Assumptions</b>	Applications dealing with indigenous art forms are submitted to the NAC.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable

<b>Indicator Title</b>	<b>Number of indigenous art forms funded by the NAC</b>
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Percentage increase in the number of NAC Approved grants</b>
<b>Definition</b>	This indicator tracks the increase in the number of approved grants for arts practitioners producing artistic goods and services.
<b>Source of Data</b>	GMS: Approved applications, Panel Reports and Project management reports
<b>Method of Calculation/Assessment</b>	$(\text{Actual number of approved grants} - \text{the previous year's approved grant amount}) \div \text{the previous year's approved grant amount} \times 100$
<b>Means of Verification</b>	Approved applications, Panel Reports and Approved indexes
<b>Assumptions</b>	High number of applications received
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually



<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Increase in the number of approved grants</b>
<b>Definition</b>	Increase in the number grants for arts practitioners producing artistic goods and services.
<b>Source of Data</b>	GMS: Approved applications, Panel Reports and Project management reports
<b>Method of Calculation/Assessment</b>	Simple count
<b>Means of Verification</b>	Approved applications, Panel Reports and Approved indexes
<b>Assumptions</b>	High number of applications received
<b>Disaggregation of Beneficiaries (where applicable)</b>	All beneficiary groups
<b>Spatial Transformation (where applicable)</b>	Rural, urban and peri-urban
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Once per annum
<b>Desired Performance</b>	Promote appreciation and enjoyment of the arts
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Number of arts related publications (Research, position papers, articles, success stories, best-practices, etc.)</b>
<b>Definition</b>	This indicator tracks the number of arts related publications produced
<b>Source of Data</b>	Research records, website, SoPs, AOP

<b>Indicator Title</b>	<b>Number of arts related publications (Research, position papers, articles, success stories, best-practices, etc.)</b>
<b>Method of Calculation/Assessment</b>	Simple Count
<b>Means of Verification</b>	Publications available on website, research reports, SoPs and AOP
<b>Assumptions</b>	Successful beneficiaries, relevant topics
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Research and policy unit

<b>Indicator Title</b>	<b>Number of industry engagements (interviews, roundtables, webinars, workshops, arts summit, etc.)</b>
<b>Definition</b>	This indicator tracks the number industry engagements held
<b>Source of Data</b>	Stakeholder consultation invitations, recordings, and reports
<b>Method of Calculation/Assessment</b>	Simple Count
<b>Means of Verification</b>	Stakeholder consultation recordings and reports

<b>Indicator Title</b>	<b>Number of industry engagements (interviews, roundtables, webinars, workshops, arts summit, etc.)</b>
<b>Assumptions</b>	Stakeholders and industry leaders will attend consultations and engage in discussions
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Marketing and communication unit

<b>Indicator Title</b>	<b>Monitoring and Evaluation</b>
<b>Definition</b>	To track the establishment of institutional capabilities for keeping tabs on implementation of plans, strategies and programmes of the NAC
<b>Source of Data</b>	Reports
<b>Method of Calculation/Assessment</b>	Quarterly reports
<b>Means of Verification</b>	Impact Assessment Report
<b>Assumptions</b>	Leadership commitment
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable

<b>Indicator Title</b>	<b>Monitoring and Evaluation</b>
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Office of the CEO

<b>Indicator Title</b>	<b>Number of MoUs signed with industry strategic international and national partners</b>
<b>Definition</b>	This indicator tracks the number of MoUs signed with industry strategic partners
<b>Source of Data</b>	Signed partnership memorandum of understanding
<b>Method of Calculation/Assessment</b>	Simple count
<b>Means of Verification</b>	National and international Partnerships MoUs
<b>Assumptions</b>	Identified partners signs MoU to collaborate with the NAC
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Number of operational help desks</b>
<b>Definition</b>	This indicator tracks the number of operational help desks
<b>Source of Data</b>	MoUs and help desk records
<b>Method of Calculation/Assessment</b>	Simple count
<b>Means of Verification</b>	MoUs and help desk records
<b>Assumptions</b>	Partners are willing to collaborate with NAC
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Number of Block Bursaries MoUs signed. 40% of Block bursaries approved to 6 underserved provinces and 60% shared between remaining provinces</b>
<b>Definition</b>	Bursary funding allocation to education and training institutions that train art practitioners and offers some form of accreditation to students. This goal focuses on proactively working with institutions of higher learner through the funding of block bursaries for undergraduate

	students that build human capacity through training and education in art forms and arts related studies.
<b>Source of Data</b>	GMS: Approved block bursary applications and panel reports
<b>Method of Calculation/Assessment</b>	Simple count and percentage allocation to provinces
<b>Means of Verification</b>	GMS: signed agreements and approved indexes
<b>Assumptions</b>	High number of applications received from institutions of higher learning for block bursary funding
<b>Disaggregation of Beneficiaries (where applicable)</b>	All beneficiaries
<b>Spatial Transformation (where applicable)</b>	Rural, urban and peri-urban
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Once per annum
<b>Desired Performance</b>	Partnerships that contribute to human capital development and capacity building in the arts sector
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>A mechanism for funding mobilisation with external bodies</b>
<b>Definition</b>	To track progress towards establishing funding mobilisation mechanism for the NAC
<b>Source of Data</b>	Service Level Agreements
<b>Method of Calculation/Assessment</b>	Strategies for funding mobilisation
<b>Means of Verification</b>	Realistic Funding Mobilisation strategies

<b>Indicator Title</b>	<b>A mechanism for funding mobilisation with external bodies</b>
<b>Assumptions</b>	There is market appetite for partnerships with the NAC
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Office of the CFO

<b>Indicator Title</b>	<b>A partnership for skills development</b>
<b>Definition</b>	To track efforts of mobilising resources for skills development in the sector
<b>Source of Data</b>	Agreements with entities willing to help the NAC
<b>Method of Calculation/Assessment</b>	Number of MOUs measured against the identified list of potential funders
<b>Means of Verification</b>	Signed MOUs
<b>Assumptions</b>	Skills development authorities, state owned entities and private sector entities operating in the skills development sector will realise value in partnership with NAC
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable

<b>Indicator Title</b>	<b>A partnership for skills development</b>
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

## 7.2. Programme 2: Administration

<b>Indicator Title</b>	<b>Excellent corporate governance</b>
<b>Definition</b>	Regular reporting and effective controls to achieve an unqualified audit report.
<b>Source of Data</b>	AG Audit report
<b>Method of Calculation/Assessment</b>	N/A
<b>Means of Verification</b>	AG Audit report
<b>Assumptions</b>	The NAC will receive an unqualified audit outcome.



<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Cumulative
<b>Reporting Cycle</b>	Annual
<b>Desired Performance</b>	Achieve an unqualified audit.
<b>Indicator Responsibility</b>	Finance Unit

<b>Indicator Title</b>	<b>Percentage threshold of reduced vacancy rate</b>
<b>Definition</b>	This indicator tracks the percentage on reduced vacancy rate
<b>Source of Data</b>	HR records, Annual Recruitment Plan
<b>Method of Calculation/Assessment</b>	$\text{Vacant positions} \div \text{total approved positions} \times 100$
<b>Means of Verification</b>	HR records
<b>Assumptions</b>	Vacant positions are filled
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	HR unit

Indicator Title	Percentage of skills plan implemented
<b>Definition</b>	This indicator tracks the percentage of skills plan implemented
<b>Source of Data</b>	Staff skills development records
<b>Method of Calculation/Assessment</b>	Actual staff trained ÷ planned staff to be trained X 100
<b>Means of Verification</b>	Training records, attendance registers, certificates
<b>Assumptions</b>	Staff attend training as planned
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	HR unit

Indicator Title	Percentage network uptime
<b>Definition</b>	This indicator tracks the percentage network uptime
<b>Source of Data</b>	IT records
<b>Method of Calculation/Assessment</b>	$(\text{Uptime} - \text{downtime}) \div \text{total hours} \times 100$
<b>Means of Verification</b>	IT records
<b>Assumptions</b>	IT infrastructure availability

<b>Indicator Title</b>	<b>Percentage network uptime</b>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	IT unit

<b>Indicator Title</b>	<b>Readiness for NFVF Merger</b>
<b>Definition</b>	To track the NAC's readiness and contribution towards the merger with NFVF
<b>Source of Data</b>	Internal documentation and reports
<b>Method of Calculation/Assessment</b>	Progress and clarity towards the merger
<b>Means of Verification</b>	Responses on all NAC correspondence and NAC Reports
<b>Assumptions</b>	National Treasury and the DSAC Ministry will treat the matter with the urgency it deserves
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually

<b>Indicator Title</b>		<b>Readiness for NFVF Merger</b>
<b>Desired Performance</b>	Achieve target as set in the APP	
<b>Indicator Responsibility</b>	Office of the CEO	

<b>Indicator Title</b>		<b>Downtown asset disposal</b>
<b>Definition</b>	To track progress towards of efforts to obtain approval from National Treasury and DSAC	
<b>Source of Data</b>	Correspondence amongst parties	
<b>Method of Calculation/Assessment</b>	Number of NAC correspondence vis a vis responses received from principals	
<b>Means of Verification</b>	Signed MOU	
<b>Assumptions</b>	The National Treasury and DSAC will give the matter the urgency it deserves	
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable	
<b>Spatial Transformation (where applicable)</b>	Not applicable	
<b>Calculation Type</b>	Non-cumulative	
<b>Reporting Cycle</b>	Annually	
<b>Desired Performance</b>	Achieve target as set in the APP	
<b>Indicator Responsibility</b>	Office of the CFO	

<b>Indicator Title</b>	<b>Number of approved art platforms supported (programmes &amp; showcasing)</b>
<b>Definition</b>	This indicator tracks the number of programmes and showcasing platforms supported by the NAC through grant funding
<b>Source of Data</b>	GMS: Approved applications, Panel Reports and Project management reports
<b>Method of Calculation/Assessment</b>	Simple count
<b>Means of Verification</b>	Approved applications, Panel Reports and Approved indexes
<b>Assumptions</b>	High number of applications received from platforms programming and showcasing content.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Arts Development Unit

<b>Indicator Title</b>	<b>Number of art industry promotion engagements (events, workshops, campaigns, round table, etc.)</b>
<b>Definition</b>	This indicator tracks the number of art industry promotion engagements
<b>Source of Data</b>	Industry promotion records, i.e., invitations
<b>Method of Calculation/Assessment</b>	Simple Count

<b>Indicator Title</b>	<b>Number of art industry promotion engagements (events, workshops, campaigns, round table, etc.)</b>
<b>Means of Verification</b>	Engagements records
<b>Assumptions</b>	Events take place as planned
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Achieve target as set in the APP
<b>Indicator Responsibility</b>	Marketing and Communication and Arts Development Unit

<b>Indicator Title</b>	<b>Number of industry stakeholders reached through social media</b>
<b>Definition</b>	This indicator tracks the number of industry stakeholders reached through social media
<b>Source of Data</b>	Social media records
<b>Method of Calculation/Assessment</b>	Simple Count
<b>Means of Verification</b>	Available on social media platform
<b>Assumptions</b>	Industry stakeholders' using social media.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable

<b>Indicator Title</b>		<b>Number of industry stakeholders reached through social media</b>
<b>Calculation Type</b>	Cumulative	
<b>Reporting Cycle</b>	Annually	
<b>Desired Performance</b>	Achieve target as set in APP	
<b>Indicator Responsibility</b>	Marketing and Communication Unit	

<b>Indicator Title</b>		<b>Number of industry stakeholder impressions on social media</b>
<b>Definition</b>	This indicator tracks the number of industry stakeholder impressions on social media	
<b>Source of Data</b>	Social media records	
<b>Method of Calculation/Assessment</b>	Simple Count	
<b>Means of Verification</b>	Available on social media platform	
<b>Assumptions</b>	Industry stakeholders using and responding on social media.	
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable	
<b>Spatial Transformation (where applicable)</b>	Not applicable	
<b>Calculation Type</b>	Cumulative	
<b>Reporting Cycle</b>	Annually	
<b>Desired Performance</b>	Achieve target as set in APP	
<b>Indicator Responsibility</b>	Marketing and Communication Unit	

## 8. ANNEXURE A – COUNCIL CHARTER

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## 1. INTRODUCTION

### Founding Legislation

The National Arts Council (hereinafter referred to as NAC) is a juristic person established in terms of the National Arts Council Act 56 of 1997 (hereinafter referred to as the Act).

#### 1.1. Objects of the National Arts Council

- 1.1.1. to provide, and encourage the provision of, opportunities for persons to practise the arts;
- 1.1.2. to promote the appreciation, understanding and enjoyment of the arts;
- 1.1.3. to promote the general application of the arts in the community;
- 1.1.4. to foster the expression of a national identity and consciousness by means of the arts;
- 1.1.5. to uphold and promote the right of any person to freedom in the practice of the arts;
- 1.1.6. to give the historically disadvantaged such additional help and resources as are required to give them greater access to the arts;
- 1.1.7. to address historical imbalances in the provision of infrastructure for the promotion of the arts;
- 1.1.8. to promote and facilitate national and international liaison between individuals and institutions in respect of the arts;
- 1.1.9. to develop and promote the arts and to encourage excellence in regard to these.

#### 1.2. The functions of the Council are outlined in the Act as follows:

- 1.2.1. render support. including, but not limited to, financial support. advice and information. to any person. organisation or institution;
- 1.2.2. determine which field of the arts should have preference for the purpose of support thereof;
- 1.2.3. investigate and determine the need for support of any person. organisation or institution;
- 1.2.4. conduct research into any field of the arts;
- 1.2.5. establish, compile and maintain databases. including. but not limited to. databases of persons, organisations, institutions,

- equipment and facilities connected with the arts;
- 1.2.6. grant bursaries available to qualifying students ;
- 1.2.7. liaise with the responsible members in order to promote the arts more effectively throughout the Republic and to ensure coordination in the distribution of funds at national and provincial level;
- 1.2.8. make funds available to the responsible members for such distribution as the Council may determine;nationally and internationally facilitate and promote liaison between individuals and institutions;
- 1.2.9. make grants to any person, organization or institution in order to provide facilities to support the development and promotion of the arts;
- 1.2.10. co-operate with any person, organisation and institution;
- 1.2.11. enter into agreements with any person, organisation or institution. upon such conditions as may be agreed upon;
- 1.2.12. Purchase or otherwise acquire, or possess, hire, alienate, let pledge or otherwise encumber movable and immovable property with the approval of the Minister, granted with the concurrence of the Minister of Finance;
- 1.2.13. With the approval of the Minister granted with the concurrence of the Minister of Finance, on such terms and against such security as may be agreed upon, raise money by way of loans from any source; and
- 1.2.14. generally, do everything which is necessary to achieve its objects.

*The Council shall:*

- 1.2.15. advise the Minister on matters concerning the arts;
- 1.2.16. publish information on its objects and functions;
- 1.2.17. perform such duties in respect of its objects as the Minister may assign to it;
- 1.2.18. undertake or procure the undertaking of such investigations and research concerning its objects as the Minister may assign to it;
- 1.2.19. perform such other functions as may be assigned to it in terms of any other Act; and
- 1.2.20. not later than one month before the commencement of each

financial year, submit a business plan containing such information as may be prescribed to the Minister for his or her approval (The APP).

- 1.2.21. Within two months after the plan has been submitted, a delegation consisting of the chairperson of the council, Deputy-Chairperson and at least two other council members must brief the Minister/Ministry on the Annual Performance Plan and strategy.

## **2. PURPOSE OF THE CHARTER**

- The purpose of this charter is to set out Council's role and responsibilities as well as the requirements for its composition and meeting procedures.
- The Charter is informed by a number of legislative prescribes and governance guidelines. These include the provisions of the Act, the Public Finance Management Act (PFMA), Act No 1 of 1999 (PFMA), King IV report on Corporate Governance and other policies and procedures of the NAC.

### **2.1. Status and Authority**

The Council is authorised to perform the functions as described in this Charter. In carrying out its mandate, the Council is authorised to have full access to information required to execute its mandate.

- 2.2. The Council may obtain independent professional advice and secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary.

- 2.3. The Council shall not perform any management functions or assume any management or operational responsibilities.

- 2.4. The Council may delegate certain decision-making powers to any constituted Council Committee pertaining to its role and responsibilities. This must be in writing and must clearly reflect the delegated powers of the Committee. However, the Council remains accountable for all decisions made by the Committee.

### 3. DUTIES OF THE COUNCIL

- 3.1. Fiduciary duties of the Council emanating from the PFMA are to:
- 3.1.1. exercise the duty of utmost care to ensure reasonable protection of the assets and records of NAC;
  - 3.1.2. act with fidelity, honesty, integrity and in the best interests of the NAC in managing the financial affairs of the NAC;
  - 3.1.3. on request, disclose to the Executive Authority all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Executive Authority;
  - 3.1.4. seek, within the sphere of influence of the Council, to prevent any prejudice to the financial interests of the state;
  - 3.1.5. A member of the Council may not act in a way that is inconsistent with the responsibilities assigned to an accounting authority in the PFMA;
  - 3.1.6. use the position or privileges of, or confidential information obtained as, accounting authority, for personal gain or to improperly benefit another person;
- 3.2. **General accountability of the Council is to ensure that:**
- 3.2.1. Ensure that the NAC has and maintains:
    - a. effective, efficient and transparent systems of financial and risk management and internal control;
    - b. a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77 of the PFMA;
    - c. an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
  - 3.2.2. Take effective and appropriate steps to ensure that:
    - a. all revenue due to the NAC are collected;
    - b. irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying

- with the operational policies of the NAC are prevented; and
- c. available working capital is managed efficiently and economically;
- 3.2.3. Be responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the NAC;
- 3.2.4. Comply with any tax, levy, duty, pension and audit commitments as required by legislation;
- 3.2.5. Take effective and appropriate disciplinary steps against any employee of the NAC who:
- a. contravenes or fails to comply with a provision of the PFMA;
  - b. commits an act which undermines the financial management and internal control system of the NAC; or
  - c. makes or permits an irregular expenditure or a fruitless and wasteful expenditure;
- 3.2.6. Ensure the submission of all reports, returns, notices and other information to Parliament, the Executive Authority, the Auditor General or National Treasury, as may be required by the PFMA;
- 3.2.7. Must comply, and ensure compliance with the provisions of the PFMA and any other legislation applicable to the NAC.
- 3.2.8. Keep full and proper records of the financial affairs of the NAC and prepare financial statements for each financial year in accordance with generally accepted accounting practice and generally recognised accounting practice;
- 3.2.9. That the annual report and financial statements must:
- a. fairly present the state of affairs of the NAC, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;
  - b. include particulars of:
    - i. any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;
    - ii. any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful

- expenditure;
  - iii. any losses recovered or written off;
  - iv. any financial assistance received from the state and commitments made by the state on its behalf; and any other matters that may be prescribed;
- 3.2.10. The Auditor-General shall audit the accounts and balance sheet of the Council.
- 3.2.11. the Council shall –
- a. furnish to the Minister such information as he or she may call for in connection with the activities and financial position of the Council;
  - b. submit to the Minister an annual report containing a balance sheet, a statement of income and expenditure certified by the Auditor-General and such other particulars as the Minister may require.
- 3.2.12. The Minister shall table the report referred to in subsection 4.2.11(b) in Parliament within 14 days after receipt thereof if Parliament is then in ordinary session or, if Parliament is not then in ordinary session, within 14 days after the commencement of its next ordinary session.
- 3.2.13. Within five months after the report has been tabled, a delegation consisting of the chairperson of the council and at least two other council members must brief the Portfolio Committee on Arts & Culture on the annual report.
- 3.2.14. The Council shall utilise its funds, as defined in the Act, to defray expenses in connection with the performance of its functions: Provided that at least 75 percent of the funds shall be distributed as grants in support of the arts unless otherwise approved by the Minister.

**3.3. Duties relating to members are to:**

- 3.3.1. Ensure that adequate time is devoted to the execution of the fiduciary duties.
- 3.3.2. Be informed about the financial, social and political milieu within which the NAC operates.
- 3.3.3. Never permit a conflict of duties and interest to occur and must disclose potential conflicts of interest at the earliest opportunity.

- 3.3.4. Exercise utmost good faith, honesty and integrity in all dealings with or on behalf of the NAC;
- 3.3.5. Always act in the best interest of the NAC and treat confidentiality of information at all times.
- 3.3.6. Endeavour to attend all meetings of the Council, including that of the Committees where membership resides at the best of its ability.

#### **4. RESPONSIBILITIES OF THE COUNCIL**

The roles and responsibilities of Council are to:

- 4.1. Act as the focal point for and a custodian of corporate governance by managing its relationship with management and stakeholders along sound corporate governance principles as set out in the Act and King IV.
- 4.2. Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:
  - 4.2.1. Contributing to and approving the strategy;
  - 4.2.2. Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
  - 4.2.3. Identifying and regularly monitoring key risk areas and key performance indicators of the NAC;
  - 4.2.4. Ensuring that the strategy will result in sustainable outcomes;
  - 4.2.5. Considering sustainability as a business opportunity that guides strategy formulation.
- 4.3. Provide effective leadership on an ethical foundation and to ensure that the NAC is seen to be a responsible corporate citizen.
- 4.4. Ensure that the NAC is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the NAC but also the impact that business operations have on the environment and the society within which it operates.
- 4.5. Ensure that Council's ethics are managed effectively.
- 4.6. Ensure that Council has an effective and independent audit committee.
- 4.7. Be responsible for the governance of risk and Ensure that there is an effective risk-based internal audit;



- 4.8. Providing overarching oversight on the strategy and adoption of best practices in the rollout and utilization of ICT systems and procedures.
- 4.9. Ensure that the NAC complies with the relevant law, regulations and codes of business practice.
- 4.10. Providing oversight to ensure the effective management of stakeholder relations and to ensure the performance of the NAC are managed and measured to enhance the NAC's reputation.
- 4.11. Oversee and sign-off on the NAC's integrated report.
- 4.12. Act in the best interests of the NAC by ensuring that individual members:
  - 4.12.1. adhere to legal standards of conduct;
  - 4.12.2. are permitted to take independent advice in connection with their duties following an agreed procedure;
  - 4.12.3. disclose real or perceived conflicts to the Council and deal with them accordingly;
- 4.13. Consider business rescue proceedings or other turnaround mechanisms as soon as the NAC is financially distressed.
- 4.14. Appoint and evaluate the performance of the Chief Executive Officer and the Company Secretary.
- 4.15. Ensure that the performance of the Executive Management is regularly assessed and monitored.
- 4.16. The Council should do everything necessary to fulfil its role as set out above.

## **5. COMPOSITION OF THE COUNCIL**

### **5.1. Membership - Council**

The Council shall consist of:

- 5.1.1. Nine provincial representatives; and
- 5.1.2. No fewer than nine and no more than 18 other persons, which will be appointed by the Minister.

### **5.2. Provincial representation**

A representative who shall be appointed by the Minister to the NAC shall represent every province.

### **5.3. Chairperson of the Council**

- 5.3.1. The Minister shall appoint a chairperson from among the members

who are not provincial representatives.

- 5.3.2. If the chairperson is absent from a meeting of the Council, the Deputy-Chairperson shall preside at that meeting, and if both the chairperson and Deputy-Chairperson are absent from a meeting of the Council, the Chair or the Deputy-Chair can nominate a Council member to preside over the meeting. If both are unavailable and have also not nominated a member to preside, the members present shall elect one of their members to preside at that meeting

**5.4. Deputy-chairperson of the Council**

The members of the Council shall elect a Deputy-chairperson from among all the members

**5.5. Qualifications of members of Council**

- 5.5.1. The members of the Council shall be persons who have special knowledge or experience in the arts or, in the case of the other persons referred to in section 6.1.2, who have specialist skills which are not directly related to the arts but which would be beneficial to the Council.
- 5.5.2. A member of the Council shall not hold office in any political party or political organisation.
- 5.5.3. The composition of the Council shall be broadly representative of the gender, language and community composition of the Republic.

**5.6. Circumstances under which Members should vacate office**

- 5.6.1. No person is eligible to be appointed or elected as a member of the Council:
- a. if that person is an un-rehabilitated insolvent;
  - b. if that person has been convicted of an offence and in respect thereof sentenced to imprisonment without the option of a fine; or
  - c. unless that person is a South African citizen permanently resident in the Republic.
  - d. If that person has been declared a delinquent Director in terms

of S162 of the Companies Act, no. 71 of 2008

- 5.6.2. Furthermore, a member of the Council shall vacate office if he or she –
- a. becomes disqualified in terms of subsection 6.5.4 from being appointed or elected as a member of The Council;
  - b. is according to law detained as a mentally ill person;
  - c. has, without the leave of the Council, been absent from three consecutive meetings of the Council;
  - d. is removed from office as contemplated in section 4(7) of the Act; or
  - e. resigns by written notice addressed to the Chairperson of the Council or the Minister.
- 5.6.3. On receipt of a notice contemplated in subsection 6.5.5(e), the Chairperson shall inform the Minister accordingly.
- 5.6.4. The Minister may dissolve the Council on any reasonable grounds.
- 5.6.5. The Minister may recall a Council member on any reasonable grounds.

#### **5.7. Quorum**

A quorum for a meeting of the Council shall be a majority of its members, with a minimum attendance of three EXCO members and three members from provinces;

#### **5.8. Voting**

- 5.8.1. Any decision of the Council shall be taken by resolution of the majority of the members present at any meeting of the Council, and, in the event of an equality of votes on any matter, the person presiding at the meeting in question shall have a casting vote in addition to his or her deliberative vote as a member of the Council.
- 5.8.2. A member of the Council shall not vote or in any manner participate in the proceedings at any meeting of the Council nor be present at the venue where such a meeting is held, if, in relation to any matter before the Council, he or she has any interest which precludes him or her from performing his or her functions as a member of the Council in a fair, unbiased and proper manner.

## **5.9. Disclosure of interest**

A Council member must disclose to the Council:

- 5.9.1. in line with the Act, Council members will be required to annually declare any outside business interests, whether they receive remuneration or not.
- 5.9.2. If there are any new outside business affiliations accepted by members during the course of the year, council members are expected to declare to the Company Secretary within 30 days of assuming position, failing which at the next council meeting.
- 5.9.3. any direct or indirect personal or private business interest that the member or any spouse, partner or close family member may have in any matter before the Council;
- 5.9.4. withdraw from the proceedings of the Council when that matter is considered unless the Council decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

## **5.10. Term of office**

- 5.10.1. A member of the Council shall hold office for a period not exceeding four years and shall be eligible for reappointment after a further four years have elapsed, unless otherwise stated by the Minister;
- 5.10.2. At the end of the members' term of office, three members who are not provincial representatives, one of whom shall be an Executive Committee (EXCO) member, shall be re-elected by the Council to serve for a further four years, after which they shall not be eligible for reappointment until a further four years have elapsed.
- 5.10.3. A provincial representative may at any time before the expiry of his or her term of office be replaced by another representative elected as contemplated in subsection 6.2 of the NAC Act, but no individual representative shall hold office for a term exceeding four years.

## **5.11. Meetings**

- 5.11.1. The Council shall meet at least four times a year, and meetings shall be held at such times and places as the Council may determine.
- 5.11.2. The chairperson may at any time convene a special meeting of the Council, which shall be held at such time and place as the chairperson may direct.
- 5.11.3. The Council Secretary shall provide the necessary secretarial services and will be responsible for compiling all required documentation including the Minutes of meetings. The Minutes will be circulated ten days after the meeting to all members of the Council. Records of all documents will be kept safe by the Council Secretary.
- 5.11.4. The Council Secretary will engage with the Council Chairperson to agree on the Agenda items and supporting documentation.
- 5.11.5. The schedule of meetings of the Council shall be in line with the Council year plan. The notice of each meeting of the Council, confirming the date, time and venue as well as enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be received by each Council member not less than five (5) working days prior to the date of the meeting.

## **5.12. Remuneration and allowances**

- 5.12.1. Members of the Council shall, in respect of their service, receive such allowances as the Minister with the concurrence of the Minister of Finance may determine, either in general or in a particular case.
- 5.12.2. The Council shall pay a member of a committee who is not an employee of the Council such remuneration and allowances as the Minister may determine with the concurrence of the Minister of Finance.

5.12.3. Members of the Council shall not be eligible for grants from the Council during their time of office.

**5.13. Evaluation**

The evaluation of the effectiveness of the Council, its committees and individual members, including the Chairperson, must be performed every year.

**5.14. Removal and vacancies**

Any vacancy on the Council shall be filled by election or appointment, as the case may be, in the manner in which the member who vacates the office was required to be elected or appointed, and any member so elected or appointed shall hold office for the unexpired portion of the period for which the member who vacates the office was elected or appointed.

**5.15. Delegation**

The Council may:

- 5.15.1. delegate to the chairperson, the chief executive officer or any other employee of the Council any power conferred upon the Council by or under this Act, on such conditions as the Council may determine; or
- 5.15.2. authorise the chairperson, chief executive officer or another employee of the Council to perform any duty assigned to the Council by or under the Act.

**5.16. Executive committee**

- 5.16.1. The Council shall establish an executive committee, which shall consist of:
  - a. the chairperson,
  - b. the vice-chairperson; and
  - c. no more than five other members of the Council, determined by the Council direction of the Council, exercise the powers and perform the duties conferred or imposed upon the Council by or under this Act.
- 5.16.2. The executive committee shall, subject to the direction of the Council, exercise the powers and perform the duties conferred or

imposed upon the Council by or under the Act;

- 5.16.3. The chairperson of the Council shall be the chairperson of the executive committee.

#### **5.17. Committees of the Council**

- 5.17.1. The Council may nominate one or more committees, which may, subject to the instructions of the Council, perform such functions of the Council as the Council may determine.
- 5.17.2. A committee referred to in subsection 6.16.1 shall consist of such number of members of the Council and employees of the Council, if any, as the Council may deem necessary, and the Council may at any time dissolve or reconstitute such committee.
- 5.17.3. If a committee consists of more than one member, the Council shall designate a member of the committee to be the chairperson thereof.
- 5.17.4. The Council shall pay a member of a committee who is not an employee of the Council such remuneration and allowances as the Minister may determine with the concurrence of the Minister of Finance.
- 5.17.5. The Council shall not be absolved from the performance of any function entrusted to any committee of the Council in terms of this section.

#### **5.18. Advisory panels**

- 5.18.1. The Council may establish an advisory panel for every field of the arts it deems necessary.
- 5.18.2. Every advisory panel shall consist of no more than five persons who have achieved distinction or have special knowledge or experience in the field of the arts in question, and who are not members of the Council.
- 5.18.3. An advisory panel shall advise the Council on the merits of applications for grants and on any matter relating to the field of the arts for which it was appointed.

- 5.18.4. Every meeting of an advisory panel shall be chaired by a Council member.
- 5.18.5. The Council shall appoint persons to an advisory panel on the basis of nominations obtained from the public as prescribed.
- 5.18.6. The Council may at any time terminate the membership of a member of an advisory panel if sufficient reason exists therefor.
- 5.18.7. Members of advisory panels shall not be eligible for grants from the Council during their tenure.

**5.19. Chief Executive Officer**

- 5.19.1. The Council shall appoint a full-time chief executive officer for the Council.
- 5.19.2. The chief executive officer shall be responsible for the management of the affairs of the Council and shall report on those affairs to the Council as often as may be required by the Council.
- 5.19.3. The chief executive officer shall be appointed for such period and subject to such conditions, including conditions relating to the payment of remuneration and allowances, as the Council may, subject to section 15 (1) (b) of the Act, determine, and may be reappointed on the expiry of his or her period of office.
- 5.19.4. Whenever the chief executive officer is absent for any reason or unable to carry out his or her duties, or whenever there is a vacancy in the office of chief executive officer, the Council may, subject to such conditions and the payment of such remuneration and allowances as it may determine in the manner contemplated in subsection 6.18.3, appoint an employee of the Council to act as chief executive officer during such absence or inability, or until a chief executive officer has been appointed in terms of subsection 6.18.1, and that employee shall, whilst so acting, have all the powers and perform all the duties of the chief executive officer.

**5.20. Staff and conditions of service**

The Council may, and on such conditions as it may determine, appoint such number of employees as it deems necessary to enable the Council to



perform its functions.

**6. REVIEW**

**This Charter must be formally adopted and reviewed by the Council annually to ensure its relevance.**

**7. APPROVAL**

The signatories hereof, confirm their acceptance of the contents and authorize the adoption thereof.



4 March 2022

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**Signature – Interim CEO:**

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**Date:**

**Marion Mbina-Mthebu**



4 March 2022

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**Signature – Chairperson**

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**Date**

**HRH Princess C. Dlamini**

## 9. ANNEXURE B – RISK REGISTER

Table 3 - Strategic Risk Register

Identified Risks						Mitigation			
Description	Source	Likelihood	Impact	Rating	Owner	Controls (existing & new)	Likelihood	Impact	Residual Rating
1. Inability to fully realise NAC mandate	1. Declining revenue allocation 2. Admin burden of PESP disbursements 3. Lack of own revenue generation 4. Applicants lack IT infrastructure	5	4	20	CEO	<ul style="list-style-type: none"> <li>Council oversight</li> <li>Own Revenue generation initiatives</li> <li>Negotiation for additional funds</li> <li>Partnerships</li> <li>Cost reduction</li> </ul>	5	2	10
2. Business interruptions	1. Municipal service disruptions (water, etc.) 2. Load shedding	5	4	20	CEO / CFO	<ul style="list-style-type: none"> <li>Alternative sources of energy (Connection and installation of inverter and linking inverter and UPS)</li> <li>Building a Water reservoirs infrastructure</li> <li>Remote/hybrid work structure</li> </ul>	5	3	15
3. Brand reputation	1. Negative audit outcomes 2. Litigation 3. Corruption	4	4	16	CEO / CFO	<ul style="list-style-type: none"> <li>Achieve clean audit</li> <li>Releasing positive publicity</li> </ul>	4	3	12

Identified Risks						Mitigation			
Description	Source	Likelihood	Impact	Rating	Owner	Controls (existing & new)	Likelihood	Impact	Residual Rating
4. Data loss / leaks						<ul style="list-style-type: none"> <li>• Training for IT staff in basic IT forensic</li> <li>• Software acquisition for monitoring illicit process’.</li> <li>• Information security controls</li> <li>• Continuous cyber monitoring</li> <li>• Awareness training</li> <li>• Consistent backups</li> <li>• Consequence management</li> </ul>	4	3	12
	<ul style="list-style-type: none"> <li>1. Cyber Attacks</li> <li>2. Poor information security</li> <li>3. Inadequate IT systems</li> <li>4. Inadequate IT skills</li> <li>5. Sabotage</li> <li>6. Poor understanding of policy</li> </ul>	5	4	20					
5. Poor corporate governance	Unclear roles between council and management	5	4	20	<b>Council (COSEC / CEO)</b>	<ul style="list-style-type: none"> <li>• Council and Management training</li> <li>• Terms of reference for council and committees</li> </ul>	4	3	12
6. Fraud / corruption / Bribes	<ul style="list-style-type: none"> <li>1. Weak control environment</li> <li>2. Non-compliance to supply chain management</li> </ul>	5	4	20	<b>CEO / CFO</b>	<ul style="list-style-type: none"> <li>• Strengthen control environment.</li> <li>• Comply with supply chain management policies &amp; other policies.</li> <li>• Consequence management</li> <li>• Effective Internal audit function</li> </ul>	3	3	9

## 10. ANNEXURE C– MATERIALITY/SIGNIFICANCE FRAMEWORK

### **MATERIALITY/SIGNIFICANCE FRAMEWORK**

#### **EXECUTIVE SUMMARY**

In terms of Treasury Regulations for government departments, trading entities, constitutional institutions and public entities, issued in terms of the PFMA, the NAC must have a materiality framework of acceptable levels of materiality and significance within the organisation.

The NAC's reputation, built over many years, depends on the nature of every business transaction, conducted by every employee, on a daily basis. It is built on an implicit set of values, which inspire our employees to maintain the highest ethical standards in all their dealings with our clients and stakeholders, as well as their relationships within the NAC.

The NAC is committed to a policy of fair dealing and integrity in conducting its business. This commitment is based on a fundamental belief in honest, fair and legal conduct in all business activities. We expect all our employees to share this commitment to high morals, ethics and legal standards.

Ethics involve the ability to distinguish right from wrong and a commitment to do what is right. Values are core beliefs that create individual attitudes. Although individual values may differ, this does not imply a choice about behaving ethically in the business environment of the NAC. Our Code of Conduct, as well as the Constitution of the Republic of South Africa and the national laws and regulations, prescribe the legal conduct that embodies values based on ethical principles, while respecting cultural diversity.

#### **TREASURY REGULATIONS**

“For purposes of “material” [sections 50(1), 55(2) and 66(1) of the Act], the Accounting Authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant Executive Authority, in consultation with the external auditors.”

*Table 1: Materiality/Significance framework:*

		<b>MATERIAL</b>
<b>Section 50(1)</b>	<p>(1) The Accounting Authority for a public entity must –</p> <p>(a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity.</p> <p>(b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity.</p> <p>(c) On request, disclose to the Executive Authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable which, in any way, influence the decision or actions of the Executive Authority or that legislature; and</p>	<p>Significant audit findings that could negatively impact the NAC’s operations and the attainment of strategic goals.</p> <p>The NAC sets high standards on fidelity, honesty and integrity. The best interest of the public entity is always relevant in fulfilling its mandate and in the execution of the Shareholder’s Compact. Any acts of dishonesty, infidelity and others that are not in the best interests (from a research, financial and reputation perspective) of the NAC are viewed in a serious manner.</p>

	<p>(d) Seek within the sphere of influence of that Accounting Authority, to prevent any prejudice to the financial interests of the state.</p>	<p>The NAC is committed to disclosing any relevant information to its stakeholders. Materiality can only be determined if the nature of the information is known.</p>
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		<b>MATERIAL</b>
<b>Section 55(2)</b>	<p>(2) The annual report and financial statements referred to by subsection 55 (1)(d) of the PFMA must –</p> <p>(a) Fairly present the state of affairs of the public entity, its business, financial results and performance against predetermined objectives and its financial position as at the end of the financial year concerned.</p> <p>(b) Include particulars of –</p> <p>(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p>	<p>Significance/materiality is calculated at 1% of confirmed revenue, of which revenue for the year allocation is R120,904,000.</p> <p>R1 209 040. All cases are unique and will, thus, be treated as such. These will be subject to internal audit reviews. R1 209 040. All cases are unique and will, thus, be treated as such.</p> <p>Issues that inform steps to be taken are:</p>

	<p>(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;          (iii) any losses recovered or written off;          (c) include the financial statements of any subsidiaries</p>	<ul style="list-style-type: none"> <li>• The level of responsibility and position of the person involved.</li> <li>• The affected core business/support/operational; and</li> <li>• The impact on other areas of operation of the NAC. These will be subject to internal audit reviews.</li> </ul> <p>R1 209 040 (excluding losses incurred through normal operating activities)</p>
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		<b>MATERIAL</b>
<b>Section 66(1)</b>	(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee,	The NAC complies with this requirement.



	<p>indemnity, security or other transaction –</p> <p>(a) Is authorised by this Act;</p> <p>(b) In the case of public entities, is also authorised by other legislation not in conflict with this Act; and</p> <p>(c) In the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial.</p>	
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