



**National
Arts Council** **NAC**
an Agency of the Department of Arts & Culture

STRATEGY 2020 - 2025

*The content of this document is **strictly confidential**.*

Reference: NAC STRATEGY 2020 - 2025

Version: Version 9 C

Date: 11 JANUARY 2020

AMENDMENT HISTORY

Version	Author	Date	Description
1	Ian Paterson	15th June 2017	Approved by Council
2	Rosemary Mangope	01-Nov-17	Approved by Council
3	Rosemary Mangope	12-Feb-18	Approved by Council
4	Rosemary Mangope	12-Aug-19	Approved by Council
5	Rosemary Mangope	08 January 2020	Fifth Draft authored by CEO

Audience

Name

Role

National Arts Council and Management Accounting Authority and Management

'We want artists who have considerable power and to use their power to uplift and redirect. It's not a matter of free speech, it's also speech that matters. Artists have culturally transforming power. Either they hurt or they help...'

Jesse Jackson

TABLE OF CONTENTS

AMENDMENT HISTORY	2
ACCOUNTING AUTHORITY STATEMENT.....	4
ACCOUNTING OFFICER'S STATEMENT.....	6
OFFICIAL SIGN OFF.....	8
CONSTITUTIONAL MANDATE	10
REVISED LEGISLATIVE MANDATES.....	10
INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE YEAR PERIOD	10
RELEVANT COURT RULINGS.....	11
VISION	13
MISSION	13
VALUES.....	16
SITUATIONAL ANALYSIS	16
EXTERNAL ENVIRONMENT ANALYSIS	21
INTERNAL ENVIRONMENT ANALYSIS	24
INSTITUTIONAL PERFORMANCE INFORMATION.....	28
IMPACT STATEMENT	30
MEASURING OUTCOMES	31
EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PERIOD.....	34
KEY RISKS AND MITIGATIONS.....	37
PUBLIC ENTITIES	38
ANNEXURES.....	47

1. ACCOUNTING AUTHORITY STATEMENT

'Significant progress has been made in building a new and inclusive society to which the arts, culture and heritage have contributed. The task now is to accelerate, expand and deepen the gains made over the last two decades and to address the new challenges thrown up by an ever-changing world and society.'

REVISED WHITE PAPER ON ARTS, CULTURE AND HERITAGE – DRAFT 4 – OCTOBER 2017

The NAC is at a critical juncture in its history. For the first time in many years it has had sustained, focused leadership, and has successfully executed on a number of important Arts exchanges with other countries, including for the first time countries in Africa. Disbursements are now focused on making an impact in previously disadvantaged provinces. In a quest to improve access to funding, particular emphasis has been placed on attracting first-time beneficiaries. At the same time, the NAC has achieved an unqualified and clean audit for three consecutive years from the Auditor-General. These accomplishments have allowed the organisation to make great strides in delivering on its mandate.

There have of course been a number of important headwinds that have held the NAC back from proclaiming further success. These include:

- The fiscal constraints of government which have precluded an increase in funding that would enable the NAC to make an impactful contribution to the arts sector
- The inability to fund previously identified critical positions to support strategy implementation
- The breadth of the arts sector in terms of different forms of creative expression, the extended value chain from conceptualisation to commercialisation, as well as the substantial number of participants in the sector
- The challenges of leveraging impact as a national agency working in collaboration with global, provincial, local and other partners
- The challenge of disbursing funding in a sector that is not known for effective, efficient administration and governance
- The challenge of conducting meaningful beneficiary monitoring and evaluation
- The need to ensure that the NAC remains relevant in a fast-changing world
- The need to ensure that the NAC contributes to the transformation of the sector, to social cohesion and nation building, and to a better life for all.

It is important for the NAC to take note of the perceptions and viewpoints of all stakeholders in the arts sector, and in particular the policy orientation of our

parent body the Department of Sport, Arts and Culture. It is for this reason that we have taken note of the Fourth Draft version of the Revised White Paper on Arts, Culture and Heritage (October 2017) and have attempted to align this strategy with its contents. The NAC supports the White Paper's central thrust which is to '*establish an integrated national dispensation of arts, culture and heritage*'. Our strategy going forward will seek to support the DSAC in translating its mandate into reality.

In doing so we will contribute to the achievement of the White Paper's goals and accelerate and sustain the NAC's transition from:

- a stand-alone agency to an **integrated view** of the NAC as a valued partner within the arts and culture ecosystem in South Africa
- a **role focused on grant-making** to a **broader role** in line with its overall mandate of promoting and developing the arts in South Africa
- providing **support to low-impact, unsustainable initiatives** to a focus on supporting sustainable initiatives with a high potential for impact
- **disbursing applicant grants** to an **end-to-end process** of validation of potential impact, disbursement, effective risk management, monitoring and evaluation
- providing **purely financial support** to providing **value-adding relationships, support, products and services** targeted at different stakeholder segments
- a funding model based on **reliance on government** to a broader **leveraging of funding and resources** in the best interests of the arts
- a **paper-based** administration environment to **on-line, automated** processes
- **unfocused** organisational change to **planned** organisational development
- The NAC's strategic goals have focused on achieving greater equity by focusing on redress and transformation in funding of the arts

Hartley Ngoato

Accounting Authority

Signature:  _____

2. ACCOUNTING OFFICER'S STATEMENT

As the National Arts Council (NAC) sets out our road map for the next financial year, it's worth pausing to reflect on the year that was, so that we can take stock and draw inspiration from the valuable lessons learned.

Although we met all our deliverables for 2019, it became clear that we had gaps in our funding process – in particular, we lacked a watertight verification mechanism that would prevent abuse of our system. This caused funding overlaps that were not red-flagged in time to be rooted out.

To prevent such duplications from slipping through the cracks, we are implementing more stringent verification checks – made possible by harnessing the potential of technology in our internal systems.

Having said that, we are pleased that our ongoing clean audits bear testimony to the overall sound financial management of the entity, in line with the prescripts of supply chain management and the Public Finance Management Act.

We are also justifiably proud that our performance management is similarly robust. We are succeeding in funding arts organisations and projects for impact, and the quality and calibre of funding disbursed is very high.

It is in this regard that we are gratified to note that the sixth administration's blueprint for entities to set out their funding measurables and outcomes is very much in line with the way in which we currently execute our vision and mandate. Monitoring and evaluating each project on a set of predetermined impacts helps us to ascertain how effective it has been – and enables us to amass learnings in our ongoing quest for improvement.

The NAC realises that, as a funding body, we can't be all things to all people, but rather that we are but a single cog in the greater wheel of equitable public-sector support for the visual, performing, literary and artisanal arts.

To this end, in the coming financial year we will remain true to our focus on funding to encourage (and showcase) excellence in the arts. We will also continue to lend our support to community-based arts development institutions that nurture

grassroots creativity, including through mentoring and hand-holding – rather than funding individual developmental projects directly ourselves.

A number of artists and initiatives we support have distinguished themselves during the past year – leading to two Business and Arts South Africa (Basa) Awards for NAC flagship projects, to list but one success – and this has galvanised us to seek more strategic partnerships with private sector and civil society bodies such as Basa and the Arts and Culture Trust in the coming year.

Despite the constrained economy placing pressure on our artists’ ability to build self-sustaining livelihoods, we are excited about the coming year – one that, we believe, will see technology being increasingly used to improve and enhance the arts.

Internally, we will be designing a road map that assesses our skills set and enables our staff to upskill to keep pace with technology. We’re confident that information technology will play a major role in not only closing our operational gaps as an entity, but also in spurring new forms of creativity in our sector.

My dream is for South Africa to aspire to creative, knowledge-driven cities – and it’s a dream I believe is attainable. Armed with a stronger clarity of vision and purpose, and reinforced internal controls, we believe 2020 will be an exciting year of innovation and progression, not just for the NAC but for our arts sector, too.

Rosemary Mangope
Accounting Officer



Signature: _____

OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan:

- Was developed by the Council and Management of the NAC under the guidance of the Chairperson of the NAC, Mr. Hartley Ngoato;
- Takes into account all relevant policies, legislation and other mandates for which the National Arts Council is responsible;
- Accurately reflects the strategic outcome-oriented goals and objectives which the NAC will endeavour to achieve, given the resources made available in the budget for 2020 - 2025.

Clifton Changfoot
Chief Financial Officer


Signature: _____

Julie Diphofa
Manager: Arts Development


Signature: _____

Rosemary Mangope
Accounting Officer


Signature: _____

Approved by:
Hartley Ngoato

Accounting Authority


Signature: _____

PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

The NAC's constitutional mandate is to contribute to the development and effective enablers of artistic expression, through providing economic and artist opportunities for communities to grow their potential, leading to sustainability.

2. REVISED LEGISLATIVE MANDATES

The NAC has identified challenges with the National Arts Council Act, 1997 (Act No. 56 of 1997), as amended by the Cultural Laws Amendment Act 2001 (Act No. 36 of 2001) in relation to the work and mandate of the NAC and has communicated these challenges with the Department of Arts and Culture (DAC). Further to this, the NAC made input as requested by the Cultural Law Review Commission. This process was undertaken with the long-term objective of having the legislation reviewed by the DAC. This review is required to ensure that the NAC Act and its regulations provide a coherent and aligned approach to the work of the council. It is clear that the current NAC Act does not adequately distinguish between the regulatory and executive functions of the NAC. Current provisions of the Act create confusion and need to be realigned. It is also clear that there is a need for greater efficiency and cost-effectiveness in the conduct of governance structures and in the way grants and awards are made.

3. INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE YEAR PERIOD

During this period, the NAC's mandate, as spelt out in the National Arts Council Act, is ***inclusive*** but not limited to grant making. In addition to 'provide', it is also required to 'encourage', 'promote', 'foster', 'uphold' and 'facilitate'. This would imply actions that extend beyond merely the provision of grant and discipline focused funding to programmatic funding answering to the Country's imperatives.

This strategy document will provide greater insight into the NAC's thinking about its future role and will demonstrate its commitment to tangible outcomes that will impact the lives of all South Africans. It does so against the backdrop of both financial constraints as well as future changes to its policy environment, as set out

in the Revised White Paper on Arts, Culture and Heritage. The NAC will continue to contribute to the dialogue around the content of the White Paper and is confident that the final version will reflect the realities of our country, its diverse artistic communities as well as the potential of art to make a serious contribution to personal well-being, economic growth and social cohesion.

Strategy is always aimed at benefiting a constituency. Consideration will be given to achieving inclusivity and embracing the constituency. The strategy will be cascaded to provinces in order to reach grass roots and find expression in the people it is supposed to serve. To this end, Council resolved to undertake a discussion process with identified and stratified strategic stakeholders including the main shareholder/stakeholder the Department of Sport Arts and Culture, Provincial structures including Arts Councils, entities with a proven track record in the sector and organisations with value adding impact. The message is, as the NAC we are in the process of reorganising ourselves. The objective is to invite the sector to share with us on how best we can support them. This strategy will therefore be cascaded and shared with key stakeholders and the sector.

4. RELEVANT COURT RULINGS

Not applicable

PART B: OUR STRATEGIC FOCUS

1. VISION

'The NAC's vision is – 'a vibrant, sustainable arts community that enriches lives through the free and creative expression of South Africa's cultures/through strengthening artistic and cultural creation.

Through this we will be a catalyst for social inclusion and contribute to the evolutionary development of a unique, diverse and inclusive South African identity.'

2. MISSION

Mission:

*'The NAC's **Mission** is to leverage energy, partnerships and resources to develop, support, promote and advance the arts '*

By **develop** we mean:

- Identifying and nurturing artistic talent through funding the academic and professional development of arts practitioners, managers and support practitioners
- Fostering mentorship and coaching as ways of improving the quality of artistic expression
- Creating opportunities for the transfer of knowledge and experience through regional and international exchanges
- Building capacity and expertise in the arts through artistic, entrepreneurial, management, and technical development as well as copyright protection
- Growing South Africa's wealth as measured by its great works of artistic expression

By **support** we mean:

- Contributing to the development and effective use of sustainable infrastructure that enables artistic expression
- Funding worthwhile artistic endeavours that would otherwise not have been possible
- Provide opportunities for people to access the financial means to explore and experience the arts
- Provide opportunities for people to access the space to explore and experience the arts
- Collaborating with other important stakeholders to create a vibrant artistic ecosystem
- Supporting the DSAC in the implementation of the Revised White Paper on Arts, Culture and Heritage as well as other related strategies, especially those focused on enhancing social inclusion

By **promote** we mean:

- Facilitating access to markets and economic sustainability for artists
- Showcasing the talent of artists at high profile events
- Communicating the message that imagination, creativity and design are vital ingredients that contribute to economic, social, emotional and spiritual growth
- Developing future audiences for the arts
- Advocating for art and artists as important contributors to South African society

By **advance** we mean

- Informing policy making through research, the generation of information, intelligence and insights
- Providing economic and artistic opportunities for disadvantaged and rural communities, women and the youth to grow, develop their potential and find gainful employment
- Upholding and promoting the rights of all to freedom in their practice of the arts

Which cultural **domains** fall **within** the Mission of the NAC?

- Books & press
- Visual arts
- Performing arts
- Audio-visual & multimedia
- Art crafts

The NAC's Mission includes **all functions** within the **core Arts & Culture value chain**, namely:

Creation → Production/Publishing → Dissemination/Trade → Preservation → Education → Management/Regulation

Which domains fall **outside** of the Mission of the National Arts Council?

- Film
- Advertising
- Architecture
- Heritage
- Archives
- Libraries

3. VALUES

The NAC, through its people, is committed to living out the following **values**:

- Accountability
- Results orientation
- Professionalism and integrity
- Making a difference
- Employee fulfilment
- Excellence & Synergy
- Transparency & openness

4. SITUATIONAL ANALYSIS

The sections below outline the **contextual factors** that have informed and influenced the strategy and the work of the NAC.

4.1. Performance Environment

The policy environment affecting the NAC is currently in a state of flux with the Revised White Paper on Arts and Culture receiving final input and commentary from stakeholders. Informing this policy debate and being mindful of the potential implications of changes in policy are important areas of focus for the NAC.

The debate around funding continues to be a contentious issue and the NAC is not immune. The historic under-funding of the NAC continues to be a significant challenge in enabling it to deliver on its full mandate. The depth of artists' need for support, and servicing artists spread across the length and breadth of our vast country, all contribute to the dilemma of having to spread the NAC's funding as broadly as possible, whilst at the same time delivering well-focused impact at a national level.

Despite this, the NAC has performed well in its funding and grant making activities. The NAC's strategic goals ensured that funding reached places and people that would otherwise not have been able to access funds adequately. Historically, the geographic spread of the NAC's allocation of resources has for many years been skewed towards metropolitan provinces such as Gauteng, Western Cape and KwaZulu-Natal. This bias of funding allocation towards the three provinces has been exacerbated by the large number of high-quality applications received from these provinces.

The NAC's strategic goals have focused on achieving greater equity by focusing on redress and transformation in funding of the arts. As an important component of this process, it was essential for the NAC to review its funding model as the NAC's past funding processes had been reactive and inequitable. The new funding model entails an approach which takes into account the stages of the development cycle and its impact on the needs of organisations. Beneficiary categories identified as being primary recipients of NAC funding going forward include beneficiaries in the foundation, intermediary and established phases of development.

The NAC remains focused on its core mandate to fund, promote and develop artists and arts organisations. A number of '**flagship projects**', across different disciplines have been identified as potentially 'high-impact' projects. These will also raise the profile of the NAC significantly within the arts and culture sector in South Africa. These projects combine innovation, the leveraging of finances, contributions in kind and focused execution to deliver value in line with the NAC's overall mandate.

The ongoing iterative development of the new funding model will enable the NAC to fine-tune the development of specific grant 'products' for different arts and culture ecosystem segments. This will however be insufficient to achieve the overall impact required. The NAC will need to encourage broader, more innovative thinking about ways to change 'hand outs' into 'hand ups'. This includes ways of assisting communities to develop arts infrastructure, assisting artists to better access markets and finding innovative ways of increasing the potential pool of funding available to the arts and artists.

Achieving this will require a new collaborative approach to working with partners including donor funders, philanthropists, corporations and other agencies. It will also require a new relationship with beneficiaries, where they will also be asked to 'play forward' their own contribution to the arts. Working with artists to harvest their potential contribution in kind to the funding/resource pool remains an important opportunity. It is vitally important to break through a dependency mindset to bring entrepreneurial thinking to bear on this challenge.

The NAC needs to remain true to its **core capability** as an efficient, trusted, highly reputable administrator and disburser of funding. It is only by maintaining and enhancing this reputation, that the NAC will be considered a trustworthy partner by other organisations, locally and internationally. The implementation and ongoing development of the NAC Grant Management System will contribute greatly to addressing this need for increased efficiency and sound governance.

Whilst this will no doubt contribute to an enhanced reputation for the NAC, its greatest resource may well be contained within the archival information it possesses. Ways to be able to access, evaluate and report on this information will need to be established. Translating information into the credible intelligence that will inform policy making and effective decision making will be a major benefit to be realised as the Grant Management System (GMS) continues to be implemented, expanded and developed.

Whilst open and transparent participation by the arts community in grant funding is an important tenet for the NAC, there is a need to **reduce the cost of governance** and **increase the speed and agility of the NAC's decision making**. The real term decrease in the NAC's funding over past years has reduced the amount of money available for funding. This, coupled with an adverse economic climate, which has contributed to an ever-increasing deluge of applications for small amounts of funding, has made increasing administrative efficiency an important strategic issue. Going forward, the NAC will need to ensure that its administration of funding is a balance of transparent engagement, good governance and cost efficiency.

The NAC has embarked upon a process of collective engagement around its strategy. This process has involved members of the Council and ADO. The intention is to roll out the process to identified Key Stakeholders and Provincial and Local Structures as well as to join the DSAC on its road shows. Participants will be encouraged to indicate how best the NAC can serve them.

4.2. Strategy

- NAC aspires to be the **DSAC's primary implementation partner**
- NAC has taken a more **programmatic approach** which focuses on national priorities and use of appropriate delivery mechanisms
- NAC has ensured that its strategy reflects its mandate and **talks to all communities of interest**
- NAC gave careful consideration to its role in the ongoing **transformation** of the arts and has foregrounded redress, with particular focus on

underfunded Provinces of: Free State, Limpopo, Mpumalanga, Northern Cape and North West.

- NAC is keeping abreast of the **changing role of artists and arts organisations** in the modern world. This is important to stand against the marginalisation of the arts
- It is important to remember that the NAC is a **national organisation** and as such needs to fund/champion initiatives that have real impact. Small grants are the prerogative of provincial and local government bodies – the cost of administration/governance if provided by the NAC would be more than the grant itself
- Strategy is aligned with the DSAC's funding cycle. Timely applications will ensure that opportunities to leverage additional funding are used
- A **clear, simplified version** of the NAC strategy for **communication purposes** has been developed
- A **strategy Dashboard** aligned with the APP on visible reporting on implementation progress. A strategy dashboard indicating how initiatives are **sustained** over time is currently being populated
- Projects and initiatives reporting is based on reflecting different **stage gates** of success.

4.3. NAC's Impact

- Focus is on initiatives with **'impact'**. Effort is made to define impact to be achieved in every project/initiative or grant upfront. The M&E process will monitor and evaluate the impact achieved.
- Measures of **value/impact in the White Paper** have been considered for utility and aligned with the Auditor-General's directives on the evaluation of these areas of impact. Impact will be measured at different points along the value chain.
- The NAC will conduct a **clear impact analysis** on the work of the NAC since inception.
- The Monitoring and Evaluation (M&E) **methodology** used to assess projects and their impact is currently being designed and will be consistently applied.
- The NAC has identified **pockets of excellence** (e.g. successful Community Arts Centres) and partners with them to scale up excellence in other areas.

4.4. Organisation Design

- The Fourth Draft White Paper on Arts and Culture will lead to a new governance **structure** which will be scoped out in due course.
- The organisation design is important. We are currently asking the following questions: do we have the **right people** in place. Do they have the **zeal and passion** to make a difference? Do we **do the right things**?

- **Arts Development Officers (ADOs)** are our single most important point of contact with the arts community. The challenge lies in upskilling them to act as true ambassadors/representatives of the NAC.
- ADOs need to **fulfil their roles** as set out in the strategy – if they are not the right people to fulfil these roles, we need to consider whether we redeploy, retrain or replace them
- ADOs need to play an important **capacitation and development** role
- ADOs are tasked to assist beneficiaries in migrating from paper based applications and reporting to online applications and digital reporting.

4.5. National footprint and provincial collaboration

- **Closer collaboration** with Provincial Arts Councils and their representatives is in place. Panel and Council Members are tasked with performing this important liaison work.
- Our **'partners on the ground'** have been identified to play a meaningful role in increasing access to the Arts. "Hand-holding" and mentoring have been introduced to support first time beneficiaries to access funding.
- **Service Level Agreements** will be signed with provincial partners
- Clearly and defined **roles for stakeholders in the NAC's strategy execution** are reflected in the operational plan.

4.6. Digital Enablement

- A **digital strategy** is now in place as part of the Communications strategy.
- A document management system is being designed to enable the use of the **digitisation of data**, including historical data, so that a reliable database is available, and measurement of impact can be meaningful. **Technology partners** have been engaged in this regard.

4.7. Communications

- The role of **Communications** is not solely to showcase the activities of the NAC – it has an important line function role to **promote the Arts** and in so doing to build the reputation of the NAC
- The Communications strategy outlines how internal and external stakeholders are to be engaged.
- **Greater participation at exhibitions** to showcase the role and mandate of the NAC is currently rolled out through participation and other platforms.
- The NAC's visibility will be enhanced through the use of electronic media with a clear focus on the narrative around funding.

- The impact achieved by the NAC in the different provinces will be showcased and highlighted in order improve the reputation of the NAC.

4.8. Back Office/administrative Resources and Costs

- The NAC will **collaborate with other similar organisations** in the sector.
- Clear documentation and standard operating procedures are in place and will be continuously enhanced.
- A clear Information Strategy that details how information will be stored, accessed and translated into intelligence has been developed and forms part of the IT strategy.

5. EXTERNAL ENVIRONMENT ANALYSIS

Promulgated in 1996, the White Paper on Arts, Culture and Heritage made sweeping changes to the arts and culture landscape. The revised White Paper on Arts, Culture and Heritage has received input and commentary from stakeholders including the National Arts Council. Informing this policy debate and being mindful of the potential implications of changes in policy are important areas of focus for the NAC.

The debate around funding continues to be a contentious issue and the NAC is not immune from the discussion. The historic underfunding of the NAC continues to be a significant challenge in enabling it to deliver on its full mandate. The depth of artists' need for support, and the broad scope of servicing seven disciplines spread across the length and breadth of our vast country, all contribute to the dilemma of having to spread the NAC's funding as broadly as possible, while simultaneously delivering well-focused impact at a national level.

The NAC remains focused on its core mission to fund, promote and develop artists. From 2020 to 2025, the NAC will continue to support a number of strategic initiatives across its different programmes that will significantly raise the profile of arts and culture in South Africa. These projects combine innovation, the leveraging of finances, contributions in kind and focused execution to deliver value in line with the NAC's overall mandate.

An enhanced funding model has enabled the NAC to introduce specific grant products in the form of strategic initiatives for different arts and culture ecosystem segments. This, however, is still insufficient to achieve the overall impact required. The NAC will need to encourage broader, more innovative, thinking about ways to change “hand-outs” into “hand-ups”. This includes ways of assisting communities to develop arts infrastructure, assisting artists to access markets and finding innovative ways of increasing the potential pool of funding available to the arts and artists.

Achieving this will require a new collaborative approach to working with partners including donor funders, philanthropists, corporations and other agencies. The organisation has begun cultivating relationships with beneficiaries where they are asked to “pay it forward” and contribute to the arts. Working with artists to harvest their potential contribution “in kind” to the funding/resource pool remains an important opportunity. It is vital to break through a dependency mind-set to bring entrepreneurial thinking to bear on this challenge.

The NAC needs to remain true to its core capability as an efficient, trusted, highly reputable administrator and disburser of funding. It is only by maintaining and enhancing this reputation that the NAC will be considered a trustworthy partner by other organisations locally, regionally, continentally and internationally. The implementation and ongoing development of the NAC Grant Management System (GMS) will contribute greatly to addressing the need for increased efficiency and sound governance.

While this will no doubt contribute to an enhanced reputation for the NAC, its greatest resource may well be contained within the archival information it possesses. Ways to access, evaluate and report on this information needs to be established. Translating the information into credible intelligence that can inform policy-making and effective decision-making will be a major benefit to GMS as it continues to be implemented, expanded and developed.

While open and transparent participation by the arts community in grant funding is an important tenet for the NAC, there is a need to reduce the cost of governance and increase the speed and agility of the NAC’s decision-making. The real-term decrease in the NAC’s funding over past years has reduced the amount of money available for funding. This, coupled with an adverse economic climate that has contributed to an ever-increasing deluge of applications for small amounts of funding, has made increasing administrative efficiency an important strategic issue. Going forward, the NAC will need to ensure that its administration of funding is a balance of transparent engagement, good governance and cost efficiency.

A number of key themes have impacted the crafting of this Strategic Plan. These include:

- realigning the NAC's mandate with a fast-changing strategic context, and the need to foster social cohesion and nation building in South Africa;
- ensuring the NAC plays an active leadership role within the arts and culture ecosystem;
- positioning the NAC's future role in the context of a revised White Paper on Arts, Culture and Heritage, and the potential rationalisation of funding agencies in the arts sector;
- innovatively rethinking the nature of funding, grant making and projects to increase the support and potential resources available through the NAC;
- using the NAC database of relevant information to support policy-making and effective stakeholder decision-making;
- building a research capability to ensure that the NAC has a repository of high integrity and intelligent information that is readily accessible;
- investing in flagship projects to address high-impact areas such as the need to facilitate better access for artists to markets;
- developing focused and sustained initiatives around arts advocacy and audience development;
- engaging meaningfully with provincial and local structures to build sustainable capacity for arts and culture, including supporting the development of community arts centres as "models of excellence" that may be successfully replicated elsewhere;
- strategically strengthening relationships in ways that serve and benefit the arts community in South Africa; and
- strengthening the grant making and management process, especially the monitoring and evaluation of grants, to ensure that financial assistance provided is well utilised in accordance with the principles of good governance.

Addressing these themes in a systematic, prioritised and well-sequenced manner has informed the structuring of this Strategic Plan and will continue to inform future versions.

6. INTERNAL ENVIRONMENT ANALYSIS

Despite a number of governance and leadership challenges over past years, the NAC has continued to deliver on the core of its mandate – to provide funding to the arts in South Africa.

The NAC has been **successful** over the past years in:

- Developing leadership stability and ensuring planned transitions
- Raising the profile of the arts in South Africa
- Increasing access to sustained funding for the arts community
- Achieving an improved provincial spread of funding recipients
- Increasing the bursary funding available to emerging artists
- Ensuring that limited resources do reach rural areas and disadvantaged communities
- Supporting many important arts organisations, both established and community based
- Funding many of the award winning artistic productions at showcase events such as the National Arts Festival
- Building a reputation amongst practitioners of integrity and commitment to the arts

- Creating opportunities for international cultural exchange through the French Season
- Addressing governance shortcomings
- Enhancing relationships with important stakeholders including the DSAC.

Despite these successes, strategic engagement with stakeholders has identified the following ongoing **operational challenges**:

- Insufficient 'grassroots' impact at a provincial and local level and the need for NAC structures to be able to better understand and support initiatives in underserved provinces and in rural and under-privileged areas
- A lack of 'on the ground' data collection regarding both artistic needs as well as the availability of potential resources
- Arts Development Officers who are often disempowered, burdened by excessive paperwork and with narrow discipline-focused perspectives
- Highly experienced Panel Members representing both provinces and disciplines being underutilized
- Poor planning and execution against plans
- A lack of evidence based decision making and business intelligence
- Containing operational expenditure within the 25% provision required by the NAC Act
- An inadequate Human Resource management capacity.

This strategy establishes initiatives to **address these challenges** over the following five years. These include:

- Re-aligning the work of the ADO's to incorporate both a focus at a national level as well as a cross-discipline accountability at a provincial level
- Developing an approach that will better utilise the expertise of Panel Members, working in cross functional teams with ADOs and provincial and local counterparts to address grassroots needs
- Freeing up employees' time to add increased value through disciplined work and streamlined, technology enabled processes
- Developing a comprehensive and strategically aligned ICT strategy
- Investing in the appropriate, long term Information, Communications and Technology architecture that enables organisational flexibility, agility and scalability
- Investment in technology that enables employees to work efficiently, remotely access and input information
- Strengthening monitoring and evaluation of projects
- Developing improved employee competencies in project planning, monitoring, evaluation and report writing
- Investing in building capabilities in communications, people management and developmental support
- Making recommendations with regard to the revision of the NAC Act to bring it in line with a world that has significantly changed since its drafting almost twenty years ago

PART 4: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PERFORMANCE INFORMATION

Reporting on annual and quarterly targets will be done as per the NAC's goals and programmes listed below:

The NAC'S Programmes:

- Social Cohesion and Nation Building
- Capacity Building
- Innovation, Design and creation of new works
- Strategic Initiatives
- Arts Platforms/ Showcases/ Exhibitions

Annual targets

For all the goals in support of programmes, we will provide financial and non-financial support to beneficiaries. Financial support: Grant funding. Non- financial support: mentorship, hand holding, compliance with NAC's expectations and introduction to other support networks.

The common denominator is to conduct information sharing and educational roadshows, roundtable discussions, business matchmaking opportunities in order to attract the quality of applications required by the NAC.

The NAC will create sustainable arts capabilities, identification of partnerships, increased markets, adequate performing arts spaces which will lead to showcasing and networking opportunities with decision makers and development of a professional sector

Activities:

- Provide collaborative spaces
- Support facilities for arts platforms in traditional authorities (rural areas, underfunded provinces)
- Conscientise local authorities
- Partner with provincial authorities/ municipalities and local authorities
- Target community art centres

The NAC's Goals: **Goal 1: Create a vibrant, inclusive and transformed Arts and Culture Sector**

This goal is focused on driving content creation and distribution at both an individual and an organizational level. It represents the more traditional NAC grant-making role and is important because content creation and its distribution lies at the heart of the creative industries. It aims to promote excellence and innovation in new works as well as to develop and support the platforms required to showcase the arts.

Goal 2: Achieve global recognition for our unique South African arts and culture

This goal aims to address some of the legacies of apartheid through a positive focus on content creation and distribution that favors disadvantaged and marginalized sectors of South African society. It aims to support indigenous art forms, the youth, disabled people, women and marginalized communities, particularly those in rural areas.

Goal 3: Develop a sustainable capability that enables the arts to entertain, enrich and inspire

This goal focuses on the key resources required for sustainable arts practice – infrastructure, people, money and information. These are the basic building blocks and foundational capabilities for a sustainable arts sector. Through support for the provision of training and education, this goal will also allocate developmental grants and scholarships to help grow the talents of art practitioners and other professionals such as CAC Managers, theatre technicians and arts administrators. This will ensure that South Africa has a sustainable base of talents and leaders to see us through to the next stage of our cultural development. Training will also incorporate e-learning to reach a wider potential audience at a lower cost as well as cultural exchanges to nurture the next generation of arts practitioners and managers.

Goal 4: Achieve increased access to markets and enable creative engagement for South African arts and artists

Growing and creating access to markets has been identified as an important need of emerging artists. Supporting platforms which showcases artists' work has a dual benefit in terms of both creating access to markets and building an awareness of arts in a readily accessible way. International co-operation is also critically important. Arts exchanges enable the NAC to collaborate with other governments and government agencies to promote South African arts in new markets. This facilitates personal growth and development, showcases South Africa's creativity and artistic expression, showcases the country as a destination for tourists and cultivates international audiences and markets.

Goal 5: Increased access to the arts through advocacy

This goal focuses on ways to increase the demand for the arts and creating critically engaged citizens who learn, appreciate, enjoy, experience and practice the arts in the various aspects of their lives.

The goal also aims to showcase the value of the arts to society and increase the appreciation thereof.

Advocacy for the arts is an essential part of the NAC's mandate and contributes greatly towards building sustainable markets for the arts. Advocacy promotes the arts as a vehicle for expression, learning and reflection and seeks to raise awareness of the social significance of the arts and its potential positive contribution to everyday lives.

It encompasses developing a continuum for arts engagement across every stage of a person's life – as child, youth, working adult, parent and senior citizen. It is a powerful means of social interaction that stimulates work/life balance, bonding and social cohesion

Goal 6: Development of a credible and catalytic organisation

This goal seeks to build disciplined systems, processes, procedures, internal capabilities and capacity that the NAC will require for future success.

It aims to enhance the NAC's capacity to support the arts by strengthening its governance, organisational design, people and processes. This goal 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.

2. IMPACT STATEMENT – A sustainable, vibrant, transformed arts capability showcasing excellence in the arts

The impact of **a sustainable, vibrant, transformed arts capability showcasing excellence in the arts** will be achieved through the successful attainment of the following outcomes:

1. Support interactive, innovative diverse art forms across all programmes
2. Transformed arts and culture sector
3. Global recognition of South African arts and culture initiatives
4. A sustainable capability that enables the arts to entertain, enrich and inspire
5. Increase access to markets and enable creative engagement for South African art and artists
6. Increase awareness of the arts through arts advocacy
7. A sustainable, transformed and coherent NAC that is capable of delivering the impact desired by its stakeholders and society
8. Implement effective financial management
9. Effective and efficient ICT infrastructure and processes
10. Increase awareness of the NAC brand in the arts

3. MEASURING OUTCOMES

MTSF PRIORITY			
Outcomes	Outcome Indicators	Baseline	Five Year Target
Support interactive, innovative diverse art forms across all programmes	Number of workshops conducted in: <ul style="list-style-type: none"> • Underfunded Provinces • Municipalities • Community centres 	6 1 1	44
Transformed arts and culture sector	Number of Roundtable discussions and business matchmaking initiatives conducted	4	34
	Increased resource mobilisation through strategic partnerships	4	24
Global recognition of South African arts and culture initiatives	Number of local and international partnerships initiated in support of uniquely South African arts initiatives	3	22
	Number of indigenous (home-grown) art projects recommended to Council for approval	2	14
A sustainable capability that enables the arts to	Percentage of funding recommended to	20%	100%

entertain, enrich and inspire	Council for human capital development		
Increase access to markets and enable creative engagement for South African art and artists.	Strategic partnerships established with a relevant structures that promote access to markets and creative engagement for South African artists	2	14
	Percentage of funding recommended to Council for the collaboration with institutions in each province	4%	24%
Increase awareness of the arts through arts advocacy	Number of partnerships and NAC help desks established to promote appreciation and enjoyment of the arts.	None/ Negotiations	14
A sustainable, transformed and coherent NAC that is capable of delivering the impact desired by its stakeholders and society	HR operational plan implemented	100%	100%
Implement effective financial management	Maintain unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome
	Staff training on SCM compliance and legislation	Staff training on SCM compliance and legislation	Staff training on SCM compliance and legislation
Effective and efficient ICT	ICT operational plan implemented	Review and implement ICT operational plan	Review and implement ICT operational plan

infrastructure and processes			
Increase awareness of the NAC brand in the arts	Brand communications strategy reviewed and updated and implemented	Review, update and implement brand communication strategy	Review, update and implement brand communication strategy

3.1. EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PERIOD

Strategic Alignment	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6
Goal statement	Ensure that 95% of available funding is efficiently utilised to strengthen the practice of the arts in South Africa.	Promote equity in the arts through a specific grant making focus on disadvantaged and marginalised individuals and groups.	Develop a sustainable capability that enables the arts to entertain, enrich and inspire.	Increase access to markets and enable creative engagement for South African art and artists.	Increase awareness of the arts	Enhance the NAC's capacity to support the arts by strengthening its governance, organisational design, people and processes.
Outputs						
Link to DSAC strategic goals	<p>Strategic goal 1: Job creation</p> <p>Strategic goal 5: Development, protection, preservation and promotion of arts, culture and heritage</p> <p>Strategic goal 6: Governance and accountability</p>	<p>Strategic goal 1: Job creation</p> <p>Strategic goal 5: Development, protection, preservation and promotion of arts, culture and heritage</p> <p>DSAC's focus on redress, transformation, social cohesion and nation building.</p>	<p>Strategic goal 2: Human capital development</p> <p>Strategic goal 3: Access to information</p>	<p>Strategic goal 1: Job creation</p> <p>Strategic goal 2: Human capital development</p> <p>Strategic goal 5: Development, protection, preservation and promotion of arts, culture and heritage</p>	<p>Strategic goal 1: Job creation</p> <p>Strategic goal 5: Development, protection, preservation and promotion of arts, culture and heritage</p>	<p>Strategic goal 6: Governance and accountability</p>
Link to DSAC strategic outcome oriented goals	A transformed and productive Arts Culture and Heritage 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 119	Chapter 14, Action 114	Chapter 15, Action 112	Chapter 15, Action 115 Chapter 14, Action 103

		Chapter 15, Action 116 Chapter 15, Action 119				Chapter 14, Action 104 Chapter 14, Action 105 Chapter 14, Action 106 Chapter 14, Action 109
NAC projects /activities	Strategic projects and arts projects Arts Incubator Programme for entrepreneurs hip NAC Desks Membership to the International Federation of Arts Councils and Culture Agencies (IFACCA)	Strategic projects benefiting marginalised and indigenous art forms and groups facilitated and supported by the NAC	Strategic projects, partnerships, arts projects and bursaries (study assistance) , Capability development in arts education, E-learning, Music education, Information intelligence .	Strategic projects, travelling companies, International cooperation , Precinct development, Tourism	Student outreach Communications Stakeholder management NAC Alumni Brand Evolution	Governance ADO of the future Human Resources practices Administration
Commentary	This goal 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	This goal will focus on promoting equity in the arts through a specific grant making focused on disadvantaged and marginalised individuals, groups and communities highlighting unique South African arts and culture. This goal focuses on addressing historical imbalances through positive focus on content creation and	This goal 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	This goal aims 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 goal also seeks to develop audiences as well as the	This goal focuses on ways to increase the demand for the arts and creating critically engaged citizens who learn, appreciate, experience and practice the arts. The goal also aims to showcase the value of the arts to society and increase the appreciation thereof.	This goal 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>on equity, inclusivity and diversity in participation.</p> <p>This goal will ensure that the funds available for grants and projects are utilised in accordance with the NAC's mandate, 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>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>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>	<p>inform decision and policy-making.</p>	<p>engagement of those audiences.</p>		
--	---	--	---	---------------------------------------	--	--

4. KEY RISKS AND MITIGATIONS

Outcome	Key Risk	Risk Mitigation
Good Governance & Strategic Leadership & Direction	Development of a credible & catalytic environment	Annual Board Retreat Council Effectiveness Maturity Model Organisational Climate Survey Mid-Term Induction
Efficient Stakeholder Relations	Create a vibrant, inclusive & transformed Arts & Culture Sector	Brand Visibility
Effective Brand Reputation	Market Access and Enrichment through Arts & Culture	Stakeholder Engagement Strategy Brand Reputation
Optimal Organisational Culture	Development of a credible & catalytic environment	Enrolment of Staff on Key Initiatives Team Building Exercises Adaptability of staff to changes in the organisation
Good talent management strategy	Development of a credible & catalytic environment	Performance Management Policy Succession plan must be in place
Adequate funding or funding model	Create a vibrant, inclusive & transformed Arts Sector	Stakeholder Engagement Strategy Policy Context
Adequate Exposure to cyber security threats	Development of a credible and catalytic organisation	Implementation of BCM

		Redundancy rate on back up information to be investigated IT Audit
--	--	--

5. PUBLIC ENTITIES

Not Applicable

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

Indicator Title	Number of workshops conducted in provinces
Definition	The aim of the workshops is to provide information and to educate beneficiaries to access funding, meet set criteria, adherence to compliance and reporting.
Source of data	Project management reports and any other documented evidence from beneficiaries (Narrative and Financial reports)
Method of calculation/ assessment	Implementation of projects and impact achieved leading to a sustainable sector
Means of verification	Narrative reporting, media reports, material produced as a result of the product, pictures, videos and reviews.
Assumptions	High rate of attendance and participation
Disaggregation of beneficiaries (where applicable)	All beneficiaries particularly women, youth and people living with disabilities
Spatial transformation (where applicable)	Rural, urban and peri-urban
Calculation type	Cumulative
Reporting cycle	Once per quarter (for four quarters)
Desired performance	Optimum understanding of NAC expectations and compliance criteria
Indicator responsibility	Arts Development Unit

Indicator Title	Number of international and local partnerships initiated in support of uniquely South African arts initiatives Number of indigenous (home grown) art projects recommended to Council for approval
Definition	This goal will focus on exposing indigenous art forms and uniquely South African initiatives to global access and other opportunities
Source of data	Project management reports and any other documented evidence from beneficiaries (Narrative and Financial reports)
Method of calculation/ assessment	Implementation of initiatives and impact achieved including showcasing opportunities.
Means of verification	Agreements, narrative reports, media reports, material produced as a result of the project/initiative, pictures, videos and reviews.
Assumptions	International and local partners will enter into agreements with the NAC.
Disaggregation of beneficiaries (where applicable)	All beneficiaries particularly women, youth and people living with disabilities.
Spatial transformation (where applicable)	Rural, urban and peri-urban
Calculation type	Cumulative
Reporting cycle	Once per quarter (for four quarters)
Desired performance	Partnerships that create impact
Indicator responsibility	All relevant NAC units

Indicator Title	Percentage of funding recommended to Council for human capital development
Definition	This goal focuses on proactive projects and grant-making that build 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.
Source of data	Project management reports and any other documented evidence from beneficiaries (Narrative and Financial reports)
Method of calculation/ assessment	Implementation of projects, completed training initiatives and impact achieved leading to a sustainable sector
Means of verification	Narrative reports, media reports, material produced as a result of the project/initiative, pictures, videos and reviews
Assumptions	High rate of participation and attendance of all target groups and equity Leading to centres of excellence
Disaggregation of beneficiaries (where applicable)	All beneficiaries particularly women, youth and people living with disabilities
Spatial transformation (where applicable)	Rural, urban and peri-urban
Calculation type	Cumulative
Reporting cycle	Once per quarter (for four quarters)
Desired performance	Capacity building that creates impact
Indicator responsibility	ADO Unit

Indicator Title	Strategic partnerships established with relevant people and structures that promote access to markets and creative engagement for South African artists
Definition	Increase access to markets and enable creative engagement for South African art. Develop partnerships with people and structures that play an intermediary and facilitative role to unlock market opportunities and networks with industry decision makers. Promote appreciation of the arts through collaborations and funding.
Source of data	Approved applications, partnerships and collaborations
Method of calculation/ assessment	Approved applications, partnerships and collaborations
Means of verification	Narrative reports, and media clippings
Assumptions	Impactful collaborations and number of applications received from beneficiaries
Disaggregation of beneficiaries (where applicable)	All beneficiaries particularly women, youth and people living with disabilities
Spatial transformation (where applicable)	Rural, urban and peri-urban
Calculation type	Cumulative
Reporting cycle	Once per quarter (for four quarters)
Desired performance	Access to markets that creates impact
Indicator responsibility	ADO Unit

Indicator Title	Strategic partnerships and NAC Help Desks established to promote appreciation and enjoyment of the arts.
Definition	This goal focuses on ways to increase access and demand for the arts and creating critically engaged citizens who learn, appreciate, enjoy, experience and practice the arts. The goal also aims to showcase the value of the arts to society and increase the appreciation thereof.
Source of data	Agreements, collaborations and partnerships entered into
Method of calculation/ assessment	Implementation of projects and impact achieved leading to a sustainable sector
Means of verification	Agreements, narrative reports, media reports, material produced as a result of the project/initiative, pictures, videos and reviews.
Assumptions	Agreements entered into will lead to access to the arts.
Disaggregation of beneficiaries (where applicable)	All beneficiaries particularly women, youth and people living with disabilities.
Spatial transformation (where applicable)	Rural, urban and peri-urban
Calculation type	Cumulative
Reporting cycle	Once per quarter (for four quarters)
Desired performance	Partnerships that create impact
Indicator responsibility	ADO Unit

Indicator Title	A high-performance culture
Definition	This goal focuses on consistent measure of employees' performance by using a performance management system in assessing their performance levels against a set performance criterion or standard.
Source of data	Performance Agreements and quarterly reports
Method of calculation/ assessment	Performance reviews/ Assessments
Means of verification	Completed and signed Quarterly Performance Reviews with scores
Assumptions	All managers will conclude and submit their Performance Reviews as per timelines
Disaggregation of beneficiaries (where applicable)	All employees
Spatial transformation (where applicable)	NA
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	A higher targeted performance outcome that will translate into achievement of a high-performance culture for the NAC
Indicator responsibility	Human Resources

Indicator Title	To provide quality training development to employees
Definition	To re-skill, upskill and equip employees with necessary skills and knowledge required to perform their duties
Source of data	Performance Action Plans (PAP) and Individual Development Plans (IDP)
Method of calculation/assessment	Annual Training Plan/Report (number of employees trained) and Performance Review Detail Report (improved performance)
Means of verification	Annual Training Report
Assumptions	All training interventions yield high performance results
Disaggregation of beneficiaries (where applicable)	All employees
Spatial transformation (where applicable)	NA
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Committed, competent and skilled staff that is capable of delivering the impact desired by its stakeholders
Indicator responsibility	Human Resources

Indicator Title	Maintain unqualified audit outcome
Definition	Regular reporting and effective controls to obtain unqualified audit report
Source of data	AG Audit report
Method of calculation/assessment	N/A
Means of verification	AG Audit report
Assumptions	The NAC will receive an unqualified audit outcome
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	NA
Calculation type	Cumulative
Reporting cycle	Once a year
Desired performance	An unqualified audit
Indicator responsibility	Finance

Indicator Title	Training in Finance
Definition	Workshop aimed at educating staff on PFMA, Treasury & SCM regulations to ensure proper procedures and compliance
Source of data	Attendance register
Method of calculation/ assessment	Staff attendance and adherence to compliance
Means of verification	Improved adherence to compliance
Assumptions	High attendance rate and staff skilled at SCM & PFMA Regulations
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	NA
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	Attendance register
Indicator responsibility	Finance

Indicator Title	Review, update and implement brand communication strategy
Definition	This goal focuses on Internal and External stakeholders. It encourages internal commitment to the brand, upholding of quality delivery and contribution to the mandate. Externally, a brand that is perceived as catalytic through profiling beneficiaries, contributing to access, enjoyment and appreciation of the arts.
Source of data	Stakeholder perception survey
Method of calculation/ assessment	Responses calculated quantitatively (number of people sent to and responses received) and Qualitative detailed reports
Means of verification	Survey report
Assumptions	That 10% of stakeholders to respond
Disaggregation of beneficiaries (where applicable)	Internal and external stakeholders
Spatial transformation (where applicable)	NA
Calculation type	Cumulative
Reporting cycle	Once a year (second quarter)
Desired performance	High rate of responses from stakeholders
Indicator responsibility	Marketing and Communications

Indicator Title	Implement ICT Strategy and IT Annual plan
Definition	Information, Communications and Technology, strategy is the plan that will inform how the IT department will support the organisation in achieving its mandate through the use of ICT in an efficient and secure manner. This annual information technology plan will detail all activities that the IT Unit will undertake in the given financial year in order to achieve the ICT strategy.
Source of data	IT assessment report
Method of calculation/ assessment	100% completion of the IT Annual Plan
Means of verification	ICT Quarterly reports to monitor progress of the IT Annual Plan
Assumptions	Budget will be available to implement the plan
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Once per quarter (for four quarters)
Desired performance	Fully achieved activities of the annual plan
Indicator responsibility	Information Technology Unit

ANNEXURE A: District Development Model

Not applicable

ANNEXURE B:

Materiality framework

The concept of materiality is applied when the audit is planned and conducted, as well as in evaluating the effect of identified misstatements in the financial statements and predetermined objectives and non-compliance with legislation.

Financial statements

A matter is material if its omission or misstatement would, in all probability, influence the decisions of users of the financial statements.

In planning the audit, the auditor makes judgements about the size and nature of misstatements or non-compliance that will be considered material, individually or in aggregate, based on the information needs of the users. These judgements form the basis for determining the nature, timing and extent of the assessment of risk and further audit procedures.

Base amount	Selected for materiality	Reasoning
Total expenditure	Yes	The National Arts Council is a non-profit driven entity and is focused on disbursement of funds allocated by national government. The entity is therefore focused on service delivery through expenditure. It is therefore appropriate to use total expenditure as a basis to evaluate identified misstatements against for all financial statement items.
Gross revenue	No	NAC receives a grant from the Department of Arts and Culture which is used to fulfil the mandate of the entity; therefore it would not be appropriate to consider gross revenue as a base for determining materiality.

Net income/profit	No	NAC is not profit driven, therefore it would not be appropriate to consider net income/profit as a base for determining materiality.
Total assets	No	NAC is not capital intensive, therefore it would not be appropriate to consider total assets as a base for determining materiality.

Initial overall materiality has been set at R1 238 950 (1% of total expenditure).

Initial performance materiality has been set at R929 212 (75% of overall materiality).

The assessment of what is material is a matter of the auditor's professional judgement. An initial overall quantitative materiality is calculated on the expenditure. Other matters that affect the assessment of materiality:

- The auditor may calculate a different materiality for specific financial statement items based on the information needs of the users.
- Quantitative materiality is revised during the audit, for example when quantitative materiality was originally calculated on the previous year's figures or on budgeted figures and the actual financial information becomes available.
- The auditor also considers qualitative materiality, i.e. the nature and cause of uncorrected misstatements, as well as the particular circumstances of their occurrence. The circumstances relating to some misstatements or instances of non-compliance may cause the auditor to evaluate them as material even if they are below quantitative materiality, for example if the misstatement or non-compliance relates to items involving related parties, fraud or matters that are in the public interest.

Management is required to inspect and correct the population wherever misstatements were identified, not only in respect of misstatements that are regarded as material. The cause of these misstatements should be identified and controls should be put in place to prevent similar misstatements in future.

There is also a threshold below which misstatements are regarded as trivial and will not be reported to management and those charged with governance.

Audit of predetermined objectives

Materiality is considered in the context of qualitative factors and, when applicable, quantitative factors. In the case of the auditing of predetermined objectives, qualitative factors may be more important than, or at least as important as, quantitative factors in determining the materiality of identified misstatements.

The consideration of materiality occurs at the level of each selected programme that has been scoped into the audit. The auditor is concerned with the "cut-off point" where it could reasonably be expected that the decisions of the primary users of the reported performance information that related to a selected programme would have been influenced / affected had they known about the misstatement or been presented with the "correct" information. The auditor may use a quantitative threshold in this regard (taking cognisance of what is being measured and how it is being measured), but will also consider the nature, cause and circumstances of identified misstatements and the possible consequences or impact of these as represented by relevant qualitative factors.

The qualitative considerations that may indicate whether the performance information will influence the decisions of users include the following:

- Requirements of a law or regulation
- Performance information that relates to the primary functions or purposes of the institution, i.e. its "reason for being"
- Performance information that could be of significant national or community interest or of interest to the public, including the media
- Performance information determined as part of a sector determination
- Programmes that relate to outputs of significant risk to the public.

Compliance with legislation

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, a number of factors are taken into account 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 unauthorized 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