



**national film and video foundation**  
SOUTH AFRICA  
an Agency of the Department of Arts and Culture

*igniting your stories*



**NATIONAL FILM AND VIDEO FOUNDATION (NFVF)**

**STRATEGIC PLAN**

**01 APRIL 2020 - 31 MARCH 2025**

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## **INTRODUCTION**

### **1.1 Accounting Authority Statement**

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public services and improved social outcomes. The NFVF remains focused on delivering on its mandate of growing and developing the South African film industry, while affording opportunities to the previously marginalised and disadvantaged individuals to participate in the film industry. Our mandate is well harmonised by our values of Integrity, Respect, Equitable, Innovation, Collaborative, Service Centric and Professionalism. The NFVF has, in recent years, been successful in its strategies aimed at addressing the lack of opportunities in the film industry and created a market for local films both locally and abroad. We have been engaging extensively on strategy matters that requires redirection and refocus. The NFVF participated and supported the Minister of Arts, Sports and Culture Film Summit in 2019. The summit came up with a five-year implementation plan, which is the blue print of the mandate from the South African film and video industry for the next five years, and the NFVF will be at the forefront of ensuring that the Summit resolutions are implemented. The plan also outlines the different roles by various government departments and their agencies to take forward.

It is widely recognised that higher investment in education and skills development will enable the economy to grow faster and become more productive. In this regard, NFVF will continue to comply with the national policy of skills development to ensure that the industry benefits from resources available to up-skill itself, and build sustainable production companies that can contribute to the eradication of unemployment in the sector. The NFVF will continue to conduct training, support training providers and award bursaries to encourage the development of critical skills in the film sector. The NFVF is also committed to forming partnerships with a variety of organisations to ensure that industry development is achieved. Particular emphasis is placed on grooming young people to enter into the industry, and for those who are already forming a career in film, to secure their longevity in the industry by gaining crucial experience.

The NFVF will continuously assess and adapt its strategy to address changes in its operating environment and fulfil Stakeholder and industry expectations. In line with our mandate of promoting and facilitating liaison between individuals and institutions locally and internationally, the NFVF will continue to fund, participate in and support filmmakers to various local international film festivals with the aim of securing markets for South African product, talent and content. With the heightened expectations from the stakeholders and broader film community, I wish to reiterate that, we at the NFVF are alive with great enthusiasm and determination of seeing the quality of life of many ordinary South African men and women improved.

**Phillip Molefe**

**Chairperson**

**National Film and Video Foundation**

## 1.2 Accounting Officer Statement

### Introduction

The NFVF is pleased to share the strategic plan that will be our guide for the next 5 years. Prepared in consultation and input from various stakeholders, this is indeed a well-thought out and all-encompassing plan. We remain focused on delivering on our mandate of growing and developing the South African film industry, while affording opportunities to the previously marginalised and disadvantaged individuals to participate in the film industry. Our mandate is well harmonised by our values of Integrity, Respect, Equitable, Innovation, Collaboration, Service Centric and Professionalism.

### Capacity Constraints and challenges facing the public entity.

The NFVF continues to operate under a myriad of challenges and constraints, especially but not exclusively over extended staff, a fragmented industry and a shortage of funding, and we continue to stretch ourselves to find ways to creatively utilise the limited resources at our disposal. We are constantly battling with how best to meet the needs of low and middle tier filmmakers - who possibly need the most assistance and support. In this regard, we continue to receive applications for assistance that far outweigh what we are able to provide.

Film viewing facilities are still concentrated in urban areas and major cities, and this geographic inequality denies a large percentage of the population access to film and video content, often negating our audience development efforts. Many of the NFVF's objectives require the active buy-in and participation of other government departments as well as provincial structures. There is untapped potential for collaboration between these departments, and ourselves, and with the big positive strides that have been made so far in the establishment of formal relationships through co-operation agreements; we hope to overcome the hurdles on this path.

### Achievements

Considering that the NFVF operates with a limited budget, it is pleasing that we have made a meaningful contribution towards creating jobs and impacting ordinary South Africans within the film and video industry over the years. It is widely recognised that higher investments in education and skills development will enable the economy to grow faster and become more productive. The NFVF continues to fund bursaries to youth interested in studying film, and enjoy mutually beneficial relationship with our long-standing partners the Media Information and Communication Technologies Sector Education and Training Authority (MICT SETA). The MICT-SETA helps us to secure additional funding for bursaries which overtime has led to an exponential growth in the number of opportunities we have been able to afford to disadvantaged individuals. Through the MICT-SETA, we have

also established a successful internship programme, which allows us to provide young people with an opportunity to develop skills and empower them with the necessary workplace experience.

Our quest to support small, medium and micro-enterprises (SMME's) is constantly being strengthened and our slate programmes (NFVF Enterprise Development) that encourage skills transfer through mentorship and internships have been particularly successful.

#### **Supply Chain management and governance**

The NFVF has mature governance processes geared at ensuring that it executes its mandate effectively and efficiently. The supply chain management process has been one of the instruments applied optimally within the organisation, however poor planning has in the past, sometimes compromised the process – this has been addressed and we will see less challenges in this regard going forward. The Council and its Committees including the Audit Committee continue to ensure sound governance across the NFVF's different business units.

#### **Acknowledgements**

I wish to express my heartfelt thanks for the support the NFVF has received from the Ministry and Department of Sports, Arts and Culture and the NFVF Council under the leadership of Chairperson Phillip Molefe. I extend my appreciation to the industry at large including the professional industry organisations that operate within the film and video sector for their support and contribution to the industry



**Ms Makhosazana Khanyile**

**Chief Executive Officer**

**National Film and Video Foundation**

**Official sign-off**


It is hereby certified on 28 February 2020 that this Strategic Plan:

- Was developed by the management of the National Film and Video Foundation;
- Takes into account all the relevant policies, legislation and other mandates for which the National Film and Video Foundation is responsible;
- Accurately reflects the strategic outcome oriented goals and objectives which the National Film and Video Foundation will endeavour to achieve over the period 2020 - 2025.


**Zanoxolo Koyana**  
**Chief Financial Officer**

  
Signature: \_\_\_\_\_  
28 February 2020

**Makhosazana Khanyile**  
**Accounting Officer**

  
Signature: \_\_\_\_\_  
28 February 2020

**Phillip Molefe**  
**Chairperson**

  
Signature: \_\_\_\_\_  
28 February 2020

**PART A: OUR MANDATE**

**Legislative and Other Mandates**

The National Film and Video Foundation (NFVF) is a Schedule 3A Public Entity in terms of the PFMA. The NFVF is governed by the National Film and Video Foundation Act 73 of 1997 as amended by the Cultural Laws Amendment Act 36 of 2001.

The mandate of the NFVF, as set out in Section 3 of the NFVF Act is:

- To promote and develop the film and video industry;
- To provide and encourage the provision of opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry;
- To encourage the development and distribution of local film and video products;
- To support the nurturing and development of and access to the film and video industry;
- To address historical imbalances in the infrastructure and distribution of skills and resources in the film and video industry.

## **Vision, Mission and Values**

### **1. VISION**

An inclusive, diverse and sustainable audiovisual ecosystem that tells South African stories to local and global audiences.

### **2. MISSION**

We will achieve this through:

- Providing funding for content development;
- Transforming the ecosystem through capacity building, especially for people from disadvantaged communities
- Developing marketing and policy support to understand, enable and promote the SA Film and Video Industry;
- Building local, continental and international partnerships to support our programs;
- Being a coherent, accountable organization, which achieves its mandate.

### **3. VALUES**

- Integrity;
- Respect;
- Equitable;
- Innovation;
- Collaborative;
- Service Centric; and
- Professionalism.



#### 4. Situational Analysis

The film and video industry is very labour intensive and therefore is one of the industries, if well supported by government and the private sector, which can contribute extensively towards the creation of jobs. Furthermore, by its very nature, it creates a commodity that has enormous export value, and there is a massive local market that is still largely untapped. The industry has a unique labour and economic structure in that the overwhelming majority of economic activity is done by small entrepreneurial organisations, usually with less than 10 employees. The bulk of the workforce consists of independent contractors that are employed based on talent, technical skills and experience. Given the ad hoc nature of the film industry, coupled with seasonality of exhibition and broadcast schedules, the jobs in this sector are generally not permanent even for the most capable individuals who may have high but irregular incomes.

In the 19/20 fiscal year, young graduates and women with at least two years of industry experience continued to benefit from our Youth and the Female Filmmaker Projects, which were designed specifically to address the NFVF's drive to transform the industry and create opportunities for Disadvantaged Individuals. Under these programmes, ten women were able to develop and direct their films under the guidance of two very experienced female owned production companies, (they will soon see their work showcased on different platforms,) and ten young graduates have completed the development and production of their scripts under the tutelage of an experienced production company.

The NFVF is dependent on the DSAC for any regulation or legislative intervention as only the department has locus standi to introduce government legislation and policy changes. Unfortunately, some planned policy and legislative proposals have not yet been implemented.

Whilst technical advances are making strides in the fourth industrial revolution, in South Africa, we are still faced with limited access to the latest technologies, especially in the production space, mostly hampered by limited budgets. There has been little new investment in local infrastructure, which has hampered growth in areas such as post-production, animation and new media.

## 5. External Environment Analysis

The NFVF operates in an ever-changing external environment, and there are environmental factors that impact on how we conduct business. These include but are not limited to;

- The rise in informal production and distribution sector
- Inflexible or Outdated legislation (NFVF Act);
- An increased in piracy
- The evolution of the creation and distribution of content driven by technological advances in streaming on electronic devices;
- Broadband and high data prices
- Cinema Audiences are shrinking – this is exacerbated by high unemployment rates and inadequate cinema theatre access;
- Hampered content distribution efforts
- The increased investment in local content production by commercial broadcaster's and the contrasting decrease in investment in local content by the public broadcaster;
- Despite High TV audience demand, there is no strategy from broadcasters and distributors to make the "Made for TV" movies space more dynamic
- High production costs

## 6. Internal Environment Analysis

The NFVF has seen great improvements in governance controls with an unqualified audit for the 18/19 fiscal. However, there remains critical challenges that sometimes undermine the efforts of the organisation in servicing the industry and in running an organisation focused on human capital. A newly approved structure will be implemented in the 20/21 fiscal, aimed at improving workflow, creating and solidifying standard operating procedures (SOP's) within divisions, improving internal controls, as well as improving the overall morale and culture of the organisation. The organisation will continue to train and develop skills targeted at identified deficits. Retention of critical staff is key in building continuity and harnessing the power of internal divisional collaborations and succession planning. Building and harnessing the power of individuals to contribute to high performance teams will be a key focus of the organisation over the next five years.

## 1. Institutional Performance Information

### Content Development

Content Development is at the core of the value chain that the NFVF services. It is where the mandate of the organisation is most clearly fulfilled, by providing the film and video industry with critical financial support and technical expertise to take a project from an idea to a finished product. While the quantity of projects produced locally is a decisive factor in the growth and sustainability of the industry, the quality of the finished product is crucial in order to ensure that it is able to secure a return on investment through widespread distribution and a loyal audience in the market place. Feature films, documentaries, short films and television projects are all considered for development, production and marketing funding. When granting financial support the NFVF takes into account diversity in the film and video industry, ensuring that disadvantaged filmmakers receive the support that they require.

The NFVF has recognised that there is a large discrepancy between the number of applications for funding received, and number of grants allocated, and the number of projects that reach the market. An additional concern is that the finance division has on its' books a high number of provisions for grants that have been allocated but not yet paid out. This is because it can take up to three years for filmmakers to raise the additional capital required for their project before activating and accessing their NFVF grant. This is an area that requires urgent intervention, necessitating the need for the NFVF to reconsider funding caps, as well as the commercial and artistic quality of projects given financial support.

The NFVF has historically adopted a tiered approach to the financing of both development and production projects – and whilst this approach has ensured the inclusive nature of the work the NFVF does, this has exposed the gaps that exist still within the industry in terms of skills and access.

### Skills Development

The NFVF has identified major skills gaps that continue to hinder the development of the film and video industry. Most apparent are deficiencies in screenwriting, directing and executive producing, particularly amongst persons from disadvantaged communities. There is especially a shortage of

persons able to source adequate and/or alternative financing resources that allow them to produce commercially viable films with distribution potential. This area has necessitated that we interrogate our plans for the next five years to see how best to shift the needle in this space. The NFVF has established that one of the most effective ways to transform the film production ecosystem is to support the advancement of Small, Medium and Micro-Sized Enterprises (SMMEs). This needs to take place through both the development of skills & competencies and capacity building in all aspects of the ecosystem, especially for disadvantaged persons. This intervention will serve as a catalyst towards achieving economic growth and development in Film and Video industry.

### **Marketing and Policy Support**

Policy Support is tasked with conducting research to enable it to provide the organisation with comprehensive and accurate information on the film and video industry, thereby allowing it to make policy recommendations to the NFVF Council. Research conducted also provides critical information and key performance indicators for the South African film and video industry.

Marketing is one of the areas where there is a definite need for a major shift in approach. We need to entice more film and video audience members to seek out local content. There is also a dire need for funding of marketing for individual projects that we have helped develop and produce. No matter how much we invest in the value chain, not supporting film and video makers in the final stage is a recipe for the failure of all our efforts. The more impactful the marketing, the better the turnout at theatres will be, which in turn will enable local films to perform better at the box office, better enabling filmmakers to be self-sustaining and not heavily reliant on grant funding.

The strategic objectives of marketing and distribution include:

- Increasing the awareness of the SA film and video industry; both locally and Internationally
- Developing and maintaining positive stakeholder's relations;
- Increased awareness of NFVF programmes for the film and video industry;
- Increased access of SA film and video content to both local and international audiences; and
- Promoting the SA film and video industry both locally and globally.
- Positioning the SA film and video industry both locally and globally.
- Promoting each professionally completed film and video that has received funding or support of the organisation.

## 2. Impact Statement

The NFVF exists solely for the benefit of the film and video industry, and therefore, the impact it makes has to not only be seen and felt by practitioners, but it must effectively support and develop the industry. Whilst the organisation has dutifully provided grant funding over the years, this alone is no longer good enough. It is therefore important to reflect on both achievements and challenges when making adjustments to the existing status quo. The ultimate result would be an industry that is transformed, thriving and self-sustaining. One that is less reliant on grant funding, and financially flourishing due to engaged audiences that contribute to healthy profit margins at the Box Office. We need an industry with a fully developed ecosystem that has compelling story telling, high quality production and dynamic distribution channels. We need an industry that is fully able to compete in the global marketplace, with capacitated industry professionals that are financially stable with meaningful and rewarding careers.

## 3. Measuring Outcomes

Outcome	Outcome Indicators	Baseline	5 Year target
To provide funding for content development:	<p>To increase the number of SA films and number of disadvantaged individuals producing them. The number of:</p> <ul style="list-style-type: none"> <li>• projects funded in development</li> <li>• projects supported in production</li> <li>• documentary projects funded for historically significant events</li> <li>• films made by Women filmmakers funded</li> <li>• First time / Youth filmmakers funded</li> <li>• fiction slates funded</li> <li>• animation slates funded in</li> <li>• documentary slates funded</li> </ul>	70 per year	175
To transform the ecosystem through Capacity Building, especially for disadvantage people:	<p>Increase the number of people trained in the industry, particularly in areas of scarce skills by:</p> <ul style="list-style-type: none"> <li>• Awarding bursaries annually.</li> <li>• Placing interns at production companies</li> </ul>	70 bursaries 30 Interns 60 filmmakers 3 training providers	350 150 300 15

<p>To provide Marketing and Policy support to understand, enable and promote the SA Industry:</p>	<p>Filmmakers participating in SEDIBA Programmes</p> <ul style="list-style-type: none"> <li>• Fund training companies</li> <li>• Helping students to participate in Mentorship programmes</li> <li>• Help students participate in African Film Festivals</li> <li>• Help learners to participate in schools programme</li> </ul>	<p>15 student mentorship programmes 1000 learners to participate in school programmes</p>	<p>75 5000</p>
<p>The monitoring and record keeping of industry statistics. The development of appropriate policies and Key Performance Indicators (KPIs) for the Film and video Industry</p> <ul style="list-style-type: none"> <li>• Produce industry research and reports</li> <li>• Update the policies manual</li> <li>• The certification of co-productions and the issuing of a Certificate of Nationality when necessary</li> <li>• To participate at 4 Co-production activations annually</li> <li>• Produce 4 quarterly policy monitoring reports pa</li> </ul> <p>To promote the SA film industry locally and internationally and increase audience access to SA film and video</p> <ul style="list-style-type: none"> <li>• Participate at 10 International Festivals p.a.</li> <li>• Provide grants for 9 National Festivals p.a.</li> <li>• Activate at 12 National Film Festivals</li> <li>• Participate at 2 Cultural Seasons p.a.</li> <li>• Host/support Film Industry Awards annually</li> <li>• Financially Support 86 filmmakers p.a. to attend film festivals</li> <li>• Attend 2 Strategic Markets for SA content p.a.</li> <li>• Develop and implement an Integrated Marketing Campaign</li> <li>• Implement 16 Brand activation Campaigns pa</li> <li>• 1 DSACDSAC Activation p.a.</li> <li>• Host 8 Audience development Programmes per annum.</li> <li>• Host 4 Industry development programmes</li> <li>• 16 Quarterly Stakeholder Engagements</li> </ul>	<p>4 Industry and Research Reports 3 Policy Manual 90% Certification of National 4 Co production activations 4 policy monitoring reports 10 International Festivals 9 National Grants 12 Activations at National Festivals 86 Filmmakers supported 16 Brand Campaign 1 DSACDSAC Activation 8 Audience Development 4 Industry Development programme 16 Stakeholder engagement 14 Marketing Distribution</p>	<p>20 Industry and Research Reports 15 Policy Manual 90% Certification of National 20 Co production activations 20 policy monitoring reports 50 International Festivals 45 National Grants 60 Activations at National Festivals 430 Filmmakers supported 80 Brand Campaign 5 DSAC Activation 40 Audience Development 20 Industry Development programme 80 Stakeholder engagement 70 Marketing Distribution</p>	

<p>To develop and manage local, continental and international partnerships to support our programs</p>	<ul style="list-style-type: none"> <li>• Award 14 Marketing Distribution Grants</li> </ul> <p>Partnerships</p> <ul style="list-style-type: none"> <li>• 2 MOU agreements with Provincial partners</li> <li>• 2 MOU's agreements with African countries</li> <li>• 2 Research partnership agreements</li> <li>• 2 Funding partnership agreements</li> <li>• 3 Training Partnership with training institution or institution of higher learning</li> <li>• 2 Partnerships signed to enable distribution for NFVF funded films</li> <li>• Annual Review of partners/stakeholders</li> </ul>	<p>New Outcome</p>	<ul style="list-style-type: none"> <li>10 MOU agreements Provinces</li> <li>10 MOU agreements African Countries</li> <li>10 Agreements Research</li> <li>10 Agreements funding</li> <li>15 Agreements Training Partnerships</li> <li>10 Agreements Distribution</li> </ul>
<p>Improved NFVF Culture - The NFVF is a coherent, accountable organization which achieves its mandate:</p>	<p>Entity Administration</p> <ul style="list-style-type: none"> <li>• Reporting quarterly, bi-annually and annually</li> <li>• Unqualified audit report</li> <li>• Conduct an annual risk assessment workshop</li> <li>• Internal audits conducted as per approved plan, but at least 4 annually</li> <li>• Implementation of Performance Management System annually</li> <li>• 10 staff are trained p.a.</li> <li>• Implementation of mentorship programme</li> <li>• Implement (and review) approved structure</li> <li>• Compliance with legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting quarterly, bi-annually and annually</li> <li>• Unqualified audit report</li> <li>• Conduct an annual risk assessment workshop</li> <li>• Internal audits conducted as per approved plan, but at least 4 annually</li> <li>• Implementation of Performance Management</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting quarterly, bi-annually and annually</li> <li>• Unqualified audit report</li> <li>• Conduct an annual risk assessment workshop</li> <li>• Internal audits conducted as per approved plan, but at least 4 annually</li> <li>• Implementation of Performance Management</li> </ul>

		System annually <ul style="list-style-type: none"> <li>• 10 staff are trained p.a.</li> <li>• Implementation of mentorship programme</li> <li>• Implement approved structure</li> <li>• Compliance with legislation</li> </ul>	System annually <ul style="list-style-type: none"> <li>• 50 staff are trained</li> <li>• Implementation of mentorship programme</li> <li>• Implement approved structure</li> <li>• Compliance with legislation</li> </ul>
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### 3.1 Explanation of planned performance over the five-year planning period

The mandate of the NFVF, as set out in Section 3 of the NFVF Act is:

- To promote and develop the film and video industry
- To provide and encourage the provision of, opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry
- To encourage the development and distribution of local film and video products
- To support the nurturing and development of and access to the film and video industry
- To address historical imbalances in the infrastructure and distribution of skills and resources in the film and video industry

The NFVF will achieve its mandate and the planned performance over five years through carefully crafted and harnessed mutually beneficial partnerships with other government departments, provincial structures like film commissions as well as other public entities. Particular emphasis will be placed on women and young people entering the industry, and to nurturing those already in the industry to secure their longevity. The NFVF will supply much needed support to aid their skills and experience in the industry especially through the NFVF slate programme and the Emerging Black filmmaker's fund.



#### 4. Key Risks and Mitigations

Outcomes	Key risks	Risk Mitigations
<p>Reduction in complaints</p>	<p>Failure to meet shareholder expectation Failure to meet industry expectation Failure to meet shareholder expectation</p>	<p>Implement SLA with DSAC Strategic lobbying of government stakeholders Dedicated stakeholder management resource CEO stakeholder engagement</p>
<p>Strong internal controls</p>	<p>Inadequate corporate governance</p>	<p>Annual review of policies and procedures and corporate governance manual Ensuring that appropriate governance structures are in place Monitoring performance of the governance structures</p>
<p>No mismanagement and strong internal controls</p>	<p>Fraud and corruption</p>	<p>Fraud prevention plan implemented Implement Conflict of interest policy Financial disclosure forms used Consequence management</p>
<p>Increase support to the film industry stakeholder</p>	<p>Inadequate capacity to support the South African Film and Video industry</p>	<p>Lobby for an increase in the funding allocation from the DSAC Leverage with partners for funding Careful budgeting, planning and Policy implementation Regular and rigorous monitoring of expenditure Training and other skills development interventions for staff</p>
<p>Secured IT system and effective IT systems</p>	<p>Poor Information Technology governance</p>	<p>IT governance security IT Policy in place Monitoring system ensuring that it is "fit for purpose"</p>

<p><b>Productive team</b></p>	<p>Inadequate Human Resources</p>	<p>Implementation and monitoring Human Resource policies</p>
<p><b>Compliance to APP targets and HR Policy on performance evaluation.</b></p>	<p>Inadequate employee and organisational performance</p>	<p>Implement the performance management system Monitoring and evaluation through; Strategic and Annual Performance Plan Monthly and quarterly performance reports An annual performance review</p>

**PART D: TECHNICAL INDICATORS**

**Development and Production of Content**

**1. SOUTH AFRICAN CONTENT PROJECTS FUNDED**

<b>Indicator title</b>	<b>Number of funded South African content in the development and production phase</b>
<b>Short definition</b>	An increase in the quality, professional standard and marketability of South African films and video projects funded by the NFVF
<b>Purpose/importance</b>	An increase in the number of South African films produced ensures creating a more competitive and sustainable industry. It would also have a direct and positive impact on audience development.
<b>Source/collection of data</b>	Grant Funding system (PTS), Funding Agreements
<b>Method of calculation</b>	Simple count
<b>Data limitations</b>	No limitations
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	3 Cycles -- currently Q2, Q3, Q4
<b>New indicator</b>	None
<b>Desired performance</b>	A return on investment on films produced for both investors and producers, so that the industry continues to be economically viable.
<b>Indicator responsibility</b>	Head of Industry Development and Promotions

**2. FUNDING DISADVANTAGED INDIVIDUALS TO ADDRESS TRANSFORMATION**

<b>Indicator title</b>	<b>Number of projects funded in the development &amp; production phase that are targeted at upskilling and transforming the industry</b>
<b>Short definition</b>	An increase in the number of disadvantaged persons awarded NFVF funding.
<b>Purpose/importance</b>	To create competent, professional and independent members of the film and video community that are able to contribute to the industry and economy.
<b>Source/collection of data</b>	Grant Funding system (PTS), Funding Agreements
<b>Method of calculation</b>	Follow Up and trace individual progress
<b>Data limitations</b>	No limitations
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly, special projects awarded every 3 year cycle
<b>New indicator</b>	None

Desired performance	An increase in the number of graduate from this programme participating in the film industry in HOD roles.
Indicator responsibility	Head of Industry Development and Promotions

### TRAINING AND DEVELOPMENT

#### 3. BURSARY FUNDING

Indicator title	Number of students provided bursaries to fund different levels of training
Short definition	Provide bursaries to students studying at tertiary institutions to obtain a filmmaking degree/certificate/diploma
Purpose/importance	Ensure disadvantaged youth are properly educated, thereby enabling them to take better advantage of opportunities to work in, and contribute to the success of, the film and video industry
Source/collection of data	Grant Funding system (PTS)
Method of calculation	Number of bursaries approved at Council meetings
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	More graduates of this programme acquiring permanent or consistent employment.
Indicator responsibility	Head: Production and Development

#### 4. INDICATOR DESCRIPTION – INTERNSHIP

Indicator title	Number of graduates participating in internship to get an opportunity to gain workplace experience
Short definition	A program aimed to give graduates experiential learning.
Purpose/importance	To give graduates an opportunity to gain workplace experience as a stepping-stone towards gainful employment in the film and video industry.
Source/collection of data	Grant funding systems.
Method of calculation	Number of interns in the programme actually employed in the industry as a result of the experience gained whilst a part of this programme.
Data limitations	None.
Type of indicator	Outcome that has impact on economy and unemployment.
Calculation type	non
Reporting cycle	Quarterly.

New indicator	No.
Desired performance	Low attrition rates.
Indicator responsibility	Head: Industry Development

Indicator title	<b>Number of funded specialists to up –skilled in their area of profession through the support of programmes</b>
Short definition	Scriptwriting and Producing Programmes
Purpose/importance	Up skill predominately disadvantaged filmmakers in the field of screenwriting and the business of film.
Source/collection of data	Workshop attendance registers and mentor reports.
Method of calculation	Numbers of trained learners
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher targets of writers and producers.
Indicator responsibility	Head: Production and Development

Indicator title	<b>Number of organisations supported with grants for their programs to offer training in specific gap areas</b>
Short definition	Give grants to organisations that offer training in specific gap areas not offered at public institutions.
Purpose/importance	Increase number of skilled disadvantaged filmmakers.
Source/collection of data	Grant Funding system, PTS
Method of calculation	Must be able to show that these persons go on to work in the film and video industry.
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Learners are skilled in that specific discipline.
Indicator responsibility	Head: Production and Development

#### 5. MENTORSHIP AND SKILLS TRANSFER

Indicator title	Number of students mentored and exposed to the business of filmmaking including skills exchange programmes and exposure to film festivals
Short definition	One-on-one mentorship from industry professionals who agree to transfer skills to students.
Purpose/importance	To fast track knowledge transfer and work experience through in-loco situations.
Source/collection of data	Mentorship contracts
Method of calculation	Simple
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	One month after the return of the students from the particular festival.
New indicator	No
Desired performance	Students go on to be gainfully employed in the industry
Indicator responsibility	Head: Production and Development

#### 6. SEDIBA FILMMAKERS SKILLS DEVELOPMENT

Indicator title	<b>Number of filmmakers provided with industry skills</b>
Short definition	The provision of screen writing skills to writers in the film and video industry.
Purpose/importance	The screenplay or script is the blueprint for a film and video project. Without it, nothing happens. This is the foundation of the industry and the importance of quality writing cannot be over emphasised.
Source/collection of data	Workshop attendance registers and mentor reports.
Method of calculation	Number of scripts that go into production written by graduates of this programme
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Better screenplays and a higher conversion rate of screenplay to production.
Indicator responsibility	Head: Production and Development

**7. FULL COMPLIANCE TO SUPPLY CHAIN MANAGEMENT PROCESSES**

<b>Indicator title</b>	Number of supply chain management compliance reports submitted.
<b>Short definition</b>	NFVF is required in terms of the PFMA, PPPFA and Treasury Regulations to have effective, competitive and transparent procurement processes.
<b>Purpose/importance</b>	To ensure compliance to the applicable legislation, which is the PFMA, PPPFA, Treasury Regulations and practice note on SCM.
<b>Source/collection of data</b>	NFVF Policies, the Strategic Plan, APP, and NT Instruction Notes
<b>Method of calculation</b>	Analysis of compliance with legislations
<b>Data limitations</b>	None
<b>Type of indicator</b>	Outcome
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Full compliance to the PFMA, PPPFA, Treasury Regulations and other applicable legislations.
<b>Indicator responsibility</b>	SCM Manager and CFO

**8. SUBMIT QUARTERLY REPORT TO COUNCIL, DSAC AND NATIONAL TREASURY**

<b>Indicator Title</b>	Number of reports submitted to Council, DSAC and Treasury
<b>Short Term Definition</b>	NFVF as section 3A entity is required to submit completed and accurate quarterly reports as required by the Council (e.g. management reports, budgets, financial reports), and other legislated submissions to DSAC and Treasury (e.g. ENE, Quarterly reports, AFS).
<b>Purpose/importance</b>	To ensure compliance with PFMA, Treasury Regulations and all other NFVF Policies and Procedures and to account on the entity performance.
<b>Source/Collection of Data</b>	Accounting Systems – Sage, budget and other financial inputs
<b>Method of Calculation</b>	Monthly and Quarterly
<b>Data Limitations</b>	Timely submissions from other departments of non-financial data
<b>Type of Indicators</b>	Output

Calculation Type	Cumulative
Reporting Cycle	Monthly, Quarterly and Annually
New Indicator	No
Desired Performance	Accurate, complete reporting that provide overview of financial performance and comply with applicable statutes.
Indicator Responsibility	Finance Manager and CFO

**9. OBTAIN AN UNQUALIFIED AUDIT OPINION**

Indicator Title	Reduction in the number of internal control weaknesses that impact targeted unqualified audit opinion.
Short Term Definition	NFVF as section 3A entity is required by PFMA to prepare Annual Financial Statements (AFS) for audit by AGSA who will express opinion fair presentation of the AFS and ensure good governance, financial compliance and internal controls.
Purpose/Importance	To improve business processes continuously To ensure compliance with PFMA, Treasury Regulations and DSACDSAC provisions, submission of the AFS and half year financial statements is important
Source/Collection of Data	Accounting Systems – Sage, financial inputs like invoice, contracts or projects reports
Method of Calculation	Annually
Data Limitations	Cooperation by department that provide inputs
Type of Indicators	Output
Calculation Type	Cumulative
Reporting Cycle	Half Yearly and Annually
New Indicator	No
Desired Performance	Fairly presentable Annual Financial Statements
Indicator Responsibility	Finance Manager and CFO



## 10. RISK MANAGEMENT

<b>Indicator title</b>	Number of identified risk mitigated in the strategic risk register.
<b>Short definition</b>	NFVF is required in terms of the PFMA to have risk management activities and the risk register is part of the tool to manage and monitor risk.
<b>Purpose/importance</b>	To ensure compliance to the PFMA, good corporate governance and have a tool to use to monitor mitigations of risk in NFVF.
<b>Source/collection of data</b>	NFVF Policies, the Strategic Plan, APP,
<b>Method of calculation</b>	Simple count and analysis of risk
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Mitigation of risk and effective risk management that will assist to improve internal controls and achieve strategic objective.
<b>Indicator responsibility</b>	CFO

## 11. COORDINATION AND MANAGING AUDIT ACTIVITIES

<b>Indicator title</b>	Number of engagement held with auditor for coordination and managing audit activities
<b>Short definition</b>	The NFVF as a public entity is required to have an internal audit function to review its internal controls and is subject to annual audits by the AGSA in terms of the PFMA and also the legislation require the . The management has a responsibility to assist the auditors in executing their audit work until they complete the auditing.
<b>Purpose/importance</b>	This indicator is important to comply with the requirements of the PFMA and for review of the internal contracts.
<b>Source/collection of data</b>	Annual Financial Statements, NFVF Policies, Performance Information Report, APP and other source documents.
<b>Method of calculation</b>	Analysis of the financial and performance information.
<b>Data limitations</b>	None
<b>Type of indicator</b>	Process supporting outcome

<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually and Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Coordinated smooth running audit process and achieve unqualified audit opinion
<b>Indicator responsibility</b>	CFO

## 12. INFORMATION AND COMMUNICATION TECHNOLOGY THAT IS FIT FOR PURPOSE

<b>Indicator title</b>	Reductions in the control weakness incidents in the ICT department including reduction IT risk that have been mitigated.
<b>Short definition</b>	The Information and Communication Technology (ICT) is the key to any institution for the implementation of its Strategic Objectives, the processing of transactions archiving and security of data that is crucial to the entity.
<b>Purpose/importance</b>	ICT is an enabler to the functioning of the entity for all its departments and for securing data of the entity.
<b>Source/collection of data</b>	IT Reports confirming reliability of the ICT infrastructure, ICT Policies and ICT business contingency plans
<b>Method of calculation</b>	ICT Reports analysis and audit report
<b>Data limitations</b>	None
<b>Type of indicator</b>	Process supporting outcome
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	Efficient and up-to-date ICT infrastructure
<b>Indicator responsibility</b>	IT Manager and CFO

### 13. RESEARCH CONDUCTED AND DISSEMINATED

Indicator Title	<b>Number of conducted and disseminated research deliverables on the SA Film Industry</b>
Short Definition	Conduct qualitative and quantitative research for the industry through research projects
Purpose/ Importance	Research informs policy and provides insight into the state of the film industry by highlighting the statistics, gaps, challenges and opportunities. The research can also point to ways in which these can be addressed.
Source/ Collection of data	Film financiers, desktop research, interviews, industry stakeholders, research papers
Method of calculation	The impact that the research undertaken has on decisions made both in the NFVF and in the SA film and video industry as a whole.
Data Limitations	Delayed approval, lack of adequate information
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	conducted positive contribution to the manner in which the industry develops and moves forward towards transformation and a sustainable future
Indicator responsibility	Manager: Compliance and Research

### 14. POLICY REVIEW, DEVELOPMENT AND IMPLEMENTATION

Indicator Title	<b>Number of policies develop, review and implement to ensure compliance with relevant legislation</b>
Short Definition	Draft, update and ensure implementation of clear and consistent policies to ensure achievement of strategic objectives and enhance operational efficiency.
Purpose/ Importance	Develop and maintain policies which are in line with best practice and regulatory requirements
Source/ Collection of data	Legislation
Method of calculation	The achievement of operational efficiency
Data Limitations	Resource Limitations, Delays in input and

Type of Indicator	approval
Calculation type	Output
Reporting cycle	Non-cumulative
New indicator	Quarterly
Desired performance	No
Indicator responsibility	Actual performance is desired as non-compliant with its regulatory requirements Manager: Compliance and Research

### 15. CONTRACT MANAGEMENT

Indicator Title	<b>Number of contract updated in the contract management system</b>
Short Definition	Manage the organisational contract management system
Purpose/ Importance	Maintenance of an accurate contract register of all contracts that have been drafted, vetted and concluded with beneficiaries, service providers and strategic partners
Source/ Collection of data	Various contracts, service level agreements, memorandums of understanding, cooperation agreements entered to by the organisation
Method of calculation	Efficiency of the system in terms of storing, retrieving and archiving detailed data
Data Limitations	Late approval (internal and external)
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	100% compliance with the contract management system
Indicator responsibility	Manager: Compliance and Research

## HUMAN RESOURCES

### 16. PERFORMANCE MANAGEMENT SYSTEM

Indicator title	Number of employees performance measured & aligned to service delivery
Short definition	A performance management tool is used to measure employee performance.
Purpose/importance	Measures and assesses individual employee performance. Measures whether employees deliver on their key performance areas as defined in their performance contracts.
Source/collection of data	Performance contracts.
Method of calculation	Performance Scores.
Data limitations	Subjective measurement does not accommodate measuring personality attributes e.g. attitude.
Type of indicator	Efficiency.
Calculation type	Cumulative.
Reporting cycle	Bi-annually.
New indicator	No.
Desired performance	Higher performance always required for service delivery.
Indicator responsibility	Head: Human Resource

### 17. HUMAN RESOURCE DEVELOPMENT

Indicator title	Number of capacitated and empowered employees (based on training budget) with skills & knowledge to assist with service delivery
Short definition	Training provided to the identified employees as per the personal development plan and need of the employee to help them in their operation.
Purpose/importance	To capacitate and empower employees with the necessary skills and knowledge to assist with service delivery.
Source/collection of data	Personal Development Plans (PDP) and Performance Reviews.
Method of calculation	Workplace Skills Plan (WSP) and Annual Training Report (ATR).
Data limitations	None.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Quarterly.
New indicator	No.
Desired performance	The more skills staff are equipped with, the greater the service delivery.

Indicator responsibility	Head: Human Resource
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#### 18. EMPLOYEE WELLNESS SUPPORT PROGRAM

Indicator title	Number of employee engagements and employee wellness
Short definition	Number of employee engagements and employee wellness offered in support of on health and well-being aspects that affect employees.
Purpose/importance	To ensure that the organisation has a healthy workforce, reduced absenteeism and stress, resulting in increased productivity.
Source/collection of data	Leave records.
Method of calculation	Number of days absent compared to previous financial year.
Data limitations	Non-disclosure.
Type of indicator	Impact.
Calculation type	Cumulative.
Reporting cycle	Quarterly.
New indicator	No.
Desired performance	Lower absenteeism due to ill-health leads to increase in performance.
Indicator responsibility	Head: Human Resources

#### 19. MONITORING AND EVALUATION

Indicator title	At least one monitoring and evaluation framework created
Short definition	A monitoring framework is created and agreed
Purpose/importance	Measure the impact and effectiveness of all the NFVF funding programmes. Regular monitoring and detailed reporting assists in the evaluation and effectiveness of the funded projects. Ensuring that the programmes are having the intended effect, that conditions are being adhered to, and that interventions, if necessary, are put in place timeously.
Source/collection of data	Project contracts, progress reports
Method of calculation	"One-on-one" interaction, reports and reviews, site visits
Data limitations	Not all projects happen as pre schedule
Type of indicator	efficiency
Calculation type	cumulative
Reporting cycle	Half yearly
New indicator	No
Desired performance	To ensure that the funding and support provided by the NFVF is being utilised correctly, effectively and within regulations..
Indicator responsibility	Head: Operations

## 20. CO – PRODUCTIONS

Indicator title	Number of partnerships created in the Co-productions for SA producers.
Short definition	Create, promote, and enable partnerships between South African producers and producers from other countries.
Purpose/importance	Certify films as "qualifying national films" under any official treaty signed by South Africa. To ensure that opportunities are created for South African filmmakers to co-produce with their international counterparts and films that are certified comply with the treaty requirements and South African films can be distributed internationally.
Source/collection of data	Application forms for advance and final ruling Application forms for certificates of nationality Co-production reports
Method of calculation	Number of partnerships created and projects certified
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher number of certification is desirable as more co-productions will contribute to the froth in the number of annual productions and jobs created locally
Indicator responsibility	Head: Operations

## 21. Local Activation

Indicator title	Number of local activations and promotional events to showcase SA film & content
Short definition	This involves the presentation of NFVF offerings at local festivals
Purpose/importance	To position and strengthen the NFVF brand showcasing SA content
Source/collection of data	Activation report
Method of calculation	Review of report
Data limitations	No specific limitations
Type of indicator	Activity
Calculation type	Non-cumulative

Reporting cycle	Per project and Quarterly
New indicator	No
Desired performance	To see an increase in demand for SA product and an increase in local audiences attending SA films
Indicator responsibility	Head: Marketing & Communications

## 22. International Activation

Indicator title	Number of events for position the NFVF and the SA Film Industry through international activations
Short definition	Film activations and NFVF Presence at International markets and festivals.
Purpose/importance	Promote and position the NFVF and the SA Film Industry, and specifically South African film and video projects through international activations
Source/collection of data	Activation report
Method of calculation	The number of projects that gain international distribution at the markets and festivals attended, and the number of international producers that visit and work in SA as a result of market & festival activity.
Data limitations	No specific limitations
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Per project and Quarterly
New indicator	No
Desired performance	More SA films in the international marketplace and more international producers working in SA
Indicator responsibility	Head: Marketing & Communications

## 23. Strategic Markets

Indicator title	Number of events attended to showcase SA content at strategic markets
Short definition	Finding new markets that are open to showcase SA content.
Purpose/importance	Expand the marketplace and distribution footprint for SA filmmakers and content
Source/collection of data	Festival attendee report
Method of calculation	Sales of SA film and video content
Data limitations	No specific limitations
Type of indicator	Outcome and Activity
Calculation type	Non-cumulative
Reporting cycle	Per project and bi-annual
New indicator	No
Desired performance	To expose SA content to foreign markets that have thus far been inaccessible to SA content producers



Indicator responsibility	Head: Marketing & Communications
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#### 24. Industry support and awareness initiatives

Indicator title	Number of programme NFVF participated in to engage about its awareness initiatives
Short definition	Promotion of NFVF programmes
Purpose/importance	Create awareness and educate industry players about the NFVF funding opportunities and support programmes
Source/collection of data	Activation report
Method of calculation	Number of persons reached and aware of the NFVF programmes
Data limitations	No specific limitations
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Per project and bi-annually
New indicator	No
Desired performance	That every member of the SA film and video industry knows what the NFVF does, how they support filmmakers and how individuals are able to access the NFVF programmes.
Indicator responsibility	Head: Marketing & Communications

#### 25. Position SA Filmmakers

Indicator title	Number of festivals attended to position SA Filmmakers at different film markets
Short definition	Assisting SA film and video producers to exhibit their content at local and international market and festivals.
Purpose/importance	For SA Filmmakers to showcase their work at markets and festivals
Source/collection of data	Activation report
Method of calculation	Review of report
Data limitations	No specific limitations
Type of indicator	Outcome and Impact
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Sales! Invitations to festivals.

Indicator responsibility	Head: Marketing & Communications
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### MARKETING AND COMMUNICATION

<b>Indicator title</b>	<b>number of grants awarded for hosting festivals for local and internal Activations</b>
<b>Short definition</b>	Awarding Festival Hosting grants. Festivals help to promote local content. Facilitate Networking for producers as well as aid audience development efforts.
<b>Purpose/importance</b>	To provide grants for to enable local film festivals to take place
<b>Source/collection of data</b>	Festival application
<b>Method of calculation</b>	Reviewed Festival reports and number of grants awarded
<b>Data limitations</b>	Audits and risk management
<b>Type of indicator</b>	Activity
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Per project
<b>New indicator</b>	No
<b>Desired performance</b>	To grow local festivals that assist with audience development efforts. To aid filmmakers to showcase their projects.
<b>Indicator responsibility</b>	Marketing and Communication

<b>Indicator title</b>	<b>Number of filmmakers funded to attend festivals for local and internal Activations</b>
<b>Short definition</b>	Enable filmmakers to attend festivals. Applicants fall into different categories – some get invitations from festivals, some have identified co-production opportunities and some have projects screening at difference festivals and may not have the funds for travel.
<b>Purpose/importance</b>	To provide grants for filmmakers to attend markets and film festivals.
<b>Source/collection of data</b>	RFE, Festival reports
<b>Method of calculation</b>	Festival reports
<b>Data limitations</b>	None
<b>Type of indicator</b>	Activity
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Per cycle
<b>New indicator</b>	No
<b>Desired performance</b>	Opportunities created for filmmakers to attendance Film Festivals that they ordinarily would not be able to afford to attend
<b>Indicator responsibility</b>	Marketing and Communication

<b>Indicator title</b>	<b>Number event hosted to boost audience development for SA Films</b>
<b>Short definition</b>	Promotion and viewing of homemade films and video productions in SA communities

Purpose/importance	To stimulate the culture of film appreciation and cinema going within local communities.
Source/collection of data	Brand activations and partnerships
Method of calculation	Activation reports
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Number of actual attendees and repeat attendees at these promotions and viewings.
Indicator responsibility	Marketing and Communication

<b>Indicator title</b>	<b>Number of adverts made to promote SA film industry</b>
Short definition	Global Brand Positioning by producing print adverts to promote the SA Film Industry
Purpose/importance	To stimulate top of mind awareness for locally produced films and to grow the local film industry among general consumers
Source/collection of data	Media monitoring reports
Method of calculation	Advertising Value Equivalency (AVE)
Data limitations	None
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Per cycle
New indicator	No
Desired performance	Growth and increased diversity in South African audiences that have access to and demand for local content
Indicator responsibility	Marketing and Communication

<b>Indicator title</b>	<b>Marketing and Communication</b>
Short definition	Deliver communications pieces per quarter to create top of mind awareness for the NFVF to assist in the positioning of the organisation
Purpose/importance	To be recognised as the custodians of film and video, not only within the industry but also among the public and sectors that are not directly involved in the industry.
Source/collection of data	Brand audit reports, media monitoring and publications
Method of calculation	Media monitoring reports
Data limitations	None
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Per cycle

New indicator	No
Desired performance	A national awareness of the existence and function of the NFVF in SA society.
Indicator responsibility	Marketing and Communication





**national film and video found**  
**SOUTH AFRICA**  
 an agency of the Department of Arts and

## **MATERIALITY AND SIGNIFICANCE FRAMEWORK**

### **1. Legislative requirements**

#### **1.1. PFMA**

Section 54(2) of the Public Finance Management Act (Act no. 1 of 1999) (PFMA) states that the accounting authority for a public entity must inform the Treasury and submit relevant particulars to the Minister for approval in respect of any of the following qualifying transactions:

- participation in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2)(b)];
- acquisition or disposal of a significant shareholding in a company [section 54(2)(c)];
- acquisition or disposal of a significant asset [section 54(2)(d)];
- commencement or cessation of a significant business activity [section 54(2)(e)]; and
- a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2)(f)].

**Section 55(2)(b)(i)** of the PFMA requires the annual report and financial statements of a public entity to “include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.”

#### **1.2. Treasury Regulations**

- TR 28.1.5:  
 “For purposes of material [sections 50(1), 55(2) and 66(1) of the PFMA] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significant with the relevant executive authority in consultation with the external auditors.”

□ TR 28.3.1:

“For purposes of material [section 55(2) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority”.

□ TR 30.1.3(e):

“The strategic plan must include the materiality / significant framework.”

## 2. Definitions

### **Material**

SAAS 320.03 and AC000.29 both define materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.”

Information may be both quantitatively and qualitatively material. Therefore, both the amount (quantity) and nature (quality) of information need to be considered in setting the materiality figure.

### **Significant**

The Concise Oxford dictionary defines “significant” as “extensive or important enough to merit attention.” “Significant” may, therefore, be interpreted as of relative importance to the public entity as a whole. Thus, a transaction will be significant if conducting the transaction is vitally important in order to fulfill the public entity’s mandate and for it to operate effectively.

From the interpretations above it can be concluded that there is a difference between “material” and “significant”. Significant is larger than material as a significant transaction impacts the public entity as a whole. An occurrence may be material but not necessary significant, whereas any occurrence that is significant will be material.

### 3. Purpose

The purpose of this document is to record the level and reasoning for the suggested levels of materiality and significance for consideration by the governance structures of the entity, NFVF, and for submission to and approval by the executive authority.

### 4. Dealing with the concept of materiality in two dimensions

Materiality can be based on a number of financial considerations. Below is the consideration of two dimensions which relate to quantifying the financial implications of the materiality and the other is the qualitative materiality looking at the nature of disclosures or any reporting that might influence the user to make certain decision on the information at their disposal that might be misleading.

#### 4.1. Quantitative consideration

Base on the benchmark done with other entities approach, National Treasury guidelines and also on the widely accepted quantitative materiality indicator, below is the approach used as a guide to calculate the materiality for quantitative approach in the entity.

Elements	% Range to be applied against Rand value
Total Assets	1% - 2%
Total Revenue	0.5% - 1%
Net income	2% - 5%

Due to the NFVF business, it was considered prudent that the materiality levels to use the first level of the range as per above guidelines calculated materiality and significance amount calculated was as follows:

Basis	2020/ 2021	2019/ 2020
Percentage of Gross Revenue	0.5%	0.5%
Total Revenue	R 149 740 000	R143 908 000
Materiality and significance amount	R748 700	R719 540



The calculation that was used to determine the above materiality and significance amount for NFVF of R748 700 (2020/ 2021) is based on the budgeted revenue of the entity.

#### **4.2. Qualitative consideration**

- 4.2.1. The material misstatement may be material on qualitative ground and may also influence the users of annual financial statements decision making.
- 4.2.2. The accounting authority of the entity is required in terms of section 50(1)(c) to disclose to the executive authority any material facts which in any way may influence the decision or actions of the executive authority or legislature.
- 4.2.3. Section 51 of the PFMA deals with the responsibilities of the accounting authority and which is relevant to the qualitative materiality consideration.
- 4.2.4. The transactions entered into that might have significant reputational damage to NFVF.
- 4.2.5. Any violation of the procurement processes that have negative impact on the suppliers of the NFVF and impact its compliance requirements.
- 4.2.6. Any fraudulent activities or dishonesty of an employee, stakeholders of the NFVF which have an impact on the entity.
- 4.2.7. Decision of professional judgement taken by the entity management or its Council that will have a negative impact on NFVF.

#### **5. Significance Framework**

For the purpose of this framework, the significant matter will be dealt with in accordance with the relevant sections of the PFMA

## Strategic Objectives 2020/2021

- Increase number of SA films and PDI's producing them
- Increase number of people trained in the industry, particularly in areas of scarce skills
- Promote the SA film industry locally and internationally
- Increase audience access to SA film
- Policy & Research
- Entity Administration

### 12 STRATEGIC OUTCOME ORIENTED GOALS OF THE INSTITUTION

Strategic Outcome Oriented Goal 1 Goal Statement	Increase number of SA films and PDI's producing them Increase volume of films produced. Empower entrepreneurs from PDI communities to access and participate in the film industry.
Strategic Outcome Oriented Goal 2 Goal Statement	Increase number of people trained in the industry, particularly in areas of scarce skills Encourage formal training by awarding bursaries annually. Address skills gap and incubation programmes and focus on 3 areas of development to upskill the industry over the next 3 years. Encourage sustainable black business. Encourage skills transfer to PDI's
Strategic Outcome Oriented Goal 3 Goal Statement	Promote the SA film industry locally and internationally Increased awareness of NFPV programmes by the film industry.
Strategic Outcome Oriented Goal 4 Goal Statement	Increase audience access to SA film Create access and open new markets for SA film content
Strategic Outcome Oriented Goal 5 Goal Statement	Policy & Research Development of appropriate policies and Key Performance Indicators (KPIs) for the Film Industry
Strategic Outcome Oriented Goal 6 Goal Statement	Entity Administration To fulfil statutory and governance obligations of NFPV as set out in relevant legislation





Risk No.	Risk Category	Strategic Objective	Risk Description	Root Causes and Contributory Factor(s)	Consequences	Existing Strategies and Controls	Inherent Impact	Inherent Impact (Values)
1	Stakeholder Matters	Linked to multiple/ all strategic objectives	Failure to meet shareholder and key stakeholder expectations	<ul style="list-style-type: none"> <li>#Inadequate engagement/communication with the shareholder, film industry, stakeholders and the public</li> <li>#Limited ability to attract and retain senior management within the NFVF</li> <li>#Non compliance with corporate governance processes</li> </ul>	<ul style="list-style-type: none"> <li>#Loss of stakeholder support and confidence</li> <li>#Reputational Damage</li> <li>#Loss of brand equity</li> <li>#NFVF may not deliver on its mandate</li> <li>#Financial Loss</li> <li>#Inability to attract other new financial investors and</li> </ul>	<ul style="list-style-type: none"> <li>#Dedicated Stakeholder management resource</li> <li>#Recruitment Policy in place</li> <li>#Adequate governance structures and policies in place</li> <li>#CEO engagements with stakeholders</li> </ul>	Catastrophic	5
2	Service Delivery	Linked to multiple/ all strategic objectives	Inadequate capacity to support the South African Film and Video industry	<ul style="list-style-type: none"> <li>#Insufficient funding</li> <li>#Insufficient staff capacity</li> <li>#Inadequate assessment and monitoring of projects</li> <li>#Inability to keep up to date with the market needs</li> <li>#Inadequate consultation with stakeholders</li> <li>#Inadequate awareness and access to NFVF offerings within certain</li> </ul>	<ul style="list-style-type: none"> <li>#Under-developed South African film industry</li> <li>#Reputational damage</li> <li>#NFVF may not deliver on its mandate</li> <li>#Loss of stakeholder support and confidence</li> <li>#NFVF may not deliver on its transformational mandate i.e. to promote access to PDI's</li> <li>#Increase in demand for</li> </ul>	<ul style="list-style-type: none"> <li>#Legislated funding allocation</li> <li>#Application compliance measures</li> <li>#Developmental training programmes/interventions</li> <li>#Recruitment Policy</li> <li>#Continuous engagement with the shareholder on required legislative changes</li> <li>#Established a position for the</li> </ul>	Catastrophic	5

3	Corporate Governance	Linked to multiple/ all strategic objectives	Inadequate corporate governance	#Inadequate policies and procedures  #Non compliance with relevant legislation, frameworks and internal policies  #Insufficient staff capacity and training  #Lack of consequence management  #Poor tone at	#Poor oversight  #Business inefficiencies  #Non-compliance with relevant legislation and regulations for e.g. litigation, financial loss  #Reputational damage/ risk  Business continuity (action by the shareholder)	#Monitoring of performance in line with performance objectives  #DAC Fraud Hotline in place  #Appropriate policies, procedures and Charters in place which are reviewed annually  #Appropriate key governance structures in place including	Catastrophic	5
4	Information Technology	Linked to multiple/ all strategic objectives	Inadequate IT Governance <b>(To change risk description)</b>	#Unauthorised use of intellectual property (third parties)  #Inadequate information security policy & procedures  #Inadequate Information Technology resource (human resource capacity and equipment)  #Mis-aligned IT and organisational strategy  #Lack of IT infrastructure	#Litigation against NFVF  #Financial Loss  #Potential loss of confidential documents, data and information  #Non-adherence to best practice standards and relevant legislation (DPSA and CoBIT requirements, etc.)  #Potential loss of IT data integrity  #Reduced	#Contractual confidentiality clauses (NFVF with staff, service providers, clients and Panel)  #Security of IT systems  #Business Continuity Plan (BCP) and Disaster Recovery Plan which includes IT information back up plan  #Records archiving system in place  #Insurance Cover	Catastrophic	5

5	Anti Fraud and Corruption	Linked to multiple/ all strategic objectives	Fraud and corruption	<ul style="list-style-type: none"> <li>#Inadequate policies &amp; procedures</li> <li>#Ineffective enforcement and monitoring of policies and procedures</li> <li>#Conflicts of interest &amp; Collusion</li> <li>#Override of controls</li> <li>#Inadequate segregation of duties</li> <li>#Breach of confidentiality</li> <li>#Poor Organizational culture</li> </ul>	<ul style="list-style-type: none"> <li>#Loss of resources (Financial, IT, Staff, etc.)</li> <li>#Inadequate service delivery</li> <li>#Negative publicity</li> <li>#Loss of stakeholder trust</li> <li>#Litigation</li> <li>#Negative audit outcomes</li> </ul>	<ul style="list-style-type: none"> <li>#Appropriate policies and procedures that are aligned to relevant legislation</li> <li>#Security over assets</li> <li>#Implementation of "Conflict of interest Policy to prevent any potential conflicts</li> <li>#Fraud prevention plan</li> <li>#Hotline in place through DAC.</li> <li>#Structured</li> </ul>	Catastrophic	5
6	Performance Monitoring and Evaluation	Linked to multiple/ all strategic objectives	Inadequate employee and organisational performance monitoring and evaluation	<ul style="list-style-type: none"> <li>#Non-compliance to Performance Information Reporting Framework</li> <li>#Non-compliance to organisational performance management policy and processes</li> <li>#Non-compliance to employee performance management policy and processes</li> <li>#Insufficient staff capacity</li> <li>#Poor</li> </ul>	<ul style="list-style-type: none"> <li>#Non-achievement of business goals and objectives</li> <li>#Negative audit outcomes</li> <li>#Non-compliance with Shareholders Compact</li> <li>#Loss of stakeholder trust</li> <li>#Financial loss</li> <li>#Inability to deliver on the mandate</li> <li>#Disengaged staff</li> </ul>	<ul style="list-style-type: none"> <li>#Strategic and operational plans approved by Council and Shareholder</li> <li>#Monthly and Quarterly performance reporting and monitoring</li> <li>#All annual employee performance agreements aligned to strategic plan</li> <li>#Bi-annual employee performance reviews</li> <li>#Dashboard report for collating and</li> </ul>	Significant	2

7	Human Resources	Linked to multiple/ all strategic objectives	Inadequate Human Resource strategy and processes	<ul style="list-style-type: none"> <li># Inadequate HR Policies and Procedures</li> <li>#Ineffective implementation and monitoring of HR policies and procedures</li> <li>#Non-compliance with HR related legislation</li> <li>#Limited funding through legislation (legislative cap on operational costs of 25%)</li> </ul>	<ul style="list-style-type: none"> <li>#Possible low staff morale</li> <li>#Litigation</li> <li>#Limited ability to attract and retain staff with critical skills</li> <li>#Employee and organisational non-performance</li> </ul>	<ul style="list-style-type: none"> <li>#Implementation and monitoring of approved Human Resource policies and procedures</li> <li>#Policies aligned to legislation, including DPSA guidelines</li> <li># HR &amp; Ethics Committee</li> <li>#Performance management system</li> </ul>	Critical	4
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