NLSA
National Library of South Africa
an agency of the
Department of Arts and Culture

ANNUAL PERFORMANCE PLAN

2019-2020

ADVANCING ACCESS TO INFORMATION

THE NATIONAL LIBRARY OF SOUTH AFRICA

Annual Performance Plan

For the fiscal year

2019 – 2020

NLSA, ANNUAL PERFORMANCE PLAN 2019-2020

NATIONAL LIBRARY OF SOUTH AFRICA

DRAFT ANNUAL PERFORMANCE PLAN 1 APRIL 2019 – 31 MARCH 2020

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FOREWORD

This Annual Performance Plan (APP) is a derivative of the Five Year Strategic Plan of the National Library of South Africa (NLSA). It outlines risk based targets set to achieve the strategic objectives. It also contains the technical indicators of each strategic objective. The objectives are informed by the national priorities of Government which are in the National Development Plan particularly chapter fifteen (15) of the plan and more specifically the Department of Arts and Culture (DAC) strategy. These plans are congruent to the Sustainable Development Goals of the United Nations.

The APP is the implementation blueprint that will be used to direct the NLSA to fulfil its legislative mandate of collecting, preserving, making available and promoting awareness of the national documentary heritage and to provide for matters connected therewith. It serves as a barometer that primarily assess progress in terms of the performance of the National Library. The Plan has been drafted with the inputs of all the relevant Non-Executive Directors (NEDs) and Executive Directors of Sections who are committed to achieve the set objectives.

Measurement of performance will be monitored on a monthly and quarterly basis and will be consolidated in the Annual Report of the NLSA. The Plan has been developed with the anticipation that the required infrastructure and resources will be available to assist the NLSA to achieve its objectives. The Board and Management of the National Library of South Africa are confident that this will be possible with the positive support of and collaboration with the Department of Arts and Culture.

Official sign-off

It is hereby certified that this Annual Performance Plan of the National Library of South Africa for the period 2019/20,

- Was developed by the Management of the National Library of South African with the support of the Board of the National Library of South Africa.

- Takes into account all the relevant policies, legislation and other mandates for which the National Library of South Africa is responsible.

- Accurately reflects the performance targets the National Library of South Africa will endeavour to achieve based on the resources made available in the budget for the 2019/20 financial year.

Mr Nkosini Mashabane

Signature: _____
Date: 30/01/2019
Chief Financial Officer

Prof MD Rocky Ralebipi-Simela

Signature: _____
Date: 30/01/2019
National Librarian & CEO

Approved by:
Mr Themba TC Dlamini

Signature: _____
Date: 30/01/2019
Chairperson of NLSA Board

PART A:

STRATEGIC OVERVIEW

1.1. VISION

1.1.1 A world-class African National Library and information hub.

1.2. MISSION

1.2.1 We build, record, preserve, conserve and make available a complete South African documentary heritage fostering a reading nation towards an informed citizenry.

1.3. VALUES

We espouse the following shared and unifying values:

Integrity	|	We uphold the virtues of integrity in the affairs of the organisation.
Excellence	|	We promote a culture of excellence in all that we do.
Innovation	|	We remain committed to creativity and innovation.
Collaboration	|	We work with like-minded organisations.
Accountability	|	We are an ethical and transparent organisation. We remain accountable to the Executive Authority while being conscious of serving our end-users.

1.4. NLSA'S STRATEGIC OUTCOME ORIENTATED GOALS (SOOGs)

SOOG NO.	DESCRIPTION	DEPARTMENT OF ARTS AND CULTURE (DAC) PRIORITIES
Strategic Outcome Oriented Goal 1	Build, preserve, conserve and maintain a complete collection of South African intellectual heritage and render a national bibliographic service	• To develop, preserve, protect and promote heritage
Goal statement	To collect South African published documents through the Legal Deposit Act, and provide for Universal Bibliographic Control and; Apply preservation and conservation techniques and methods to preserve our intellectual heritage for posterity.	
Strategic Outcome Oriented Goal 2	Provide universal access through library and information services and develop a reading nation.	• To develop, preserve, protect and **promote** heritage • To provide access to information • To develop and promote official languages • To lead, coordinate and implement social cohesion
Goal statement	We make available our library collections and services to be accessed by everyone for information, research, inspiration and enjoyment and render outreach programmes to promote the culture of reading, writing and publishing.	
Strategic Outcome Oriented Goal 3	Sustained delivery on the NLSA mandate.	• To build human resource capacity and promote excellence • To implement sound financial management and control systems • To strengthen and modernise
Goal statement	Provide resources that permit efficient and effective delivery of library and information	

SOOG NO.	DESCRIPTION	DEPARTMENT OF ARTS AND CULTURE (DAC) PRIORITIES
	services.	archives and records management system
Strategic Outcome Oriented Goal 4	Serve as a catalyst of library and information services in the global arena.	• To build relationships & partnerships locally and internationally • To create a coherent policy and legislative environment for the ACH sector
Goal statement	Foster partnerships, collaborative engagements and provide strategic leadership to promote the development of library and information services in South Africa, Africa and the world.	

1.5. LEGISLATIVE MANDATE

The NLSA is mandated by the National Library of South Africa Act, no 92 of 1998, Section 3 to contribute to socio-economic, cultural, educational, scientific, and innovative development by collecting, recording, preserving and making available the national documentary heritage and promoting an awareness and appreciation thereof, by fostering information literacy, and by facilitating access to the world's information resources.

The functions of the National Library are derived from the National Library of South Africa Act, no 92 of 1998, Section 4 and these are:

a) i. to build up a complete collection of published documents emanating from or relating to South Africa;

ii. to maintain and extend any other collections of published and unpublished documents with the emphasis on documents emanating from and relating to Southern Africa;

iii. to promote the optimal management of collections of published documents held in South African libraries as a national resource; and iv. to supplement the national resource contemplated in subparagraph (iii) with selected documents; b) i. to record the documents contemplated in paragraph (a); and
ii. to render a national bibliographic service and to act as the national bibliographic agency;

c) to promote optimal access to published documents, nationally and internationally;

d) to provide reference and information services, nationally and internationally;

e) to act as the national preservation library and to provide conservation services on a national basis;

f) to promote awareness and appreciation of the national published documentary heritage; and

g) to promote information awareness and information literacy. In order to achieve its objects and promote the development of Library and Information services in South Africa, the National Library must, in relation to the functions referred to in subsection 1 of the act:

a) Provide appropriate information products and services.

b) Provide leadership, guidance and advice to South African libraries and information services.

c) Undertake planning and co-ordination in co-operation with other library and information services.

d) Present, in consultation and co-operation with appropriate educational institutions and professional bodies, courses of training and education relating to the functions referred to in subsection (1).

e) Undertake research and development.
f) Liaise with libraries and other institutions in and outside South Africa.

The National Library of South Africa is also guided by: i. Legal Deposit Act 54 of 1997 and its Regulations

1.6. PLANNED POLICY INTIATIVES

The National Library of South Africa (NLSA) was commissioned by the National Council for Library and Information Services (NCLIS) and the Department of Arts and Culture (DAC), to draft the Library and Information Services (LIS) Policy framework. The LIS Policy will provide guidance for the development of the sector by redressing the inequalities of the past in terms of the provision of library and information services and will strengthen libraries as true community development partners.

1.7. SITUATIONAL ANALYSIS

1.7.1 Performance Environment

In order to achieve its objects and promote the development of Library and Information services in South Africa, the National Library must, in relation to the functions referred to in subsection 1 of the act: a) Provide appropriate information products and services.
b) Provide leadership, guidance and advice to South African libraries and information services.

c) Undertake planning and co-ordination in co-operation with other library and information services.

d) Present, in consultation and co-operation with appropriate educational institutions and professional bodies, courses of training and education relating to the functions referred to in subsection (1).

e) Undertake research and development.

f) Liaise with libraries and other institutions in and outside South Africa.

The NLSA operates on three sites which complement each other. The main site is the Pretoria Campus which is the largest and also functions as the NLSA Head Office. The Cape Town Campus houses the special and rare collections and functions as a research hub used daily by scholars, researchers and the general public. Both sites offer internet access services as well as a wealth of online information available world-wide. The third site is the Centre for the Book which functions as NLSA outreach unit for the promotion of reading, writing and publishing in South Africa. The activities of NLSA on the three sites which contributes towards the achievement of the overall NLSA goals are as follows:

PRETORIA CAMPUS:
Reference and Information Services

Document Supply
Information and Communication Technology
Bibliographic Services
Training
Collections Management
Preservation and Conservation
Legal Deposit
Digitisation
Foreign Official Publications

De-acidification
International Standard Number Agency
Map collection

CAPE TOWN CAMPUS
Reference and Information Services
Training
Digitisation
Research
Document Supply
Preservation and Conservation
Special and Rare collections
Legal Deposit

CENTRE FOR THE BOOK
Outreach unit to general public
Promotion of reading, writing and publishing

1.7.2 Organisational delivery environment

The NLSA's service delivery platform is structured around core and support services. There are four areas in the institution that deliver on the core business functions stipulated in the National Library of South Africa Act, section 4 (1). In summary these are:

- **Bibliographic Services and Collections Management** coordinates all activities connected with the collection of published material, renders a national bibliographic service, creates bibliographic records for all items collected and ensures adherence to international standards by promoting universal bibliographic control through the national bibliographic agency.

- **Information Access Services**, which promotes optimal access to the collections of the NLSA nationally and internationally.
- **Preservation and Conservation Services**, which enables the NLSA to function as the national preservation and conservation library. The de-acidification plant of the NLSA is the first in Africa and enables the library to treat printed documents by prolonging the lifespan of paper.

- **Centre for the Book,** which promotes the culture of reading, writing and publishing.

The service delivery platform further provides for five (5) support service structures as strategic partners to the core business functions. The support service departments are:

- **Office of the National Librarian & CEO**, which provides dynamic leadership to all core and support services and equally engages with the Board of the NLSA as well as relevant organisations nationally and internationally.

- **Information and Communications Technology (ICT)**, which manages support and enhances the services and infrastructure of the NLSA and its affiliates in order to improve and promote access to resources through the provision of innovative technology.

- **Finance and Supply Chain Management**, which ensures sound financial management and full compliance with relevant legislation and/or regulations and sound budgeting to enable the institution to deliver on its mandate.

- **Human Resources Management**, which is set out to recruit and retain the services of suitably qualified individuals who will add value and live the shared and unified values of the NLSA.

- **Corporate and International Relations**, which ensures that the NLSA achieves visibility and impact by creating awareness of the services and products of the NLSA while building collaborations on both national and international fronts.

The NLSA operates in an environment that is dynamic and driven by technology. Limitations on financial resources hinder the need to expediently make the necessary investments in ICT and skills development for staff thereby reducing the entity to a level where it manages the status quo rather than fully executing the legislative mandate.

1.8. Overview of the 2019/20 Budget and MTEF Estimates

1.8.1 Expenditure trends to Strategic Outcome Orientated Goals (SOOGs)

The growth rate of income in the past three years prior to the 2018 budget cuts has gradually increased by an average percentage range of five (5) percent. The active and primary source of sustainable income is the Government Grant received through the Department of Arts and Culture. This income source is mainly used to fund the operations of the NLSA, with a separate capital budget made available for facilities management through the User Asset Management Plan (UAMP). Subsequent to the budget cuts on the National Government Grant, it has become apparent that the NLSA may not have the resources to effectively deliver on the mandate

The mandate of the NLSA remains unchanged, the organisation continues to collect, record, preserve and make all published and unpublished documents accessible, which emanates from and relates to South Africa. Effective performance on the task entrusted with the NLSA by the Legal Deposit Act and the National Library of South Africa Act requires a continuous investment in IT systems, equipment and support infrastructure. Our collections are increasing each year, and past collections are kept and this creates pressures on the support infrastructure available to preserve and make available that which has been collected. Consequently, the institution will be under tremendous pressure in terms of service delivery if the budget baseline is not improved to cater for the increase in collection each year. At worst the budget cuts experienced in 2018 had negative causes on the legislative priorities of the NLSA.

The statutory requirement for the NLSA to make accessible all documents that emanates from and relates to South Africa remains a focus and of strategic priority to the organisation. To succeed and ensure a broader reach of citizens and other users of the National Library collections, investment in Information Communication & Technology Systems and broad based brand awareness is critical.

The historic trends depicted by the budget highlights that in the past, much of the funding received was adequate to fund the main operations of the organisation. Should all continue in the same path and revenues from the Government Grant grow at the reduced rates, taking into account the budget cuts this income limitation will inhibit the effectiveness of the NLSA to service its mandate.

Opportunities to supplement the government grant are planned by the NLSA; this includes identifying new income streams, maximising on the current sources of revenues and prioritising our budget savings towards ensuring continuous performance of the organisation against the mandate. The returns on the implementation of these revenue streams will be gradual, and it is

likely that in the medium term, the NLSA will continue to experience the financial difficulties at hand. We also have to maintain high levels of quality spending and resource utilisation. The NLSA has control of attractive facilities located in business centres at the two cities which we are making available for hire. The venue hire includes the committee rooms for meetings, the Auditorium at both Cape Town and Pretoria. We are further investigating expansion of preservation & conservation sales services.

The costs of employee compensation remain dominant on the total funding available for the operations of the NLSA. This element of costs was on average at seventy two percent, and is expected to grow over the medium term budget period at a rate above the income growth. The NLSA is currently without a reliable asset plan or funds to service its long term obligation pertaining to the post-retirement employee benefit plan. Options are being considered, together with the Department of Arts and Culture. The option of a full settlement through a cash pay-outs or combination of cash-pay-outs and other benefits appears attractive.

Inflation continuously erode the slow growing income available to the NLSA. The impact of this to the strategic outcome orientated goals is considerable, since this have caused the NLSA to temporarily cease the purchase of monographs and hinders the expansion of other services including conserving the collections, and hinders information access .

1.8.2 Expenditure Estimates: Budget Narrative

The Expenditure estimates have been revised downwards by 3% following the expenditure cuts which the DAC communicated for the medium term 2018/19 – 2020/21. The reduction effectively left the NLSA with a projected average growth in government appropriation of 2% over the MTEF period. It follows that the funding for operational budget will be severely affected by the reduction. The NLSA was is unable to match a 7% growth rate in personnel costs as in the past without sacrificing spending on Goods and Services. Severe costs cutting measures will be are required to match price changes on the supply of goods and services and implement proposed salary adjustments.

It therefore suffices that measures to contain the cost of doing business be identified swiftly and these be communicated to the affected parties including Labour, the Department of Arts and Culture and employees. The NLSA will continue implementing budget rationing, especially on expenditure activities including telephone cost, travelling, water and electricity. Book acquisition by way of purchase will have to remain suspended for a while. Journals subscription, including other serials procured by the NLSA must be reviewed with an intent of sustaining only legal deposits and other critical subscriptions.

To respond to the pressures of the budget cuts, the NLSA will have to review the organisational structure for optimal utilisation of the human resource capital. Work responsibilities and assignments must be fair to the costs of each position identified on the organogram and this will have to be consistently applied across all programmes of the NLSA. The model adopted in the past for the hiring of unskilled or inexperienced workers must be revised. The NLSA must continue the implementation of an internship programme as a means of acquiring the supply of workers needed for business

1.8.3 Expenditure Estimates: Table of figures

Programme	Audited outcomes			Adjusted appropriation	Medium term expenditure estimates		
R thousand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Administration	44 566	136 048	148 273	66 884	70 088	96 857	65 489
Business Development	52 630	28 489	30 561	45 956	31 403	33 037	34 741
Community engagement	17 596	27 706	84 345	33 628	36 583	37 600	38 671
Total	**114 792**	**192 243**	**263 179**	**146 468**	**138 074**	**167 494**	**138 901**

Economic classification	Audited outcomes			Adjusted appropriation	Medium term expenditure estimates		
R thousand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Current payments							
Compensation of employees	**54 984**	**60 350**	**68 348**	**68 323**	**70 070**	**73 491**	**77 534**
Salaries and wages	41 538	50 206	52 678	51 071	51 817	54 325	57 314
Social contributions	13 446	10 144	15 670	17 252	18 253	19 166	20 220
Goods and services	**22 978**	**87 666**	**85 606**	**33 521**	**37 203**	**39 814**	**41 865**
Communication	2 163	1 367	1 363	1 155	1 619	1 532	1 616
Computer Services	4 028	4 997	5 229	5 729	3 785	4 500	4 748
Consultants	1 559	1 466	2 477	500	800	702	741
Contractors	6 082	5 249	5 529	6 792	7 471	7 845	8 276
Lease payments	79	52 094	56 575	11 055	12 017	12 833	13 539
Repairs and maintenance	271	294	569	-	-	-	-
Training	537	173	113	380	380	969	1 022
Travel and subsistence	1 768	2 271	1 465	430	500	1 990	2 099

Municipal charge	-	9 211	2 219	2 348	2 484	2 621	2 765
Audit fees	-	2 501	1 209	2 093	2 204	2 325	2 427
Other	3 594	4 731	4 620	3 039	5 943	4 497	4 632
Depreciation and amortisation	2 897	3 312	4 238	-	-	-	-
Losses	**1 721**	**306**	**200**	**-**	**-**	**-**	**-**
Sale of fixed assets	303	306	200	-	-	-	-
Impairments and Adjustments to Fair Value	-	-	-	-	-	-	-
Adjustments to Fair value of financial assets	-	-	-	-	-	-	-
Impairments to non-financial assets	-		-	-	-	-	-
Other	1 418	-	-	-	-	-	-
Interest, dividends and rent on land	**2 459**	**3 341**	**3 344**	**-**	**-**	**-**	**-**
Interest	2 459	3 341	3 344	-	-	-	-
Sub-total	**82 142**	**151 663**	**157 498**	**101 844**	**107 273**	**113 305**	**119 399**
Special projects	**32 650**	**40 580**	**105 681**	**44 624**	**30 801**	**54 189**	**19 502**
Mzansi Libraries On-Line project (#)	16 484	14 312	66 549	-	-	-	-
DAC Community Libraries (*)	16 145	23 965	15 986	18 477	19 502	19 502	19 502
National Lotteries Commission	21	-	-	2 604	-	-	-
Facilities Management – PTA	-	2 303	23 146	9 581	11 299	34 687	-
GRAP 103 Implementation Project	-	-	-	13 962	-	-	-
Total Expenses	**114 792**	**192 243**	**263 179**	**146 468**	**138 074**	**167 494**	**138 901**

- budget item is affected by the exchange rate fluctuation against the US Dollar

* - budget item is forecasted annually by the Department of Arts and Culture, annual business plan informs the budget forecast

Economic classification	**Audited outcomes**			**Adjusted Income budget**	**Medium term income estimates**		
R thousand	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Revenue							
Government Grants - Transfers	75 716	79 729	83 715	85 835	90 380	95 351	100 595
Government grants – Municipal charges	-	-	2 219	2 348	2 484	2 621	2 765
Government Grants – Leasing	-	-	-	11 055	11 910	12 833	13 539
Project funding	**34 641**	**46 447**	**114 358**	**44 624**	**30 801**	**54 189**	**19 502**
Mzansi Libraries On-Line	16 548	14 501	66 658	-	-	-	-
National Lotteries Commission	21	2 004	1 871	2 604	-	-	-
Facilities Management – PTA	-	4 979	22 075	9 581	11 299	34 687	-
GRAP 103 Implementation Project	-	-	4 161	13 962	-	-	-
DAC Conditional Grant	18 072	24 963	19 593	18 477	19 502	19 502	19 502
Interest and dividend	5 032	2 691	1 402	106	-	-	-
Fair value adjustment and actuarial gains	890	1 611	3 666	-	-	-	-
Legal Deposit gains	1 767	981	1 135	-	-	-	-
Coupons realised to income	242	-	-	-	-	-	-
Other Income	2 712	2 748	2 723	2 500	2 500	2 500	2 500
	121 000	195 390	265 326	146 468	138 074	167 494	138 901
Surplus/ (deficit)	**6 208**	**3 147**	**2 147**	**-**	**-**	**-**	**-**

requirements while easing the pressure on the payroll. Managerial positions must be identified for a "business process" rather than "a function" in a business process. The HR unit must explore various interventions that will ensure productivity and excellence in business operations. Wage negotiations must kick-start early and should be on the basis of fairness, honesty, mutual respect and in the best interest of the organisation. The current budget estimates, after the budget cuts, permit a five percent (5%) personnel costs increase for the financial year 2019/2020. To achieve the 5% adjustment, the NLSA opt to re-organise its workforce and avoid high vacancy rates.

Major projects

• The Mzansi Libraries on Line (MLO) project came to an end in in November 2018. The NLSA and the Department of Arts and Culture are together working on a sustainability plan to continue the life of the MLO project.

• Funding of R32 Million for the implementation of GRAP 103 was received upfront in 2017/18 from the Department of Arts and Culture. This is planned for utilisation over the three year period from 2017/18 - 2019/20. It is anticipated that the work of the project may continue beyond the planning period.

• The NLSA received its last tranche of the fund allocation from the National Lottery in 2017/18 for the digitisation-project. The project funding has ceased, and no projections are included in the budget estimates table hereunder.

PART B:
PROGRAMME AND SUB-PROGRAMME PLAN

PROGRAMME 01: ADMINISTRATION

The following sub-programmes are in Programme 01: Administration:

- Office of National Librarian & CEO
- Finance and Supply Chain Management
- Human Resources Management
- Information and Communications Technology (ICT)
- Corporate and International Relations

PROGRAMME 02: BUSINESS DEVELOPMENT

The following sub-programmes are in Programme 02: Business Development:

- Bibliographic Services and Collections Management
- Preservation and Conservation Services

PROGRAMME 03: COMMUNITY ENGAGEMENT

The following sub-programmes are in Programme 03: Community Engagement:

- Information Access Services
- Centre for the Book

2. PROGRAMME 01: ADMINISTRATION

Purpose: The purpose of this programme is to promote strategic leadership in Library and Information Services, sound corporate governance and administration support

SOOG 3: Sustained delivery on the mandate
SOOG 4: Serve as a catalyst of library and information services in the global arena.

2.1.1 Strategic objective annual target for 2018/19

Strategic objective	Audited/ Actual Performance			Estimated Performance	Medium-term Performance targets	
	2015/ 16	2016/ 2017	2017/ 2018	2018/19	2019/20	2020/21
Provide strategic leadership in the promotion and development of library and information services	4	6	6	10	10	10
To implement sound financial management and control systems	-	-	-	12	12	12
To ensure effective human capital management and promote excellence.	2	6	6	10	10	10
To strengthen and modernise information and communications technology resources and systems	-	-	-	80%	80%	80%
To promote and create awareness of the NLSA's role, products and services to stakeholders	-	-	-	45	50	55

2.1.2 Programme performance indicators - annual and quarterly targets for 2019/20

Strategic objective	Measurable Output	Performance Indicator	Annual Target	Quarterly Targets				Verification Source
			2019/20	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	
Provide strategic and executive leadership in the promotion and development of library and information services	Strategic engagements with stakeholders	Number of stakeholder engagements	10	3	3	2	2	Documentary evidence to the engagement
	To promote sound corporate governance practices	Number of Governance meetings organized	8	2	2	2	2	Attendance register and Agenda
To implement sound financial management and control systems	Clean financial administration	Number of approved Financial and procurement accountability documents	12	4	3	2	3	Approved AFS Annual Budget Procurement Plans Contract Management Reports
To ensure effective human capital management and promote excellence	High performance culture	Number of organizational performance evaluation cycles	2	0	1	0	1	Evaluation reports
		Number of employee training sessions conducted	8	2	2	2	2	Attendance registers
To strengthen and modernise information and communications technology resources and systems	Reliable and available ICT services	Percentage of system availability	95%	95%	95%	95%	95%	System generated availability report
		Percentage of functioning computers to the public	80%	80%	80%	80%	80%	Statistical Report

Strategic objective	Measurable Output	Performance Indicator	Annual Target	Quarterly Targets				Verification Source
			2019/20	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	
To promote and create awareness of the NLSA's role, products and services to stakeholders	Visibility of the NLSA	Number of internal and external engagements hosted	23	6	6	6	5	Event programme, photographs, attendance register and/or engagement report
		Number of media engagements	22	6	6	4	6	Copies of the media coverage confirmed Social media campaign reports

3. PROGRAMME 02: BUSINESS DEVELOPMENT

Purpose: The purpose of this programme is to develop, preserve and protect South African intellectual heritage

SOOG: Build, preserve, conserve and maintain a complete collection of South African intellectual heritage and render a national bibliographic service.

3.1.1 Strategic objective annual targets for 2019/20

Strategic objective	Actual/ Audited Performance			Estimated Performance	Medium-term Targets	
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
To develop, preserve and protect South African intellectual heritage	96 824	96 909	104 897	94 900	118 500	118 500

3.1.2 Programme performance indicators - annual and quarterly targets for 2019/2020

Strategic Objective	Measurable Output	Performance Indicators	Annual targets 2019/20	Quarterly Targets				Verification Source
				Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	
To collect, develop, preserve and protect the published South African documentary heritage	Acquisition of a comprehensive collection of South African heritage documents	Number of monograph publications received through the Legal Deposit Act	10 000	2 500	2 500	2 500	2 500	Monthly Heritage Asset Register of monograph publications received. Monthly statistics forms
		Number of serial publications received through the Legal Deposit Act	20 000	5 000	5 000	5 000	5 000	Monthly statistics forms of serial publications received
	Bibliographic records created	Number of publications catalogued	15 000	3 750	3 750	3 750	3 750	Cataloguers monthly statistics forms and reports drawn from WMS
	Preserve, repair and treat library collections	Number of items conserved	12 300	3 700	3 700	1 200	3 700	Monthly reports, book- repair and volumes bound registers. Bookkeeper system generated reports
		Number of newspaper pages digitised	35 000	9 000	9 000	8 000	9000	Monthly Reports and Daily statistical reporting.

4. PROGRAMME 03: COMMUNITY ENGAGEMENT

Purpose: Ensure universal access to information and promotion of the culture of reading, writing and publishing in South Africa

SOOG: Provide universal access to library and information services and develop a reading nation

4.1.1 Strategic objective annual targets for 2019/20

Strategic objective	Audited/ Actual Performance			Estimated Performance	Medium-term Targets	
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
To provide universal access to information and promote a reading nation	476 131	472 471	426 899	370 060	380 000	380 000

4.1.2 Programme performance indicators - annual quarterly targets for 2018/19

Strategic Objective	Measurable Output	Performance Indicators	Annual Target 2019/20	Quarterly Targets				Verification Source
				Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	
To provide universal access to information and promote a reading nation	Universal access to library and information services for the public	Number of users accessing library and information services	300 000	85 000	75 000	70 000	70 000	User registers
		Number of users accessing Internet facilities on-site	70 000	19 000	19 000	15 000	17 000	User registers
	Outreach programmes that promote the culture of reading	Number of book clubs established nationally	25	8	8	4	5	Signed registration forms
		Number of reading promotional events organised nationally	15	4	5	3	3	Invitations and programmes
		Number of publishing grants awarded to writers	20	0	0	20	0	Confirmation letters sent to the recipients

Annexure D: Technical indicator descriptions

Programme 01: ADMINISTRATION

Indicator Title	Number of partnership engagements with libraries and other institutions
Short Definition	National and international engagements
Purpose/importance	Collaborate, cooperate and liaise with other libraries and organisations nationally and internationally to promote library and information services.
Source/Collection of data	Invitations and agendas or programmes
Method of calculation	Number of meetings, conferences, MOUs and other engagements
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	Maintain the levels of engagement
Indicator Responsibility	Office of the National Librarian & CEO

Indicator Title	Number of Governance meetings organised
Short Definition	Board and Audit and Risk Committee meetings organised
Purpose/importance	To ensure compliance and governance within the NLSA
Source/Collection of data	Agendas and attendance registers
Method of calculation	Count number of meetings
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	To ensure compliance and governance of the NLSA
Indicator Responsibility	Office of the National Librarian & CEO

Indicator Title	Number of approved Financial and procurement accountability documents
Short Definition	These are accountability reports and statements required by legislation to be submitted to the Minister of Arts and Culture, National Treasury, and the Auditor General , which include quarterly reports, financial statements, Budgets & Procurement Plans
Purpose/importance	This performance measure indicates how effective governance is in the organisation
Source/Collection of data	Manual performance and quarterly reports
Method of calculation	Each compliance report approved by the board is calculated and it measure a unit of required performance output
Data Limitation	Dependent on the recognition of a report or statement by an enacted legislation
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Indicator monitor compliance with statutory reporting requirements, any performance less than target reflect non-compliance
Indicator Responsibility	Office of the CFO

Indicator Title	Number of organizational performance evaluation cycles
Short Definition	95% of qualifying employees evaluated for Mid-year and final performance
Purpose/importance	To enhance employee and organisational capacity through an effective performance management system
Source/Collection of data	Performance evaluation report
Method of calculation	File of employee performance evaluations forms
Data Limitation	None
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Bi-annually
New Indicator	No
Desired Performance	To achieve a high performance culture
Indicator Responsibility	Director: Human Resources Management

Indicator Title	Number of strategic employee training interventions conducted
Short Definition	Employees trained through courses/workshops organised as per approved Human Resouce training plan
Purpose/importance	Enhance critical knowledge, skills and awareness through training
Source/Collection of data	Attendance registers
Method of calculation	A list of employees who attended training is kept
Data Limitation	None
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
New Indicator	Yes
Desired Performance	High employee competence
Indicator Responsibility	Director: Human Resources Management

Indicator title	Percentage of system availability
Short Definition	Ensure the NLSA's programmes function effectively
Purpose Importance	To ensure the availability of services with minimal interruptions
Source/collection of data	System generated availability report
Method of calculation	Count the number of hours of system availability
Data limitations	No specific limitations
Type of Indicator	Output
Calculating type	Non-cumulative
Reporting cycle	Quarterly
New Indicator	No
Desired Performance	Deliver against the mandate of the NLSA
Indicator Responsibility	Director: Information and Communication Technology

Indicator title	Percentage of functioning computers to the public
Short Definition	Ensure the public computers function effectively
Purpose Importance	To ensure decent service delivery to the public
Source/collection of data	Statistical Report
Method of calculation	Count the number of units available across the quarter
Data limitations	No specific limitations
Type of Indicator	Output
Calculating type	Non-cumulative
Reporting cycle	Quarterly
New Indicator	Yes
Desired Performance	Deliver against the mandate of the NLSA
Indicator Responsibility	Director: Information and Communication Technology

Indicator Title	Number of internal and external engagements hosted
Short Definition	Internal and external engagements including events, exhibitions, meetings with stakeholders, etc. conceptualised, organised and/or hosted that promote the NLSA, its mandate, products and services
Purpose/importance	To promote the NLSA through the hosting of internal and external engagements
Source/Collection of data	Event programme, photographs, attendance register and/or engagement report as relevant
Method of calculation	Count the number of engagements hosted
Data Limitation	None
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Promote the NLSA, its mandate, products and services through the hosting of internal and external engagements
Indicator Responsibility	Director: Communications, Marketing and Stakeholder Relations

Indicator Title	Number of media engagements
Short Definition	Engagement on mainstream and on-line media platforms initiated and confirmed to enhance the profile of the NLSA
Purpose/importance	Create, promote and enhance the NLSA's profile
Source/Collection of data	Copies of the coverage confirmed and reports of the social media campaigns implemented
Method of calculation	Count the number of publicity opportunities confirmed and the number of social media campaigns implemented
Data Limitation	None
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Enhanced visibility and awareness of the NLSA through publicity in printed, broadcast and on-line media
Indicator Responsibility	Director: Communications, Marketing and Stakeholder Relations

Programme 02: BUSINESS DEVELOPMENT

Indicator Title	Number of monograph publications received through the Legal Deposit Act
Short Definition	Monographs published in or adapted for South Africa that are required to be deposited with the National Library in terms of the Legal Deposit Act
Purpose/importance	To build a comprehensive collection of monographs published in or adapted for South Africa
Source/Collection of data	Monthly heritage asset register of monograph publications received Monthly manual statistics forms
Method of calculation	Count number of monographs received
Data Limitation	None
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Acquire all published South African monographs through legal deposit
Indicator Responsibility	Director: Bibliographic Services and Collections Management

Indicator Title	Number of serial publications received through the Legal Deposit Act
Short Definition	Serial publications published in or adapted for South Africa that are required to be deposited with the National Library in terms of the Legal Deposit Act
Purpose/Importance	To build a comprehensive collection of serial publications published in or adapted for South Africa
Source/collection of data	Monthly manual statistics forms of serial publications received
Method of Calculation	Count number of serial publications received
Type of Indicator	Output
Data limitation	None
Calculative Type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Acquire all published South African serial publications
Indicator Responsibility	Director: Bibliographic Services and Collections Management

Indicator Title	Number of publications catalogued
Short Definition	Catalogue material acquired through legal deposit, purchase gifts or donations
Purpose/Importance	Create bibliographic records to facilitate access to the National Library collections and to comply with universal bibliographic control
Source/Collection of data	Monthly manual statistics forms of bibliographic records created
Method of calculation	Count number of bibliographic records created
Data limitation	None
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No

Desired Performance	Creation of the National Bibliography in compliance with Universal Bibliographic Control
Indicator Responsibility	Director: Bibliographic Services and Collections Management

Indicator Title	Number of items conserved
Short definition	Items are conserved via book binding, book repairs and De-Acidification. Book binding: Protection of collections by preventing loss of individual issues. Book repair: Basic book repairs as well as advanced restoration. De-Acidification: Preventing the deterioration and ageing of collections by prolonging the life-span of paper via the De-Acidification process.
Purpose/importance	Preserve and optimally maintain the NLSA collections.
Source/collection of data	Statistics on number of books repaired, bound and De-Acidified. Monthly reports, book- repair and volumes bound registers. Bookkeeper system generated reports
Method of calculation	Count the number of books repaired and volumes bound as well as items De-Acidified.
Data limitations	None
Type of indicator	Output
Calculation Type	Cumulative
Reporting Cycle	Quarterly
New indicator	No
Desired performance	Preserve and maintain NLSA collections
Indicator responsibility	Director: Preservation and Conservation Services

Indicator Title	Number newspaper pages digitised
Short definition	Digitisation of newspaper collections
Purpose/importance	Preserve and maintain NLSA collections
Source/collection of data	Statistics of newspaper pages digitised. Monthly Reports and Daily statistical reporting.
Method of calculation	Number newspaper pages digitised
Data limitations	None
Type of indicator	Output
Calculation Type	Cumulative
Reporting Cycle	Quarterly
New indicator	No
Desired performance	Extend the life-span of NLSA collections
Indicator responsibility	Director: Preservation and Conservation Services

Programme 03: COMMUNITY ENGAGEMENT

Indicator title	Number of users accessing library and information services
Short definition	Number of users using the library
Purpose / Importance	Provide access to library and information services
Source/Collection of data	Statistics sheet used by users to record their names at the reception area
Method of calculation	Number of users who accessed the library onsite are counted
Data limitation	Manual calculation system is open to errors
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Enhance access to library services
Indicator responsibility	Director: Information Access Services

Indicator title	Number of users accessing internet facilities on site
Short definition	Provide Internet access to the public
Purpose / Importance	Ensure optimal access to information through the Internet
Source/Collection of data	Statistics sheet used by users to record their names when booking for computers
Method of calculation	Number of users who requested the bookings
Data limitation	ICT hardware and software maintenance Manual calculation system is open to errors
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Enhanced access to the Internet by the public
Indicator responsibility	Director: Information Access Services

Indicator Title	Number of Book Clubs established nationally
Short Definition	These are book clubs established across the country for the purpose of promoting a culture of reading
Purpose/importance	Develop and promote a culture of reading in communities
Source/Collection of data	Signed registration forms
Method of calculation	Count the book clubs established
Data Limitation	None
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Develop and promote a culture of reading in communities
Indicator Responsibility	Director: Centre for the Book

Indicator Title	Number of reading promotional events organised nationally
Short Definition	These are the events to promote reading in South Africa
Purpose/importance	Develop and promote a culture of reading in South Africa
Source/Collection of data	Invitations and programmes of events organised
Method of calculation	Count the number of events organised
Data Limitation	None
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	Improve and enhance a culture of reading in South Africa
Indicator Responsibility	Director: Centre for the Book

Indicator Title	Number of writers' grants allocated to support budding writers.
Short Definition	Publishing grants allocated to budding writers
Purpose/importance	Develop and promote a culture of publishing in South Africa
Source/Collection of data	Confirmation letters sent to the recipients
Method of calculation	A list of individuals awarded a publishing grant is kept
Data Limitation	None
Type of Indicator	Output
Calculation type	Cumulative Once off
Reporting Cycle	Quarterly
New Indicator	No
Desired Performance	More budding authors supported to publish books
Indicator Responsibility	Director: Centre for the Book

Materiality and Significance Framework

January 31, 2019 - Version 2015/046/04

PROCEDURE MANUAL / POLICY GUIDE

Objective

1. To provide procedural guidance for the application of the Significance and Materiality Framework Policy, thereby enabling conformance to the approved policy.

Definitions

Company, means a juristic person incorporated in terms of the Company Act, Act No. 71 of 2008, a domesticated company, a juristic person registered in terms of Company Act, Act no. 61 of 1973 or a company incorporated in terms of any foreign jurisdiction.

Vehicle, refers to a business arrangement such as a partnership, trust, unincorporated joint venture or similar arrangements

Accountability documents, includes reports, planning documents and other similar documents by which the performance of the organisation is assessed by the Executive Authority, Legislature, National treasury, Auditor General and similar authorities (e.g. Strategic Plan, APP, Annual Report, AFS etc.)

Policy Application

Significance and Materiality

Reference to Policy	Procedure	Record document tittle
Proviso 9(a), 10(c) & 11	2. The rand value threshold shall be calculated by applying the percentages determined in the table on procedure five (5) against the Audited Financial Statements figures	Audited Financial Statement

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<table>
<tr><th>Reference to Policy</th><th>Procedure</th><th>Record document tittle</th></tr>
<tr><td></td><td>3. Transactions and arrangements that relates to dealings in assets, take-on of liability and dealings in equity shall be evaluated using the threshold calculated based on total assets
4. Transactions and arrangements that relates to the realisation of income and expenditure shall be evaluated using the threshold calculated based on total revenue
5. The determined quantitative thresholds are;
<table>
<tr><th>Element</th><th>% to be applied</th><th>Rand Value</th></tr>
<tr><td>Total Assets</td><td>2%</td><td>R3 851 732</td></tr>
<tr><td>Total Revenue</td><td>0.5%</td><td>R1 308 303</td></tr>
</table></td><td></td></tr>
<tr><td>Proviso 9(b)</td><td>6. The accounting authority shall report and obtain approval on all transactions or arrangement that pertains to the following in terms of section 54 of the PFMA
6.1 Establishment or participation in the establishment of a company [PFMA, section 54(2)(a)]
a. Any transaction that causes any interest (equity/loans) to be taken by the NLSA in the company to be established or incorporated
b. Any involvement by the NLSA in the establishment or incorporation of a company where an interest (equity/ loan) is to be acquired by the NLSA, irrespective of the degree of involvement</td><td>Submission/ MEMO to the Executive Authority</td></tr>
</table>

<table>
<tr><th>Reference to Policy</th><th>Procedure</th><th>Record document tittle</th></tr>
<tr><td></td><td>6.2 Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement [PFMA, section 54(2)(b)]
a. Any participation in a partnership, trust, unincorporated joint venture or similar arrangement that is located outside the Republic of South Africa
b. Any participation in a partnership, trust, unincorporated joint venture or similar arrangement with a rand value above the threshold determined in procedure 3,4 & 5 above</td><td></td></tr>
<tr><td></td><td>6.3 Acquisition or disposal of a significant shareholding in a company [PFMA, section 54(2)(c)]
a. Where the disposal or acquisition affects ownership control
b. Where the rights of the NLSA to pass or block a resolution is affected
c. There is a change in shareholding of at-least 20%, or will results to the acquisition of a 20% shareholding in the company</td><td></td></tr>
<tr><td></td><td>6.4 Acquisition or disposal of a significant asset [PFMA, section 54(2)(d)]
a. Acquisition or disposal of assets with a rand value exceeding the threshold determined in procedure 3 & 5 above.
b. Excluded in procedure 6.4(a) are assets classified as current assets in terms of GRAP, and those dealt with in other sections of this procedure
6.5 Commencement or cessation of a significant business activity [PFMA, section 54(2)(e)]</td><td></td></tr>
</table>

Reference to Policy	Procedure	Record document tittle
	a. Commencement or cessation of a business with total income or expected total income exceeding the threshold determine in procedure 4 & 5	
	6.6 A significant change in the nature or extent of the NLSA's interest in a significant partnership, trust, unincorporated joint venture or similar arrangement [PFMA, section 54(2)(f)] a. The change in interest in a partnership, trust, unincorporated joint venture or similar arrangement shall be considered significant if the arrangement itself was considered significant in terms of procedure 6.2 b. A change in interest in a significant arrangement, where the rand value of the interest exceed the threshold determined in procedure 3, 4 & 5 above c. Where the nature of the arrangement changes between any of the vehicles d. Any transaction resulting to a cumulative interest of 20% in the vehicle e. Any transaction that results in an increase of the cumulative interest by at-least 10% in the vehicle	Submission/ MEMO to the Executive Authority
Proviso 9(b)	7. The Accounting Authority shall promptly inform the National Treasury of any new entity which the NLSA intends to establish or in the establishment of which the NLSA takes the initiative [PFMA section 51(1)(g)]	Submission/ MEMO to the Treasury
Proviso 9(c), 12(c)	8. The accounting authority and Chairperson of the Audit Committee (TR27.1.11) shall report transactions or acts committed by the	Submission/ MEMO to the

Reference to Policy	Procedure	Record document tittle
	accounting authority or a delegated person which were not compliant to section 50.1 (a)(b) or 50.2(b) of the PFMA a. Transaction, arrangement or action was committed by a member of the AA or executive in bad faith, not in the interest of the NLSA, with gross negligence, for personal gain and/or to improperly benefit others b. The report in procedure 8 shall also be made to the Auditor General [TR27.1.11]	Executive Authority
Proviso 9(d), 12(a)	9. On request, information or facts, including those reasonably discoverable, shall be disclosed to the Minister of Arts and Culture including the legislature to which the NLSA is accountable, [PFMA, section 50(1)(c)]	
Proviso 10(a)(b)	10. Report to the Executive Authority by way of submission, motivation or any manner appropriate a. The nature of any facts or circumstances considered necessary for the evaluation of any accountability document of the NLSA, that could not be made available to an authorised recipient b. The nature of any facts or circumstances considered necessary for the evaluation of any accountability document of the NLSA, that could not be reliably stated to an authorised recipient c. To the extent possible, the quantifiable rand value of the misstatement or omission of facts or circumstances considered	Submission/ MEMO to the Executive Authority

Motivation

11. Factors considered in determining the quantitative threshold in procedure 3, 4 & 5 in terms of Proviso 11 of the Policy

a. The primary source of revenue, the NLSA is funded mainly from a transfer income received from the department of arts and culture. This is expected to remain and grow steadily over the foreseeable future.

b. Statutory compliance requirements, the NLSA is listed in the PFMA as a schedule 3A public entity and thereby required to comply with certain provision of the act and its regulation. The NLSA is governed by the National Library of South Africa Act, Act No. 92, 1998. This contributes to the compliance risks inherent to the National Library

c. The Governance structures, recent appointments were made to the governance structure of the National Library including the executives, thereby impacting the strength of the control environment. The National library has in place all assurance providers including the structures providing independent assurance, e.g. the Internal audit and Auditor General

d. Interest of stakeholders to the NLSA, a key performance indicator at the NLSA is the ability of the organisation to properly manage its finance and deliver on its mandate without committing to budget overruns. There are no expectations for the realisation of a budget surplus

The National Library of South Africa (NLSA)
Delegation of Authority

January 29, 2019

Version 2016/044/04

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ANNEXURE B: STAKEHOLDERS (Authority/body Representative)

Amendments and approval records

Issue	Amendment Description	Originator	Approved by	Date
03	Adjustment to financial delegation	CFO	Accounting Authority	08 January 2018

NSLA File Plan Number:	2016/044/03	
Delegation of Authority Policy Policy Owner: Chief Finance Officer		
Submitted by the CEO to the Board Date: 29 January 2018	Authorised by Board [Signed by Chairperson on behalf (obo) of the Board] Date: 29 January 2018	Implementation Date: 01 April 2018

Objective

1. To delegate the authority and responsibility of the board to the executive management of the NLSA and all its staff for the execution of the NLSA's legislative mandate and all its ancillary activities. To support performance against the general responsibilities of the board as stipulated in regulation 51 of the PFMA (Act no. 1 of 1999)

Scope

2. The delegation applies to matters specifically stated hereon. Any authority, responsibility or activity not included in the delegations resides with the board and are not delegated.

3. The board may in addition to the delegation hereon, instruct an official in the NLSA to perform any of the duties assigned to the board

4. The board may confirm, vary or revoke any decision taken by an official as a result of the delegation or instruction.

Legislative requirements

5. The PFMA (Act no.1 of 1999), regulation 49(1) & (2) designate the board of the NLSA as the authority accountable for the purposes of the Act

6. Section 56 of the said PFMA permits the board to delegate its powers entrusted or delegated to the board by the said Act to an official of the NLSA subject to any limitations or conditions the board may impose

7. The delegation may either be to a specific individual or a holder of a specific post in the NLSA

8. The delegation does not divest the board of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty

Strategic impact

9. The policy aims to support sound financial management and compliance with legislative requirements at NLSA, and resonates with strategic outcome orientated goal number nine. The policy will promote accountability, efficiency and service excellence in the organization

Definitions

Mother department, the Department of Arts and Culture in the Republic of South Africa

NLSA, National library of South Africa Board, board refers to the members of the accounting authority duly appointed by the Executive Authority in terms of The PFMA (Act no.1 of 1999), section 49

Executive Authority, refers to the Minister, who is the appointed cabinet member responsible for the national department of arts and culture

Absence, for the purpose of section 60 hereunder, the word "absence" is interpreted to mean that the delegate is expected not be at the place of work or will not be able to execute the function delegated during a period equal/ longer than a seven days period.

Holder of office, refers to the person appointed in the specified office/ position or a person appointed to act in the position for a period longer than six weeks

Urgent procurement, refers to where early delivery is of critical importance and invitation of competitive bids is either impossible or impractical (NB lack of proper planning does not constitute an urgent case

Emergency procurement, refers to where immediate action is necessary in order to avoid a dangerous or risky situation or misery

Solicited bids, if the product or service will be exceptionally beneficial or has exceptional costs savings for the NLSA, and the need for such procurement was previously identified by the NLSA and no other suppliers can supply the goods or services offered

Matters of authority delegated by the board

Financial Delegation

Principles of financial delegation

10. All matters delegated must be exercised and performed in accordance with approved policies and processes
11. The ranks to which the powers, activities and duties are delegated are the lowest to which the delegation apply. Incumbents of higher ranks may also exercise or perform such powers, activities and duties. Officials appointed in acting position may not exercise delegated powers unless the acting appointment is approved in writing and is for a period longer than four weeks.

12. Delegated officials must act with fidelity, honesty, integrity and in the best interest of the NLSA in managing its affairs. Must ensure full adherence to the approved policies of the NLSA
13. May not use the position or authority delegated by the board for personal gain or to improperly benefit another person

14. A delegated official may approve a commitment or expenditure within the assigned threshold or on a lesser amount

15. Expenditure commitments are subject to the availability of budget on the related item or as the board directs.

16. All amounts are VAT inclusive

Table A

Activity/ Responsibility/ Financial range	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
		Specific individual	Holder of officer	
17. shift of budget funds between programmes	CEO		✔	Subject to consultation with the relevant Budget Programme Executive Director & CFO
18. shift of budget within a	Budget		✔	Subject to consultation with

Activity/ Responsibility/ Financial range	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
programme between budget sub-programme	Programme Executive Director			the Budget Sub-programme Director & CFO
19. In year approval of budget adjustments	CEO		✔	Consultation with Executive Management. Adjusted Budget should not exceed or fall under the annual appropriation/ sponsorship
20. Investment of funds in financial assets	CFO		✔	Subject to prior endorsement by the finance committee of the board where the investment maturity period extend beyond 12 months or the financial year end
21. Writing off irrecoverable financial assets and losses	Board		✔	
22. Determination of tariffs and/or pricing	CEO		✔	Consultation with Executive Management
23. Adjustments to financial transactions (e.g. discounts, interest etc.)	CFO		✔	
24. Deviation from the SCM process – per the Treasury Regulation 16A6.4	CEO		✔	Deviation should comply with the SCM Policy. Deviation may not exceed the rand value of R500 000.
25. Condonement of Irregular Expenditure within the authority of the board	CEO		✔	May not condone or approve a Condonement with a rand value above R500 000
26. Urgent and/or emergency procurement (where it is impractical or impossible to follow the bid process	CFO		✔	All deviations =/> R1 Million must be reported to the relevant treasury and the AGSA within 10 days from date of award.
27. Approval of annual procurement plans	Board		✔	

Activity/ Responsibility/ Financial range	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
28. Unsolicited bids/ quotations	Board		✔	All unsolicited bids/ quotations. CEO may recommend approval.
29. Limited bidding – No advertisement of quotations/ bids	Board		✔	Delegation does not apply in emergency or urgent procurement.
30. Signing of contracts and/or approvals of a variation of contract terms and conditions	CEO,		✔	
	CFO & Executive Directors		✔	Contracts of a period less than 12 months and below R500 000
31. Approval of any unusual / extraordinary transaction, arrangement or event	Board		✔	
32. Disposal of assets and/or inventory including write off of non-financial assets	Board		✔	
	CEO		✔	Limited to the rand value of R500 000, and consideration of the recommendations by the asset disposal committee
	CFO		✔	Limited to the rand value of R200 000, and consideration of the recommendations by the asset disposal committee
PROCUREMENT **Expenditure threshold (VAT inclusive) - Approval of Expenditure requisitions**				
33. R1 – R2000	Budget Sub-programme Director		✔	Procurement through petty cash should comply with the petty cash policy of the NLSA.
34. R2001 – R10 000	Budget Sub-programme Director		✔	
35. R10 001 – R30 000	Budget Sub-programme Director		✔	
36. R30 001 – R200 000	Budget Sub-		✔	

Activity/ Responsibility/ Financial range	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
	programme Director			
37. R200 001 – R500 000	Programme Executive Director		✔	
38. R500 001 – R1 500 000	CEO		✔	Bid committees should evaluate and adjudicate the awards
39. Above R1 500 000	Board		✔	
40. Capital expenditure on G&S outside approved procurement plans	Board		✔	This shall not include ancillary acquisitions within the normal operations of the NLSA
PROCUREMENT **Expenditure threshold (VAT inclusive) - Approval of Purchase Orders**				
41. R1 – R30 000	Manager – Supply Chain Management		✔	
42. R30 001 – R200 000	Director: Finance & SCM		✔	
43. R200 001 – R500 000	CFO		✔	
44. Above R500 000	CEO		✔	
CREDITORS MANAGEMENT **Expenditure threshold (VAT inclusive) - Approval of financial transactions for payment**				
45. R1 – R2000	Finance Manager		✔	
46. R2001 – R10 000	Finance Manager		✔	
47. R10 001 – R30 000	Finance Manager		✔	
48. R30 001 – R200 000	Director: SCM & Finance		✔	
49. R200 001 – R500 000	CFO		✔	
50. R500 001 – R1 500 000	CEO		✔	
51. Above R1 500 000	CEO		✔	

Oversight over policy review and recommendation

Delegation principles

52. The board delegates the exercise of oversight over the review and recommendation of policies and procedures for approval by the board, as they pertains to the subjects as listed on the table hereunder
53. Policies of the NLSA should ensure that the NLSA has and maintains an effective, efficient and transparent system of financial & risk management and internal controls
54. Policies should be unified to the achievement of the strategic objectives and vision of the NLSA
55. Policies adopted must be fair, equitable, transparent and cost effective

Table B

Category of Policies / Strategies (see annexure A)	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
		Specific individual	Holder of officer	
56. Governance	Board		✔	
57. Employment	Board HR & Remuneration committee		✔	
58. Employment status and records	Board HR & Remuneration committee		✔	
59. Employee benefits	Board HR & Remuneration committee		✔	
60. Work-place Guidelines	Board HR & Remuneration committee		✔	
61. Financial Management	Board Finance committee		✔	
62. Employee relations	Board HR & Remuneration committee		✔	

Category of Policies / Strategies (see annexure A)	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
63. Core Business development	Research & Knowledge Management Committee of the board		✔	
64. E-policies	Board Information Technology Committee		✔	
65. Communication policies (external & internal)	Research & Knowledge Management Committee of the board		✔	
66. Organizational Performance Management	Board		✔	
67. Risk Management	Audit committee of the board		✔	

Stakeholder Management and Communications

Delegation Principles

68. A delegate must uphold and promote the interest of the NLSA in all interactions with stakeholders
69. Protect the image and reputation of the organization
70. Act and give comments only with the authority delegated
71. Refrain from making disparaging comments or statements that may damage the reputation of the NLSA or creates undue perceptions

Table C

Authority / Body Representative (see annexure B)	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
		Specific individual	Holder of officer	
72. Executive Authority	Board		✔	
73. Accounting Officer of the Department of Arts and Culture	CEO		✔	
74. Designated contact person at the Mother department	Executive Management		✔	
75. Oversight Committees	CEO		✔	
76. Commission of inquiry and Similar bodies	Board		✔	
77. Continental guests - Representatives of countries	CEO / Executive Directors		✔	
78. International guests – Representatives of countries	CEO / Executive Directors		✔	
79. Information Service Sector leaders and other institutional bodies	CEO / Executive Directors		✔	
80. Media and/or Public	CEO / Executive		✔	

Authority / Body Representative (see annexure B)	Employment tittle of the delegate	Delegate(select the appropriate)		Conditions for delegation, if any
		Specific individual	Holder of officer	
Galleries	Directors			
81. Workers Unions and/or other bodies with similar interest	Executive Director Corporate Service		✔	

AUTHORITY

82. Delegate may not sub-delegate any of the functions hereon stipulated except with the prior written notice. Delegated official remains accountable to the board for all sub-delegated powers and authority.
83. Any other matter not stipulated here and which is not governed by the general conditions of employment relevant to the specific delegate, resides with the board.
84. In the absence of the relevant delegate, the authority and powers delegated will revert to the board, unless another person is delegated in writing by the board
85. Delegations to a specific individual remains valid provided person is in employment with the NLSA.
86. No person shall retain the powers and authority attached to the delegation once delegation is withdrawn by the board
87. The board may with notice vary, amend, curtail or withdraw any powers assigned to a delegate in terms of this policy

END

Annexures

ANNEXURE A: POLICY CATEGORY

Table D

POLICY CATEGORY	POLICY TYPE
Governance	Policies that guides the structures of governance in the organization, such as the governance committees charters, delegation of authority, Stakeholder interaction and engagement
Employment	Polices that guides the hiring practices, employment termination, orientation of new employees, compliance with Labour relations act, and confidentiality
Employment status and records	Policies that defines on issues such as access to personnel files, guide on background checks, performance reviews, employment classification etc.
Employee benefits	Policies that explains benefits to employees, such as leave accrual and settlement, leave advances, medical aid benefits, retirement benefits, overtime work remuneration etc.
Payroll	Guidance on the administration of salaries and wages, such as approval of deductions, pay advances, pay periods, salary run dates etc.
Work-place Guidelines	Defines arrangements such as flex hours, use of company assets, work attendance, record retention, security controls, access to premises and buildings, facilities management
Financial Management	Guides financial activities such as revenue collection, disbursements, record keeping, financial reconciliations, processing of claims against the entity, budget control, procurement and contract management
Employee relations	Policies that set standards on the work-place behavior, e.g. a code of conduct, including standards on substance abuse, smoking harassment, work-place harassment and discrimination, unfair Labour practices, disciplinary processes, complaints management etc.
Core Business	Provides guidance on the required performance in line with the core business and mission of the NLSA. Defines the acceptable practice in relations to core operations and delivery on the mandate of the NLSA
E-policies	Provides guidance on the use of ICT in the organisation. This policies defines acceptable and prohibited activities, use of email and the internet
Communication (external & internal)	Policies that regulates the method of communication in the organization, both to internal and external parties, including interactions with key stakeholders
Organizational Performance	Policies that guides organizational performance planning, in year monitoring and reporting. Provides methods and process for the development of strategies,

Management	selection of performance indicators, setting milestones etc.
Risk Management	Include plans, policies and strategies for the identification and management of risks including risk mitigating controls

ANNEXURE B: STAKEHOLDERS (Authority/body Representative)

AUTHORITY/ BODY REPRESENTATIVE	STAKEHOLDER DESCRIPTION
Executive Authority	Means the cabinet member who is accountable for the national department of arts and culture (Honorable Minister)
Accounting Officer of the Department of Arts and Culture	The person appointed in terms of section 36 of the PFMA for the national department of arts and culture, who is the head of the department (i.e. Accounting Officer)
Designated contact person at the Mother department	Official(s) at the department of arts and culture appointed to liaise with the National Library on behalf of the department
Oversight Committees	Refers to the parliamentary committee responsible for the department of arts and culture, standing committee on public accounts, oversight committee in the office of the Minister and other committees with equivalent authority
Commission of inquiry and Similar bodies	A lawfully appointed commission in the republic of South Africa
Continental guests - Representatives of countries	Refers to a guest visiting the National Library or having interest to the work of the NLSA from any country in the African continent. Person may be a member of cabinet in their respective country or a lawful institution
International guests – Representatives of countries	Refers to a guest visiting the National Library or having interest to the work of the NLSA from any country in the world, excluding Africa. Person may be a member of cabinet in their respective country or a lawful institution
Information Service Sector leaders and other institutional bodies	Leaders and/or representatives of other organizations in the information service sector including relevant associations
Media and/or Public Galleries	Refers to recognized media houses, both local and international. Public assemblies and other gatherings of people
Workers Unions and/or other bodies with similar interest	Refers to organized Labour in the Republic of South Africa

RISK MANAGEMENT STRATEGY

NLSA RISK MANAGEMENT STRATEGY

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1. INTRODUCTION

1.1 There is a risk in everything that the NLSA does and each member of staff must learn how to identify risks in their work environment and how to reduce the impact of such risks. It is important for an NLSA to have a clearly established strategy in relation to risk management as it should serve as a guideline towards implementation of Risk Management processes within the NLSA and should be based on the overall approach of the NLSA towards risk and risk management.

1.2 Section 38 (1) (a) (i) of the PFMA requires the Accounting Officer to ensure that the entity has and maintains the effective, efficient and transparent systems of financial, risk management and internal controls. The Risk Management Strategy describes risk management process in the eight components below for achieving this. The Risk Management Strategy will include details of what the entity is seeking to achieve with respect to risk management and established the way in which risk management activities are aligned with the other activities in the entity and the contribution that is expected from risk management activities.

1.3 The risk management strategy and risk management implementation plan are developed together to ensure connectivity and continuity. Both documents will be presented to the Risk Management Committee for adoption and approval by the Accounting Officer and reviewed on an annual basis.

1.4 The strategy is informed by the risk management policy and the NLSA risk profile. The detailed implementation of this strategy will be covered in the annual risk management implementation plan as annexure A.

1.5 The strategy will be communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the NLSA.

2. LEGISLATIVE MANDATE AND SOURCES OF INFORMATION

2.1 The implementation of Risk Management process is been guided by the following governance prescripts:

- National Library of South Africa Act
- Public Finance Management Act 1 of 1999 ,
- Treasury Regulation March 2005
- Public Sector Risk Management Framework,
- COSO Enterprise Risk Management – Integrated Framework 2004,
- The International Standards Organisation (ISO) 31000 of 2009,
- King IV on Corporate Governance 2016
- NLSA Strategic Plans 2015-2020

3. COMPONENTS OF RISK MANAGEMENT

- Risk management is an ongoing process at every level, and consists of eight interrelated components, namely:

    - The Control Environment;
    - Objective Setting
    - Risk Identification
    - Risk Assessment
    - Risk Responses
    - Information and Communication
    - Control Activities
    - Monitoring & Reporting

3.1 Control Environment

- The NLSA's control environment is the foundation of risk management, providing discipline and structure. The control environment influences how strategy and objectives are established, NLSA activities are structured, and risks are identified, assessed and acted upon. It influences the design and functioning of control activities, information and communication systems, and monitoring activities.

- The NLSA shall at all times, promote a positive control environment, which comprise amongst others the establishment of ethical values, competence building and development of personnel, proper delegations of authority and responsibility.

- The NLSA will consider risk management processes as part of the strategic and daily operations of the NLSA. Risk tolerance level shall be adhered to for each key activity during risk assessment process. A code of conduct, policies and procedures shall be communicated to all staff members and action taken against those who fail to comply with the set policies and the code of conduct.

- A performance management system shall be put in place and implemented. Such a performance management system shall include the assessment of management on risk management.

- The NLSA shall conduct a control environment survey to assess, amongst others the following:

    - Risk Management philosophy and culture
    - Integrity and ethical values
    - Organisational structure (planning, executing, control and monitoring)
    - Delegation of authority and responsibility
    - Commitment to comply with Acts, policies and procedures.
    - Staff competency
    - Strategic Planning processes, etc.

3.2 Objective Setting

- Risk management is very crucial in strategic planning and budgetary process to ensure that strategic planning and budgetary processes are consistent with the NLSA's risk tolerance. ."Objectives must exist before management can identify events potentially affecting the achievement of their objectives. Risk and exposures shall be identified in the formulation of objectives.

- The following NLSA objectives that are for formulated at three levels (i.e. Strategic, Tactical/Programme and Operational level) will be used during the Risk Identification process.

Level 1: Objective Setting at Strategic level

In 1998, The South African Library and the state Library referred to in section 2 of the National Libraries Act, 1985 (Act No. 56 of 1985), were amalgamated to form the National Library of South Africa. The National Library consists of campuses, Pretoria (Head Office) and Cape Town. The NLSA Vision and Mission after this amalgamation is as follows:

NLSA Vision and Mission Statement

- The Vision of the NLSA
    - A world-class African National Library and information Hub.

- The Mission of the NLSA
    - We build, record, preserve, conserve and make available a complete South African documentary heritage fostering a reading nation towards an informed citizenry.

NLSA Strategic Outcome Orientated Goals

Outcome 1: Build, Preserve, Conserve and maintain a complete collection of South African intellectual heritage and render a national bibliographic service.

Outcome 2: Provide universal access to library and information services and develop a reading nation.

Outcome 3: Sustained delivery on the NLSA mandate.

Outcome 4: Serve as a catalyst of library and information services in the global arena.

NLSA Strategic Objectives

The NLSA is committed to meeting the following specific objectives:

• To contribute to socio-economic, cultural, educational, scientific, and innovation development

• Therefore, the NLSA should identify risks at a "strategic level" that might impact on the achievement of the above mentioned strategic outcome oriented goals.

Level 2: Programme Strategic Objectives

The following are the strategic objectives at a programme level

a) Administration

○ Promote strategic leadership in Library and Information Services, sound corporate governance and administration support

b) Business Development

○ Develop, preserve and protect South Africa Intellectual heritage

c) Public Engagement

○ Ensure universal access information and promotion of the culture of reading, writing and publishing in South Africa.

Therefore, based on the above strategic objectives, the NLSA should identify risks at "Programme/Branch Level" that might impact either positively or negatively on achievement of strategic objectives.

Level 3: Measurable Objectives/ Programme Performance Indicators

Measurable objectives are defined as specific quantifiable results or outcomes that can be achieved within a foreseeable time period. A measurable objective is a very specific objective linked to a programme or a sub-programme. Measurable objectives may also focus on more general operational issues.

Measurable objectives provide a basis for the formulation of programme and/ or sub-programme output and service delivery targets. Measurable objectives will therefore be used as the basis for budget allocation decisions, monitoring service delivery, and performance reporting on a quarterly and annual basis.

Therefore operational risks relating to processes, people and systems should be identified at an "operational level" that might impact either positively or negatively on achievement of measurable objectives. Examples identification of incidents, occupational health and safety risks etc.

3.3 Risk Identification

Risk identification shall be conducted at least annually, as required in terms of the prescripts of good corporate governance. The NLSA shall identify and assess risks/events that might influence (positive/negative) the NLSA in achieving its objectives. These includes strategic outcomes, strategic objectives and measurable objectives as stated in component one (1) above. Risk identification shall therefore be conducted in the form of:

• A Formal Strategic Risk Assessment Workshop (At Strategic Level).

The strategic risk identification shall be conducted during the NLSA wide strategic planning that includes the SWOT analysis because of the following reasons;

a) To align strategic risks to the NLSA strategy as well as to determine possible associated costs.

b) It is practically important to consider risks when planning or developing objectives in order to ensure proper action plans are developed; besides.

c) The risk management process entails planning, arranging and controlling of activities and resources to minimise the impacts of all risks to levels that can be tolerated by stakeholders.

• Individual Sessions For Risk Identification At (Programme Level)

This is to ensure that responsibility and accountability is established for critical risks at programme level.

This is also to ensure elimination of management controls that no longer serve a risk control function and only stifle efficiency.

• Risk Assessment of Individual Function/s Within The Sub-Programme At Operational level

Risk management must be integrated with and supportive of other processes of managing NLSA activities and shall be documented and communicated to all staff.

Such information is required to facilitate decision making and the monitoring of the operating activities and supporting processes.

The timing of the risk identification must fall before commencement of the annual budget process. This is intended to enable the financing of the risk management strategies and control systems that should be implemented in order to mitigate identified risks.

Risk shall be identified for all new activities, to ensure that adequate systems are designed to address emerging risks. Emerging risks shall be identified, documented and managed on continuous basis.

During the phase of risk identification, management shall considers both external and internal, as well as financial and non-financial factors that might influence (positively/negatively) the NLSAs in achieving its objectives. Identifying major trends and their variation over time is particularly relevant in providing early warnings.

Some external factors to be considered for potential risks include:

○ Political: the influence of international governments and other governing bodies;
○ Economic: international, national markets and globalizations;
○Social: major demographic and social trends, level of citizen engagement; and
○ Technology and 4th Industrial Revolution
○ Environmental factors-(Climate change, Global warming and climate control)

Internal factors reflect management's choices and include such matters as:

○ The overall management framework;
○ Governance and accountability frameworks;

○ Level of transparency required;
○ Values and ethics;
○ Infrastructure;
○ Policies, procedures and processes;
○ Human resource capacity; and
○ Technology.

The specific internal factors for National Library of South Africa' risk management identification shall be determined by reference to the following:

○ Strategic Objectives and Performance Plans;
○ Organisational structure and therefore the various business units;
○ Legislative and regulatory requirements;
○ Previous Financial statements, annual reports;
○ Auditor General reports;
○ Fraud and corruption related incidents;
○ Budget information;
○ Organisational Policies and Procedures etc.

Business Process Identification and Description. This includes:

a. Establishing Management objectives and plans for each functionality or business unit;

b. A description and mapping of the business processes;

c. Ascertaining critical activities within each functionality;

d. Identifying the business processes within each critical activity and

e. Identifying value drivers

Other possible methods of identifying risks, sources of risk, and areas of risk impact as well key questions that can be used to identify and control risks are attached as "appendix ii" of this framework.

Risk Categories

As the risk environment is so varied and complex it is useful to group potential events into risk categories to get a more manageable risk register with greater possibility to overview risks. By aggregating events horizontally across an institution and vertically within operational units, Management develops an understanding of the interrelationship between events, gaining enhanced information as a basis for risk assessment. It is easier to get an overview of a large number of risks if they are grouped.

A good risk categorization system assists to:

a) Simplify risk identification;
b) Identify gaps between risks;
c) Identify dependencies, redundancies and correlations between risks.

The following risk categories will be used during risk identification and risk assessment stage.

Refer to **appendix iii** for a detailed risk categories and descriptions

3.4 Risk Assessment

Risk assessment allows the NLSA to consider how potential events might affect the achievement of objectives. Management assesses events by analysing the likelihood and its impact. NLSA is required to continuously assess the risks associated with its activities. The basis for management decisions must therefore include the results of their assessments of associated risks and the expected outcomes.

The risk assessment process includes 4 steps which shall be considered during the risk assessment process:

Step 1: Quantifying the parameters (scoring system) of impact and likelihood before the actual assessment (see the example below

TABLE A : IMPACT SCALE

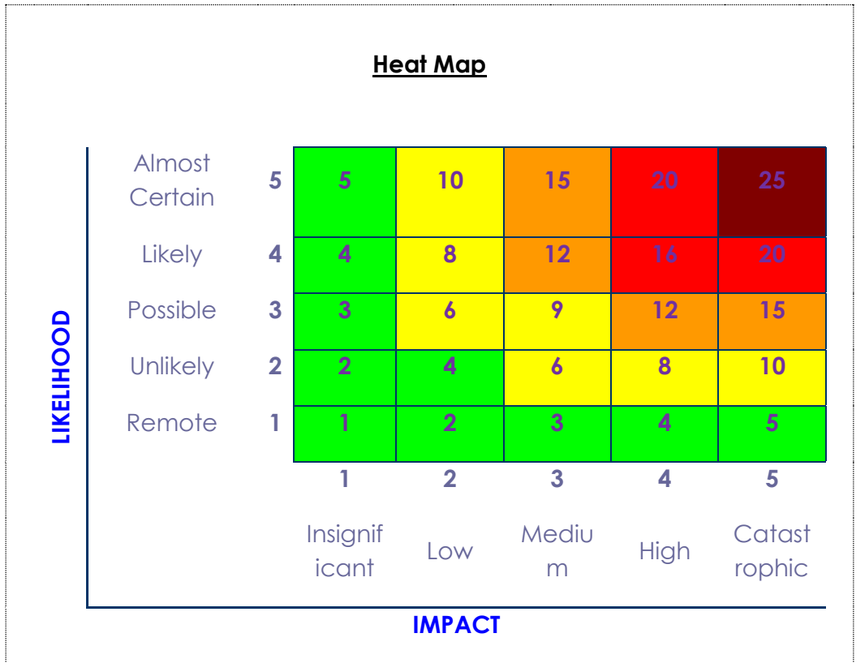
Impact: impact is the potential loss to the business should the risk materialise. Rated on a scale of 1 to 5		
Rating	**Assessment**	**Definition**
1	Insignificant	The risk will have a negligible impact on the achievement of objectives / Ignore: impact of adverse event is negligible.
2	Minor	The risk will have a low impact on the achievement of objectives.
3	Moderate	The risk will have a moderate impact on the achievement of objectives.
4	Major	The risk will have a high impact on the achievement of objectives / Major: critical event resulting executive management intervention.
5	Critical	The risk will have a significant impact on the achievement of objectives / Catastrophic: potential collapse of organisation.

TABLE B: LIKELIHOOD SCALE

Likelihood: likelihood is the probability that an adverse event, which could cause materialisation of the risk, may occur. Rated on a scale of 1 to 5		
Rating	**Assessment**	**Definition**
1	Rare	The risk is unlikely to occur even in the long run / Adverse event will not occur.
2	Unlikely	The risk is unlikely to occur in the next three years / Highly unlikely that adverse event will occur.
3	Moderate	The risk is likely to occur in the next 2-3 years / It is more likely that adverse event will occur than not.
4	Likely	The risk is likely to occur at least once in the next 12 months / Highly likely that adverse event will occur.
5	Common	The risk is already occurring or is likely to occur more than once in the next twelve months / Adverse event will definitely occur.

Step 2: Applying the parameters to the risk matrix to indicate what areas of the risk matrix would be regarded as high, medium or low risk (see the example below);

TABLE C
Heat Map



	21 - 25	Catastrophic
	16 - 20	High
	11 - 15	Medium
	6 - 10	Low
	1 - 5	Insignificant

Step 3: Determining the risk acceptance criteria by identifying what risks will not be tolerated Risk tolerance shall be set to determine the risks that are acceptable and the risks that are unacceptable and the relevant measures thereof. Risks tolerance levels of the NLSA are guided by the following grid

In order to assist in determining risk acceptability, the following thresholds will be used as guidelines

Quantitative Indicator	Qualitative Indicator	Response Option
21 – 25	Catastrophic	The risk should be avoided or action should be taken to mitigate the risk to an acceptable level
16 – 20	High	The risk should be exploited and/or mitigated to an acceptable level
11 – 15	Medium	Action should be taken to reduce risk, and kept on the register for senior management monitoring
6 – 10	Low	Acceptable risk but continue to monitor
1 – 5	Insignificant	No action should be taken or remove from the register

What is acceptable risk?

Determining that a risk is acceptable does not imply that the risk is insignificant. A risk may be considered to be acceptable because:

- The threat posed is assessed to be so low (for an example because the likelihood of occurrence is rare) that specific treatment is not necessary;
- The risk is such that the NLSA has no available treatment, for an example, the risk of a change to a particular project might occur following a change of Government;
- The cost of treating the risk is so high compared to the benefit from successful treatment; or
- The opportunities presented outweigh the threats to such an extent that the risk is justified.

Step 4: Determine control effectiveness and residual risk ratings

TABLE D: CONTROL EFFECTIVENESS

Rating	Effectiveness	Definition
0.1-0.4	Effective	Risk Exposure is effectively controlled and managed
0.41-0.7	Partially Effective	Most of risk exposure is effectively controlled and managed.
0.71-0.9	Poor/Ineffective	Control measures are ineffective.
1	No Controls	There are no current controls in place

3.4.1 Residual risk exposure (Inherent Risk x Control Effectiveness)

a) Control is very good/ always effective = 0.20

- If inherent risk rating is **25** i.e. (impact=5 x likelihood=5), then the residual risk will be **5 =** (25 X 0.2)

b) Control is poor/ ineffective = 0.90

- If inherent risk rating is 25 i.e. (impact=5x likelihood=5), then the residual risk will be 22.5 (25 X 0.9)

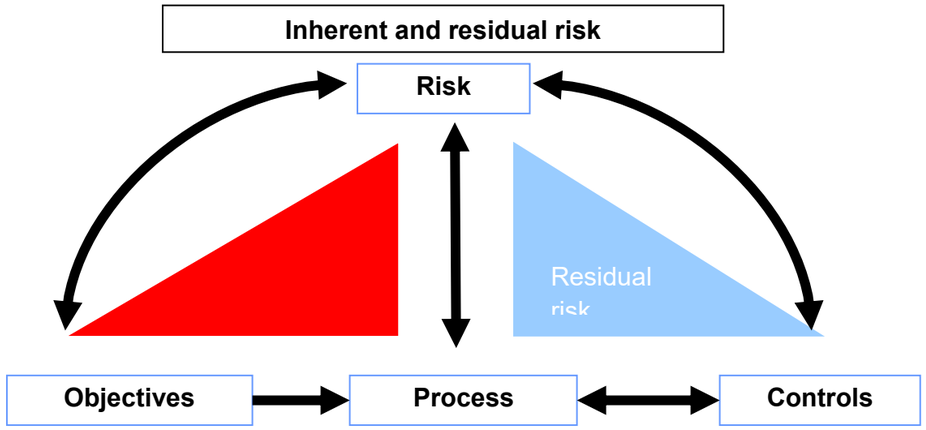
3.4.2 **Risk Tolerance**

The broad based amount of risk the institution is capable of bearing (as opposed to the amount of risk it is willing to bear).The following is an example of the rating table that will be used to categorise the various levels of residual risk.

The table below indicate the risk tolerance at a residual level.

Risk rating	Residual risk magnitude	Response
15 - 25	High	Unacceptable level of residual risk – Implies that the controls are either fundamentally inadequate (poor design) or ineffective (poor implementation). Controls require substantial redesign, or a greater emphasis on proper implementation.
8 – 12	Medium	Unacceptable level of residual risk – Implies that the controls are either inadequate (poor design) or ineffective (poor implementation). Controls require some redesign, or a more emphasis on proper implementation.
1 - 6	Low	Mostly acceptable level of residual risk – Requires minimal control improvements.

The following diagram differentiates between inherent and residual risk:



3.5 Risk Response

3.5.1 The implementation of an appropriate risk mitigation strategy will be in accordance with the authority delegated to that official in terms of the delegation of authority.

3.5.2 A key outcome of the risk identification and evaluation process including those risks that require treatment as determined by the NLSA's risk tolerance levels. However, not all risks will require treatment as some may be accepted by the NLSA and only require occasional monitoring throughout the period.

3.5.3 The purpose of responding and treating risks is to minimize or eliminate the potential impact the risk may pose to the achievement of set objectives. Risk response involves identifying the range of options for responding to risks, assessing these options and the preparation and implementation of response plans.

3.5.4 The risk response plan usually provides detail on:

a) actions to be taken and the risks they address;
b) who has responsibility for implementing the plan;
c) what resources are to be utilized;
d) the budget allocation;
e) the timeframe for implementation;
f) Details of the mechanism and frequency of review of the status of the response plan.

3.5.5 Responding to risks involves the following key steps;
a) Identify risk response options
b) Select risk response options
c) Assign risk ownership
d) Prepare risk response plans
e) Set the time line/due date for the implementation of the response plans

3.5.6 The following risk response options which are self-explanatory should be considered and can be understood to mean the following:

a) **Terminate / Risk avoidance** - take action to remove the activities that give rise to the risks. Avoiding it altogether by not investing any of the NLSA's resources

b) **Treatment / Risk reduction** – measures to reduce the threat posed by the risk, either by reducing the likelihood of the risk and/or its impact, or both.

c) **Transfer / Risk sharing** -transferring the threat by shifting the risk to another party via, for example, contracting out or insurance.

d) **Tolerate / Risk acceptance** – accepting the risk without taking any action to avoid it, but monitoring the risk and ensuring that the NLSA has the financial and other capacities to cover associated losses and disruptions.

3.5.7 In line with the responsibility for the management of risks, as outlined in risk management policy, management shall be responsible for the detection and prevention of the risks of fraud and corruption. The following key mechanisms will form part of the NLSA strategy to manage the risks of potential corruption and or fraud:
a) Fraud Risk Assessment
b) Anti-Fraud and Corruption Policy & Fraud Prevention Plan
c) Fraud Awareness Programme
d) Whistle-Blowing Mechanism
e) Fraud Detection Mechanisms
f) Strategic Partner(s) for Forensic Investigations

3.6 Control Activities

3.6.1 Risk responses serve to focus attention on control activities needed to help ensure that the risk responses are carried out properly and in a timely manner. Sound risk management and internal control framework, tailored to the specific circumstances of the entity should be part of the daily operational activities of the NLSA, and should not be viewed as something independent from the normal operational activities. Control activities may be the policies and procedures that help ensure risk management strategies are properly executed. They occur throughout the entity, at all levels and in all functions and include policies and procedures, internal controls management supervision and review, application, physical and general controls.

3.7 Information and Communication

3.7.1 The results or information collected during risk assessment will be collated and updated in the risks register. This information will be communicated through the Risk Management Committee (RMC), Audit Committee, Executive Management and the NLSA at large.

3.7.2 The risk profile of the NLSA must be communicated to all managers, including the Chief Audit Executive, in order to inform the audit plans (Risk based audit) within the NLSA. Risk Owners (Programme Managers) should communicate to their staff the results of the risk assessment (risk register) and risk levels that are acceptable to each task or activity and the strategies that are designed to mitigate the risks. The communication of the risk profile is to ensure that employees of the NLSA understand their role in order to add value towards effective implementation of risk management process.

3.8 Monitoring and Reporting

3.8.1 After Risks have been identified and assessed, action plans will be managed, discussed, reviewed at Champion Forum and reported to Risk Management Committee on quarterly basis. Risk owners will be required to submit quarterly reports to Monitoring and Compliance Unit on the management of risks in their respective programme for consolidation and reporting purposes.

3.8.2 The consolidated risk profile and the status report on management of risk will be presented to the Risk Management Committee for discussion, adoption recommendation to the Accounting Officer for approval. The risk profile shall include material risks which have significant impact on the achievement of the entity objectives and the management those risks thereof. The Risk Management Committee is responsible for evaluating and monitoring the quality and reliability of the NLSA management of risks.

3.8.3 The status on implementation of Risk Management process shall be reported to Executive Management regularly for consideration and decision making purposes and Audit Committee on quarterly basis for assurance on the efficiency and effectiveness of risk management process. Implementation on risk management process shall further be reported on other entity structure and published in annual report.

3.8.4 Performance management is a strategic approach to management that equips managers at different levels with a set of tools and techniques regularly to plan, continuously to monitor and periodically to measure and review

the performance of an Entity in terms of indicators and targets for efficiency, effectiveness and impact within their own institutions. Entity performance must be linked to individual performance management and performance management must be linked to performance improvement.

APPENDIX I

THE DEFINITIONS OF RISK AND RISK MANAGEMENT

RISK

Risk is "any uncertain event or set of circumstances that, should it occur or fail to occur, would have an effect on the ability to meet the organisation's objectives".

The main components of risk therefore are: • The probability of occurrence or non- occurrence
• The root cause of the uncertainty
• The qualitative or quantitative impact.
• Control effectiveness
The risks of the National Human Settlements shall be classified into Strategic Risks, Branch Risks, Operational Risks and Process Risks.

Strategic Risks

Strategic Risks are external and internal forces that may have a significant impact on achieving key strategic objectives. The causes of these risks include such things as national and global economics and most significantly. Often they cannot be predicted or monitored through a systematic operational procedure. The lack of advance warning and frequent immediate response required to manage strategic risks means they are often best identified and monitored by senior management as part of strategic planning and review mechanism.

Programme Risks

Risks attached to the decision-making, operations and actions at the strategic management level.

3.8.5 **RISK REPORTING PROCESS FLOW**

Authority	Accountable to	Frequency of reporting	Responsibilities
Council	DAC / Public	Quarterly	· Review reports
			· Communicate key risk information issues to DAC
			· Identify new and emerging risks
ARC	Council	Quarterly	· Review reports
			· Identify new and emerging risks
			· Communicate key risk issues to the Council
			· Identify new and emerging risks
			· Communicate key risk issues to the ARC
			· Communicate risk information issues to the organization
			· Identify new and emerging risks
CEO	Council	Quarterly	· Review reports prepared by the Chief Risk Officer
			· Closely monitor extreme risks
			· Identify new and emerging risks
Risk and Compliance Manager	CEO	Monthly	· Prepare reports
			· Gather risk information from the relevant organizational people, for example, Risk Owners
			· Identify new and emerging risks
Risk Owners (Executive Director's)	Chief Risk Officer (Compliance Officer)	Quarterly/ Monthly	· Review reports
			· Monitor and review the risks which they own
			· Prepare reports for the risks which they own

Authority	Accountable to	Frequency of reporting	Responsibilities
			· Provide the Chief Risk Officer with information on the risks which they own
			· Communicate key risk issues to the RMC
			· Identify new and emerging risks
All Other Staff	Relevant supervisor /Executive Directors (Risk Owners)	Monthly	· Provide risk information to those that request it
			· Monitor and review risks within their areas
			· Identify new and emerging risks

Operational Risks

Operational risks are inherent in the ongoing activities that are performed in an organisation. These are the risks associated with such things as the day to day operational performance of staff, the risk inherent in the organisational structure, and the manner in which core operations are performed.

Risks at operational level – attached to the daily operations of the NLSA.

RISK MANAGEMENT

Risk Management is a continuous process that can be defined as:

- The identification and assessment of actual and potential risks that the organization may be exposed to,
- Ensuring that appropriate structures, policies and procedures are in place to manage these risks, and
- The design and introduction of controls to pro-actively manage or mitigate the risk probability and impact.

This assessment requires management decisions to accept, avoid, transfer or control the risks, or a combination of these options. Risk Management also includes the identification of areas of opportunity, and therefore the risks that should be taken in pursuance of these opportunities, with appropriate strategies to mitigate against avoidable losses.

APPENDIX II

Possible Methods of Identifying Risks

- Interview/focus group discussion;
- Audits or physical inspections;
- Brainstorming;
- Survey, questionnaire, Delphi technique;
- Examination of local and/or overseas experience;
- Networking with peers, industry groups and professional associations;
- Judgmental – speculative, conjectural, intuitive;
- History, failure analysis;
- Examination of personal experience or public entity experience;
- Incident, accident and injury investigation;
- Databank of risk events which have occurred;
- Scenario analysis;
- Decision trees;
- Strengths, weaknesses, opportunities, threats (swot) analysis;
- Flow charting, system design review, systems;
- Analysis, systems engineering techniques e.g. Hazard and operability (hazop) studies;
- Work breakdown structure analysis; and
- Operational modelling.

Possible Sources of Risk

- New activities and services;
- Disposal or cessation of current activities;
- Outsourcing to external service providers;
- Commercial/legal changes;
- Changes in the economic conditions;
- Socio-political changes, like elections;
- National and international events;
- Personnel/human behaviour;
- Behaviour of contractors/private suppliers;
- Financial/market conditions;
- Management activities and controls;
- Misinformation;
- Technology/technical changes, i.e. New hardware and software implementations;
- Operational (the activity itself) changes;
- Entity interruption;
- Occupational health and safety;
- Property/assets;
- Security (including theft/fraud);
- Natural events;
- Public/professional/product liability

Possible Areas of Risk Impact

• A risk assessment should concentrate on all significant possible areas of impact relevant to the organization or activity, and may include:

- Assets and resources, including human, physical, financial, technical and information;
- Cost, both direct (including budget impacts) and indirect;
- Human resources;
- Community groups;
- Minister/Government;
- Performance of activities (i.e. How well activity performed);
- Timeliness of activities, including start-time, downstream or follow-up impacts;
- Organizational behaviour;
- Changes in entity' roles;
- Environment; and
- Intangibles.

Key questions that can be used to identify and control risks

- What, when, where, why and how risks are likely to occur, and who might be involved?
- What is the source of each risk?
- What are the consequences of each risk?
- What controls presently exist to mitigate each risk?
- To what extent are controls effective?
- What alternative, appropriate controls are available?

- What are the entity obligations – external and internal?
- What is the need for research into specific risks?
- What is the scope of this research, and what resources are required?
- What is the reliability of the information?
- Is there scope for bench-marking with peer organizations?

APPENDIX III

RISK CATEGORIES

A Risk Classification is a master list that enables the categorization of all risks identified.

Management of the Entity may recommend changes to the Risk Categories for approval by the Risk Management Committee.

Any changes to the Risk Categories will not constitute a change in the Risk Management Strategy.

APPENDIX IV

GLOSSARY OF RISK MANAGEMENT TERMS

Risk

Risk is "any uncertain future event or set of circumstances that, should it occur or fail to occur, would have an effect (either positive or negative) on the ability to meet the objectives". A risk is often specified in terms of an event or circumstances and the consequences that may flow from it. It is measured in terms of a combination of the consequences of an event and their likelihood. Note that risk is characterized by uncertainty.

Risk Assessment

Refers to overall process of identifying, analysing and evaluating risks. It may also be referred to as a "risk analysis" or risk "evaluation" and may involve a qualitative and/or quantitative assessment.

Inherent Risk

Inherent risk is the risk attached to a business process before taking into account any existing internal controls. It is a risk that exists because the process exists.

Impact

Impact refers to the significance of the effect that the identified risk may have on the activities, should management not adequately and effectively control them.

Likelihood/Probability of Occurrence

Likelihood refers to the probability of the occurrence of a risk within an activity of the process.

Risk Register

A risk register is a document record of all risks identified as part of risk assessment (also known as risk profile). It can be in a form of an electronic database

Business Unit

The business unit constitutes the various departments (programmes and sub-programmes) within the organization, as depicted in the organogram of the Entity. Business units shall include newly created departments, sections and /or divisions.

RISK CATEGORISATION TABLE

Risk Type	Risk Category	Description
Internal	Human Resources	Risks that relate to human resources of an institution. These risks can have an effect on an institution's human capital with regard to: • Integrity and honesty • Recruitment • Skills and competence • Employee wellness • Employee relations • Retention • Occupational health and safety
	Knowledge and Information management	Risks relating to an entity's management of knowledge and information. In identifying the risks consider the following aspects related to knowledge management: • Availability of information • Stability of the information • Integrity of information data • Relevance of the information • Retention • Safeguarding
	Litigation	Risks that the institution might suffer losses due to litigation and lawsuits against it. Losses from litigation can possibly emanate from: • Claims by employees, the public, service providers and other third party • Failure by an institution to exercise certain right that are to its advantage
	Loss \ theft of assets	Risks that an institution might suffer losses due to either theft or loss of an asset of the institution.
	Material resources (procurement risk)	Risks relating to an institution's material resources. Possible aspects to consider include: • Availability of material; • Costs and means of acquiring \ procuring resources; and • The wastage of material resources
	Service delivery	Every institution exists to provide value for its stakeholders. The risk will arise if the appropriate quality of service is not delivered to the citizens.
	Information Technology	The risks relating specifically to the institution's IT objectives, infrastructure requirement, etc. Possible considerations could include the following when identifying applicable risks: • Security concerns; • Technology availability (uptime); • Applicability of IT infrastructure; • Integration / interface of the systems; • Effectiveness of technology; and • Obsolescence of technology.

Business Process

The business process is a series of activities designed by management, and carried out by staff employed in a department.

Internal Control

Internal control is a "… process, effected by Entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives …" in the following categories:

- Reliability and integrity of information.
- The effectiveness and efficiency of operations
- Safeguarding of assets
- Compliance with applicable laws and regulations, policies, plans, procedures

Internal Control Environment

The control environment includes Management's philosophy and operating style; Integrity and Ethical values; Organisational Structure; Human Resource Policies and Procedures;

Third party performance	Risks related to an institution's dependence on the performance of a third party. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with an institution. Non-performance could include: • Outright failure to perform; • Not rendering the required service in time; • Not rendering the correct service; and • Inadequate / poor quality of performance.
Health & Safety	Risks from occupational health and safety issues e.g. injury on duty; outbreak of disease within the institution.
Disaster recovery / business continuity	Risks related to an institution's preparedness or absence thereto to disasters that could impact the normal functioning of the institution e.g. natural disasters, act of terrorism etc. This would lead to the disruption of processes and service delivery and could include the possible disruption of operations at the onset of a crisis to the resumption of critical activities. Factors to consider include: • Disaster management procedures; and • Contingency planning.
Compliance \ Regulatory	Risks related to the compliance requirements that an institution has to meet. Aspects to consider in this regard are: • Failure to monitor or enforce compliance • Monitoring and enforcement mechanisms; • Consequences of non-compliance; and • Fines and penalties paid.
Fraud and corruption	These risks relate to illegal or improper acts by employees resulting in a loss of the institution's assets or resources.
Financial	Risks encompassing the entire scope of general financial management. Potential factors to consider include: • Cash flow adequacy and management thereof; • Financial losses; • Wasteful expenditure; • Budget allocations; • Financial statement integrity; • Revenue collection; and • Increasing operational expenditure.
Cultural	Risks relating to an institution's overall culture and control environment. The various factors related to organizational culture include, • Communication channels and the effectiveness; • Cultural integration; • Entrenchment of ethics and values; • Goal alignment; and • Management style.
Reputation	Factors that could result in the tarnishing of an institution's reputation, public perception and image.
Economic Environment	Risks related to the institution's economic environment. Factors to consider include: • Inflation; • Foreign exchange fluctuations; and • Interest rates.
Political environment	Risks emanating from political factors and decisions that have an impact on the institution's mandate and operations. Possible factors to consider include: • Political unrest; • Local, Provincial and National elections; and • Changes in office bearers.
Social environment	Risks related to the institution's social environment. Possible factors to consider include: • Unemployment; and • Migration of workers.
Natural environment	Risks relating to the institution's natural environment and its impact on normal operations. Consider factors such as: • Depletion of natural resources; • Environmental degradation; • Spillage; and • Pollution.
Technological environment	Risks emanating from the effects of advancements and changes in technology.
Legislative environment	Risks related to the institution's legislative environment e.g. changes in legislation, conflicting legislation.

Assignment of Authority and Responsibility; Competence of personnel; and the attention and direction of the Board.

Internal Control Adequacy

Internal Control adequacy refers to the design of the processes, systems, and resource requirements by management to ensure the achievement of objectives. The design of an internal control system is largely informed by its capability to mitigate the impact of risks or the capability to exploit an opportunity.

Internal Control Effectiveness

Control effectiveness is an assessment of the effectiveness of existing controls at managing the potential impact of inherent risk. It is assessed on the bases of the existence of controls and a judgment as to their effectiveness.

Opportunity

By opportunity it is meant the management of risk on the upside, focusing on actions taken by management to increase the probability of success and decrease the probability of failure.

Potential Loss

This is the value of the assets that are at risk, before taking into account the probability of the risk occurring. It is the loss that could result if the risk occurred and was not controlled any manner.

The identification and evaluation of potential losses is extremely important in that it is used to estimate and justify the expenditure required to prevent or mitigate the risk of loss. The evaluation of potential loss requires the consideration of both tangible and intangible costs.

Residual Risk / Risk Exposure

The residual risk is the risk appetite of the organization after the adequacy and effectiveness of the controls to mitigate risk have been evaluated.

Risk Thresholds

These are the levels of risks applicable during a given financial period. It is the level of risk exposure that, in the opinion of the Risk Management Committee, is of a significant nature; the amount and the management thereof should be communicated to the Accounting Officer.

Risk Mitigation

Mitigating risk refers to risk reduction to a certain level. This takes into account those risks that cannot be eliminated entirely, but with the implementation of some control measures can be reduced to an acceptable level.

Risk Tolerance

The broad based amount of risk the institution is capable of bearing (as opposed to the amount of risk it is willing to bear).

Risk Appetite

The amount of risk that the institution is willing to accept.

BOARD CHARTER

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ABBREVIATIONS AND ACRONYMS

CEO	**CHIEF EXECUTIVE OFFICER**
DAC	**DEPARTMENT OF ARTS AND CULTURE**
DPSA	**DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**
MTEF	**MEDIUM TERM EXPENDITURE FRAMEWORK**
MTSF	**MEDIUM TERM STRATEGIC FRAMEWORK**
NLSA	**NATIONAL LIBRARY OF SOUTH AFRICA**
PFMA	**PUBLIC FINANCE MANAGEMENT ACT, Act No. 1 of 1999**
TOR	**TERMS OF REFERENCE**

1. INTRODUCTION

The National Library of South Africa (NLSA) Board Charter sets out the functions and responsibilities of the Board, along with certain matters relevant to the operations of the Board. The Board Charter is subject to the provisions of the National Library of South Africa Act, Act No. 92 of 1998, the Public Finance Management Act (PFMA), Act No. 1 of 1999, Treasury Regulations published in terms of the PFMA, King Reports for best practice, relevant policies developed by the Department of Public Service and Administration (DPSA), Protocol on Corporate Governance in the public sector published by the Department of Public Enterprises, the Department of Arts and Culture (DAC) and government priorities, including the DAC Governance Manual and Principles of Good Governance.

The 2016 King IV Report on Corporate Governance also indicates that at a minimum, the Board Charter should deal with:

- Purpose and objective;
- Roles and responsibilities of the Board;
- Access to Information;
- Communication policy;
- Chairperson's responsibilities; and
- Meeting procedure

The Board is the focal point of good governance in the NLSA**.** It is ultimately accountable and responsible for the performance and affairs of the NLSA. Delegation of authority to Board Committees or management does not in any way mitigate or dissipate the discharge by the Board and its members of their duties and responsibility. The Board also operates in accordance with set of corporate governance policies which take into account relevant best practice principles.

In general, the Board is collectively responsible for promoting the success of the NLSA by leading and directing the activities of the public entity. The Board should provide strategic guidance to the public entity, and monitor the activities and effectiveness of management. The Board members should act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the public entity, subject to the objectives set by DAC in particular and government in general.

2. PURPOSE OF THE BOARD CHARTER

The purpose of the Board Charter is to provide a concise overview of:

a) the roles, responsibilities, functions and powers of the Board, individual directors and the officials and executives of the NLSA;
b) the powers delegated to various Board committees of the NLSA; and
c) the policies and practices of the Board in respect of matters such as corporate governance, conducting of business of Directors with the NLSA, declarations and conflicts of interest, Board meeting documentation and procedures, composition of the Board and the nomination, appointment, induction, training and evaluation of directors and members of Board committees.

NLSA, ANNUAL PERFORMANCE PLAN 2019-2020

3. BOARD CONSTITUTION/RECONSTITUTION

The process of constitution or reconstitution of the Board shall be done in terms of the NLSA Act**,** the *Handbook for the Appointment of Persons to Boards of State and State Controlled Institutions* published by DPSA during January 2009, the DAC Governance Manual and other relevant government policies. In order to avoid leadership vacuum, the process of Board reconstitution of the NLSA will start six months before the term of office of the present Board members expires.

Following the process set out in the foundation legislation of the NLSA and other relevant policy documents, the DAC Minister will appoint the Board members. The screening process will be done before finalising the appointment of Board members. After appointment, the DAC will arrange the induction ceremony of Board members by the DAC Minister.

The NLSA and the DAC: Governance Unit shall keep, and update, the database of all Board members appointed by the DAC Minister.

4. STATUS OF THE BOARD

The Board of NLSA shall consist of people who achieved a distinction in the field of arts, culture and heritage or have shown special knowledge or experience in relation to some aspect of the NLSA's functions.

The Board of NLSA should be effective and efficient, comprising of Non-executive Directors in order to ensure independence and objectivity in decision making. The overall purpose of independence is to ensure that members do not have a relationship where there are, or perceived to be, matters which could interfere with a member of the Board.

A Board should have within its membership the range of expertise and skills necessary to effectively discharge its role. The main factors that contribute to the effectiveness of the Board are the overall suitability of members appointed, their success at working together and the knowledge and skills they acquire while serving as Board members.

5. AUTHORITY

5.1. The Board of the NLSA has, among others, the following authority:

5.1.1. The Board shall have unrestricted access to all NLSA information, records, documents and property.

5.1.2. The Board may, if necessary, take independent professional advice at the expense of the NLSA. In doing so the Board will not compromise any NLSA policies and procedures or any key associated legislation.

5.1.3. The Board members have, via the Chief Executive Officer (CEO) of the NLSA access to management and may meet separately with management without the attendance of respective line Directors.

6. COMPOSITION OF THE BOARD

According to section 6 of the NLSA Act, the Board consists of the following members appointed by the Minister of the DAC:

6.1 The Chairperson;
6.2 At least seven but not more than nine members appointed by the Minister in the prescribed manner: provided that the regulations prescribing the manner of appointment must apply the principles of transparency and representatively: provided further that at least one of the members has financial expertise;
6.3 The CEO of the National Library, who is *ex officio* a member of the Board; and
6.4 Executive Directors who are *ex officio* non-voting members.

A member of the Board holds office for a period not exceeding three year, and may be reappointed. No member may serve more than two consecutive terms.

Only individuals with sound ethical reputation and business or professional acumen and who have sufficient time to effectively fulfil their role as Board member, will be considered for appointment to the Board. Individuals with material enduring conflicts of interest with the NLSA that cannot be reasonably managed by the normal methods of declaration of interests and temporary recusal from meetings will not be considered for appointment.

7. RESPONSIBILITIES AND DUTIES OF THE BOARD

The primary role of the Board is providing leadership to the executive of an entity in discharging the responsibilities assigned to it under its establishment statute, the DAC policies, other relevant legislation and approved codes of good practice in governance and business behaviour. Board members of the NLSA are valued as professionals on the basis of their individual expertise, and they are not to represent the sole interest of their companies or institutions. The functions below should be read with the Governance Manual developed by the DAC.

7.1. Function of the Board

7.1.1. Functions as outlined in section 7 of the NLSA Act:

7.1.2. Run the affairs of the NLSA in line with the National Library of South Africa Act, Act 92 of 1998 establishing NLSA, the PFMA, DAC priorities, Medium Term Strategic Framework (MTSF), Medium Term Expenditure Framework (MTEF) and other relevant strategies and policies.

7.1.3. Setting broad strategy for the NLSA to meet its objectives and performance targets.

7.1.4. Ensure proper preparation of and approve strategic and annual performance plans, compliance reports, key procedures and policies.

7.1.5. Approve decisions related to strategic initiatives such as commercial ventures, significant acquisitions, internal restructures and disposals.

7.1.6. Approve the annual budget of the NLSA.

7.1.7. Ensure that NLSA follows corporate planning provided by the DAC Minister, National Treasury and the DAC management.

7.1.8 The Board may appoint such employees as are necessary to perform the functions of the National Library.

7.1.9 The Board must appoint a chief executive officer who must be responsible for the management of the affairs of the National Library and who must report on those affairs to the Board as the Board may require.

7.1.10 The chief executive officer is also the accounting officer charged with the responsibility of accounting for all money received and the utilisation thereof and is responsible for the property of the National Library. The chief executive officer of the National Library is known as the National Librarian.

7.1.11 The Board determines the remuneration, allowances, conditions of service, subsidies and other benefits of the employees of the National Library in consultation with the Department of Public Service and Administration and with the approval of the Minister granted with the concurrence of the Minister of Finance.

7.1.12 An employee maybe discharged only in terms of a decision of the Board, and the employee concerned may in the prescribed manner and within the prescribed time appeal against the discharge to the Minister, who may confirm, vary or set aside that decision, or give such other decision as the Board in the opinion of the Minister should have given.

7.1.13 An employee may, with the employee's consent and on such conditions as the Board may determine, be seconded, either for the performance of a particular service or for a period of time, to the service of the State, another state or some other person. While seconded an employee remains subject to the laws and conditions of service that apply to the employee while in the employ of the National Library.

7.1.14 After finalisation of the appointment, the Chairperson of the Board must ensure that contracts of employment and performance agreement are both concluded with the CEO within three months. Copies of these documents must be submitted to the DAC Minister.

7.1.15 The Board may invest any money not required for immediate use or as a reasonable operating balance with the Public Investment Commissioners or in such other manner as the Minister with the concurrence of the Minister of Finance may determine.

7.1.16 The Board may establish and operate a reserve fund and may deposit therein such amounts as become available from time to time.

7.1.17. Setting NLSA's values and standards of conduct and ensuring that these are adhered to, in the interest of stakeholders, employees, customers, suppliers and communities in which it operates and generally safe guarding the reputation of the NLSA.

7.1.18. Provide leadership of the NLSA within a framework of prudent and effective controls which enable risk to be assessed and managed.

7.1.19. Setting the direction, strategies and financial objectives and ensuring that the necessary resources are available for NLSA to meet its mandate and obligations.

7.1.20. Always act in the best interest of the NLSA.

7.1.21. Ensuring the business of the NLSA remains a going concern. The Board should record the facts and assumptions on which it relies to conclude that the business will continue as a going concern in the financial year ahead and if it is decided that it will not, which steps the Board should take to remedy the situation.

7.1.22. Respond to all oversight role function required by the DAC Minister, including compliance with all relevant prescripts.

7.1.23. Prepare a disclosure report for the annual report and other reports as required by the National Treasury, DAC guidelines and government.

7.1.24. Comply with other functions as outlined in the DAC Governance Manual.

7.1.25. Provide effective leadership on an ethical foundation and ensure effective management of ethics.

7.1.26. Ensure committees are effective and fulfil their mandates.

7.1.27. Responsibility for Information Technology and Communication

(ITC) governance.

7.1.28. Responsibility for risk management.

7.1.29. Ensuring an effective and independent risk based Internal Audit (IA)Function.

7.1.30. Board should appreciate that stakeholder perceptions affect NLSA reputation (stakeholder management responsibilities).

7.1.31. Responsibility over compliance with laws and regulations.

7.1.33. Board should discuss the results of performance evaluation of the board at least once every year.

7.1.34. Ensuring disputes are resolved as effectively, efficiently and expeditiously as possible and in compliance with all relevant legislation.

7.1.35. Monitoring of the relationship between management and stakeholders of NLSA.

7.2. Functions of the Chairperson

The main role of the Chairperson is to lead meetings of the Board. This leadership role is largely influenced by the size of the public entity and composition of the Board. Leadership from the Chairperson is more critical where the number of Board members is large or composed of representatives of multiple interest groups. The functions (not limited) are as outlined below:

7.2.1. Steer the business of the NLSA through all Board meetings.

7.2.2. Setting the ethical tone for the Board.

7.2.3. Direct the affairs of the NLSA**.** The primary role of the chairperson is to provide leadership to the Board in discharging the responsibilities assigned to it under its establishment statute, other relevant legislation, policies, strategies and codes of good practice in governance and business behaviour.

7.2.4. To manage the process of signing performance contracts by executive managers of the NLSA**.** The performance contract should include issues such as restraint-of-trade clauses (especially if there are institutions in competition with the NLSA) and the overall condition of employment.

7.2.5. Ensuring that the performance of the executive management of NLSA and the Board is regularly assessed and monitored.

7.2.6. Ensure that Board members work as a team.

7.2.7. Meet with the DAC Minister at least twice a year to give feedback on overall performance of the NLSA Board.

7.2.8. Attend Chairperson's Forum, chaired by the DAC Minister.

7.2.9. Ensure that strategic and annual performance plans and annual reports are tabled in Parliament as prescribed.

7.2.10. Ensure that the shareholder's compact is signed with the DAC Minister before start of a financial year (that is before 31 March each year).

7.2.11. Continuously updating the Board's Guide to Good Governance, the document designed by the Chairperson of the Board to help any newly appointed Board member to understand readily the key responsibilities and expectations associated with their role.

7.2.12. Manage and lead the Board's relationship with DAC Minister and the CEO.

7.2.13. Assigning Board members to various committees established by the NLSA Board. Based on Board profile also appoint the Chairpersons for these committees.

7.2.14. Share minutes of the Board and committees with the DAC Minister.

7.2.15. During the Board reconstitution process, submit to the DAC Minister a list of all Board members eligible for reappointment. The list should be submitted to the Minister six (6) months before the term of office of the present Board expires.

7.2.16 Determining and formulating (in conjunction with CEO and the Board Secretariat) the annual work plan for the board and playing an active role in setting the agenda of board meetings.

7.2.16. Ensuring board members are appropriately educated in their duties and responsibilities and that a formal programme of continuing professional education is adopted at board level.

7.2.17. To maintain regular dialogue with the Chief Executive Officer/National Librarian in respect of all material matters affecting the NLSA and to consult promptly with the other Board members when considered appropriate.

7.2.18. Ensure that Executive Management and Board Members play a full contrastive role in the affairs if the NLSA and take a leading role in the process for removing underperforming or unsuitable members from the Board.

7.3. Functions of the Individual Members of the Board

In addition to paragraph 6.1 above, each member should also adhere to the following functions.

7.3.1. Always act in the best interest of NLSA and treat confidential information as such.

7.3.2. Ensure that a member has time devoted to the execution of duties as reflected in the National Library of South Africa Act.

7.3.3. Practice principles of good governance.

7.3.4. Be informed about the financial, social and political milieu within which NLSA operates.

7.3.5. Never permit a conflict of duties and interest to occur and must disclose potentialconflicts of interest at the earliest opportunity.

7.3.6. Comply with other functions as outlined in the DAC Governance Framework.

7.3.7. At all times conduct themselves in a professional manner, having due regard to their fiduciary duties and responsibilities to the NLSA.

7.3.8. Uphold the core values of confidentiality, integrity and independence in all dealings on behalf of the NLSA.

7.3.9. Ensure that they have sufficient time available to devote to their duties as a Director.

7.3.10. Be diligent in discharging his duties to the NLSA and seek to acquire a broad knowledge of the NLSA's business so as to be able to provide meaningful direction to it.

7.3.11. Keep abreast of changes and trends in the business environment and markets, including changes and trends in the economic, political, social, technology and legal climate generally, which may impact on the NLSA's business.

7.3.12. Use their best endeavours to attend all Board meetings, to read all necessary documentation and prepare themselves thoroughly in advance of Board meetings. Directors who are unable to attend a scheduled meeting must advise the Chairman or the Board Secretariat in writing, in advance of a meeting.

7.3.13. The Board shall allow every Director to play a full and constructive role in its affairs. Directors shall accordingly participate fully, frankly and constructively in Board discussions and other activities and shall endeavour to bring the benefit of their particular knowledge, skills and abilities to Board discussions.

7.3.14. As Directors are individually and collectively accountable for compliance by the NLSA with its statutory and regulatory obligations, every Director should endeavour to be conversant with the statutory and regulatory framework within which the NLSA operates.

7.3.15. The Board may recommend to the Minister that any Director who fails to attend at least 75% of scheduled Board or Committee meetings without valid reasons be called upon to relinquish his directorship.

7.3.16. It is recorded that the maximum levels of remuneration payable to Directors are determined by the Minister in agreement with the Minister of Finance.

7.3.17. The Board shall adopt a formal Conflicts of Interests Policy in terms of which conflicts are defined and appropriate procedures for dealing with conflicts are prescribed. As a minimum, such a policy must state that Directors recuse themselves from discussions or decisions on matters in which they have a conflict of interest.

7.3.18. Directors are required to inform the Board through the Board Secretariat in advance, of any conflicts or potential conflicts of interest they may have in relation to particular items of business to be transacted at a meeting.

7.3.19. Directors may not vote and must not be counted in the quorum of a meeting to pass a resolution in respect of any business where they have a direct or indirect interest;

7.3.20. If any Director wilfully or negligently fails to disclose an interest as required above or, subject to the provisions of the NLSA Act, if he participates in the proceedings of the Board notwithstanding any conflict of interest, the relevant proceedings of the Board may, at the discretion of the other Directors be declared null and void. This shall be in addition to any other sanction that the Board may collectively apply in respect of the errant Director, which sanction may include a recommendation to the Minister that such Director be removed from the Board;

7.3.21. In exceptional circumstances, the Board may decide that, in the light of interests disclosed by a Director, such Director shall not be entitled to receive any further information on any particular matter before the Board and shall instruct the Board Secretariat accordingly. A Director who is aggrieved by the Board's decision in this regard shall be entitled to make representations to the Board who will refer the matter to an independent governance expert whose decision shall be final and binding on the parties.

7.4. Functions of the Board Secretariat

A Board secretary must be appointed to attend and minute all Board meetings. The Board secretary should have a detailed knowledge of the establishing legislation of the NLSA and other legislation and government policies that affect the National Library of South Africa. Apart from the administrative responsibilities the Board secretary will among other things:

7.4.1. Facilitate professional development programs of the Board.

7.4.2. Advise the Board on implementation of corporate governance programmes.

7.4.3. Advising members on legal obligations of members and of the public entity.

7.4.4. Ensure that Board procedures are followed and reviewed regularly.

7.4.5. Ensure that the applicable rules and regulations for conduct of the affairs of the

Board are complied with.

7.4.6. Maintain statutory records in accordance with legal requirements.

7.4.7. Provide the Board as a whole and individual Board members with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the NLSA and on good governance.

7.4.8. Keep abreast of, and inform the Board of current corporate governance thinking and practice.

7.4.10. Advise the Board on all legal and regulatory matters, including legal frameworks and processes.

7.4.11. Advise the Board with respect to all regulatory filing and public disclosure relating to the NLSA's governance processes.

7.4.12. Assist with director induction and training programmes.

7.4.13. Ensure that the Board Charter and the terms of reference of Board committees are kept up to date.

7.4.14. Prepare and circulate Board and Board committee papers.

7.4.15. Elicit responses, input, feedback for Board and Board committee meetings.

7.4.16. Assist in drafting annual work plans.

7.4.17. Ensure preparation and circulation of minutes of Board and committee meetings.

7.4.18. Assist with the evaluation of the Board, committees and individual directors.

7.5. PFMA Responsibilities of the Board

Sections of the PFMA dealing with: annual budgeting, general responsibilities of the accounting authorities, fiduciary duties of accounting authorities, annual report and financial statements, submission responsibilities of accounting authorities and any other relevant sections of the PFMA

7.6 Board Committee Chairperson's Responsibilities

The chairpersons' duties and responsibilities include, but are not limited to, the following;
The Chairperson shall:

7.6.1 In consultation with the CEO, Board Secretary or other board or committee members, schedule dates, times and location for meetings.

7.6.2 Ensure meeting are called and held in accordance with the organisations' mandate, terms of reference or by-laws.

7.6.3 In consultation with the CEO, Board Secretary, and/or other board or committee members establish and confirm an agenda for each meeting.

7.6.4 Ensure the meeting agenda and relevant documents are circulated to the members of the committee 3-5 days in advance of the meeting.

7.6.5 Officiate and conduct meetings.

7.6.6 Provide leadership and ensure committee members are aware of their obligations and that the committee complies with its responsibilities.

7.6.7 Ensure there is sufficient time during the meeting to fully discuss agenda items.

7.6.8 Ensure that discussion on agenda items is on topic, productive and professional.

7.6.9 Ensure minutes are complete and accurate, retained, included and reviewed at the next meeting.

7.6.10 Chair in-camera meetings as required.

8. BOARD COMMITTEES

The Board may nominate one or more committees, which may subject to its instructions perform those functions of the Board that the Board may determine. The Board shall not be absolved from any functions performed by any of the committees. Delegating authority to the committees or executive management does not mitigate or dissipate the discharge by the Board of their duties and responsibilities.

The Board committees may consist of any member of the Board, an employee of the entity, persons with suitable skills or experience, who must be paid such allowance as the Board, in consultation with the Minister, may determine. A member of the Board may not serve on more than four committees.

Each committee will be guided by the Terms of Reference (TOR) developed by the NLSA Board.

The Board has the following committees:

- Audit and Risk Committee
- Finance Fundraising and Marketing Committee
- Human Resources and Remuneration Committee
- Research, Knowledge Management and Community Engagement Committee
- Information and Communications Technology Strategic Committee

10. CONFLICT OF INTERST

Board members may not place themselves in a position in which their personal interests conflict or may possibly conflict with their duty to act in the best interests of the NLSA.

11. ACCESS TO INFORMATION

The Board members are entitled to full access to information required to discharge its duties. It is the responsibility of the Board secretariat to assist the Board members in this regard.

12. MEETINGS OF THE BOARD AND COMMITTEES

Board meetings are key part of the effective leadership of the NLSA. It is the responsibility of the chairperson to ensure that the meetings make effective use of the time and skills of the members and produce outputs in accordance with the public entity's objectives.

The Board shall, have at least four (4) meetings per annum, and the Board Committees at least two (2) per annum. The Chairperson may at any time convene a special meeting of the Board, and he/she must determine the time and place of the meeting. There should be a disclosure in the annual report regarding the number of Board/committees meetings held in a year and details of attendance of each member. The Board shall determine the procedure of its meetings.

A representative quorum for meetings is a majority of its members of which not less than the majority of directors shall be non-executive.

The Chairperson or, in the Chairperson's absence, a member of the Board/committee elected by the members present must preside at a meeting of the Board/Committee.

Directed by the Chairperson, the secretary of the Board is responsible for arranging meetings of the Board and distribution of agenda and Board packs. Board packs should reach members fourteen (14) days prior to the date of the meeting.

Minutes of all meetings should be distributed for review by members of the Board within ten (10) days of the meeting. Chairperson shall sign all minutes as evidence of approval. The minutes of the meetings shall, once ratified by the Board, be bound in a minute book

Minutes of the all Board meetings shall, within six months, be shared with the Minister by the Chairperson of the Board.

13. ASSESSMENT

13.1. Self- Assessment

The Board and Board Committees shall conduct self-assessmentannually. The Chairperson will assess the performance of the individual Board members and the Board members shall evaluate the Chairperson.

In addition to these internal regular performance and effectiveness evaluations, the DAC, through the office of the Minister, shall also assess the performance of the Board annually. The terms of reference of such assessments shall be determined by the DAC Minister in the Board Assessment Guide developed by the DAC. The Guide outlines the evaluation processes to be followed by both the DAC and its public entities.

13.2. Assessment of the Chief Executive Officer (CEO)

The Board shall develop a CEO assessment tool that could be used to assess the contractual performance agreement of the CEO. The report produced shall be shared with the Minister responsible for Arts, Culture and Heritage.

14. BOARD RESOLUTIONS

A decision of the Board shall be taken by resolution of the majority of the members present at any meeting of the Board or by round-robin, and, in the event of an equality of votes, the Chairperson shall have a casting vote in addition to his/her deliberative vote.

The Board resolution may be signed by 51% to constitute a quorum.

15. DECLARATION OF AUTHORITY

The matters specifically reserved for the Board under the Delegation of Authority include decisions about NLSA strategy, annual performance plans, budget, annual financial statements, succession planning (especially of CEO and Management), remuneration and other relevant policies of the NLSA.

16. CONFIDENTIALITY

Every member of the NLSA Board must sign confidentiality agreement. The agreement prohibits the disclosure of any protected information received through participation in the Board activities (information received orally or in writing). The Chairperson of the Board will ensure that everyone participating in the activities of the NLSA Board meetings, telephone, e-mail exchange, or any form of communication has received clear instructions on the confidentiality of the proceedings.

17. GENERAL

The Board may obtain independent professional advice if considered necessary.

The Charter shall be reviewed annually or where required and appropriate.

18. ATTACHMENTS

18.1 The National Library of South Africa Act (Act 92 of 1998)

18.2 Legal Deposit Act, 1997 (Act 54 of 1997)

18.3 PFMA Section 50: Fiduciary Duties of Accounting Authorities
Section 51: General Responsibilities of Accounting Autorities

Board Chairperson _____ **Date** 29 January 2019

PRETORIA
Physical Address
228 Johannes Ramokhoase (Proes) Street
Pretoria, 0001
South Africa

Postal Address
Private Bag X990
Pretoria, 0001
South Africa

T: +(27) 12 401 9700
F: +(27) 12 325 5702
E: infodesk@nlsa.ac.za

CAPE TOWN
Physical Address
5 Queen Victoria Street
Cape Town, 8001
South Africa

Postal Address
P.O. Box 496
Cape Town, 8000
South Africa

T:+(27) 21 424 6320
F:+(27) 21 423 3359
E: info@nlsa.ac.za

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