

Foreword by Chairperson of the Council

The South African Heritage Resources Agency (SAHRA) is a schedule 3(a) public entity established in terms of the National Heritage Resources Act No 25 of 1999 under the auspices of the National Department of Arts and Culture. As the custodian of the national estate, the vision and mission of SAHRA seek to position the Entity as a premium heritage brand with a global footprint.

Following a series of consultations, the SAHRA Council together with the Management Team developed a 2016/17 Annual Performance Plan (APP) to consolidate gains made in the 2015/16 financial year. This plan, through the identification of strategic priorities guarantees the Entity's continuity, growth and development. The tenets of this plan include but not limited to building a knowledge organisation through which the development of human capital will be paramount. The following strategic outcomes will define the SAHRA strategic direction in the next five (5) years:

1. Regulated and protected heritage resources;
2. Social cohesion and upliftment;
3. Dynamic functional networks;
4. Integrated developmental programmes;
5. Financial sustainability;
6. Well-governed performing organisation; and
7. Professional and capacitated Heritage Resources Management sector.

In realising the above, the APP has been translated into key actionable items with measurable targets and clearly defined indicators in line with the Entity's strategic objectives which are aligned to the Department of Arts and Culture's broad strategy for the Arts, Culture and Heritage Sector, the State's policy environment and development priorities, including the National Government's Outcomes as contained in the National Development Plan.

The 2016/17 APP has to ensure that the Entity continues to improve performance against the strategic objectives in its 2015-2020 Strategic Plan. The key focus for the 2016/17 financial year will be leaning more towards ensuring that the Entity sets performance standards that will improve service delivery through achievement of the following:

- Improve key performance indicators to be more specific, measurable, attainable, realistic and time bound
- Refocus attention to core business i.e. heritage resources management, through defining our value chain
- Identification of Strategic Issues in Support Service that will ensure core business enhances service delivery

SAHRA will continue to motivate for greater resources in order to fulfil its legislative mandate. However, with heritage being identified as a socio-economic growth and development contributor, we as an Entity hope to unlock the embedded potential within the preceding statement.

On behalf of SAHRA Council, it is with gratitude that this Annual Performance Plan document is presented as an achievable realistic roadmap that seeks to attain SAHRA's strategic objectives and commitment to preserve the heritage and culture of South Africa for future generations.




Mr Fanie Makhanya
SAHRA Council Chairperson

OFFICIAL SIGN-OFF


It is hereby certified that this Annual Performance Plan:

1. Was developed by the Management of the South African Heritage Resources Agency (SAHRA) under the supervision of the SAHRA Council as per the dictates of the National Heritage Resources Act no. 25 of 1999 under the guidance of the Department of Arts and Culture;
2. Takes into account all the relevant Acts, legislations, policies and other mandates for which SAHRA is responsible; and
3. Accurately reflects the strategic outcome orientated goals and objectives which SAHRA will endeavour to achieve over the period 01 April 2015 – 31 March 2020.

Ms Veliswa Baduza
Chief Executive Officer

Signature:  _____

Ms Catherine Motsisi
Chief Financial Officer

Signature:  _____

APPROVED BY:

Mr Fanie Makhanya
Chairperson of Council

Signature:  _____

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ACRONYMS AND DEFINITIONS

ACH	Art, Culture and Heritage
B-BBEE	Broad-based Black Economic Empowerment
CEO	Chief Executive Officer
CGICT	Corporate Governance Information and Communication Technology
DAC	Department of Arts and Culture
DEA	Department of Environmental Affairs
EIA	Environmental Impact Assessment
GRAP	Generally Recognised Accounting Practice
IT	Information Technology
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NEMA	National Environmental Management Act (Act no. 107 of 1998)
NGO	Non-Governmental Organisation
NHRA	National Heritage Resources Act (Act no. 25 of 1999)
PAIA	Public Access to Information Act (Act no. 2 of 2000)
PFMA	Public Finance Management Act (Act no. 1 of 1999 as amended by Act no. 29 of 1999)
SAHRA	South African Heritage Resources Agency
SADC	Southern African Development Community
SAHRIS	South African Heritage Resources Information System
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBA	To be agreed

PART A: STRATEGIC OVERVIEW

SAHRA is a statutory organisation established by the National Heritage Resources Act, No. 25 of 1999, as the national administrative body responsible for the protection of South Africa's cultural heritage. It is the implementing agency of the Department of Arts and Culture.

It is a legislative requirement that all government institutions and entities periodically review their strategic plans in order for them to remain relevant and to be responsive to their legislative mandates.

It is against this background that SAHRA has conducted its strategic review in 2014 with emphasis on reshaping its future to ensure improved performance. Subsequently, a revised 2015-2020 Strategic Plan was approved by Council. The 2016/17 Annual Performance Plan is the second operational plan in the implementation of the Strategic Plan.

The section below provide the deliberations made during the strategic planning workshop in the form of the strategic intent of SAHRA as follows;

1. VISION

"A nation united through heritage"

2. MISSION

Our mission in fulfilling our mandate is promoting social cohesion in our country by:

- Identification, conservation and management of heritage resources in South Africa so that they can contribute to socio-economic development and nation building;
- Developing norms, standards and charters for the management of heritage resources in South Africa and codes of international best practices; and
- Contributing to skills and knowledge production and transformation in heritage resources management in South Africa and beyond.

3. VALUES

Underpinned by the Batho-Pele and belief set (***We belong, We care and We serve***) SAHRA will subscribe in all that it does, to the following institutional values:

Value	Behaviour
<p>Accountability We take responsibility for our decisions and actions both negative and positive.</p>	<ol style="list-style-type: none"> 1. Do what we say, and own what we do. 2. Give and receive feedback focusing on the issue. 3. Understand impact of own behaviours on self, others and the institution.
<p>Teamwork and co-operation We work together to achieve the best performance in line with organisational goals.</p>	<ol style="list-style-type: none"> 1. Listen to and respect shared and/or expressed perspectives. 2. Support, implement and follow through on team decisions. 3. Challenge constructively by focusing on the facts.
<p>Respect We value the diversity and unique contributions, fostering a trusting, open and inclusive environment.</p>	<ol style="list-style-type: none"> 1. Treat one another with dignity and respect. 2. Show willingness to understand without being judgmental.
<p>Transparency We disclose and make available all information required for collaboration, co-operation and informed decision making.</p>	<ol style="list-style-type: none"> 1. Communicate with frankness, transparency and consistency.
<p>Service Excellence We go the extra mile, by exceeding expectations in terms of the quality of our work and adherence to deadlines.</p>	<ol style="list-style-type: none"> 1. Take constructive action. 2. Follow up on performance. 3. Benchmark ourselves against the best in our industry.
<p>Integrity and ethics We are truthful, open and honest in everything we do.</p>	<ol style="list-style-type: none"> 1. Match our behaviours to our words. 2. Demonstrate honesty in all our dealings. 3. Moral principles govern our behaviour.
<p>Professionalism We maintain a high level of proficiency and strive towards excellence in everything we do.</p>	<ol style="list-style-type: none"> 1. Act in a responsible and professional manner. 2. We will be focused on timeous problem solving and service delivery.
<p>Accessibility We ensure that our facilities are easy to find and use and that our services are available to as many people as possible.</p>	<ol style="list-style-type: none"> 1. SAHRA and our facilities will be accessible at all times to stakeholders and communities.
<p>Communication We regularly impart information to our staff, communities and stakeholders through all mediums possible.</p>	<ol style="list-style-type: none"> 1. We believe in open, informative, transparent channels and mediums of communication.
<p>Trust We are reliable and truthful in our conduct.</p>	<ol style="list-style-type: none"> 1. Our relationships and interactions are based on trust. 2. We demonstrate that we are trustworthy and take actions to maintain this trust.

All employee behaviour and actions are to be governed and shaped by these values.

4. LEGISLATIVE AND OTHER MANDATES

SAHRA is a Schedule 3A public entity as per the Public Finance Management Act No. 1 of 1999 (PFMA). It identifies, conserves, protects and promotes our national heritage resources for the greater good of our society and humanity and contributes to Outcome 14 of the NDP: **Social cohesion and nation building**.

As outlined in the **NHRA preamble** preservation and protection of our heritage is a catalyst and it:

- Encourages communities to nurture and conserve their legacy;
- Defines cultural identity;
- Lies at the heart of our spiritual well-being;
- Has the power to build our nation and the potential to affirm our diverse cultures;
- Shapes our national character;
- Celebrates our achievements; and
- Contributes to redressing past inequities (Preamble NHRA, 1999).

Other acts that relate to heritage resources management include but not limited to:

- National Heritage Council Act (Act No. 11 of 1999)
- Cultural Institutions Act (Act No. 119 of 1998)
- Revised White Paper on Arts, Culture and Heritage: Version 2 (4 June 2013)
- South African Geographical Names Council Act (Act No. 118 of 1998)
- National Library of South Africa Act (Act No. 92 of 1998)
- South African Library for the Blind Act (Act No. 91 of 1998)
- National Film and Video Foundation Act (Act No. 73 of 1997)
- National Arts Council Act (Act No. 56 of 1997)
- Legal Deposit Act (Act No. 54 of 1997)
- National Archives and Record Service of South Africa Act (Act No. 43 of 1996)
- Pan South African Language Board Act (Act No. 59 of 1995)
- Culture Promotion Act (Act No. 35 of 1983)
- Heraldry Act (Act No. 18 of 1962)
- World Heritage Convention Act (Act 49 of 1999)
- National Environmental Management Act (Act no. 107 of 1998)

Other relevant legislation includes:

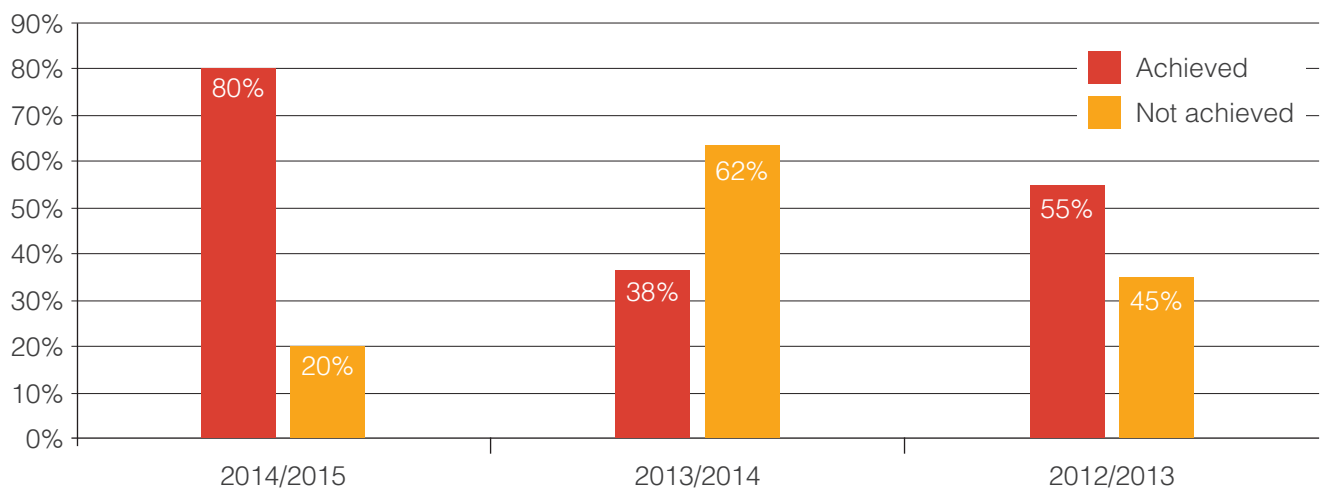
- The Constitution of the Republic of South Africa, 1996
- Public Finance Management Act (Act No. 1 of 1999)
- The Annual Division of Revenue Acts
- Basic Conditions of Employment Act (Act No. 75 of 1997 as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)
- Skills Development Act (Act no. 37 of 2008)
- Government Immovable Asset Management Act (Act no 19 of 2007)

5. SITUATIONAL ANALYSIS

SAHRA has achieved most of its planned targets based on its mandate as enacted in the National Heritage Resources Act (NHRA). However there is room for improvement with respect to the effective planning and coordination of activities within all three spheres of government.

5.1 Performance environment

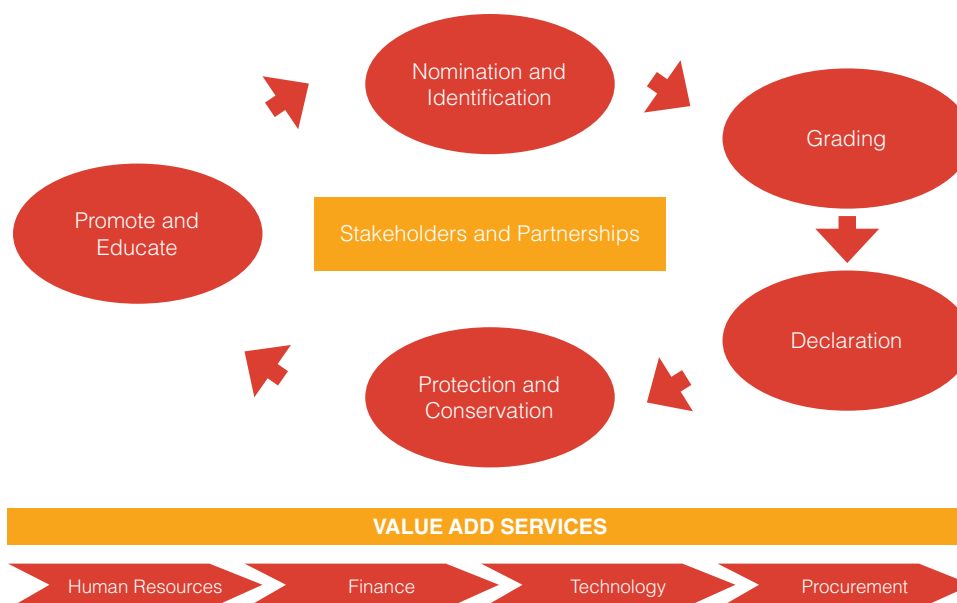
5.1.1 Annual performance trends



5.1.2 Performance review 2016/17

The performance review for 2016/17 focused on core business as well as strategic issues in the support services which mostly included the refinement of key performance indicators. This process identified SAHRA's value chain and challenges in delivering on our mandate.

Identification of SAHRA's value chain



Identification of challenges

Function	Challenges
Nomination and identification	<ul style="list-style-type: none"> • Public not aware that they can nominate • Inadequate public awareness of national, provincial and local roles in heritage resources management • Non-functioning of PHRAs
Grading and declaration	<ul style="list-style-type: none"> • Backlog in declaration of Grade 1 sites • Outdated policies and procedural guidelines • No public participation framework
Conservation of national heritage resources	<ul style="list-style-type: none"> • Outdated policies and procedure guidelines • Limited cooperation between SAHRA and state and government agencies that own or have heritage resources under their control • Insufficient resources in the form of human capital and finances • Lack of critical skills in the heritage sector • Transformation of national estate
Promotion and education	<ul style="list-style-type: none"> • Insufficient resources to raise awareness and promote heritage resources • Lack of involvement by communities in the management of heritage resources • Inadequate promotion of heritage management as a viable career path

5.1.3 Public participation through cultural and heritage tourism demand

Partnerships and public participation are key drivers of the Entity's mandate. The world's leading category of international trade and tourism, is increasingly offering a range of cultural heritage products, from visiting monuments to discovering unique ways of life as supply for increasing cultural and heritage tourism demand. Culture and heritage tourism has been gaining importance recently not only for its economic gains but due to more sustainable approaches. As rural and regional economies go through difficult times of change, it may seem to some local communities that heritage can help in terms of economic gains. When what is old and valued in the community can no longer serve its original function, surely it can still attract funding and tourism as a part of cultural heritage. Communities are constantly consulted on decisions of heritage operations.

5.1.4 National Development Plan (NDP)

SAHRA has a responsibility to implement the National Development Plan (NDP) to ensure that the ideals of its existence are balanced between heritage and development. The implementation of the National Heritage Resources Act (NHRA), should contribute towards the elimination of poverty and reduction of inequality by 2030 and more directly to Outcome 14 which relates to social cohesion and nation building.

5.1.5 Engage cultural heritage and tourism expertise in conservation and promotion

To ensure successful conservation and preservation of culture and heritage requires a balance between commercial imperatives and the conservation of a suite of heritage values including historic, archaeological, architectural and aesthetic significance and the significance of the sites to associated communities.

5.1.6 Design interpretation and oral history as an integral part of the heritage experience

Interpretation provides meaning and understanding for communities and visitors in heritage sites. It is a central part of the experience of cultural heritage and has significant ramifications on the quality and authenticity of a cultural heritage site or heritage object. Effective interpretation requires knowledge about the heritage being presented, expertise in communication and interpretive design and the ability to create an effective interpretation plan.

5.2 Organisational environment

5.2.1 Financial planning for budgeting, capital raising and price setting

Financial resources are critical for the effective management of heritage resources. Requirements for adequate capital, access to grants and other sources of funding and the need for careful budgeting and financial planning are essential for continued success of an operation. The review of the funding model and investigation of opportunities to capitalise and raise additional revenue from heritage resources will be essential.

5.2.2 Staff retention/turnover

The scarcity of skills within the heritage resources management sector remains the biggest challenge. More attractive and competitive remuneration structures in other institutions have resulted in SAHRA experiencing a high staff turnover rate. This resulted in a gap towards effective implementation of the management of heritage resources. Therefore there is a need to develop a retention strategy to enhance the capability of our human resources.

5.2.3 Functional performance management system

One of the outcomes of the organizational development process was the introduction of an improved performance management system. The implementation of the system is underway and will assist with ensuring improved service delivery.

5.2.4 Inter-governmental relations

The success of the efficacy of the South African Heritage Resources Information System (SAHRIS) is the co-operation SAHRA continues to receive from the national and provincial departments and local municipalities. Through SAHRIS, the Entity provides the standard for capturing and storing the heritage resources information. The maintenance of SAHRIS is critical towards improving the performance of the national estate database that will inform policy and decision-making in the heritage sector.

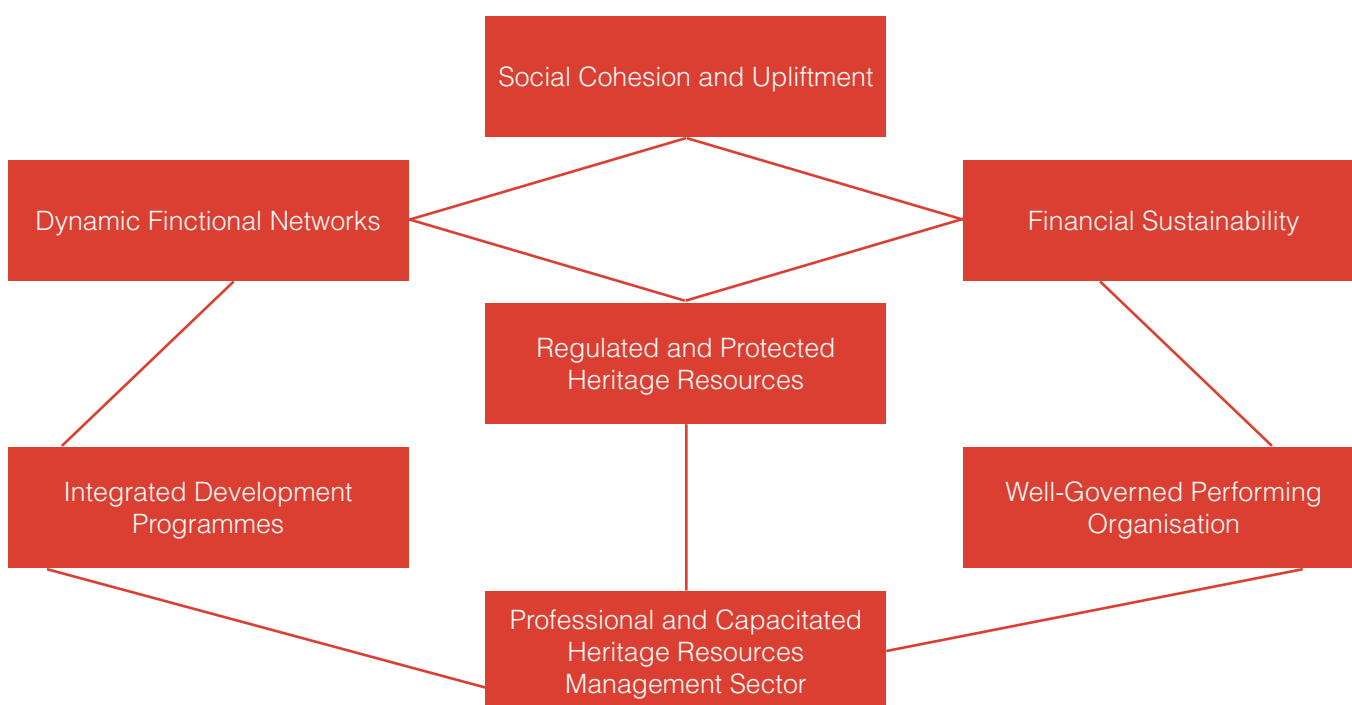
6. STRATEGIC CONTEXT

SAHRA's strategy aims to fulfill its primary regulatory mandate and the coordination of the management of the national estate of the country as prescribed by the NHRA. SAHRA is the primary custodian and regulator of the South African national estate. The heritage resources of any country are naturally reflective of its history. Considering the complexity of South Africa's often painful history, it is also likely that the country's collective national estate can be inequitably diverse and potentially divisive. A deeper reading of SAHRA's legislative mandate suggests an imperative that SAHRA's role goes beyond passively managing a random or ad hoc collection of "ill-fitting" heritage assets towards one that actively identifies, assesses and manages an integrated portfolio of heritage resources that collectively communicate South Africa's history in a cohesive, dignified and unified manner.

6.1 Key priority areas and a strategy map for SAHRA

Given the above-mentioned strategic context, SAHRA must fulfill key imperatives or pillars in support of its mandate and the 2016/2017 Annual Performance Plan will map out how the strategic goals are going to be pursued by the Entity for the current financial year.

SAHRA's strategy map is based upon the situational analysis conducted to define the status quo of the Entity translated into strategic outcome-orientated goals articulated below:



6.2 SAHRA's Strategic outcome-oriented goals and strategic objectives

SAHRA has defined a set of seven (7) **strategic outcome-oriented goals** arising out of a situational context that mirrors the key imperatives that SAHRA must pursue in alignment to the sector strategic objectives.

Sector strategic objectives	SAHRA strategic outcome-orientated goals	SAHRA strategic objectives
1. A transformed, coherent and development focused sector	1. Regulated and protected heritage resources	Assert SAHRA's role as a regulatory body in heritage resources management.
2. Nation building through effective social cohesion programme implementation	2. Social cohesion and upliftment	Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management.
3. A productive, diverse and inclusive ACH Sector	3. Dynamic functional networks	Build SAHRA's brand internationally and locally through public awareness.
	4. Integrated developmental programmes	Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources.
4. Sound fiscal management and a sustainable ACH Sector	5. Financial sustainability	Maximise immovable heritage assets for income generation and conservation.
5. Sound governance and the modernising of the ACH Sector to ensure its efficiency and effectiveness	6. Well-governed performing organisation	Implement effective and efficient corporate governance systems within SAHRA.
6. A professional and capacitated ACH Sector.	7. Professional and capacitated Heritage Resources Management Sector	Building the skills and capacity of the Heritage Resources Sector to ensure its ongoing development and sustainability.

7. OVERVIEW OF 2016/2017 KEY PERFORMANCE PRIORITIES

7.1 PROGRAMME ONE: Administration

Strategic Objectives	Key Performance Areas (KPA)	Key Focus Areas (KFA)	KPI No.	Key Performance Indicators (KPI)	Output Indicators	Budget
Assert SAHRA's role as a regulatory body in heritage resources management	Regulation and compliance	Development and review of policies, regulations, norms and standards	1.1	Number of policies, regulations, norms and standards approved by Council	Policies, regulations, norms and standards approved	Current budget
		Enhancement of legal services	1.2	Report performance against Compliance Register	Compliance register/report	Current budget
		Improved functioning of SAHRA and PHRAs	1.3	A SAHRA Business Model is approved by Council	Approved Business Model	Current budget
Implement effective and efficient corporate governance systems within SAHRA	Financial sustainability	Financial sustainability	1.4	A Funding Model for the Entity is approved by Council	Approved Funding Model	R 100,000
		Financial management	1.5	Unqualified audit opinion outcome	Audit report	R 80,000
	Financial management	Supply chain management	1.6	Percentage of compliant invoices of suppliers paid within 30 days	Creditors Age Analysis	Current budget
	Information and communication technology	Improved ICT governance	1.7	Review of the ICT Strategy	Approved ICT Strategy document	R 200,000
Maximise immovable heritage assets for income generation and conservation	Repurposing of SAHRA properties	Properties management	1.8	Number of projects implemented in the Property Maximisation Plan	Quarterly project progress reports as per Plan	R 5,343,210

7.2 PROGRAMME TWO: Business Development

Strategic Objectives	Key Performance Areas (KPA)	Key Focus Areas (KFA)	KPI No.	Key Performance Indicators (KPI)	Output Indicators	Budget
Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management	Regulation and compliance	Monitoring of the status of heritage sites	2.1	Number of heritage sites inspected	Site inspection reports	Current budget
	Heritage resources conservation	Turn-around time for processing of compliant heritage impact assessments (HIA)	2.2	Percentage of compliant heritage impact assessments received and processed within 21 working days	The register or reports of HIAs received and processed	Current budget
		Turn-around time for processing of permit applications received	2.3	Percentage of compliant permit applications received and processed within 21 working days	The register or reports of permit applications received and processed	Current budget
		Processing of export permits for heritage objects received	2.4	Percentage of compliant heritage objects export permits applications received and processed within 21 working days	The register or reports of heritage objects export permit applications received and processed	Current budget
	Heritage protection	Processing of nominations received for grading of heritage resources	2.5	Percentage of nominated heritage resources received and graded	Council minutes/resolutions taken on heritage resources graded	Current budget
		Review the status of Grade 1 sites in the National Inventory	2.6	Percentage of heritage resources re-assessed and graded	Council minutes/resolutions taken on re-assessment of grading of heritage resources	Current budget
		Declaration of newly identified heritage resources	2.7	Number of heritage resources declared	Government Gazette for each heritage resource declared	Current budget
	Heritage resources management flagship projects	Rehabilitation of sites associated with the National Liberation Heritage Route	2.8	Number of sites on the Liberation Heritage Route declared	Government Gazette for each heritage resource declared	R 2,000,000.00
		Erection and protection of heritage resources locally and in foreign countries	2.9	Number of monuments and memorial sites rehabilitated or erected locally and in foreign countries	Photographs of memorials and or monuments rehabilitated/ erected and or unveiled	
	National inventory	Inventory of the national estate	2.10	Submission of the summary and analysis of the inventory of the national estate submitted to Council [Section 39 (7) of the NHRA]	Publication of inventory of the national estate	R 1,800,000.00
		Inventorise state-owned heritage collections	2.11	Number of state-owned collections inventorised	Progress reports on project plan and Inventories imported onto SAHRIS	

7.3 PROGRAMME THREE: Public Engagement

Strategic Objectives	Key Performance Areas (KPA)	Key Focus Areas (KFA)	KPI No.	Key Performance Indicators (KPI)	Output Indicators	Budget
Building the skills and capacity of the Heritage Resources Sector to ensure its ongoing development and sustainability	Heritage resources skills development	Education and training	3.1	Number of capacity programmes facilitated for youth on heritage resources management	Report on the number of programmes held for youth	Current budget
Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of Heritage Resources	Nation building and social cohesion	Corporate Social Responsibility	3.2	Approved Corporate Social Responsibility (CSR) Policy and Implementation Strategy	Approved CSR Policy and Implementation Strategy	R 50,000.00
	Nation building and social cohesion	Improved inter-governmental relations	3.3	Number of meetings/ MoUs and or partnerships with identified strategic institutions	Feedback report/ attendance register and or presentations of meetings and or signed MOUs/ partnerships	Current budget
	Heritage resources promotion	Promotion of the significance of heritage resources	3.4	Number of community and stakeholder workshops/ meetings to promote significance of heritage resources	Attendance Register/ Photographs of workshops/ meetings held/ attended	R46,550.00
Build SAHRA's brand internationally and locally through public awareness	Heritage resources promotion	Publications and papers in heritage resources management	3.5	Number of publications/ papers on the heritage resources management developed	- Submission of Papers (via email, letter, etc.), or - Publications developed and uploaded onto SAHRA's website or for print publication	Current budget
		Marketing of SAHRA and heritage resources	3.6	Number of marketing programmes implemented	Marketing initiatives/ projects	Current budget

8. OVERVIEW OF 2016/17 BUDGET AND MTEF ESTIMATE

8.1 Revenue

	Audited/Actual performance			Estimated performance	Medium-term target estimates		
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Transfers from DAC	41,037	43,666	46,417	48,552	51,125	57,681	56,985
Own revenue	6,266	5,160	1,931	1,888	2,704	2,868	3,055
Realisation of deferred revenue	200	162	20,000	47,000	7,000	6,554	2,000
Local non-government donors	666	0	0	0	0	0	0
Total	48,169	48,988	68,348	97,440	60,829	67,103	62,040

Realisation of deferred revenue relates to funding from DAC for capital projects

8.2 Expenditure estimates per programme

Programme	Audited/Actual performance			Estimated performance	Medium-term target estimates		
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/18	2018/19
Administration	29,673	35,928	35,591	48,225	31,762	36,256	35,226
Business development	12,771	18,037	20,680	49,712	26,820	28,646	24,484
Public engagement	683	790	2,588	2,526	2,247	2,202	2,330
Total	44,779	43,234	56,553	100,473	60,829	67,104	62,040

8.3 Current payments

Economic classification	Audited/Actual performance			Estimated performance	Medium-term target estimates		
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/19
Compensation of employees	22,044	26,236	31,666	34,283	35,654	37,437	39,309
Goods and services	18,311	28,500	24,742	21,790	16,664	21,481	18,031
Depreciation	1,183	1,350	1,090	1,200	1,011	1,131	2200
Write offs	293	467	500	500	500	500	500
Total current	41,831	56,553	57,998	57,773	53,829	60,549	60,040

8.4 Capital payments

Economic classification	Audited/Actual performance			Estimated performance	Medium-term target estimates			
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/19
Furniture and fittings	28	67	288	150	2,000	-	-	-
Intangible assets	371	279	0	200	200	100	211	-
Machinery equipment	53	711	134	-	50	50	50	50
Computer equipment	183	236	1,079	-	500	100	50	50
Motor vehicles	-	-	-	-	400	-	-	-
Infrastructure	-	-	-	10,000	39,550	6,750	6,243	1,900
Total	635	1,293	1,501	10,350	42,700	7,000	6,554	2,000
Current payments	44,144	41,831	56,553	57,998	57,773	53,829	60,549	60,040
Capital payments	635	1,293	1,501	10,350	42,700	7,000	6,554	2,000
Total	44,779	43,124	58,054	68,348	100,473	60,829	67,103	62,040

PART B: PROGRAMMES

9. PROGRAMMES AND SUB-PROGRAMMES

No.	Programme name	Programme aim	Sub-programme
1	Administration	To ensure SAHRA's operational and financial performance through strategic leadership	<ol style="list-style-type: none"> 1. Office of the CEO 2. Corporate Affairs 3. Finance and Supply Chain Management 4. Human Resource Management
2	Business development	To implement SAHRA's mandate through identification, conservation, promotion and management of heritage resources	<ol style="list-style-type: none"> 5. Archaeology, Palaeontology, Meteorite Unit 6. Built Environment Unit 7. Burial Grounds and Graves Unit 8. Grading and Declarations Unit 9. Heritage Objects Unit 10. Heritage Protection Unit 11. Maritime & Underwater Cultural Heritage 12. National Inventory Unit
3.	Training and development	To build the skills and capacity of heritage practitioners to ensure growth, development and sustainability of the Heritage Resources Management Sector	13. Centre for Research, Education and Training
	Public engagements	To enable SAHRA's service delivery through sound financial management	14. Communication and Marketing

10. ANNUAL TARGET FOR 2016/2017–2018/2019

PROGRAMME 1: ADMINISTRATION

KPI no.	Performance indicator	Audited performance			Estimated performance	Medium-term target estimate		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Strategic objective		Assert SAHRA's role as a regulatory body in heritage resources management						
1.1	Number of policies, regulations, norms and standards approved by Council	N/A	N/A	10	3	9	5	5
1.2	Report performance against Compliance Register	N/A	N/A	N/A	New Indicator	3	4	4
1.3	A SAHRA Business Model is approved by Council	N/A	N/A	N/A	New Indicator	1	N/A	N/A
Strategic objective		Implement effective and efficient corporate governance systems within SAHRA						
1.4	A Funding Model for the Entity is approved by Council	N/A	N/A	N/A	New Indicator	1	N/A	N/A
1.5	Unqualified audit opinion outcome	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit
1.6	Percentage of compliant invoices of suppliers paid within 30 days	N/A	N/A	N/A	New Indicator	100%	100%	100%
1.7	Review of the ICT Strategy	N/A	N/A	N/A	Revised KPI	Approved ICT Strategy	N/A	N/A
Strategic objective		Maximise immovable heritage assets for income generation and conservation						
1.8	Number of projects implemented in the Property Maximisation Plan	N/A	N/A	N/A	2	2	2	2

PROGRAMME 2: BUSINESS DEVELOPMENT

KPI no.	Performance indicator	Audited performance			Estimated performance	Medium-term target estimate		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Strategic objective		Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management						
2.1	Number of heritage sites inspected	N/A	N/A	N/A	New Indicator	24	15	15
2.2	Percentage of compliant heritage impact assessments received and processed within 21 working days	N/A	N/A	100%	100%	100%	100%	100%
2.3	Percentage of compliant permit applications received and processed within 21 working days	N/A	N/A	100%	100%	100%	100%	100%
2.4	Percentage of compliant heritage objects export permits applications received and processed within 21 working days	N/A	N/A	N/A	New Indicator	100%	100%	100%
2.5	Percentage of nominated heritage resources received and graded	N/A	N/A	N/A	New Indicator	100%	100%	100%
2.6	Percentage of heritage resources re-assessed and graded	N/A	N/A	N/A	New Indicator	100% as per Plan	100%	100%
2.7	Number of heritage resources declared	N/A	N/A	N/A	Revised KPI	5	5	5
2.8	Number of sites on the Liberation Heritage Route declared	N/A	N/A	N/A	2	6	4	2
2.9	Number of monuments and memorial sites rehabilitated or erected locally and in foreign countries	N/A	N/A	N/A	1	12	6	6
2.10	Submission of the summary and analysis of the inventory of the national estate submitted to Council [Section 39 (7) of the NHRA]	N/A	N/A	N/A	New Indicator	1	1	1
2.11	Number of state-owned collections inventorised	N/A	N/A	N/A	New Indicator	2 completed inventories in-line with project plan	2	2

PROGRAMME 3: PUBLIC ENGAGEMENT

KPI no.	Performance indicator	Audited performance			Estimated performance	Medium-term target estimate		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Strategic objective		Building the skills and capacity of the Heritage Resources Sector to ensure its ongoing development and sustainability						
3.1	Number of capacity programmes facilitated for youth on heritage resources management	N/A	N/A	3	Youth Heritage Skills Development Programme developed	2	1	1
Strategic objective		Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources						
3.2	Approved Corporate Social Responsibility (CSR) Policy and Implementation Strategy	N/A	N/A	N/A	Revised KPI	Development and approval of Corporate social responsibility Policy and Provinces	N/A	N/A
3.3	Number of meetings/ MoUs and or partnerships with identified strategic institutions	N/A	N/A	N/A	Revised KPI	4	4	4
3.4	Number of community and stakeholder workshops/ meetings to promote significance of heritage resources	N/A	N/A	N/A	Revised KPI	5	5	5
Strategic objective		Build SAHRA's brand internationally and locally through public awareness						
3.5	Number of publications/ papers on the heritage resources management developed	N/A	N/A	5	5	5	5	5
3.6	Number of marketing programmes implemented	N/A	N/A	5	Revised KPI	5	5	5

11. QUARTERLY TARGETS FOR 2016/2017

Programme One: Administration				Milestones				
Strategic Objectives	Key Performance Areas	KPI No.	Key Performance Indicators	Annual Targets	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assert SAHRA's role as a regulatory body in heritage resources management	Regulations and compliance	1.1	Number of policies, regulations, norms and standards approved by Council	9	N/A	3	3	3
		1.2	Report performance against Compliance Register	3	Approved Compliance Register	1	1	1
		1.3	A SAHRA Business Model is approved by Council	1	N/A	N/A	Draft Business Model is submitted to Council for consideration	Approved Business Model
Implement effective and efficient corporate governance systems within SAHRA	Financial sustainability	1.4	A Funding Model for the Entity is approved by Council	1	N/A	N/A	Draft Funding Model is submitted to Council for consideration	Approved Funding Model
		1.5	Unqualified audit opinion outcome	Unqualified audit	Submission of AFS by 31 May 2016	Final audited AFS approved by Council	50% implementation of Audit Action Plan (AAP)	100% implementation of AAP
	Financial management	1.6	Percentage of compliant invoices of suppliers paid within 30 days	100%	100%	100%	100%	100%
	Information and communication technology	1.7	Review of the ICT Strategy	Approved ICT Strategy	N/A	1st draft submitted to IT & Assets Committee	Approved ICT Strategy	N/A
Maximise immovable heritage assets for income generation and conservation	Repurposing of SAHRA properties	1.8	Number of projects implemented in the Property Maximisation Plan	2	Phase 1	Phase 2	Phase 3	Phase 4

Programme Two: Business Development				Milestones				
Strategic Objectives	Key Performance Areas	KPI No.	Key Performance Indicators	Annual Targets	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management	Regulations and compliance	2.1	Number of heritage sites inspected	24	3	8	5	8
	Heritage resources conservation	2.2	Percentage of compliant heritage impact assessments received and processed within 21 working days	100%	100%	100%	100%	100%
		2.3	Percentage of compliant permit applications received and processed within 21 working days	100%	100%	100%	100%	100%
		2.4	Percentage of compliant heritage objects export permits applications received and processed within 21 working days	100%	100%	100%	100%	100%
	Heritage Protection	2.5	Percentage of nominated heritage resources received and graded	100%	100%	100%	100%	100%
		2.6	Percentage of heritage resources re-assessed and graded	100% as per Plan	Approval of the re-assessment plan	100%	100%	100%
		2.7	Number of heritage resources declared	5	Approval of the declaration plan	1	2	2
	Heritage Resources Management flagship projects	2.8	Number of sites on the Liberation Heritage Route declared	6	Approval of the plan	2	1	3
		2.9	Number of monuments and memorial sites rehabilitated or erected locally and in foreign countries	12	2	3	2	5
	National Inventory	2.10	Submission of the summary and analysis of the inventory of the national estate submitted to Council [Section 39 (7) of the NHRA]	1	N/A	N/A	N/A	Publication of inventory of the national estate
		2.11	Number of state-owned collections inventorised	2 completed inventories in-line with project plan	Progress report on project plan	Progress report on project plan	Progress report on project plan	Inventories imported onto SAHRIS

Programme Three: Public Engagement				Milestones				
Strategic Objectives	Key Performance Areas	KPI No.	Key Performance Indicators	Annual Targets	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Building the skills and capacity of the Heritage Resources Sector to ensure its ongoing development and sustainability	Heritage resources skills development	3.1	Number of capacity programmes facilitated for youth on heritage resources management	2	N/A	1	N/A	1
Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of Heritage Resources	Nation building and social cohesion	3.2	Approved Corporate Social Responsibility (CSR) Policy and Implementation Strategy	Development and approval of Corporate social responsibility Policy and Implementation Strategy	N/A	Draft Policy submitted to Exco for review	N/A	Policy and Implementation Strategy approved by Council
	Nation building and social cohesion	3.3	Number of meetings/ MoUs and or partnerships with identified strategic institutions	4	1	1	1	1
	Heritage resources promotion	3.4	Number of community and stakeholder workshops/ meetings to promote significance of heritage resources	5	1	2	1	1
Build SAHRA's brand internationally and locally through public awareness	Heritage resources promotion	3.5	Number of publications/ papers on the heritage resources management developed	5	1	1	1	2
		3.6	Number of marketing programmes implemented	5	1	2	1	1

12. Technical Indicators

	1.1	1.2	1.3	1.4
Indicator title	Number of policies, regulations, norms and standards approved by Council	Report performance against Compliance Register	A SAHRA Business Model is approved by Council	A Funding Model for the Entity is approved by Council
Short definition	Development/ review of policies, regulations, norms and standards to improve service delivery	Monitor conformance as per Entity Compliance Plan	The Business Model is a strategic document that will assist in improving the functioning of the Entity	The Funding Model is a strategic document that will be used to improve financial sustainability of the Entity
Purpose/importance	To fulfil the mandate of SAHRA in regulating and monitoring compliance to NHRA and PFMA	To fulfil the mandate of SAHRA as a regulatory body and ensure compliance to prescripts, as informed by the Compliance Register	To fulfil the legislative mandate of SAHRA	To provide a business case for equitable allocation of resources to SAHRA
Source/collection of data	Policies, regulations, norms and standards approved by Council	Compliance register/ report	Approved SAHRA Business Model	Approved Funding Model
Method of calculation	Number of policies, regulations, norms and standards as per predetermined list	Number of Compliance reports produced	A Business Model document	A Funding Model document
Data limitations	None	None	Availability of other business units participation in developing the Business Model	Access to historical information of the Entity
Type of indicator	Output	Output	Output	Output
Calculation type	Cumulative	Cumulative	Non-cumulative	Non-cumulative
Reporting cycle	Quarterly	Quarterly	Annually	Annually
New indicator	No	New	New	New
Desired performance	Higher is desirable	Higher is desirable	Higher is desirable	Higher is desirable
Indicator responsibility	All Executive Officers	Company Secretary	All Executive Officers	Chief Financial Officer

	1.5	1.6	1.7	1.8
Indicator title	Unqualified audit outcome achieved	Percentage of compliant invoices of suppliers paid within 30 days	Review of the ICT strategy	Number of projects implemented in the Property Maximisation Plan
Short definition	Maintain an unqualified audit opinion	Compliant Invoices processed within 30 days of receipt	Review of the three year ICT Strategy for approval by the IT & Assets Committee	Investigate and develop action plan for utilisation of immovable assets as alternative sources of revenue
Purpose/importance	Ensure SAHRA maintains sound financial management and compliance to PFMA	Ensure SAHRA maintains sound financial management and compliance to PFMA. To contribute to the sustainability of emerging suppliers.	To ensure that ICT is aligned to enable business efficiency	Review and implement the Property Maximisation Plan to effectively repurpose properties for income generation
Source/collection of data	Audit report	Creditors Age Analysis	Approved ICT Strategy document	Quarterly project progress reports as per Plan
Method of calculation	Outcome of Audit report	Creditors Age Analysis	Approved ICT Strategy document	Progress reports per the Plan
Data limitations	None	Timely submission of invoices by units	Availability of other business units participation in developing the Strategy	Unforeseen capacity constraints within the unit
Type of indicator	Output	Output	Output	Output
Calculation type	Cumulative	Cumulative	Non-cumulative	Cumulative
Reporting cycle	Quarterly	Quarterly	Annually	Quarterly
New indicator	No	Yes	Revised	No
Desired performance	Higher is desirable	Higher is desirable	Higher is desirable	Higher is desirable
Indicator responsibility	Chief Financial Officer	Chief Financial Officer	Executive Officer: Corporate Services	Executive Officer: Corporate Services

	2.1	2.2	2.3	2.4
Indicator title	Number of heritage sites inspected	Percentage of compliant heritage impact assessments received and processed within 21 working days	Percentage of compliant permit applications received and processed within 21 working days	Percentage of compliant heritage objects export permits applications received and processed within 21 working days
Short definition	Inspection of national and world heritage sites	HIAs' received, processed within 21 working days from date of compliance	Permit applications received, processed within 21 working days from date of compliance	Measures the effectiveness of the process to deal with export of heritage objects. Heritage Objects received, processed within 21 working days from date of compliance
Purpose/ importance	Preservation of heritage sites	To fulfil the mandate of SAHRA of conserving and protecting heritage resources	To fulfil the mandate of SAHRA of conserving and protecting heritage resources	To fulfil the mandate of SAHRA of conserving and protecting heritage resources
Source/ collection of data	Inspection reports	The register or reports of HIAs received and processed	The register or reports of permit applications received and processed	The register or reports of heritage objects export permit applications received and processed
Method of calculation	Number of Inspection reports	Divide the number of HIAs' processed (numerator) by the total number of HIAs received (denominator)	Divide the number of permit applications processed (numerator) by the total number of permit applications received (denominator)	Divide the number of permit applications processed (numerator) by the total number of permit applications received (denominator)
Data limitations	None	Record keeping of HIAs received and tracking progress made with processing of HIAs	Record keeping of permit applications received and tracking progress made with processing of permit applications	Record keeping of heritage objects export permit applications received and tracking progress made with processing of heritage objects export permit applications
Type of indicator	Output	Output	Output	Output
Calculation type	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Reporting cycle	Quarterly	Quarterly	Quarterly	Quarterly
New indicator	Yes	No	No	Yes
Desired performance	Higher is desirable	High percentage will indicate efficiency of processes	High percentage will indicate efficiency of processes	High percentage will indicate efficiency of processes
Indicator responsibility	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management

	2.5	2.6.	2.7	2.8
Indicator title	Percentage of nominated heritage resources received and graded	Percentage of heritage resources re-assessed and graded	Number of heritage resources declared	Number of sites on the Liberation Heritage Route declared
Short definition	Nominations for grading of heritage resources received and processed	Measures the number of previously graded heritage resources to be re-assessed for grading as per the Plan	Measures the number of heritage resources declared as heritage sites	Measures the number of heritage sites associated with the Liberation Heritage Route that has been declared
Purpose/ importance	To enhance service delivery by improving turnaround times	Re-assess the grading of the heritage resources that were previously graded, but not declared	To fulfil the mandate of SAHRA in protecting the significance of heritage resources by declaring heritage resources	To fulfil the mandate of SAHRA in preserving heritage sites and creating awareness on the Liberation Heritage Route
Source/ collection of data	Council minutes/ resolutions taken on heritage resources graded	Council minutes/ resolutions taken on re-assessment of grading of heritage resources	Government Gazette for each heritage resource declared	Government Gazette for each heritage resource declared
Method of calculation	Divide the number of heritage resources re-processed for grading (numerator) by the total number of nominations received (denominator)	Divide the number of heritage resources re-graded (numerator) by the total number as informed by the Plan (denominator) for the reporting period	Simple counts of number of heritage resources declared	Simple counts of number of heritage resources declared
Data limitations	None	Disputes that could delay the time taken to re-assess heritage resources for grading	Disputes that could delay the time taken to declare heritage resources	Disputes that could delay the time taken to declare heritage resources
Type of indicator	Output	Output	Output	Output
Calculation type	Cumulative	Non-cumulative	Cumulative	Cumulative
Reporting cycle	Annually	Quarterly	Quarterly	Quarterly
New indicator	Yes	Yes	Revised	No
Desired performance	Higher is desirable	Higher is desirable	Higher is desirable	Higher is desirable
Indicator responsibility	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management

	2.9	2.10	2.11
Indicator title	Number of monuments and memorial sites rehabilitated or erected locally and in foreign countries	Submission of the summary and analysis of the inventory of the national estate submitted to Council [Section 39 (7) of the NHRA]	Number of state-owned collections inventorised
Short definition	Measures the number of planned and unplanned memorials and or monuments that are rehabilitated/ erected locally and in foreign countries	Maintain a database of heritage national inventory and report on status annually	Measures the number of state-owned collections identified and inventorised on SAHRIS
Purpose/ importance	To fulfil the mandate of SAHRA in conserving and preserving heritage sites	Assess the national estate heritage resources inventory considered to be worthy of conservation	Preservation of the state-owned collections for future generations
Source/ collection of data	Photographs of memorials and or monuments rehabilitated/ erected and or unveiled	Publication of inventory of the national estate	Progress reports on project plan and Inventories imported onto SAHRIS
Method of calculation	Simple counts of number of memorials and or monuments rehabilitated/ erected	Database and analysis report of the national estate inventory	Simple count of number of state-owned collections inventorised and imported onto SAHRA
Data limitations	Inadequate or incomplete records	None	Restricted access to state-owned collection information
Type of indicator	Output	Output	Output
Calculation type	Cumulative	Non-cumulative	Cumulative
Reporting cycle	Quarterly	Annually	Quarterly
New indicator	No	Yes	Yes
Desired performance	Higher is desirable	Higher is desirable	Higher is desirable
Indicator responsibility	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management	Executive Officer: Heritage Resources Management

	3.1	3.2	3.3
Indicator title	Number of capacity programmes facilitated for youth on heritage resources management	Approved Corporate Social Responsibility (CSR) Policy and Implementation Strategy	Number of meetings/ MoUs and or partnerships with identified strategic institutions
Short definition	Measures the number of capacity programmes facilitated for youth development	Development of the Corporate Social Responsibility (CSR) Policy and Implementation Strategy for Council approval	Measures the number of meetings/ MoUs' and or Partnerships with different institutions
Purpose/ importance	Increase the pool of heritage skills capacity amongst the youth	To establish a CSR Policy to enable the Entity to contribute to the socio-economic development of communities	To leverage on the capabilities of stakeholders/ partners through improved inter-governmental relations
Source/ collection of data	Report on the number of programmes held for youth	Approved CSR Policy and Implementation Strategy	Feedback report/ attendance register and or presentations of meetings and or signed MOUs/ partnerships
Method of calculation	Count of the number of capacity programme initiatives implemented/ held	Policy and Implementation Strategy	Count of the number of discussions and or MoUs/ partnerships with different institutions
Data limitations	None	Limited participation of stakeholders in the development of the Policy and Strategy	Accurate performance management information
Type of indicator	Output	Output	Output
Calculation type	Cumulative	Non-cumulative	Non-cumulative
Reporting cycle	Quarterly	Annually	Quarterly
New indicator	No	Revised	Revised
Desired performance	Higher is desirable	Higher is desirable	Higher is desirable
Indicator responsibility	Executive Officer: Heritage Resources Management	Executive Officer: Corporate Services	All Executive Officers

	3.4	3.5	3.6
Indicator title	Number of community and stakeholder workshops/ meetings to promote significance of heritage resources	Number of publications/ papers on the heritage resources management developed	Number of marketing programmes implemented
Short definition	Promote heritage resources to communities and relevant stakeholders	Promote the significance of heritage resources management through: - Developing papers and submitting it for publication (papers may or may not be published), or - Developing publications to be uploaded onto SAHRA's website and print publication for distribution	Promote SAHRA through marketing, branding and exhibitions
Purpose/ importance	Promotion of the significance of heritage resources	To assist in becoming a leading knowledge Entity in the heritage sector	To fulfil the mandate of SAHRA in creating awareness of South African heritage and culture
Source/ collection of data	Attendance Register/ Photographs of workshops/ meetings held/ attended	- Submission of Papers (via email, letter, etc.), or - Publications developed and uploaded onto SAHRA's website or for print publication	Marketing materials, newspaper articles/ media, exhibitions photographs, number of website hits
Method of calculation	Simple count of number of workshops and or meetings held	Simple counts of: - number of papers submitted for publication; or - publications developed and uploaded onto SAHRA's website or for print publication	Simple counts marketing initiatives/ projects
Data limitations	None	Inadequate information on the status of a paper/ publication	None
Type of indicator	Output	Output	Output
Calculation type	Cumulative	Cumulative	Cumulative
Reporting cycle	Quarterly	Quarterly	Quarterly
New indicator	Revised	No	Revised
Desired performance	Higher is desirable	Higher is desirable	Higher is desirable
Indicator responsibility	All Executive Officers	Executive Officer: Heritage Resources Management	Manager: Marketing and Communications

13. STRATEGIC RISKS

No.	Strategic Objectives	Risk Categories	Risk Descriptions	Root Cause
1	Assert SAHRA's role as a regulatory body in heritage resources management	Business Model	Failure to establish a business model and build a business case for asserting SAHRA as a leader in Heritage Resources Management including failure to inform the operating model for Provincial and Local Heritage Resources Authorities	At the transition from NMC to SAHRA, there was no NHRA implementation model put in place
	Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management			
	Building the skills and capacity of the Heritage Resources Sector to ensure its ongoing development and sustainability			
2	Assert SAHRA's role as a regulatory body in heritage resources management	ICT Infrastructure	Failure to optimise ICT infrastructure and innovation to enable business efficiency	ICT Strategy is not aligned to SAHRA's Strategy
3		Knowledge Management	Loss of institutional memory	Key business processes and institutional knowledge are not documented
4	Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources	Stakeholder Management	Inefficient or ineffective alliance, affiliate, and other external relationships affect the Entity's ability to leverage on the capability of strategic partners	Key strategic partners are not identified and proactively engaged

No.	Strategic Objectives	Risk Categories	Risk Descriptions	Root Cause
5	Maximise immovable heritage assets for income generation and conservation	Resource Allocation	Insufficient access to required financial resources threatens the re-purposing of the SAHRA's property portfolio for conservation and income generation	<ul style="list-style-type: none"> - No costed maintenance plan in place to inform applications for funding - Property Management is not SAHRA's core business
6		Financial Sustainability	Insufficient access to required financial resources threatens the Entity's capacity to execute its plans	Outdated Funding Model
7	Implement effective and efficient corporate governance systems within SAHRA	Organisational Structure	Lack of critical knowledge, skills, and experiences threatens the execution of the achievement of the Entity's objectives	Inadequate financial resources limiting the Entity's ability to attract and retain the requisite skills and experienced personnel to deliver on SAHRA's objectives
8	Build SAHRA's brand internationally and locally through public awareness	Reputational	Negative publicity regarding an institution's practices could lead to blockage of potential funding avenues or increased litigation. An institution's reputation, particularly the trust placed in the organisation by its customers, may be irrevocably blemished due to perceived or actual breaches in its ability to conduct operations ethically, securely, and responsibly	Inability to meet stakeholders expectations owing to poor turnaround times and failure to act on prominent/ prudent matters
9	Implement effective and efficient corporate governance systems within SAHRA	Governance Risk	Non-compliance with regulatory requirements, prescribed organisational policies and procedures or laws may result in operational failures, higher costs or legal penalties.	No compliance matrix (checklist) document in place to measure entity's compliance to prescripts

14. MATERIALITY AND SIGNIFICANCE FRAMEWORK

1. Background

1.1 The materiality and significance framework was developed to give effect to the May 2002 amendment to the Treasury Regulations, whereby the following new requirement was set for public entities:

1.2 *“For purposes of material [sections 50(1), 55(2) and 66(1) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”*

[Section 28.1.5]

1.3 Public entities are required to include the Materiality and Significance Framework in the Strategic Plan to be submitted to its Executive Authority. [TR 30.1.3] Further, the Materiality and Significance Framework must be detailed in the public entity’s annual report. [TR 28.2.1]

1.4 No definitions for the concepts “material” and “significant” are included in either the PFMA or in the Treasury Regulations. Accordingly, in compiling this framework the Entity has sought guidance from, inter-alia SAAS 320.03 (published by the South African Institute of Chartered Accountants) and AC 101(IASI) Presentation of Financial Statements, which defines materiality in the following terms:

1.4.1 “Omissions or misstatements of items are material if they could, individually or collectively; influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged by the surrounding circumstances.”

1.5 Further guidance was drawn from SAAS 320.17 for a public sector perspective: The following SAAS guidance is pertinent to the Entity:

1.5 1 “In an audit of financial statements in the public sector, the auditor’s assessment of materiality may be influenced by the public accountability of the audited entity, and the sensitivity of the entity’s accounts, activities and functions regarding matters of public interest.”

1.6 The reference to “economic” decisions (SAAS 320.03 above) is therefore, assessed as not being conclusive or wholly appropriate to a public entity such as the South African Heritage Resources Agency (SAHRA)

1.7 Because materiality is relative, it is necessary to establish bases against which it can be measured. SAHRA will use percentages to set a planning materiality level of account headings or account groupings as a starting point or “rule of thumb” for setting the level.

Figure 1.1 Materiality and significance table

General Basis used in accounting profession	Acceptable Percentage Range	SAHRA Applicability
Gross Revenue	0.25 – 1%	Applicable; being Grants received, donations and project funds, rent received, interest received and fees received.
Operating Surplus	1 – 2%	Applicable; being excess of grants over operating and capital expenditure.
Equity	2 – 5%	Not Applicable
Total assets	0.5 – 2%	Applicable; being opening carrying value, revaluation surplus, additions and depreciation of assets

2. Broad Framework for the South African Heritage Resources Agency

SAHRA will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

3. Quantitative aspects

3.1 Materiality level

The Entity assesses the level of a material loss as being **R60,829; being 0.1% of the total expenditure – using 2016/17 expenditure projection.**

Motivation

It is recognised that different levels of materiality can be set for different classes of transactions. SAHRA has, however, taken the approach of setting a more conservative materiality level that will be used for all classes of transactions.

Factors considered

In determining the said materiality value as 0.1% of total expenditure, SAHRA took into account factors that include:

3.2 Nature of SAHRA's business.

Revenue:

Funding for the Entity primarily comprise grants received from the Department of Arts and Culture; own generated income from rentals with interest earned on investments in deposit accounts as well as grants from donors.

Expenditure:

Given the nature of SAHRA to be an Entity mandated to identify, conserve, protect and encourage indigenous knowledge systems research, preference is given to gross expenditure as basis of defining the level of materiality.

3.3 Statutory requirements applicable to the SAHRA

SAHRA is a **statutory** organisation established under the National Heritage Resources Act, no. 25 of 1999 as the national body responsible for the protection of South Africa's cultural heritage.

The Entity has been listed as a PFMA Schedule 3A public entity.

The Council of the Entity is required to execute the mandate in terms of the National Heritage Resources Act, no. 25 of 1999

3.4 The control and inherent risks associated with SAHRA

In assessing the control risk SAHRA concluded that a materiality level of 0.1% of expenditure is appropriate and prudent. This assessment is based on the fact that a sound control environment is being maintained. In this regard cognizance was given to amongst other matters:

1. Proper and appropriate governance structures have been established that include a Council, Executive Committee, and Management Committee;
2. The CFO and EO's positions have been created with specific risk management responsibilities;
3. An Audit Committee that closely monitors the control environment of SAHRA was established;
4. The function of internal audit is co-sourced with a firm of professional internal auditors and
5. A three year Internal Audit Plan, based on annual risk assessments being performed. This is annually reviewed and agreed by the Audit committee.

4. SAHRA General Approach to Qualitative Aspects

Materiality is not confined to the size of the Entity and the elements of its financial statements.

The Entity recognizes that misstatements that are large either individually or in the aggregate may affect a "reasonable" user's judgment. Further, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

1. New ventures that SAHRA may enter into.
2. Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
3. Any fraudulent or dishonest behavior of an officer or staff of SAHRA.
4. Any infringement of the SAHRA's agreed performance levels.
5. Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations).
6. Unauthorized, irregular or fruitless and wasteful expenditure.
7. Items of a non-financial nature, which would impact on the continued operation and deliverables of the Entity.

The policy contained in this framework will be appropriately presented in the Annual Report of the Entity as required.