



P·A·C·O·F·S

PERFORMING ARTS CENTRE  
OF THE FREE STATE

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an agency of the  
Department of Arts and Culture

**2019/20 ANNUAL PERFORMANCE PLAN**

## Foreword

This annual performance plan represents the last year of the 2015 – 2020 planning cycle of government. However, PACOFS had updated its strategic plan during 2017 resulting in the 2018/19 and 2019/20 annual performance plans being based on the revised strategic plan.

The revised strategy resulted in the institution planning for and embarking on a restructuring project during 2018/19 financial year. The project has been finalised and it will be implemented during 2019/20 financial year, the benefits of which will only be fully realised in 2020/21 financial and beyond.

For this plan, focus is only on four, six strategic objectives, eleven performance indicators rather than six strategic goals, fourteen strategic objectives and twenty performance indicators that were covered in the 2018/19 plan. This is supported by a lean organisational structure that will be implemented during this financial year. This mean approach was inevitable in the face of limited financial resources.

It is the institution's belief that this plan will result in a high performing institution both in terms of delivering on its mandate and also contributing to the country's Vision 2030.

**Mr N Sifumba**  
Council Chairperson



Signature

Date: 28/01/2019

## Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of PACOFS under the guidance of the PACOFS Council.
- Was prepared in line with the 2019 - 2024 Strategic Plan of PACOFS.
- Accurately reflects the performance targets which PACOFS will endeavour to achieve given the resources made available in the budget for 2019/20.

**Mr SS Sanyane**  
Chief Financial Officer



Signature

Date: 28/01/2019

**Mr MM Xaba**  
Acting Chief Executive Officer



Signature

Date: 28/01/2019

**Mr N Sifumba**  
Council Chairperson



Signature

Date: 28/01/2019

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## PART A: STRATEGIC OVERVIEW

### 1 UPDATED SITUATIONAL ANALYSIS

#### 1.1 PERFORMANCE DELIVERY ENVIRONMENT

The strategic goals, strategic objectives, the performance indicators and the quarterly targets were all updated to improve linkage between them and also bring some focus to the key challenges confronting the institution. Key among the challenges is the parliamentary grant that is growing at a rate far below the inflation. The institution had to therefore trim its performance targets and the organisational structure. This to ensure that the institution remains relevant and able to deliver on its basic mandate.

#### 1.2 ORGANISATIONAL ENVIRONMENT

Following the 2019 general elections, there may be a need to revisit the objectives and performance targets in this document to reflect the new priorities and commitments of the new administration. Furthermore, the advances being made with the White Paper on Arts and Culture may necessitate a relook at this plan.

### 2 REVISIONS TO LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to PACOFS' legislative and other mandates.

### 3 OVERVIEW OF 2019/20 BUDGET AND MTEF ESTIMATES

#### 3.1 EXPENDITURE ESTIMATES

Programme	Audited outcomes			Appropriation	Medium-term expenditure estimate			
	R'000	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21
Administration		31 977	29 044	32 677	26 814	36 500	37 659	38 908
Business Development		9 436	10 562	12 207	10 618	6 182	7 156	8 393
Public Engagement		4 745	9 362	9 183	10 624	6 990	7 487	7 869
<b>Total</b>		<b>46 158</b>	<b>46 346</b>	<b>54 067</b>	<b>48 056</b>	<b>49 672</b>	<b>52 302</b>	<b>55 170</b>
<b>Economic classification</b>								

Programme	Audited outcomes			Appropriation	Medium-term expenditure estimate		
	R'000	2015/16	2016/17		2017/18	2018/19	2019/20
<b>Current payments</b>	<b>46 158</b>	<b>46 346</b>	<b>54 067</b>	<b>48 056</b>	<b>49 672</b>	<b>52 302</b>	<b>55 170</b>
Compensation of employees	22 437	22 637	26 598	24 319	27 307	28 690	30 404
Goods and services	20 595	21 315	21 010	21 737	19 809	20 915	21 907
Depreciation and Impairment	3 126	2 394	6 459	2 000	2 556	2 697	2 859
<b>Total</b>	<b>46 158</b>	<b>46 346</b>	<b>54 067</b>	<b>48 056</b>	<b>49 672</b>	<b>52 302</b>	<b>55 170</b>

### 3.2 RELATING EXPENDITURE TRENDS TO STRATEGIC OUTCOME ORIENTED GOALS

The above budget allocations will contribute to the realisation of the following outcomes over the MTEF period:

- Identifying talented performing arts practitioners at local, district and provincial level and provide them a stage to showcase their talent. This will be done through shows and productions held at PACOFS. Community based festivals will also be used in this regard.
- Organisational transformation to achieve high performance. An extensive study scheme to educate and train PACOFS' employees to function at the highest level possible will be implemented.

## PART B: PROGRAMME PLANS

### 4 PROGRAMME 1: ADMINISTRATION

#### 4.1 STRATEGIC OBJECTIVE, PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2019/20 MTEF

Strategic Goal: 1 Organisational transformation to high performance							
Strategic Objective	Performance Indicators		Audited performance	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22
To ensure good governance	1	Number of policies or procedures reviewed or developed	New indicator	New indicator	20	20	20

Strategic Goal: 1 Organisational transformation to high performance							
Strategic Objective	Performance Indicators		Audited performance	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22
	2	Percentage of officials in C to E bands who shall have signed their annual performance contracts by 30 April.	New indicator	New indicator	100%	100%	100%
	3	Number of performance assessments conducted for officials in C to E bands	New indicator	New indicator	3	4	4
	4	Percentage of officials signing study agreements to achieve minimum grade requirements	New indicator	New indicator	100%	N/A	N/A

#### 4.2 QUARTERLY TARGETS FOR 2019/20

Strategic Goal: 1 Organisational transformation to high performance			Annual target 2019/20	Quarterly targets			
Strategic Objective	Performance Indicators			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
To ensure good governance	1	Number of policies or procedures reviewed or developed	20	N/A	N/A	20	N/A
	2	Percentage of officials in C to E bands who shall have signed their annual performance contracts by 30 April.	100%	100%	N/A	N/A	N/A
	3	Number of performance assessments conducted for officials in C to E bands	3	N/A	1	1	1
	4	Percentage of officials signing study agreements to achieve	100%	100%	N/A	N/A	N/A

<b>Strategic Goal: 1 Organisational transformation to high performance</b>		<b>Annual target 2019/20</b>	<b>Quarterly targets</b>			
<b>Strategic Objective</b>	<b>Performance Indicators</b>		<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>
	minimum grade requirements					

#### 4.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

##### *Expenditure estimates Administration*

Programme	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimate		
	R'000	2015/16	2016/17		2017/18	2018/19	2019/20
Administration	31 977	29 044	28 427	26 814	36 500	37 659	38 908
<b>Total</b>	<b>31 977</b>	<b>29 044</b>	<b>28 427</b>	<b>26 814</b>	<b>36 500</b>	<b>37 659</b>	<b>38 908</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>31 977</b>	<b>20 044</b>	<b>28 427</b>	<b>26 814</b>	<b>36 500</b>	<b>37 659</b>	<b>38 908</b>
Compensation of employees	14 307	12 372	13 114	12 844	18 835	19 749	20 931
Goods and services	14 545	14 278	13 213	11 970	15 109	15 213	15 118
Depreciation and Impairment	3 126	2 394	2 100	2 000	2 556	2 697	2 859
<b>Total</b>	<b>31 977</b>	<b>29 044</b>	<b>28 427</b>	<b>26 814</b>	<b>36 500</b>	<b>37 659</b>	<b>38 908</b>

##### *Performance and expenditure trends*

New targets have been set and funded for the current year. Performance and expenditure trends will therefore be reported on in the next year.

## 5 PROGRAMME 2: BUSINESS DEVELOPMENT

### 5.1 STRATEGIC OBJECTIVE, PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2019/20 MTEF

<b>Strategic Goal 3: Artistic programming</b>							
<b>Strategic Goal 4: Talent development and promotion of the arts</b>							
Strategic Objective	Performance Indicators		Audited performance	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22
Conduct development showcases	5	Number of schools festivals presented	New indicator	New indicator	1	1	1
Produce artistic programmes	6	Number of shows staged	New indicator	12	10	11	12
	7	Number of community based festivals presented	New indicator	New indicator	1	1	1
Identify talent in the Free State across all disciplines through auditioning, mentoring, training, placement programme and talent pool identification	8	Number of skills workshops conducted	New indicator	4	4	4	4

## 5.2 QUARTERLY TARGETS FOR 2019/20

<b>Strategic Goal 3: Artistic programming</b>							
<b>Strategic Goal 4: Talent development and promotion of the arts</b>							
Strategic Objective	Performance Indicators		Annual target 2019/20	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Conduct development showcases	5	Number of schools festivals presented	1	N/A	1	N/A	N/A
Produce artistic programmes	6	Number of shows staged	10	3	3	2	2

Strategic Goal 3: Artistic programming							
Strategic Goal 4: Talent development and promotion of the arts							
Strategic Objective	Performance Indicators		Annual target 2019/20	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Produce artistic programmes	7	Number of community based festivals presented	1	N/A	N/A	N/A	1
Identify talent in the Free State across all disciplines through auditioning, mentoring, training, placement programme and talent pool identification	8	Number of skills workshops conducted	4	1	1	1	1

### 5.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

#### *Expenditure estimates business development*

Programme	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimate		
	R'000	2015/16	2016/17		2017/18	2018/19	2019/20
Business Development	9 436	10 562	10 128	10 618	6 182	7 156	8 393
<b>Total</b>	<b>9 436</b>	<b>10 562</b>	<b>10 128</b>	<b>10 618</b>	<b>6 182</b>	<b>7 156</b>	<b>8 393</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>9 436</b>	<b>10 562</b>	<b>10 128</b>	<b>10 618</b>	<b>6 182</b>	<b>7 156</b>	<b>8 393</b>
Compensation of employees	3 734	4 178	4 471	4 650	2 592	2 737	2 899
Goods and services	5 702	6 374	5 657	5 968	3 590	4 419	5 494
<b>Total</b>	<b>9 436</b>	<b>10 562</b>	<b>10 128</b>	<b>10 618</b>	<b>6 182</b>	<b>7 156</b>	<b>8 393</b>

#### *Performance and expenditure trends*

New targets have been set and funded for the current year. Performance and expenditure trends will therefore be reported on in the next year.

## 6 PROGRAMME 3: PUBLIC ENGAGEMENT

### 6.1 STRATEGIC OBJECTIVE, PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2019/20 MTEF

Strategic Goal 2: Marketing of PACOFS							
Strategic Objective	Performance Indicators		Audited performance	Estimated performance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22
Innovatively and significantly raise PACOFS visibility and use its facilities to retain customers	9	Marketing plan for artistic programme developed	New indicator	New indicator	Marketing plan for artistic programme developed by April 2019	Marketing plan for artistic programme developed by April 2020	Marketing plan for artistic programme developed by April 2021
	10	Brand strategy developed	New indicator	New indicator	Brand strategy developed by 30 June 2019	Brand strategy reviewed by 30 June 2020	Brand strategy reviewed by 30 June 2021
Explore and develop partnering opportunities with schools, religious institutions and businesses	11	Audience development plan for artistic programme developed	New indicator	New indicator	Audience development plan for artistic programme developed by April 2019	Audience development plan for artistic programme developed by April 2020	Audience development plan for artistic programme developed by April 2021

## 6.2 QUARTERLY TARGETS FOR 2019/20

Strategic Goal 2: Marketing of PACOFS							
Strategic Objective	Performance Indicators		Annual target 2019/20	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Innovatively and significantly raise PACOFS visibility and use its facilities to retain customers	9	Marketing plan for artistic programme developed	1	1	N/A	N/A	N/A
	10	Brand strategy developed	1	1	N/A	N/A	N/A
Explore and develop partnering opportunities with schools, religious institutions and businesses	11	Audience development plan for artistic programme developed	1	1	N/A	N/A	N/A

## 6.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

*Expenditure estimates public engagement*

Programme	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimate		
	R'000	2015/16	2016/17		2017/18	2018/19	2019/20
Public Engagement	4 745	9 362	11 534	10 624	6 990	7 487	7 869
<b>Total</b>	<b>4 745</b>	<b>9 362</b>	<b>11 534</b>	<b>10 624</b>	<b>6 990</b>	<b>7 487</b>	<b>7 869</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>4 745</b>	<b>9 362</b>	<b>11 534</b>	<b>10 624</b>	<b>6 990</b>	<b>7 487</b>	<b>7 869</b>
Compensation of employees	4 396	6 087	6 500	6 825	5 879	6 204	6 573
Goods and services	349	663	5 034	3 799	1 111	1 283	1 296
<b>Total</b>	<b>4 745</b>	<b>9 362</b>	<b>11 534</b>	<b>10 624</b>	<b>6 990</b>	<b>7 487</b>	<b>7 869</b>

*Performance and expenditure trends*

New targets have been set and funded for the current year. Performance and expenditure trends will therefore be reported on in the next year.

## PART C: LINKS TO OTHER PLANS

### 7 LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

PACOF'S owns a state of the art machinery and equipment which is used for professional delivery of performing arts programmes. However, it is important that the halls and other public areas of PACOF'S are kept in a state that makes the institution appealing to the users.

#### Capital works (infrastructure) grant

Name of grant	Programme	Audited Performance R'000		Main Appropriation R'000	MTEF R'000		
		2015/16	2017/18	2018/19	2019/20	2020/21	2021/22
Capital works grant	Capital works for arts promotion and development	30 000	-	7 738	25 976	6 667	-
Purpose of the grant	To upgrade, maintain, repair and renovate PACOF'S buildings.						

## ANNEXURE A: TECHNICAL INDICATOR DESCRIPTIONS

### Programme: Administration

<b>Indicator title</b>	Number of policies or procedures reviewed or developed per directorate
<b>Short description</b>	Each directorate will develop new or review existing policies and/or standard operating procedures and facilitate their subsequent approval.
<b>Purpose/importance</b>	To establish and strengthen a system of internal control in the institution.
<b>Source/collection of data</b>	Relevant legislation, best practices, audit recommendations, etc.
<b>Method of calculation</b>	Counting
<b>Data limitations</b>	Delays in the approval of the policies that have been developed or reviewed.
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	New
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Executive Officer

<b>Indicator title</b>	Percentage of officials in C to E bands who shall have signed their annual performance contracts by 30 April.
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<b>Short description</b>	All officials in the identified bands are required to enter into a performance agreement with their managers by no later than the 30 <sup>th</sup> April, outlining the key performance areas, indicators and timeframes.
<b>Purpose/importance</b>	To ensure proper monitoring of performance.
<b>Source/collection of data</b>	Job descriptions, annual performance plans, operational plans, organisational structure and strategic plan.
<b>Method of calculation</b>	$x = \frac{a}{b}$ <p>Where x is the percentage calculated, a is the number of signed performance contracts and b is the total number of officials in band C to E</p>
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	New
<b>Desired performance</b>	Targeted performance
<b>Indicator responsibility</b>	All managers

<b>Indicator title</b>	Number of performance assessments conducted for officials in C to E bands
<b>Short description</b>	Managers should formally assess the performance of those officials who report to them within 30 days after the end of the relevant quarter.
<b>Purpose/importance</b>	To track whether staff performance is monitored and that performance feedback is provided timeously.
<b>Source/collection of data</b>	Activity, quarterly and annual reports.
<b>Method of calculation</b>	Counting
<b>Data limitations</b>	None
<b>Type of indicator</b>	Activities and outputs
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	New
<b>Desired performance</b>	Actual performance that is higher than targeted performance is desirable
<b>Indicator responsibility</b>	All managers

<b>Indicator title</b>	Percentage of officials signing study agreements to achieve minimum grade requirements
<b>Short description</b>	Officials who do not meet the minimum requirements of the job grade are required to commit to training or studying to achieve the required qualifications.
<b>Purpose/importance</b>	To ensure that all designated officials have the minimum qualifications.
<b>Source/collection of data</b>	Job grading framework and current staff qualifications/personal files.
<b>Method of calculation</b>	$x = \frac{a}{b}$ <p>Where x is the percentage calculated, a is the number of signed study agreements and b is the total number of officials identified for training/studying</p>
<b>Data limitations</b>	None
<b>Type of indicator</b>	Output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	One-off
<b>New indicator</b>	New
<b>Desired performance</b>	Targeted performance
<b>Indicator responsibility</b>	Human Resource Manager

#### Programme: Business Development

<b>Indicator title</b>	Number of Free State Art Schools Festival presented
<b>Short description</b>	The festival provides platform for schools around the Free State to create and present drama and dance productions in a professional theatre space, while at the same time providing an opportunity for them to learn about the functioning of the various aspects of the theatre such as technical. Specific focus is on inter mediate and senior phase learners
<b>Purpose/importance</b>	To invigorate the performing arts, to promote dance and drama in schools. To build new audiences for theatre. To promote the spirit of nation building and social cohesion. To introduce learners to the professional theatre space by teaching them about the various theatrical aspects that constitute a performance.
<b>Source/collection of data</b>	Free State Department of Education
<b>Method of calculation</b>	Counting
<b>Data limitations</b>	N/A
<b>Type of indicator</b>	The indicator will measure the impact of participation of learners in the specific genres.
<b>Calculation type</b>	The indicator will be cumulative

<b>Reporting cycle</b>	It will be an annual school festival therefor the indicator will be reported annually
<b>New indicator</b>	The indicator is a new one, and has significantly changed.
<b>Desired performance</b>	The actual performance that is higher than the targeted performance is desirable
<b>Indicator responsibility</b>	Artistic Director

<b>Indicator title</b>	Number of shows staged
<b>Short description</b>	Music, Drama, Dance, Poetry and Comedy shows that are staged on the various stages inside the PACOFS Complex.
<b>Purpose/importance</b>	To provide platform for artistic expression.
<b>Source/collection of data</b>	Artistic Programme
<b>Method of calculation</b>	Counting
<b>Data limitations</b>	N/A
<b>Type of indicator</b>	The output of the program will be measured by the number of community Artists Organization participation
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Every quarter
<b>New indicator</b>	This indicator is an amendment of the old indicator, "Artistic Programmes of Excellence presented". The amendment was effected in order to give clear expression to the target
<b>Desired performance</b>	The actual performance that is higher than the targeted performance is desirable
<b>Indicator responsibility</b>	Artistic Director

<b>Indicator title</b>	Number of community based festival
<b>Short description</b>	Free State Province has got community groups which practice various art forms, the community festival will comprise of drama, dance, poetry and music
<b>Purpose/importance</b>	Create, promote and present the art forms
<b>Source/collection of data</b>	PACOFS data base along with the Department of Sport, Art, Culture and Creation data will be used to provide details of participants.
<b>Method of calculation</b>	Counting
<b>Data limitations</b>	N/A
<b>Type of indicator</b>	This a community based indicator, community response will be the base in which support will be sourced, it's an output based assessment

<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually reporting will be used
<b>New indicator</b>	This is a new indicator
<b>Desired performance</b>	The actual performance that is higher than the targeted performance is desirable
<b>Indicator responsibility</b>	Artistic Director

<b>Indicator title</b>	Number of skills workshops conducted
<b>Short description</b>	Targeted skills training for arts practitioners on the technical and financial aspects of producing or directing a production
<b>Purpose/importance</b>	Empowering, capacitate and skill the community art base groups with art and technical management skill
<b>Source/collection of data</b>	Department of Sports Art, Culture and Recreation
<b>Method of calculation</b>	Counting
<b>Data limitations</b>	None
<b>Type of indicator</b>	It is output based assessment
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	It is the new indicator
<b>Desired performance</b>	The actual performance that is higher than the targeted performance is desirable
<b>Indicator responsibility</b>	Artistic Director

### Programme: Public Engagement

<b>Indicator title</b>	Marketing plan for artistic programme developed
<b>Short description</b>	A plan to clearly indicate which tools and methods are going to be used to market programmes to be staged by PACOFS. It will also indicate targeted audiences for different productions.
<b>Purpose/importance</b>	To market shows through direct marketing, print, electronic and broadcast media.
<b>Source/collection of data</b>	Artistic programme
<b>Method of calculation</b>	Counting the number of marketing activities undertaken in line with the marketing plan
<b>Data limitations</b>	None

<b>Type of indicator</b>	Activities and output
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually in quarter 1
<b>New indicator</b>	New indicator
<b>Desired performance</b>	Targeted performance is desirable
<b>Indicator responsibility</b>	General Manager: Marketing

<b>Indicator title</b>	Brand strategy developed
<b>Short description</b>	A strategy to indicate which tools and methods are going to be used to actively engage the public and corporates in order to create awareness about PACOFS' services, products and its location
<b>Purpose/importance</b>	To reposition PACOFS as a recognisable brand through the use of print, direct marketing and electronic media.
<b>Source/collection of data</b>	Strategic and operational documents of the institution
<b>Method of calculation</b>	Counting the number of marketing activities undertaken in line with the branding strategy
<b>Data limitations</b>	None
<b>Type of indicator</b>	Marketing activities and outputs
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually in quarter 1
<b>New indicator</b>	New indicator
<b>Desired performance</b>	Targeted performance is desirable
<b>Indicator responsibility</b>	General Manager: Marketing

<b>Indicator title</b>	Audience development plan for artistic programme developed
<b>Short description</b>	A plan to indicate which activities, tools and methods are going to be used to develop new audiences for the institution's productions.
<b>Purpose/importance</b>	To develop interest and appreciation in theatre and all the performing art genres
<b>Source/collection of data</b>	Institutional strategic documents and the Artistic programme
<b>Method of calculation</b>	Counting the number of audience development activities undertaken in line with the plan
<b>Data limitations</b>	None
<b>Type of indicator</b>	Audience development activities and outputs

<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually in quarter 1
<b>New indicator</b>	New indicator
<b>Desired performance</b>	Targeted performance is the desired performance
<b>Indicator responsibility</b>	General Manager: Marketing

## ANNEXURE B: COUNCIL CHARTER

### 1. INTRODUCTION

This Council Charter is subject to the provisions of the Cultural Institutions Act No. 119 of 1998, the Public Finance Management Act No. 1 of 1999 and any applicable law or regulatory provision. The Council Charter provides guidelines to members in respect of, inter alia, the Council's responsibilities, authority, composition, meetings and the need for performance evaluations.

References to the male gender are intended to equally reflect as references to the female gender.

### 2. PURPOSE OF THE COUNCIL CHARTER

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

- 2.1 The roles and responsibilities of the PACOFS Council (the Council), Chairperson and the individual members of Council.
- 2.2 The establishment of the various Council committees;
- 2.3 Meetings procedures; and
- 2.4 The policies and practices of Council in respect of matters such as corporate governance, declarations and conflicts of interest, Council meeting documentation and procedures, induction, training and evaluation of the Council members.

### 3. ROLE AND RESPONSIBILITIES OF COUNCIL

The following role and responsibilities of Council are founded on the 16 Principles of King IV for public entities and complement the functions outlined in section 8(1) of the Cultural Institutions Act, 1998 and sections 50 to 55 of the Public Finance Management Act, 1999.

- 3.1 Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholder and other stakeholders of PACOFS along sound corporate governance principles.
- 3.2 Provide effective leadership on an ethical foundation.
- 3.3 Inform and set the strategic direction of PACOFS by:
  - 3.3.1 contributing to and approving the strategy; and
  - 3.3.2 identifying key performance and risk areas;
- 3.4 Bring independent, informed and effective judgment to bear on material decisions of PACOFS.
- 3.5 Take responsibility for the governance of information technology and governance risk.
- 3.6 Monitor the implementation by Council committees and executive management of the Council's strategies, decisions, values and policies with a structured approach to governance, risk management and combined assurance.
- 3.7 Ensure that there is an effective risk based internal audit.

- 3.8 Act in the best interests of PACOFS by ensuring that individual Council members:
  - 3.8.1 adhere to ethical and legal standards of conduct;
  - 3.8.2 are permitted to take independent advice in connection with their duties following an agreed procedure;
  - 3.8.3 disclose real or perceived conflicts to Council and deal with these accordingly.

#### **4. ROLE OF THE CHAIRPERSON**

- 4.1 The chairperson's role is to lead and manage the Council and ensure that it discharges its responsibilities. He sets the ethical tone for the Council and PACOFS.
- 4.2 The responsibilities of the chairperson include:
  - 4.2.1 ensuring that all Council members are fully involved and informed of any business issue on which a decision has to be taken;
  - 4.2.2 ensuring that management play an effective management role and participate fully in the operations and governance.
  - 4.2.3 ensuring that the Council members contribute to the Council decisions
  - 4.2.4 exercising independent judgment, acting objectively and ensuring that all relevant matters are placed on the agenda and prioritised properly;
  - 4.2.5 working closely with the Council members in ensuring that at all times the Council members fully understand the nature and extent of their responsibilities as Council members in order to ensure effective governance.
- 4.3 The chairperson will act as a facilitator at meetings of the Council to ensure that no member dominates the discussion, that relevant discussion takes place, that the opinions of all members relevant to the subject under discussion are solicited and freely expressed and that Council discussions lead to appropriate decisions.
- 4.4 The chairperson will seek a consensus amongst the Council but may, where considered necessary, call for a vote, in which event the decision of an ordinary majority of members will prevail and dissenting views will be recorded. The chairperson shall have a casting vote.
- 4.5 In the event of any matter arising, which the chairperson, or the majority of the Council, feel that the chairperson may not be able to deal with objectively, the chairperson shall temporarily relinquish the chair to the deputy chairperson or any other Council member for the duration of the discussion on such issue. In such event, the chairperson shall be entitled to enter into discussion and to vote as any other member present at the meeting.
- 4.6 Communication with the Shareholder will take place through the chairperson of the Council. At his discretion, the chairperson may invite the CEO or any other Council members to meetings with the Shareholder.
- 4.7 The CEO may communicate with the Director General of the Department of Arts and Culture provided, that the chairperson is informed prior to the meeting and its purpose. The CEO shall report to the chairperson the outcome of such meetings.
- 4.8 The chairperson attends to administrative approvals in respect of the CEO on, amongst others, leave, travel and entertainment.

#### **5. ROLE OF THE COUNCIL MEMBERS**

- 5.1 Council members are responsible for the governance namely, duty of care, a fiduciary duty and a duty to act only within their powers and authority.
- 5.2 Every member of the Council shall:
  - 5.2.1 At all times conduct himself in a professional manner, having due regard to his fiduciary duties and responsibilities.
  - 5.2.2 Uphold the core values of confidentiality, integrity and independence in all dealings on behalf of PACOFS;
  - 5.2.3 Ensure that he has sufficient time available to devote to his duties as a Council member;

- 5.2.4 Be diligent in discharging his duties and seek to acquire a broad knowledge of PACOFS' business so as to be able to provide meaningful direction to it;
- 5.2.5 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 PACOFS' business;
- 5.2.6 Use their best endeavors to attend all Council meetings, to read all necessary documentation and prepare themselves thoroughly in advance of Council meetings.
- 5.3 Members who are unable to attend a scheduled meeting must advise the chairperson and the Secretariat in writing, in advance of a meeting;
- 5.4 The Council shall allow every member to play a full and constructive role in its affairs. Members shall accordingly participate fully, frankly and constructively in Council discussions and other activities and shall endeavor to bring the benefit of their particular knowledge, skills and abilities to Council discussions;
- 5.5 As members are individually and collectively accountable for compliance with statutory and regulatory obligations, every member should endeavor to be conversant with the statutory and regulatory framework within which PACOFS operates;
- 5.6 The Council 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 members recuse themselves from discussions or decisions on matters in which they have a conflict of interest;
- 5.7 Members are required to inform the Council through the 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;
- 5.8 Members 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;
- 5.9 If any member wilfully or negligently fails to disclose an interest as required above or, subject to the provisions of the policies of PACOFS or any applicable legislation, and he participates in the proceedings of the Council notwithstanding any conflict of interest, the relevant proceedings of the Council may, at the discretion of the other members, be declared null and void. This shall be in addition to any other sanction that the Council may collectively apply in respect of the errant member, which sanction may include a recommendation to the Minister that such a member be removed from the Council.

## **6. COMMITTEES OF THE COUNCIL**

- 6.1 The Council must form committees to assist the Council to discharge its duties. The committees must have their responsibilities set out in a formal terms of reference.
- 6.2 Council committees will observe the same rules of conduct and procedures as the Council, unless the Council specifically determines otherwise in the committee's terms of reference.
- 6.3 The committee structure, membership and mandates may be reviewed regularly.
- 6.4 The chairperson, considering the desires of individual members, will propose the assignment of members to various committees.
- 6.5 Council committees must be constituted having regard to the skills, expertise and experience of members propose the respective committees' mandates. Where appropriate or necessary, independent external professionals with relevant skills and expertise may be co-opted as advisors to the committees to assist or bolster the committees where there is a shortage of such skills or expertise. Such co-opted professionals shall have the status of invitees to the committee, shall not form part of the quorum for meetings and shall have no voting rights.
- 6.6 The Council shall have the power, at all times, to alter the size of any of its committees, to remove any member or members from a committee and to fill any vacancies created by such removal.

- 6.7 Committees must have due regard to the fact that they do not have independent decision-making powers. They make recommendations to the Council except in situations where the Council authorises the committee to take decisions and implement them. Thus, in undertaking its duties, each committee must have due regard to its role as an advisory body to the Council, unless specifically mandated by the Council to make decisions.
- 6.8 A formal report back, either orally or in writing, shall be provided by the chairperson of each committee to all Council meetings following the committee meetings to keep the Council informed and to enable the Council to monitor the committee's effectiveness.
- 6.9 Council has the following committees:
- 6.9.1 Core Business Committee (CBC);
- 6.9.2 Audit and Risk Committee (ARC);
- 6.9.3 Remuneration Committee (RemCo);
- 6.9.4 Finance Committee (FinCom), including ICT;

## **7. COUNCIL AND SHAREHOLDER RELATIONSHIP**

- 7.1 The relationship between the Shareholder and PACOFS Council is governed by the Shareholder Compact. The targets to be achieved by PACOFS in any financial year are determined in the Shareholder Compact. It is the joint responsibility of the Shareholder and the Council to ensure that the Shareholder Compact is developed.
- 7.2 The Council shall, when reporting to the Shareholder, present a balanced and understandable assessment of the PACOFS' position.

## **8. MEETING PROCEDURES AND DOCUMENTATION**

### **8.1 Attendance of non-members at Council meetings**

The chairperson may permit members of the PACOFS' staff and outside parties to attend all or part of Council meetings at specific or regular times. The purpose of such attendance is to provide the Council with expert insights to their deliberations or as capacity building for potential members. The CEO should propose such attendance and must consult the chairperson before reaching a decision.

### **8.2 Attendance of executives and independent chairpersons of Council committees**

The PACOFS executives shall attend all Council and the relevant Council committee meetings as *ex officio* members. The independent chairpersons of Council committees shall attend all the ordinary meetings of the Council.

### **8.3 Council meetings**

- 8.3.1 The Council should meet regularly, at least once a quarter, if not more frequently as circumstances require, and must disclose in the Annual Report the number of Council and committee meetings held in the year and the details of attendance of each member.
- 8.3.2 The Council must institute efficient and timely methods for informing and briefing Council members prior to meetings while each Council member is responsible for being satisfied that, objectively, they have been furnished with all the relevant information and facts before making a decision.
- 8.3.3 Council members shall attend Council meetings and prepare thoroughly for them.

- 8.3.4 Council members must participate fully, frankly and constructively in Council discussions and other activities to bring the benefit of their particular knowledge, skills and experience to the Council.
- 8.3.5 Council members who are unable to attend a meeting must advise the chairperson and the secretariat at the earliest possible time and a record should be kept to that effect.
- 8.3.6 The chairperson, with the assistance of the secretariat shall develop the agenda for each Council meeting and in doing so may consult with the CEO and other members. The agenda for each meeting shall provide an opportunity for the chairpersons of the committees to report on any matters of importance.
- 8.3.7 The chairperson must also place on the agenda any item that is proposed in writing by a member. The agenda and other relevant documents shall be circulated to Council members at least 7 days in advance.
- 8.3.8 The CEO shall cause information and data that is important to the Council's understanding of the business to be distributed in writing at least seven days before the Council meets. This material should be as brief as possible while still providing the essential information.
- 8.3.9 Presentations, wherever possible, should be sent to the Council members at least 7 days in advance so that the Council's meeting time can be conserved, and the discussion time focused on questions that the Council has about the material distributed. On those occasions when, in the opinion of the chairperson, the subject matter may be too sensitive to record, the presentation will be discussed at the meeting.
- 8.3.10 Minutes of all Council meetings shall record the proceedings and decisions taken, the details of which shall remain confidential. The secretariat will circulate minutes of Council meetings to all Council members within two weeks of each meeting.
- 8.3.11 The Council and its committees may, subject to this being sanctioned by the chairperson in the case of the Council and by the respective committee chairperson in the case of the committees, take decisions on urgent and non-contentious issues, by means of the round robin resolution method. The approval of the round robin resolution should be by at least the majority of the Council members.

#### **8.4 FREQUENCY**

Council must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter. The Council meets quarterly and at such additional ad hoc times as may be required.

#### **8.5 QUORUM OF MEETINGS**

A representative quorum for meetings is fifty percent plus one members of the Council, which must include the Chairperson or the Deputy Chairperson and must exclude the *ex officio* members. These members of the Council must be present in person or through electronic media throughout the meeting.

#### **9. MAINTENANCE OF MEETING AND STATUTORY RECORDS**

- 9.1 The Council must establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 9.2 The secretariat shall cause minutes of all Council meetings, and written resolutions of such meetings, to be kept safely in accordance with this Charter. The secretariat will circulate minutes of the previous Council meeting to all members of the Council prior to the next meeting.
- 9.3 The secretariat shall maintain up-to-date Council resolutions register, approved Council minutes, members' annual register of interests and meetings attendance register.

#### **10. DELEGATION**

- 10.1 The Council has unfettered powers to direct and control the business of PACOFS, and may delegate the day-to-day business operations to Management. At all times, the Council must retain full and effective control over the direction and performance of PACOFS.
- 10.2 The Council must delegate in a clear and transparent manner, such powers as are necessary for Management to run the business of the PACOFS, while retaining sufficient powers to itself to control the management and strategic direction of the PACOFS.
- 10.3 In instances of crisis in the organisation, the Council may revoke any powers delegated to Management in order to stabilise PACOFS.

## **11. RESERVATION OF POWERS**

The following matters, with recommendations from Committees, as may be appropriate, shall be reserved for decision by the Council:

- 11.1 The adoption of any significant change or departure in the accounting policies and practices of the PACOFS;
- 11.2 Any restructuring of PACOFS;
- 11.3 The approval of the Strategic and Annual Performance Plans and annual budgets; and
- 11.4 Any subsequent material changes in strategic direction or material deviations in Strategic or Annual Performance Plans;
- 11.5 Approval of recommended policies in relation to employment related legislation;
- 11.6 Appointment of the Executives;
- 11.7 Approval of the rules and amendments to the PACOFS' pension and provident funds having a material effect on the actuarial liabilities of those funds;
- 11.8 The formulation and amendment of the Code of Conduct;
- 11.9 Recommending to the Shareholder to approve any ordinary or special resolutions in respect of the PACOFS;
- 11.10 Recommending that the Shareholder take a particular course of action proposed by the Council.
- 11.11 Approval of the organisational structure and creation of new positions;
- 11.12 Approval of the remuneration structure and the conditions of service of employees.

## **12. MONITORING OF PERFORMANCE**

12.1 The Council must ensure that procedures are in place for monitoring and evaluating the implementation of its Strategies, Policies and Performance Plans, as a measure of performance.

12.2 The Council should establish a mechanism to ensure that the Shareholder's Performance Objectives contained in the Shareholder Compact are achieved and such achievement is reflected in the performance of PACOFS.

12.3 The Key Performance Areas of the Executive Management must include the achievement of the Strategic Objectives.

## **13. THE SECRETARIAT**

The decision to appoint or remove the secretariat is a Council decision. The Council should be assisted by a competent, suitably qualified and experienced secretariat.

The secretariat provides a central source of guidance and support to the Council on matters of good governance and changes in legislation.

The secretariat is accountable to the Council to:

- 13.1 Ensure that Council procedures are followed and reviewed regularly;
- 13.2 Maintain statutory records in accordance with legal requirements;
- 13.3 Provide the Council as a whole, and individual Council members, with detailed guidance as to how their responsibilities should be properly discharged in the best interest of PACOFS and on good governance;
- 13.4 Keep abreast of, and inform Council of current corporate governance thinking and practice;
- 13.5 Assist with induction and training programmes;
- 13.6 Ensure that the Council Charter and the terms of reference of Council committees are kept up to date;
- 13.7 Prepare and circulate Council and Council committee documents;
- 13.8 Elicit responses, input, and feedback for Council and Council committee meetings;
- 13.9 Assist in drafting annual work plans;
- 13.10 Ensure preparation and circulation of minutes of Council and committee meetings; and

- 13.11 Assist with the evaluation of the Council, committees and individual members;
- 13.12 Maintain a register of members' interests.

#### **14. DISCLOSURE AND CONFLICTS OF INTEREST**

The secretariat must submit all disclosures of interest to the Remco and the Council at the first subsequent meeting. The Remco is required to:

- 14.1 Consider all declarations of interest;
- 14.2 Report to the Council any conflicts of interest which require specific action by the Council;
- 14.3 Enduring material conflicts of interest are regarded by the Council as incompatible with the fiduciary duties of Council members.

#### **15. CORPORATE GOVERNANCE AND RISK MANAGEMENT**

- 15.1 It is the intention of PACOFS to apply the principles of the King IV Report on Corporate Governance for South Africa 2016 to the extent that they advance effective corporate leadership.
- 15.2 Council directly assumes responsibility for the governance of risk; it approves the risk policy that gives effect to its set direction on risk.
- 15.3 To support the Council in ensuring effective risk management oversight, the Council committees are responsible for ensuring the effective monitoring of risks, in compliance with PACOFS' risk management framework, risk policy and profile, within the ambit of each committee's scope.
- 15.4 In monitoring and providing oversight on PACOFS' risk, each committee will consider potential opportunities as appropriate.

#### **16. EVALUATION**

An evaluation of the Council, its committees and individual council members, including the chairperson, must be performed every year.

### **ANNEXURE C: MATERIALITY AND SIGNIFICANCE FRAMEWORK**

#### **INTRODUCTION**

In terms of Section 55 (2) of the Public Finance and Management Act, and the National Treasury Regulations, Part 9: Public Entities Section 30.1.3 (e) and Section 28.3.1 states that:

“...the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relative executive authority”.

The South African Auditing Standard 320, paragraph 3 defines materiality as

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

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

#### **QUALITATIVE ASPECTS**

In determining the materiality the Audit Committee and Council has considered:

- The relationship of the amount of an item to the information contained in the annual financial statements as a whole or in total from which the item comes is the important factor.
- The elements and significance of the Annual Financial Statements account balances i.e expenditure, capital, assets income and liabilities.

The Annual Financial Statements must be free of any misstatements. The basis of calculating quantitative materiality is determined by taking into account best practice in the public sector of South Africa i.e.: on the basis of:

- Gross Revenue;
- Total Assets; or
- Total Expenses.

Taking the above information into consideration, PACOFS has determined materiality by applying 0.25% of the Actual Gross Expenditure for the financial year.

### **QUALITATIVE ASPECTS**

In determining the materiality the Council has considered the following qualitative characteristics:

- Public accountability and disclosure requirements in terms of legislation;
- Compliance with legislation;
- Disclosure requirements;
- Sensitive situations, including transactions with officers , irregularities and questionable transactions; and
- Importance of information to users of the Annual Financial Statements.

### **SIGNIFICANT ASPECTS**

Any transaction or circumstances that may have a significant impact on PACOFS regardless of the monetary value is considered significant for the purposes of the framework.

## **ANNEXURE D: FRAUD AND CORRUPTION PREVENTION PLAN**

### **POLICY STATEMENT**

1. It is the policy of the PACOFS that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and recoveries where applicable.
2. Prevention, detection, response and investigative strategies will be designed and implemented. These will include any existing controls (system controls and manual internal controls) and those currently prescribed in existing policies, procedures and other relevant prescripts to the activities of PACOFS.
3. It is the responsibility of all employees to report all incidents of fraud and corruption that may come to his / her attention to his / her supervisor. Alternatively, such reports can be made by way of submitting a report through the prescribed whistle blowing mechanism.
4. All reports received will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged with investigation into such reports.
5. All managers are responsible for the detection, prevention and investigation of fraud and corruption, within their areas of responsibility.
6. Additionally the PACOFS is also using the Free State Province: Fraud and Corruption reporting hotline (0800 21 21 78) and DAC anti- fraud and corruption hotline (Whistle blower toll-free: 0800 701 701).

## ANNEXURE E: AUDIT IMPLEMENTATION PLAN

	Finding	Description of finding	Action Plan	Target Date
1	Property, plant and equipment	Incomplete asset register	Independent team to perform physical assets verification.	29-Mar-19
2	Receivables from exchange transactions	Failure to provide proof of existence of receivables, resulting in doubtful collection	Irrecoverable debts have been written off and the remaining ones are being rigorously pursued.	29-Mar-19
3	General expenses	Incorrect classification of transactions according to their nature	Develop checklist to ensure everyone in the payment chain checks the correctness of transactions classification	29-Mar-19
4	Cash flow statement	Incorrect cash flow calculations	A knowledgeable official has been assigned the responsibility to trace and correct the miscalculations	30-Nov-18
5	Material under spending on conditional grants	Allocated capital budget not spent due to a spending moratorium while a forensic audit was being conducted	Implementation of the forensic investigation recommendations for the moratorium to be lifted	29-Mar-19
6	Irregular expenditure	Non-compliance with supply chain management requirements and the overspending of the budget	Review the relevant checklist and also reassign the signing off of purchase orders to the supply chain manager. Take disciplinary steps and apply for condonement, where applicable	30-Nov-18
7	Contingent liabilities	The institution is a defendant in two arbitration cases	One case has been resolved and the other is at the labour court	29-Mar-19
8	Monitoring of funded productions	The cost of staging shows is more than the revenue they generate	Other revenue streams will be identified as the institution is in the business of showcasing and polishing raw talent in the performing arts	29-Mar-19

## ANNEXURE F: ORGANISATIONAL STRUCTURE

