



P·A·C·O·F·S

PERFORMING ARTS CENTRE
OF THE FREE STATE

an agency of the
Department of Sport, Arts and Culture

ANNUAL PERFORMANCE PLAN

2023 – 2024

Accounting Authority Statement

I am honoured to present PACOFS Annual Performance Plan for 2023/24 on behalf of the Council Members, Management, and staff.

PACOFS has made good strides during the 2022/23 financial year as it was able to

- Appoint the new Chief Executive Officer and an Artistic Director to capacitate the executive echelons of the organisation.
- Obtain an unqualified audit outcome for the 2021/22 financial year.
- Decisively implement consequences management.

The focus of Council in 2023/24 will continue and deepen:

- The multi-year artistic programming, which will try to strike a fine balance between quantity and quality of productions.
- The implementation of the revenue enhancement strategy now that a senior manager for marketing has been appointed.
- The implementation of the infrastructure projects now that a senior manager for facilities has been appointed.
- The improvement of relationships with the sector and stakeholders.
- Good governance in the organisation.

Given the current trajectory in the organisation, Council is confident that it will realise its 5-year impact statement that of a “vibrant artistic programme and improved financial sustainability, supported by well-maintained facilities that are optimally used.



Advocate Thato Moeeng
Chairperson of Council

Date: 30 January 2023

Foreword by the Chief Executive Officer

PACOFs is gradually working on its image that for years was tainted by labour instability that drastically affected the operations and effective functioning of the organization. Also, top leadership problems that had engulfed the agency into a period of uncertainties have been resolved through filling of strategic positions. The key achievements that are impacting positively on the image of the organization include

- The labour relations have largely been resolved despite some cases that are still at the CCMA.
- Recent recruitment of demographically representative employees, which it is believed will have an effect of renewed interest in the activities organised by PACOFs.
- Programming of productions that are representative of the demographics of the province.
- Increased and proactive engagement with the media.

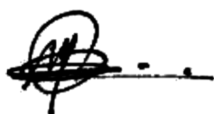
The Agency is excited to have appointed an experienced Chief Executive Officer with both senior executive management and board experience.

Furthermore, with the appointment of two senior managers for marketing, facilities and artistic director during the second quarter of the 2022/23 financial year, the Agency is destined to new heights under new management.

The plans outlined in this document seek to ensure that PACOFs achieves outcomes six (6) as stated in the strategic plan:

1. Strong governance and sound financial controls
2. Optimal utilization of facilities
3. Well-maintained facilities
4. Financial sustainability
5. Vibrant artistic programme
6. Creating opportunities for performing artists from target groups.

This Annual Performance Plan (APP) is critical as it is commensurate with the 4th year of the 5th year Strategic Plan. The revised APP is aligned to the Medium-Term Strategy Framework (MTSF). The APP has been revised considering the budgetary constraints as it is evident on a declining baseline. COVID-19 has had a huge impact on the country's economic growth resulting in the National Treasury adopting a conservative approach in funding the line departments because of competing priorities of the country. Therefore, the delivery of the plan is highly dependent on a sustained funding model. This means that the Agency's funding model will consider pro-bono and donor sponsorship to cushion the limited allocated budget.



Mr TTC Dlamini
Chief Executive Officer

30 January 2023
Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by management under the guidance of the Council.
- Was prepared in line with the revised 2020/21 – 2024/2025 Strategic Plan.
- Accurately reflects the performance targets which PACOFS will endeavour to achieve given the resources made available in the budget for 2023/24.



Ms N Masheane
Artistic Director

Date: 31/01/2023



Ms A van Veijeren
Senior Manager: Marketing

Date: 31/01/2023



Mr M Mabaso
Senior Manager: Facilities

Date: 31/01/2023



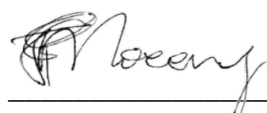
Mr. S Sanyane
Chief Financial Officer

Date: 31/01/2023



Mr TTC Dlamini
Chief Executive Officer

Date: 31/01/2023



Adv. TG Moeeng
Council Chairperson

Date: 31/01/2023



Mr N. G. KODWA (MP)
Executive Authority

Date: 30/03/2023

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PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

The primary legislative mandates of the Department of Sport, Arts and Culture come from the Constitution of the Republic of South Africa, which states that:

Section 16(1): - “Everyone has the right to freedom of expression, including.

- 1.1 freedom of the press and other media.
- 1.2 freedom to receive or impart information or ideas.
- 1.3 freedom of artistic creativity; and
- 1.4 academic freedom and freedom of scientific research.

” Section 30 – “Everyone has the right to use language and to participate in the cultural life of their choice, but no one exercising these rights may do so in a manner inconsistent with any of the provisions of the Bill of Rights.”

Emanating from the White Paper of Arts, Culture and Heritage the following Acts have been promulgated by Parliament and institutions created in furtherance of the constitutional mandate of the Department of Sport, Arts and Culture.

2. LEGISLATIVE MANDATE

2.1 PACOFS as a Public Entity furthermore will not only be guided by legislative mandates but also other legislation directly or indirectly impact on entity. The list mentioned below is not complete by any means but provide framework of legislative mandates governing our daily operations and responsibilities.

- 2.1.1 The Constitution of the Republic of South Africa, 1996.
- 2.1.2 White Paper of Arts, Culture and Heritage.
- 2.1.3 Cultural Institutions Act 1998 (Act No. 119 of 1998).
- 2.1.4 Culture Promotion Act, 1983 (Act No. 35 of 1983).
- 2.1.5 Labour Relations Act, 1995 (Act No. 66 of 1995 updated 2002).
- 2.1.6 Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).
- 2.1.7 Employment Equity Act, 1998 (Act No. 55 of 1998).
- 2.1.8 Basic Conditions of Employment Act, 1998 (Act No. 97 of 1998).
- 2.1.9 Skills Development Act, 1998 (Act No. 97 of 1998)
- 2.1.10 Skills Development Levy Act, 1999 (Act No. 9 of 1999).
- 2.1.11 Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).
- 2.1.12 Pension Fund Amendment Act, 2001 (Act No. 65 of 2001).
- 2.1.13 Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003).
- 2.1.14 Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).
- 2.1.15 Preferential Procurement Policy Framework Act No. 5 of 2000 (“PPPFA”).

- 2.1.16 Public Finance Management Act, 1999 (PFMA), Act of 1999 as amended by Act 29 of 1999.
- 2.1.17 PACOFS is a PFMA Schedule 3A entity that was established by the Ministry of Sport, Arts and Culture in terms of the Cultural Institutions Act 1998 (Act No. 119 of 1998).
- 2.1.18 Treasury Regulations, 2005

3. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

3.1 During 2022/23, Council approved the following institutional policies:

- 3.1.1 Leave policy.
- 3.1.2 Payroll policy.
- 3.1.3 Expenditure policy.
- 3.1.4 Supply Chain Management policy.
- 3.1.5 Fixed assets policy.
- 3.1.6 Inventory policy.
- 3.1.7 Long service policy.
- 3.1.8 Subsistence and Travel policy.
- 3.1.9 Delegations of authority

3.2 PACOFS is embarking on the implementation of the remaining two years with special focus on the implementation of the following:

- 3.2.1 The revised White Paper on Arts, Culture and Heritage (2017, endorsed in 2020).
- 3.2.2 Theatre and Dance Policy that DSAC is mandated by the White Paper recommendations to develop cultural and creative sector policies that will provide a regulatory framework for the development and promotion of the Theatre and Dance Sector

4. RELEVANT COURT RULINGS

4.1 Updates to Relevant Court Rulings

- There are no relevant court rulings.

Part B: Our Strategic Focus

5. UPDATED SITUATION ANALYSIS

The strategic focus of the organisation for this year, and beyond, is on the following:

- a) Quality in the multi-year curatorial artistic programming that is commissioned, in-house, and binary. This brings about the much-needed vibrancy through regular staging of productions and at the same time hosting well-known and seasoned producers at PACOFS. This will improve the profile of the organisation, while at the same time building a loyal army of theatre audiences.
- b) Changing the negative narrative about Agency's image while positioning PACOFS as an iconic performing arts centre in South Africa.
- c) Artistically rebranding and repositioning PACOFS.
- d) Attract new and sustain existing stakeholders, = through engaging and aligning with potential funders/sponsors both nationally and internationally.
- e) Enhancing and promoting sustainable artistic developmental programmes inter and intra the Free State.
- f) Completing the infrastructure projects in 2023/24, 2024/25 and 2025/26.
- g) Broadening the revenue base through full implementation of the revenue generation strategy.
- h) PACOFS' digitalisation of Performing Arts will be in line with the National Department of Sports Arts and Culture's (DSAC). National Policy Framework on the Digitisation of Heritage Resources was developed this Policy Framework in 2011. Accordingly, the Policy is to ensure the production, promotion, and preservation South of African heritage using technology.
- i) Archiving PACOFS' artistic offerings will take the form of operational archiving using the National Archives Act and preservation using the National Policy Framework on the Digitisation of Heritage Resources.

5.1 EXTERNAL ENVIRONMENT ANALYSIS

According to Info SA, Free State is ranked the third-largest province in South Africa, with the second-smallest population and second-lowest population density. The economy is dominated by agriculture, mining, and manufacturing. The PACOFS offerings to the people of the province who are on the periphery would require partnering with the provincial department

PACOFS is to participate in the cultural programme in partnership with BRICS countries through the cultural diplomacy programme managed by the Department of Sport, Arts and Culture.

It may, therefore, be necessary for the intervening period to create and maintain new artistic ventures that work independently from BRICS. This would include, for instance, the collaboration between South Africa, Ghana, Uganda and the United States of America through the *HerStory* International Theatre Festival and the *Kampala International Festival*.

The cost of staging productions has drastically increased during post covid-19 pandemic due to the impact of the weak economic environment, which has affected the global creative industries. It is therefore prudent to encourage partnerships between PACOFS and independent producers with external sources of funding. Also, making use of digital platforms as source of information sharing for other resources and financial support from, for example, the National Arts Council, that can be utilised by external producers.

The Sand du Plessis theatre complex is situated in the central business district of Bloemfontein, where incidents of crime are regularly reported. A big part of the paid theatre market currently perceives visiting the theatre as a safety risk. Internal steps have been taken to resolve this matter by erecting a fence around the PACOFS building in early 2023.

The public image of PACOFS is currently very weak, because of many years of reported staff problems and the executive leadership instability at the institution. However, steps are being taken to rectify this perception.

Leveraging on an observation made seven (7) years ago by the portfolio committee to forge agreements with provincial departments in particular Sports, Arts, Culture and Recreation, and the Municipality.

5.1 INTERNAL ENVIRONMENT

It is the quest of Council and management for PACOFS to now obtain a clean audit, having received unqualified audit outcomes in the past two financial years. The following are the main issues that stand between PACOFS and a clean audit:

Emphasis of matter	Remedial action
1. Irregular, fruitless, and wasteful expenditure	Implementation of the provisions of the irregular, fruitless and wasteful expenditure framework
	Consequences management
2. Material underspending of capital projects	A qualified resource in infrastructure projects management has been appointed to rollout the capital projects.

It is also critical for management to submit error-free financial statements to the auditor general. The independent review by the internal audit becomes critical in this regard.

Marketing is the epicentre of the sustainability of the organisation in terms of revenue generation to fund the core operations and ensure sustained foot traffic into the theatres. It is therefore the intention of PACOFS to strengthen this department in realising its full benefits.

PART C: MEASURING OUR PERFORMANCE

6. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.1 PROGRAMME 1: ADMINISTRATION

Purpose: To provide corporate support and facilities management services

Outcomes, Outputs, Performance Indicators and Targets

Outcome 1: Strong governance and sound financial controls							
Outcome 3: Well-maintained infrastructure							
Outcome 4: Financial sustainability							
Outputs	Output Indicators		Actual performance	Estimated performance	Medium-term targets		
			2021/22	2022/23	2023/24	2024/25	2025/26
Improved governance and control environment	1	Percentage of 2022/23 audit findings addressed	100%	100%	100%	100%	100%
	2	Number of reports on risks mitigation progress presented to the ARC	4	4	4	4	4
	3	Number of capital projects completed	0	1	3	1	1
Improved organisational and staff performance	4	% Of HR implementation plan targets achieved	100%	100%	100%	100%	100%
Improved ICT governance systems	5	% Of ICT plan targets achieved	New indicator	100%	100%	100%	100%

Indicators, Annual and Quarterly Targets

Output Indicators		Annual target 2023/24	Q1	Q2	Q3	Q4
1	Percentage of 2022/23 audit findings addressed	100%	N/A	30%	60%	100%
2	Number of reports on risks mitigation progress presented to the ARC	4	1	1	1	1
3	Number of capital projects completed	3	2	1	0	0
4	Percentage of HR implementation plan targets achieved	100%	25%	50%	75%	100%
5	Percentage of ICT plan targets achieved	100%	25%	50%	75%	100%

6.2 PROGRAMME 2: BUSINESS DEVELOPMENT

Purpose: To implement the core business of the entity.

Outcomes, Outputs, Performance Indicators and Targets

Outcome 2: Optimal utilisation of facilities							
Outcome 5: Curatorial artistic programme							
Outcome 6: Creating opportunities for performing artists from target groups.							
Outputs	Output Indicators		Actual performance	Estimated performance	Medium-term targets		
			2021/22	2022/23	2023/24	2024/25	2025/26
Sustained showcasing of performing arts practitioners through the staging of productions and festivals	6	Number of commissioned productions staged and/or streamed	30	35	25	30	35
	7	Number of in-house productions staged and/or streamed	New indicator	New indicator	2	2	2

Outcome 2: Optimal utilisation of facilities

Outcome 5: Curatorial artistic programme

Outcome 6: Creating opportunities for performing artists from target groups.

Outputs	Output Indicators		Actual performance	Estimated performance	Medium-term targets		
			2021/22	2022/23	2023/24	2024/25	2025/26
Performing arts practitioners developed	8	Number of development and outreach programmes/ workshops/ conducted	4	4	4	4	4
	9	Number of grants funded programmes implemented	New indicator	1	1	1	1
Artistic collaborations and partnerships	10	Number of artistic works co-produced with independent producers	New Indicator	2	3	3	3
	11	Several binary ventures staged.	New Indicator	New indicator	4	4	4
	12	Number of flagship productions staged through collaborations and partnerships	New indicator	New indicator	2	2	2

Indicators, Annual and Quarterly Targets

Output Indicators		Annual target 2023/24	Q1	Q2	Q3	Q4
6	Number of commissioned productions staged and/or streamed	25	6	7	6	6
7	Number of in-house productions staged and/or streamed	2	0	1	1	0
8	Number of development and outreach programmes/ workshops/ conducted	4	1	1	1	1
9	Number of grants funded programmes implemented	1	0	0	0	1
10	Number of artistic works co-produced with independent producers	3	1	1	1	0
11	Number of binary ventures staged	4	1	1	1	1
12	Number of flagship productions staged through collaborations and partnerships	2	0	1	1	0

6.3 PROGRAMME 3: PUBLIC ENGAGEMENT

Purpose: To market theatre offerings, facilities, and services, including engaging in theatre audience development.

Outcomes, Outputs, Performance Indicators and Targets

Outcome 2: Optimal utilisation of facilities							
Outcome 5: Curatorial artistic programme							
Outputs	Output Indicators		Actual performance	Estimated performance	Medium-term targets		
			2021/22	2022/23	2023/24	2024/25	2025/26
Establish media partnerships to promote productions	13	Number of media relationships established	New indicator	4	4	4	4
	14	Percentage implementation of the media campaigns annual plan	New indicator	100%	100%	100%	100%

Outcome 2: Optimal utilisation of facilities							
Outcome 5: Curatorial artistic programme							
Outputs	Output Indicators		Actual performance	Estimated performance	Medium-term targets		
			2021/22	2022/23	2023/24	2024/25	2025/26
Increase attendance to artistic productions.	15	Percentage implementation of the marketing plan for each production	New Indicator	New Indicator	100%	100%	100%
	16	Percentage implementation of the audience development plan for each production	New Indicator	New Indicator	100%	100%	100%
	17	Number of audiences attending artistic productions	New indicator	6 000	12 000	14 000	16 000
Increase in own revenue generated	18	Number of sponsorships and commercial partnerships secured	New indicator	8	10	12	14
	19	Number of facilities leased out	New indicator	New indicator	1	3	4

Indicators, Annual and Quarterly Targets

Output Indicators		Annual target 2023/24	Q1	Q2	Q3	Q4
13	Number of media relationships established	4	1	1	1	1
14	Percentage implementation of the media campaigns annual plan	100%	25%	50%	75%	100%

Output Indicators		Annual target 2023/24	Q1	Q2	Q3	Q4
15	Percentage implementation of the marketing plan for each production	100%	100%	100%	100%	100%
16	Percentage implementation of the audience development plan for each production	100%	100%	100%	100%	100%
17	Number of audiences attending artistic productions	12 000	3 000	3 000	3 000	3 000
18	Number of sponsorships and commercial partnerships proposals submitted to the private sector	10	3	3	2	2
19	Number of facilities leased out	1	0	0	0	1

7. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The section on “updated situation analysis” above seeks to outline the key focus areas of performance over the medium-term period to the end of the 5-year planning cycle.

8. MEDIUM-TERM EXPENDITURE ESTIMATES

Programme	Audited outcomes			Appropriation	Medium-term expenditure estimate		
R'000	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Administration	36 500	35 270	39 817	40 384	41 501	43 552	45 735
Business Development	6 182	6 923	7 162	7 265	8 009	8 482	8 907
Public Engagement	6 990	7 436	7 815	7 575	6 506	6 837	7 180

Programme	Audited outcomes			Appropriation	Medium-term expenditure estimate		
R'000	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total	49 672	49 629	54 794	55 224	56 016	58 871	61 822
Economic classification							
Current payments	49 672	49 629	54 794	55 224	56 016	58 871	61 822
Compensation of employees	27 308	27 935	31 684	32 558	31 840	33 250	34 850
Goods and services	19 808	18 786	21 056	21 339	22 830	24 206	25 486
Depreciation and Impairment	2 556	2 908	2 054	1 327	1 346	1 415	1 486
Total	49 672	49 629	54 794	55 224	56 016	58 871	61 822

The 2023/24 budget increases by 1.43% from R55.2 million to R56 million. The entity will have to implement its revenue enhancement strategy in earnest to ensure that the projected revenue is massively exceeded to cater for key activities that could not be accommodated within budget.

9. UPDATED KEY RISKS

Outcome	Key Risks	Risk Mitigation
Strong governance and sound financial controls	Negative audit outcome	Effective internal controls
		Compliance with laws, regulations, and policies
		Consequences management
	Toxic organizational culture	Promote organizational values
	Inadequate ICT segregation of duties	Review ICT organizational structure
	Business continuity and resilience	Review of IT policies
Optimal utilisation of PACOFS facilities	Irregular, fruitless, and wasteful expenditure	Prompt implementation of the provisions of the irregular, fruitless and wasteful expenditure framework
		Refurbish and maintain the facilities;
Well maintained facilities	Inadequately maintained facilities	Market the facilities aggressively
		Finalise and implement the facilities management contract
Financial sustainability	Unsustainable cost structure	Source sponsorships and commercial partnerships.
Curatorial artistic programme	Poor attendance of productions	Develop and implement a

Outcome	Key Risks	Risk Mitigation
		multi-year Artistic Programme to enable adequate implementation of marketing plans and strategies.
Creating opportunities for performing artists from target groups	Inadequate support to performing artists	Progressively increase the artistic budget through creative revenue-generating activities.

10. CAPITAL PROJECTS

No	Project name	Project description	Output	Start date	Completion date
1	Heating, Ventilation and Air Conditioning & Standby Generators	Phase 1 - Installation of a new HVAC and standby generators (Sand Du Plessis)	Functional HVAC and standby generators	01/04/2023	29/09/2023
2	Facilities Management Contract	Infrastructure condition assessment and development of maintenance plans	100% maintenance plan and well-maintained facility	01/04/2023	31/04/2025
3	Upgrade of Main Entrance	Revamp the existing PACOFS main entrance.	Upgraded entrance.	01/04/2023	31/05/2023
4	CCTV	Upgraded the current system with the 3D system	CCTV upgraded	01/03/2023	31/05/2023
5	Smoke & Fire Detection system	Installation of smoke and fire detection system	Smoke and Fire detection installed.	01/04/2023	31/04/2025

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title 1	Percentage of 2022/23 audit findings addressed
Definition	Actions in the audit improvement plan to address unresolved audit findings will be progressively implemented such that they are all (100%) addressed by 31 March 2024
Source of data	Audit improvement plan
Method of calculation/Assessment	Percentage
Means of verification	Evidence of findings resolved/addressed

Assumptions	Relevant managers will provide evidence to prove that audit findings have been addressed
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	All findings cleared by year-end
Indicator responsibility	Chief Financial Officer

Indicator title 2	Number of reports on risks mitigation progress presented to the ARC
Definition	Quarterly progress reporting to the ARC against the risk treatment plans identified in the risk register and updates of the strategic risk register, where necessary.
Source of data	Strategic risk register
Method of calculation/Assessment	Determination of the extent to which the risk treatment actions in the risk register were implemented/achieved.
Means of verification	Quarterly risk reports.
Assumptions	Approved strategic risk register. Managers implementing and reporting on risks treatment actions
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Managers implementing and reporting on risk treatment actions.

	Strategic risk register updated quarterly
Indicator responsibility	Chief Executive Officer

Indicator title 3	Number of capital projects implemented
Definition	Relates to the capital projects listed in section 10 of this APP, regarding their successful implementation.
Source of data	Implementation reports, project close-out reports
Method of calculation/Assessment	Simple count
Means of verification	Project Briefs; Project close-out reports; Completion Certificates
Assumptions	Continued funds availability
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	All planned projects implemented
Indicator responsibility	Senior Manager: Facilities

Indicator title 4	% Of HR implementation plan targets achieved
Definition	The implementation plan is based on the HR Plan. The implementation plan must be developed and approved by the relevant executive by 31 March 2023 for implementation from 1 April 2023. It should outline key targets that must be achieved cumulatively during the year.
Source of data	HR Plan and the approved HR Implementation Plan
Method of calculation/Assessment	Percentage achievement calculated per quarter
Means of verification	Quarterly reports and evidence to prove achievements claimed

Assumptions	Cooperation by all managers in executing their HR responsibilities and responding to submission deadlines set by the HR department
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	100% achievement of the HR Implementation Plan targets
Indicator responsibility	HR Manager

Indicator title 5	Percentage of ICT plan targets achieved
Definition	Annual ICT plan updated based on the ICT environment assessment report done by the audit and risk committee and the ICT Governance Framework. This plan should be approved by 31 March 2023 by the relevant executive for implementation and reporting from 01 April 2023.
Source of data	Annual ICT Plan, ICT environment assessment report and the ICT governance framework
Method of calculation/Assessment	Calculation of percentage achievement
Means of verification	Quarterly reports and evidence supporting claimed achievements
Assumptions	Adequate funding of the ICT plans and projects
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	100% achievement of planned targets
Indicator responsibility	IT Manager

Indicator title 6	Number of commissioned productions staged and/or streamed
Definition	<p>These are live commercial and commissioned productions by PACOFS as a producer and are staged at Andre/ Down Stage/ Lesedi Jazz, Studio 2 & 1. These productions exclude developmental productions.</p> <p>Drama, dance, poetry, music, and comedy productions including events, concerts, school set works, and children's theatre shows will be staged and/or streamed seasonally.</p> <p>In the event of another pandemic, 3% of these productions will be streamed digitally.</p>
Source of data	Approved Artistic programme
Method of calculation/Assessment	Simple count
Means of verification	Signed contracts, pictures, Stage manager reports, ticket sales reports, videos, or CDs
Assumptions	Curating, identifying, and commissioning productions and shows for the Artistic Programme that are available to perform, present and honour their contractual obligation.
Disaggregation of beneficiaries, where applicable	Specific focus on youth, women, people living with disability and those within the LGBTQIA+ community.
Spatial transformation, where applicable	The heart of creativity in transforming Free State theatre by competitively place-making and meaning-making it visible on various spaces provincially, nationally, continentally, and internationally within the theatre landscape.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	100% achievement of the targeted number of productions that are well supported
Indicator responsibility	Artistic Director

Indicator title 7	Number of in-house productions staged and/or streamed
Definition	<p>Theatre productions and/or multi-disciplinary and site-specific shows staged in-house by the Artistic Director.</p> <p>This can also be solely or in association with other playhouses, potential producers and/or directors.</p>
Source of data	Approved artistic programme
Method of calculation/Assessment	Simple count
Means of verification	<p>Signed contracts of artists, designers and technical crew contracts, tech riders, stage, and costume design layouts, (where applicable).</p> <p>Tickets sales report</p> <p>Stage Managers Reports</p> <p>Production images/ pictures, pressers, posters, videos, and CDs (where applicable).</p>
Assumptions	Creating and/or conceptualizing, writing, and directing in-house productions/ show that carries, shape, hold, and sets the artistic standards and influence thought from the inside out.
Disaggregation of beneficiaries, where applicable	Specific focus on youth, women, people living with disability and those within the LGBTQIA+ community.
Spatial transformation, where applicable	The heart of creativity in transforming Free State theatre by competitively place-making and meaning-making it visible on various spaces provincially, nationally, continentally, and international within the theatre landscape.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	100% achievement of the Artistic Programme as its targeted number and as supported by other departments.
Indicator responsibility	Artistic Director

Indicator title 8	Number of development and outreach programmes/ workshops/ conducted
Definition	Development workshops conducted in drama, dance, poetry, music, and comedy productions, including school set works. Children's theatre shows and youth festivals will also be staged.
Source of data	Development Activities Schedule Production and/or Festival Plan
Method of calculation/Assessment	Simple count
Means of verification	Attendance registers, video clips, pictures, etc.
Assumptions	Available internal capacity to develop the programme/ plan on time. Approved submission as per artistic department invitations, call out, signed contracts, score sheets (where applicable). Appearance/ Performance Schedule
Disaggregation of beneficiaries, where applicable	Specific focus on rural youth, including those who are living with disability and within LGBTQIA+ community.
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	100% achievement of the planned targets.
Indicator responsibility	Artistic Director

Indicator title 9	Number of grants funded programmes implemented
Definition	Drama, dance, poetry, music, and comedy developmental productions championed and created by Free State youth and later presented, following workshops and training by experienced facilitators.
Source of data	Approved Annual Business Plan Development Activities Schedule and Presentation Plan Score Sheet and Signed contracts. Production Images/ pictures, posters, videos,
Method of calculation/Assessment	Simple count
Means of verification	Narrative report, videos, pictures, and production images.
Assumptions	Annual adequate funding (DSAC)
Disaggregation of beneficiaries, where applicable	Specific focus on rural youth, including those who are living with disability and within LGBTQIA+ community.
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	100% achievement of the planned targets.
Indicator responsibility	Artistic Director

Indicator title 10	Number of artistic works co-produced with independent producers
Definition	Co-producing of various artistic works with independent producers; provincially, nationally, continentally, and internationally.
Source of data	Production schedules
Method of calculation/Assessment	Simple count
Means of verification	Performance schedules, co-production contracts, videos, pictures, etc.
Assumptions	Adequate funding and partnerships.
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceeding the set planned targets. Global artistic bank (Networks)
Indicator responsibility	Artistic Director

Indicator title 11	Number of binary ventures staged
Definition	Festivals/ concerts/ events/ productions/ shows artistically migrated and staged across several theatres (nationally/ continentally and internationally)
Source of data	Production schedule
Method of calculation/Assessment	Simple count
Means of verification	Performance schedules, contracts, videos, pictures, etc.
Assumptions	Strong provincially, nationally, continentally, and international links and networks that can allow PACOFS to have a visible footprint.
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceeding the set planned targets. Global artistic bank (Networks)
Indicator responsibility	Artistic Director

Indicator title 12	Number of flagship productions staged through collaborations and partnerships
Definition	Flagships productions commissioned on drama, dance, poetry, music, comedy productions/multi-disciplinary and site-specific shows, and exchanges staged through national / continental / international partnerships and collaborations.
Source of data	Proposals, invitations, and production schedule
Method of calculation/Assessment	Simple count
Means of verification	Performance schedules, contracts, videos, pictures, etc.
Assumptions	Strong provincially, nationally, continentally, and international links and networks that can allow PACOFS to have a visible footprint.
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceeding the set planned targets. Global artistic bank (Networks)
Indicator responsibility	Artistic Director

Indicator title 13	Number of media relationships established
Definition	These are events and engagements that the marketing department will have with the media to establish mutually beneficial relationships.
Source of data	Media engagement strategic document
Method of calculation/Assessment	Simple count
Means of verification	Registers, pictures, and quarterly reports.
Assumptions	None
Disaggregation of beneficiaries, where applicable	N/A

Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceeding the target
Indicator responsibility	Senior Manager: Marketing

Indicator title 14	Percentage implementation of the media campaigns annual plan
Definition	A public awareness / media campaigns plan should be developed and approved before 31 March 2023 by the relevant executive to guide the activities to be implemented from 01 April 2023. The plan will identify and set targets of the activities to be rolled out quarterly.
Source of data	Strategic and annual performance plans, artistic programme, and other programmes of the institution
Method of calculation/Assessment	Simple count
Means of verification	Approved public awareness / media campaigns plan, quarterly reports, proof of occurrence evidence
Assumptions	Approved and funded public awareness / media campaigns plan
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceed the set targets
Indicator responsibility	Senior Manager: Marketing

Indicator title 15	Percentage implementation of the approved marketing plan for each production of the artistic programme
Definition	Marketing plan to be drafted and approved by the relevant executive by 31 March 2023 should identify activities to be implemented to market each production on the 2023/24 artistic programme by the marketing department. The plan should be finalised and approved well in time for the marketing to happen adequately.
Source of data	Artistic programme
Method of calculation/Assessment	Simple count
Means of verification	Approved marketing plans, quarterly reports, evidence of the activities undertaken.
Assumptions	Timely contracting of productions.
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Meet the set targets
Indicator responsibility	Senior Manager: Marketing

Indicator title 16	Percentage implementation of the approved audience development plan for each production of the artistic programme
Definition	Audience development plan to be drafted and approved by the relevant executive before 31 March 2023. It must identify activities and initiatives to be implemented to attract current and new audiences for each production in the 2023/24 artistic programme. The plan should be finalised and approved well in time for the identified activities to be implemented and the desired outcomes are achieved. This indicator is directly linked to indicator 18, below.
Source of data	Artistic programme
Method of calculation/Assessment	Simple count
Means of verification	Approved audience development plans, quarterly reports and proof of the activities / initiatives implemented. NB. Proof must be from a third-party source
Assumptions	Timely contracting of productions
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Set targets met
Indicator responsibility	Senior Manager: Marketing

Indicator title 17	Number of audiences attending artistic productions
Definition	The number of paying audiences who come to PACOFS venues to watch the artistic productions
Source of data	Ticketing system
Method of calculation/Assessment	Simple count
Means of verification	Ticketing reports
Assumptions	Audience-attracting productions, effective audience development initiatives and adequate marketing of productions.
Disaggregation of beneficiaries, where applicable	N/A

Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceeding the targeted number audiences
Indicator responsibility	Senior Manager: Marketing

Indicator title 18	Number of sponsorships and commercial partnerships secured
Definition	Driven by the approved Revenue Enhancement Strategy, identify potential sponsors, donors, and commercial partnerships, engage and secure sponsorships, donations, and commercial partnerships in cash and in kind to the value of R5.8 million (split between marketing, artistic and facilities departments).
Source of data	Revenue Enhancement Strategy, schedule of identified sponsors, donors, and partners
Method of calculation/Assessment	Simple count
Means of verification	Schedule of identified sponsors, donors and partners, proposals, and proof of submission / engagement.
Assumptions	Potential audiences are receptive to receiving information about the artistic programme by means of an engagement
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceed target
Indicator responsibility	Senior Manager: Marketing, Senior Manager: Facilities and the Artistic Director

Indicator title 19	Number of facilities leased out
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Definition	Effort to be made to find lessees for facilities such as the restaurant, staff canteen / kitchen, jazz joint club, etc. This only after the facilities are renovated to acceptable standard.
Source of data	Maintenance and building plans; lease agreements
Method of calculation/Assessment	Simple count
Means of verification	Lease agreements
Assumptions	Funding for the refurbishment and maintenance of the identified facilities
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Exceed target
Indicator responsibility	Senior Manager: Marketing

ANNEXURE A: 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 Performing Arts Centre of the Free State (PACOFs) acknowledges the need for a Council Charter as recommended in the King IV Report on Corporate Governance for South Africa (King IV). 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 concerning matters such as corporate governance, declarations and conflicts of interest, Council meeting documentation and procedures, induction, training, and evaluation of the Council members.

3. COMPOSITION

3.1 Council Constitution

The Council comprises of non-executive members who are largely independent. Independence is defined per principle 7 of King IV under part 6.6 (Supplement for State Owned Entities).

Council members are appointed to the Council of PACOFs by the Minister of Sports, Arts and Culture in line with section 5 of the Cultural Institutions Act 119 of 1998.

3.2 Council Member Grounds to Vacate Council

A member of the Council must vacate the office if the member:

- 3.2.1 resigns in writing.
- 3.2.2 has been absent from three consecutive meetings of the council without its leave.
- 3.2.3 is an unrehabilitated insolvent.
- 3.2.4 is found to be of unsound mind by a competent court.
- 3.2.5 is convicted of an offence involving dishonesty or bodily harm and is sentenced to imprisonment without the option of a fine.
- 3.2.6 materially breaches the code of ethics of the institution.

4. ROLES AND RESPONSIBILITIES OF COUNCIL

The following roles and responsibilities of Council are founded on the 16 Principles of King IV for state-owned 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 and in furtherance that:

- 4.1 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 with sound corporate governance principles.
- 4.2 Provide effective leadership on an ethical foundation.
- 4.3 Inform and set the strategic direction of PACOFS by:
 - 4.3.1 contributing to and approving the organizations' strategy; and
 - 4.3.2 identifying key performance and strategic risk areas.
- 4.4 Provide oversight on material decisions of PACOFS.
- 4.5 Take responsibility for the governance of information technology and governance risk.
- 4.6 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.
- 4.7 Ensure that there is an effective risk-based internal audit.
- 4.8 Act in the best interests of PACOFS by ensuring those individual Council members:
 - 4.8.1 adhere to ethical and legal standards of conduct.
 - 4.8.2 are permitted to take independent advice in connection with their duties following an agreed procedure.
 - 4.8.3 disclose conflicts of interest to Council.

5. Role of the Chairperson

- 5.1 The chairperson's role is to lead the Council and ensure that members discharge their responsibilities per their roles and responsibilities as contained in the charter. He sets the ethical tone for the Council and PACOFS.
- 5.2 The responsibilities of the chairperson include:
 - 5.2.1 ensuring that all Council members are fully involved and informed of any business issue on which a decision must be taken.
 - 5.2.2 ensuring that management plays an effective management role and participate fully in the operations and governance of the organisation.
 - 5.2.3 ensuring that Council members contribute to Council decisions.
 - 5.2.4 exercising independent judgment, acting objectively, and ensuring that all relevant matters are placed on the agenda and prioritised properly.
 - 5.2.5 working closely with Council members in ensuring that at all times Council members fully understand the nature and extent of their responsibilities as Council members to ensure effective governance.
- 5.3 The chairperson will act as a facilitator at meetings of Council to ensure that no member dominates the discussion, that relevant discussions take place, that the opinions of all members relevant to the subject under discussion are solicited and freely expressed leading to appropriate decision making.
- 5.4 The chairperson will seek a consensus amongst Council members 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.

- 5.5 In the event of any matter arising, which the chairperson, or most of the Council, feel that the chairperson may not be able to deal with objectively, due to a conflict of interest, 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 an event, the chairperson shall be entitled to enter discussion and to vote as any other member present at the meeting.
- 5.6 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.
- 5.7 The CEO may communicate with the Director-General of the Department of Sports, Arts and Culture provided, that the chairperson is informed before the meeting and its purpose thereof. The CEO shall report to the chairperson the outcome of such meetings.
- 5.8 The chairperson attends to administrative approvals in respect of the CEO for, amongst others, leave, travel and entertainment.

6. Role of the Council members

- 6.1 Council members must exercise their powers and perform functions expected of a director. Such responsibility being acting in good faith and for a proper purpose, in the best interests of PACOFS and with the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions of Council as carried out by that Council member, and having the general knowledge, skill and experience of that Council member.
- 6.2 Every member of the Council shall:
 - 6.2.1 at all times professionally conduct himself, having due regard to his fiduciary duties and responsibilities.
 - 6.2.2 uphold the core values of confidentiality, integrity, and independence in all activities on behalf of PACOFS.
 - 6.2.3 ensure that he has sufficient time available to devote to his duties as a Council member.
 - 6.2.4 exercise diligence in discharging his duties and seek to acquire a broad knowledge of PACOFS' business to be able to provide meaningful direction to it.
 - 6.2.5 keep abreast of changes and trends in the business environment and markets, including changes and trends in the economic, political, social, technology and the legal environment generally, which may impact on PACOFS' business;
 - 6.2.6 strive to attend all Council meetings and prepare himself thoroughly in advance of Council meetings.
- 6.3 Members who are unable to attend a scheduled council or committee meeting must advise the chairperson and the Secretariat in writing, before the scheduled meeting for the apology to be recorded;
- 6.4 The Council shall allow every member to play a full and constructive role in its affairs. Members shall accordingly participate constructively in Council discussions and other activities and shall endeavour to bring the benefit of their particular knowledge, skills and abilities to Council discussions.
- 6.5 As members are individually and collectively accountable for compliance with statutory and regulatory obligations, every member should endeavour to be knowledgeable of the statutory and regulatory framework within which PACOFS operates.
- 6.6 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;

- 6.7 Members are required to inform the Council through the Secretariat in advance, of any conflicts of interest they may have with particular items of business to be discussed at a meeting;
- 6.8 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;
- 6.9 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.

7. Committees of the Council

The Council delegates certain functions to well-structured committees to promote independent judgement and assist with the balance of power in discharging its duties but without abdicating its responsibilities. The Council's delegation is formal and involves the following:

- 7.1 The Council must form committees to assist the Council to discharge its duties. The committees must have their responsibilities set out in formal terms of reference.
- 7.2 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.
- 7.3 The committee structure, membership and mandates may be reviewed regularly.
- 7.4 The chairperson, considering the experience and expertise of individual members, will propose the assignment of members to various committees.
- 7.5 Council committees must be constituted having regard to the skills, expertise and experience of members concerning the respective committee 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.
- 7.6 Council shall have the authority to appoint independent Audit and Risk Committee members in line with the recommended principles of King IV, in order to augment the independence of the audit and risk function.
- 7.7 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.
- 7.8 Committees 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.
- 7.9 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.
- 7.10 Council has the following committees:
 - 7.10.1 Core Business Committee.

7.10.2 Audit and Risk Committee.

7.10.3 Remuneration, Social and Ethics Committee (Remsec).

7.10.4 Special Projects Committee.

8. Council and shareholder relationship

8.1 The relationship between the Shareholder and PACOFS Council is governed by the Shareholders' 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.

8.2 The Council shall, when reporting to the Shareholder, present a balanced and understandable assessment of the PACOFS' position.

9. Meeting Procedures and Documentation

9.1 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 into their deliberations or as capacity building for potential members. The CEO should propose such attendance and must consult the chairperson for permission thereof.

9.2 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.

9.3 Council meetings

9.3.1 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.

9.3.2 The Council must institute efficient and timely methods for informing and briefing Council members before meetings while each Council member is responsible for being satisfied that, objectively, they have been furnished with all the relevant information and facts before deciding.

9.3.3 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.

9.3.4 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 or for approval.

- 9.3.5 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.
- 9.3.6 The addition of agenda items on the day of the meeting should only be allowed if the matter to be added is for discussion or noting and not approval unless council agrees to that effect.
- 9.3.7 The CEO shall ensure that information and data that is important to the Council's understanding of the matters to be discussed is distributed in writing at least 7 days before the Council meets. This material should be as brief as possible while still providing the essential information.
- 9.3.8 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.
- 9.3.9 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.
- 9.3.10 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, through the round-robin resolution method. The approval of the round-robin resolution should be by at least most of the Council members.
- 9.3.11 The Council shall then after approval of a round-robin decision, note such a decision at an ordinary council meeting.

9.4 Quorum Of Meetings

A representative quorum for meetings is 50% + 1 member of Council and must exclude the *ex officio* members. These members of the Council must be present in person or through electronic media throughout the meeting.

10. Maintenance of meeting and statutory records

- 10.1 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.
- 10.2 The secretariat shall ensure that minutes of all Council meetings, and written resolutions of such meetings are kept safe per this Charter.
- 10.3 The secretariat shall maintain an up-to-date Council resolutions register, approved Council minutes, members' annual register of interests and meetings attendance register.

11. Delegation Of Authority to Management

- 11.1 A delegations of authority framework shall be established, granting management formal authority to carry out duties as set by the Council.

- 11.2 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 strategic direction and performance of PACOFS.
- 11.3 The Council must delegate clearly and transparently, 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.
- 11.4 In instances of crisis within the organisation, the Council may revoke any powers delegated to Management to stabilise PACOFS.

12. Reservation Of Powers

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

- 12.1 The adoption of any significant change or departure in the accounting policies and practices of the PACOFS.
- 12.2 Any restructuring of PACOFS.
- 12.3 The approval of the Strategic Plan, Annual Performance Plan and Annual Budgets; and
- 12.4 Any subsequent material changes in strategic direction or material deviations in Strategic or Annual Performance Plans.
- 12.5 Approval of recommended policies about employment-related legislation.
- ~~12.6~~ Appointment of the Executives.
- 12.7 Approval of the rules and amendments to the PACOFS' pension or provident funds having a material effect on the actuarial liabilities of those funds.
- 12.8 The formulation and amendment of the Code of Conduct.
- 12.9 Recommending to the Shareholder to approve any ordinary or special resolutions in respect of PACOFS.
- 12.10 Recommending that the Shareholder take a particular course of action proposed by the Council.
- 12.11 Approval of the organisational structure and creation of new positions.
- 12.12 Approval of the remuneration structure and the conditions of service of employees.

13. Monitoring of Performance

- 13.1 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.
- 13.2 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.
- 13.3 The Key Performance Areas of the Executive Management must include the achievement of the Strategic Objectives.

14. The Secretariat

- 14.1 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.
- 14.2 The secretariat provides a central source of guidance and support to the Council on matters of good governance and changes in legislation.
- 14.3 The secretariat is accountable to the Council to:

- 14.3.1 Ensure that Council procedures are followed and reviewed regularly.
- 14.3.2 Maintain statutory records per legal requirements.
- 14.3.3 Provide the Council as a whole, and individually, with detailed guidance as to how their responsibilities should be properly discharged in the best interest of PACOFS and on good governance principles.
- 14.3.4 Keep abreast of and inform Council of current corporate governance thinking and best practice.
- 14.3.5 Assist with induction and training programmes for new council members.
- 14.3.6 Ensure that the Council Charter and the terms of reference of Council committees are kept up to date.
- 14.3.7 Prepare and circulate Council and Council committee documents.
- 14.3.8 Elicit responses, input, and feedback for Council and Council committee meetings;
- 14.3.9 Assist in drafting annual work plans.
- 14.3.10 Ensure preparation and circulation of minutes of Council and committee meetings; and
- 14.3.11 Assist with the evaluation of the Council, committees, and individual members; and
- 14.3.12 Maintain a register of members' interests, minutes of meetings, resolutions and attendance registers.

15. Disclosure and Conflicts of Interest

- 15.1 The secretariat must submit all disclosures of interest to REMSEC and the Council at the first subsequent meeting. REMSEC is required to:
 - 15.1.1 Consider all declarations of interest.
 - 15.1.2 Report to the Council any conflicts of interest which require specific action by the Council.
 - 15.1.3 Report to Council all enduring material conflicts of interest which could be regarded by the Council as incompatible with the fiduciary duties of Council members.

16. Corporate Governance and Risk Management

- 16.1 PACOFS intends to apply the principles of King IV to the extent that it advances effective and good corporate leadership.
- 16.2 Council directly assumes responsibility for the governance of risk; it approves the risk policies that give effect to its set direction on risk.
- 16.3 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.
- 16.4 In monitoring and providing oversight on PACOFS' risk, each committee will consider potential opportunities that may be presented by such a risk.

17. Evaluation

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

18. Review Of Charter

The charter shall be reviewed and approved on an annual basis.

ANNEXURE B: 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 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 considering 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 circumstance that may have a significant impact on PACOFS regardless of the monetary value is considered significant for the purposes of the framework.