



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

2024 – 2025

FINANCIAL YEAR

Accounting Authority Statement

I am honoured to present PACOFS Annual Performance Plan for 2024/25 on behalf of the Council Members, Management, and staff.

PACOFS has made good strides and was able to:

- Retain the third consecutive unqualified audit outcome.
- Record a substantial improvement in preventing irregular, fruitless and wasteful expenditure.
- Complete investigations into irregular, fruitless and wasteful expenditure.
- Decisively implement consequences management for various misconduct cases.
- Commence with the implementation of the four grant funded projects (HVAC, CCTV, FENCE and MAIN ENTRANCE)

The focus of Council in 2024/25 will continue and deepen:

- The Multi-Year Curatorial Artistic programme which is the baseline for the five (5)-Year Curatorial Artistic programme with define themes.
- The implementation of the revenue enhancement strategy.
- The implementation of the infrastructure projects. The heating, ventilation, and air-conditioning (HVAC) system and closed-circuit television (CCTV) projects are being implemented.
- The improvement of relationships with the sector and stakeholders.
- Good Corporate Governance and Ethical Standards in the organisation.

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



Ms. Nkosazana Tebogo Mosala
Chairperson of Council

Date: 30/01/2024

Foreword by the Chief Executive Officer

PACOFs is in a process of renewal through attracting new skills and talent, as it gradually part ways with the old guard who have run their mile in terms of contribution to the organization.

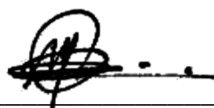
This time also marks one year since my appointment to PACOFs, and one has settled, ready to take the entity to a higher level of performance together with my colleagues. The key achievements that are impacting positively on the image of the organization include:

- 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.
- Curatorial programming of productions that are representative of the demographics of the province.
- Increased and proactive engagement with the media.

This Annual Performance Plan (APP) represents the last year of the 6th administration and, therefore, the last opportunity to achieve the following 5-year targets as stated in PACOFs' 2020 – 2024 Strategic Plan:

1. Unqualified audit outcome
2. R0 in irregular, fruitless, and wasteful expenditure
3. 80% of employees meeting set performance targets
4. 44 weeks of events scheduled in the theatres.
5. 100% of the facilities maintenance plan targets achieved per annum.
6. 6 capital works projects completed.
7. 18% of operating budget funded from own generated revenue.
8. 45 artistic events hosted per year.
9. 60% of the artistic budget was spent on performing artists from target groups.

The targets in this APP, therefore, seek to fully address and cement the achievement of the above-mentioned 5-year targets PACOFs set itself to achievement during this cycle of government administration.



Mr TTC Dlamini
Chief Executive Officer

Date: 2024|01|30

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 – 2024 Strategic Plan.
- Accurately reflects the performance targets which PACOFS will endeavour to achieve given the resources made available in the budget for 2024/25.



Ms N Masheane: Artistic Director

Date: 30/01/2024



Ms N Topo: CFO: Management Accountant (Acting)

Date: 30/01/2024



Mr. T Lengau: CFO: Financial Accountant (Acting)

Date: 30/01/2024



Ms L PHEME: Senior Manager: Marketing (Acting)

Date: 30/01/2024



Mr M Mabaso: Senior Manager: Facilities

Date: 30/01/2024



Mr F Motloutsi: HR Manager

Date: 30/01/2024



Mr J Kotse: IT Manager (Acting)

Date: 30/01/2024



Mr TTC Dlamini: Chief Executive Officer

Date: 30/01/2024



Ms. Nkosazana Tebogo Mosala: Council Chairperson

Date: 30/01/2024



Mr N G Kodwa (MP): Executive Authority

Date: 20/03/2024

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

- 2.1.15 Public Finance Management Act, 1999 (PFMA), Act of 1999 as amended by Act 29 of 1999.
- 2.1.16 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).
- 2.1.17 Treasury Regulations, 2005

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

3.1 For the period 1 April 2022 to date, Council approved the following institutional policies:

- 3.1.1 Artistic Policy
- 3.1.2 Revenue Enhancement Policy
- 3.1.3 Budget Policy
- 3.1.4 Petty Cash Policy
- 3.1.5 Grievance Handling Policy & Procedure
- 3.1.6 Long Service Recognition Policy
- 3.1.7 Overtime Policy
- 3.1.8 Performance Management Policy
- 3.1.9 Employee Education Assistance Policy
- 3.1.10 Conditions of employment
- 3.1.11 Disciplinary code and procedure
- 3.1.12 Occupational health and safety security
- 3.1.13 Succession planning policy
- 3.1.14 Dress code policy
- 3.1.15 Gender Based Violence Policy
- 3.1.16 Performance Management Policy
- 3.1.17 IT Disaster Recovery
- 3.1.18 IT Governance Framework
- 3.1.19 User access management policy
- 3.1.20 Disaster Recovery plan
- 3.1.21 Change management policy.
- 3.1.22 IT Security management policy
- 3.1.23 Antivirus Management Policy
- 3.1.24 Business Continuity Plan (BCP)
- 3.1.25 Cyber Security Policy
- 3.1.26 ICT Assets Management Policy
- 3.1.27 ICT Firewall Management Policy
- 3.1.28 ICT Patch Management Policy
- 3.1.29 Website Management Policy

3.2 PACOFS is embarking on the implementation of the remaining one-year targets 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. SITUATION ANALYSIS

The strategic focus of the organisation for this final year of the 6th administration is on the following:

- a) Quality in the multi-year curatorial artistic programme 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) Clear all emphasis of matters, other matters and non-compliance with laws and regulations findings in order to obtaining a clean audit outcome.
- c) Enhancing and promoting sustainable artistic developmental programmes.
- d) Completing the infrastructure projects in the pipeline.
- e) Increasing revenue.
- f) Clearing legacy irregular, fruitless and wasteful expenditure to R0.

5.1 EXTERNAL ENVIRONMENT ANALYSIS

According to the Economist Intelligence, there is an expectation that the president, Cyril Ramaphosa, would consider expediting economic reforms, including measures to boost power supply and fight corruption, ahead of the 2024 election. It is predicted that economic growth would accelerate in 2025-28, barring shocks, helped by the gradual alleviation of domestic structural constraints and a steady decline in interest rates. However, South Africa is a commodity-dependent, widely traded and an emerging-market proxy. Consequently, it is vulnerable to a number of global shocks. It argues that “the prospect of weaker commodity prices will support lower inflation but poses a threat to exports and fiscal revenue. The government will remain focused on structural reforms to alleviate growth-inhibiting electricity shortages and transport bottlenecks, in partnership with the private sector. Growth will quicken in 2024, after a disappointing 2023, as serious electricity shortages start to ease, but the global backdrop will remain tough.”

The country's economy is currently performing poorly, prompting the National Treasury to increase the cost containment measures that were already in place in order to manage to potential cash flow problems for the country. Furthermore, the baseline MTEF budget allocation had been cut, with R2 million cut from the 2024/25 allocation.

The budget cuts impact on the ability for entities of government to make good on its planned targets and promises as they appear in the Strategic Plan. Unfortunately, therefore, service delivery and the ability for artists to showcase their talents and earn a living are affected.

Partnerships and collaborations between entities and practitioners become critical to mitigate the effects of the economic crunch, and for the entity to continue advancing its mandate.

The public image of PACOFS is on the mend, with critical stakeholders coming on board to work with the entity for mutual benefits.

5.2 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 3 financial years. The following are the main issues that stand between PACOFS and a clean audit, that are being attended to:

Emphasis of matter	Remedial action
Material underspending of capital projects	The heating, ventilation, and air-conditioning (HVAC) system and closed-circuit television (CCTV) projects have been implemented. Fencing and Main entrance projects are being finalised for implementation and completion before the start of 2024/25 financial year.
Material misstatements on the financial statements and the performance report	The annual financial statements and the annual performance report will be finalised by the end of April to ensure adequate time for independent reviews and corrections before submission to the auditor general for audit.

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	Audited performance			Estimated performance	Medium-term targets			
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Improved governance and control environment	1	Percentage of 2023/24 audit findings addressed	90%	95%	97%	100%	100%	100%	100%
	2	Number of reports on risks mitigation progress presented to the Audit and Risk Committee (ARC)	4	4	4	4	4	4	4

Improved infrastructure maintenance and capital projects implementation	3	Number of capital projects completed	New Indicator	0	0	3	2	1	1
	4	% of the facilities maintenance plan targets achieved per annum		77%	100%	100%	100%	100%	100%
Improved organisational and staff performance	5	% of HR implementation plan targets achieved		45%	77%	100%	100%	100%	100%
Improved ICT governance systems	6	% of ICT plan targets achieved	New Indicator	New Indicator	100%	100%	100%	100%	100%

Indicators, Annual and Quarterly Targets

Output Indicators		Annual target 2024/25	Q1	Q2	Q3	Q4
1	Percentage of 2023/24 audit findings addressed	100%	N/A	40%	70%	100%
2	Number of reports on risks mitigation progress presented to the ARC	4	1	1	1	1
3	Number of capital projects completed	2	1	0	0	1
4	% of the facilities maintenance plan targets achieved per annum	100%	25%	50%	75%	100%
5	Percentage of HR implementation plan targets achieved	100%	25%	50%	75%	100%
6	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	Audited performance			Estimated performance		Medium-term targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Sustained showcasing of performing arts practitioners through the staging of productions and festivals	7	Number of commissioned in-house productions staged	45	31	41	25	20	25	30
	8	Number of out-of-house productions staged			New Indicator	2	2	2	2
	9	Number of festivals hosted and staged in-house	New Indicator	New Indicator	New indicator	New indicator	1	1	1
Performing arts practitioners developed	10	Number of development and outreach programmes / workshops conducted	3	3	4	4	4	4	4
	11	Number of grant-funded developmental programmes implemented	New Indicator	New Indicator	New Indicator	1	1	1	1
Artistic collaborations and partnerships	12	Number of artistic works presented in partnerships with independent producers	New Indicator	New Indicator	0	3	6	8	10
	13	Number of binary and co-produced ventures performed and/or staged	New Indicator	New Indicator	New Indicator	4	4	4	4
	14	Number of on-line ventures streamed	New Indicator	New Indicator	New Indicator	2	2	2	3
	15	Number of flagship productions staged	New Indicator	New Indicator	New Indicator	2	2	2	2

Indicators, Annual and Quarterly Targets

Output Indicators		Annual target	Q1	Q2	Q3	Q4
		202425				
7	Number of commissioned in-house productions staged	20	5	5	5	5
8	Number of out-of-house productions staged.	2	0	1	1	0
9	Number of festivals hosted and staged in-house	1	0	1	0	0
10	Number of development and outreach programmes/ workshops conducted.	4	1	1	1	1
11	Number of grant-funded developmental programmes implemented	1	0	0	0	1
12	Number of artistic works presented in partnerships with independent producers	6	1	2	2	1
13	Number of binary and co-produced ventures performed and/or staged	4	0	2	1	1
14	Number of on-line ventures streamed	2	0	1	1	0
15	Number of flagship productions staged	2	0	1	0	1

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			
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Establish media partnerships to promote productions	16	Number of media relationships established	New Indicator	New Indicator	5	4	4	4	4
	17	Percentage implementation of the media campaigns annual plan	New Indicator	New Indicator	New Indicator	100%	100%	100%	100%
Increase attendance to artistic productions	18	Percentage implementation of the marketing plan for each production	New Indicator	New Indicator	72%	100%	100%	100%	100%
	19	Percentage implementation of the audience development plan for each production	New Indicator	New Indicator	40%	100%	100%	100%	100%
	20	Number of audiences attending artistic productions	New Indicator	New Indicator	8 793	12 000	14 000	16 000	18 000
Increase in own revenue generated	21	Number of sponsorships and commercial partnerships proposals submitted to the private sector	New Indicator	New Indicator	New Indicator	10	12	14	16
	22	Number of facilities leased out	New Indicator	New Indicator	New Indicator	1	3	4	5

Indicators, Annual and Quarterly Targets

Output Indicators	Annual target	Q1	Q2	Q3	Q4
	2024/25				
16 Number of media relationships established	4	1	1	1	1
17 Percentage implementation of the media campaigns annual plan	100%	25%	50%	75%	100%
18 Percentage implementation of the marketing plan for each production	100%	100%	100%	100%	100%
19 Percentage implementation of the audience development plan for each production	100%	100%	100%	100%	100%
20 Number of audiences attending artistic productions	14 000	3 500	3 500	3 500	3 500
21 Number of sponsorships and commercial partnerships proposals submitted to the private sector	12	3	3	3	3
22 Number of facilities leased out	3	0	1	1	1

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

The section on “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.

Programme	Outcome	output	Planned Performance
Administration	Strong governance and sound financial controls	Improved governance and control environment Improved organisational and staff performance	1) Preparation of GRAP compliant financial statements and audit implementation plan 2) Procurement of goods and services per legislative requirements and empowerment of women, youth and people with disabilities through specific goals 3) Staffing with competent employees.
	Well-maintained infrastructure	Improved infrastructure maintenance and capital projects implementation	1) Completion of capital projects by 2024/25 2) Compliance with OHS requirements
Business development	Optimal utilisation of facilities	Sustained showcasing of performing arts practitioners through the staging of productions and festivals Performing arts practitioners developed	1) Fulfil the mandate and the objectives of the entity as a whole and ensure development of upcoming artists 2) Provide a learning and development platform for artists
Public Engagement	Optimal utilisation of facilities	Establish media partnerships to promote productions Increase attendance to artistic productions Increase in own revenue generated	1) Ensure timely marketing of shows per the approved artistic programme. 2) Attract audiences to the shows and generate revenue and ensure optimal use of PACOFS facilities

8. MEDIUM-TERM EXPENDITURE ESTIMATES

Programme	Audited outcomes			Appropriation	Medium-term expenditure estimate		
	R'000	2020/21	2021/22		2022/23	2023/24	2024/25
Administration	35 270	40 694	37 752	41 501	43 079	45 305	47 618
Business Development	6 923	7 229	8 152	8 009	7 236	7 598	7 974
Public Engagement	7 436	5 861	6 214	6 506	6 645	6 978	7 323
Total	49 629	53 784	52 118	56 016	56 960	59 882	62 915
Economic classification							
Current payments	49 672	53 784	52 118	56 016	56 960	59 882	62 915
Compensation of employees	27 935	26 354	24 988	31 840	35 219	36 985	38 813
Goods and services	18 786	26 020	25 771	22 830	21 341	22 477	23 661
Depreciation and Impairment	2 908	1 410	1 359	1 346	400	420	441
Total	49 672	53 784	52 118	56 016	56 960	59 882	62 915

The 2024/25 budget has been cut by R2 million by the National Treasury. This only represents 0.13% increase from the prior year. 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

Programme	Outcome	Key Risks	Risk Mitigation
Administration	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
		Business continuity and resilience	Implementation of IT policies.
		Irregular, fruitless, and wasteful expenditure	Prompt implementation of the provisions of the irregular, fruitless

			and wasteful expenditure framework.
Public Engagement	Optimal utilisation of PACOFS facilities	Inadequate generation of revenue from theatre and other facilities	Refurbish and maintain the facilities. Market the facilities aggressively.
	Well maintained facilities	Inadequately maintained facilities	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 multi-year Artistic Programme to enable adequate implementation of marketing plans and strategies.
Business Development	Creating opportunities for performing artists from target groups	Inadequate support to performing artists	Progressively increase the artistic budget through creative revenue-generating activities.

10. INFRASTRUCTURE PROJECTS

N	Project name	Programme	Description	Output	Start date	Completion date	Total estimate cost	Current year expenditure
1	Heating, Ventilation and Air Conditioning & Standby Generators	Administration	Phase 1 - Installation of a new HVAC and standby generators (Sand Dunes Plessis)	Functional HVAC and standby generators	27/06/2023	24/06/2024	R 71 182 982	R 17 409 647
2	Facilities Management Contract	Administration	Infrastructure condition assessment and development of maintenance plans	100% maintenance plan and well-maintained facility	01/04/2023	31/04/2025	R 900 000	R 0

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Indicator title 1	Percentage of 2023/24 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 Financial 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	Percentage of the facilities maintenance plan targets achieved per annum
Definition	2024/25 Maintenance Plan must be developed, with measurable targets and approved by the Chief Executive Officer by 31 March 2024 to guide the maintenance to be carried out for 2024/25. For Q1, 25% of the planned maintenance must be executed, 50% by Q2, 75% by Q3 and full implementation by 31 March 2025 must be achieved.

Source of data	Approved 2024/25 Maintenance Plan
Method of calculation/Assessment	Simple count
Means of verification	Manager approved (signed) job cards
Assumptions	Maintenance department adequately resourced
Disaggregation of beneficiaries, where applicable	N/A
Spatial transformation, where applicable	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	All planned maintenance executed
Indicator responsibility	Senior Manager: Facilities

Indicator title 5	% of HR implementation plan targets achieved
Definition	<p>The implementation plan is based on the HR Plan. The implementation plan must be developed and approved by the relevant executive by 31 March 2024 for implementation from 1 April 2024.</p> <p>It should outline key targets that must be achieved cumulatively during the year. Two of the key targets must relate to the signing of performance agreements by all employees and for the final performance assessments to be completed by 31 March 2025, of which at least 80% of staff members assessed must fully achieve all their performance targets (5-year target in the Strategic Plan).</p>
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 6	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.
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 7	Number of commissioned in-house productions staged
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Definition	<p>These are curated commissioned Artistic Programme productions/shows by PACOFS, with artists from different cultural and ethnic backgrounds; including artists living with disability, and who form part of the LGBTQ+ community.</p> <p>They are productions/shows by theatre makers/producers that respond to the public call-out; to be adjudicated by an independent panel and recommended to form part of the annual Artistic Programme.</p> <p>These in-house production/shows also include flagships events and productions created, produced, staged, mounted, and directed by the Artistic Director.</p> <p>With focus on different artistic disciplines: Drama/ Dance/ Poetry (spoken word)/ Music/ Comedy/ Multi-disciplinary / Childrens Theatre/ School Setworks/ including seasonal events and concerts. And are staged live at various PACOFS stages.</p> <p>The above excludes Developmental Programmes.</p> <p>In the event of another pandemic and/or natural disaster, 5% 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, posters, pictures, Stage Manager reports, ticket sales reports, digital links, or DVD's.
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 landscape by competitively place-making and meaning-making visible on various spaces provincially, nationally, continentally, and internationally.
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 8	Number of out-of-house productions staged
Definition	<p>These are theatre productions and/or multi-disciplinary and site-specific shows from the approved Artistic Programme, staged out-of-house by PACOFS in other playhouses, theatres, and festivals nationally, continentally and/or internationally.</p> <p>These can also be solely or in association with other playhouses, creative houses, and independent arts institutions globally.</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 9	Number of festivals hosted and staged in-house
Definition	Performing art festivals inclusive of community theatre festivals, women festivals, theatre practitioners and/or independent co-produced festival staged at PACOFS. This is excluding the Incubator Programme showcases.
Source of data	Production Schedule and/or Festival Plan and Programme.
Method of calculation/Assessment	Simple count
Means of verification	Contracts, Attendance registers, posters, digital links video clips, pictures, etc.
Assumptions	Sufficient marketing of the festival to ensure audience.
Disaggregation of beneficiaries, where applicable	Specific focus on rural youth, women; 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 10	Number of development and outreach programmes/workshops conducted
Definition	Development workshops conducted in drama, dance, poetry, music, and comedy, including school set works. These include capacity building symposiums, masterclasses, children's theatre productions/shows and that would be staged in-and-out of PACOFS spaces and stages.
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 11	Number of grant-funded developmental programmes implemented
Definition	The grant-funded developmental programme is the Incubator Programme. The programme promotes drama, dance, poetry, music, and multi-disciplinary productions that are developmental in nature. The identified productions are championed and created by Free State youth, following workshops and training by experienced facilitators, are then later performed at PACOFS.
Source of data	Approved Annual Business Plan. 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 12	Number of artistic works presented in partnership with independent producers.
Definition	<p>These are artistic works and non-commissioned productions/shows presented by independent producers, promoters, and creatives from provincially, nationally, continentally, and internationally theatre landscape with a 30%-70% ticket sales split.</p> <p>These include self-funded events, concerts and/or festivals by independent producers, promoters, and creators.</p>
Source of data	Production schedules
Method of calculation/Assessment	Simple count
Means of verification	Performance schedules, co-production contracts, posters, 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 13	Number of binary and co-produced ventures performed and/or staged
Definition	<p>These are original and specially designed productions / shows co-produced, and co-commissioned together to be performed and/or staged at PACOFS and in other playhouses, theatres venues, and festivals; nationally, continentally and/or internationally.</p> <p>These collaborations will focus on; drama, dance, poetry, music, comedy /multi-disciplinary; including artistic exchanges and residencies.</p>
Source of data	Production schedule
Method of calculation/Assessment	Simple count
Means of verification	Performance schedules, Proposals, MoU, MoA, digital-links, videos, posters, 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 14	Number of on-line ventures streamed
Definition	On-line symposiums, dialogues/ conversations, and shows that artistically focus on migration of artist works streamed across several digital theatre platforms (nationally/ continentally and internationally).
Source of data	Production schedule
Method of calculation/Assessment	Simple count
Means of verification	On-line presentation schedules, invitation letters (emails), signed letter of intent, videos, digital links, posters, 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 15	Number of flagship productions staged
Definition	<p>These are in-house productions, shows, concerts and/or events conceptually created, produced, staged, mounted, and directed by the Artistic Director on behalf of PACOFS with the possibility of them being part of the touring venture.</p> <p>The above excludes Developmental Programmes and Productions.</p> <p>In the event of another pandemic and/or natural disaster, 1% of these will be streamed digitally.</p>
Source of data	Artistic concept document/s, artists contracts, invitations, and production schedule.

Method of calculation/Assessment	Simple count
Means of verification	Performance schedules, contracts, posters, pictures, digital links, video clips (where applicable) 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 16	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	Proofs of media relationships established
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 17	Percentage of media campaigns implemented
Definition	Media campaigns are planned series of radio / television interviews, newspaper / digital articles, etc. that are intended to promote PACOFS and its offerings. The 2024/25 Media Campaigns Plan, with measurable targets, for approval by the CEO by 31 March 2024 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	Percentage of the annual media campaigns plan targets achieved
Means of verification	Proof of radio / television interviews, newspaper / digital articles, etc.
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 18	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 2024 should identify activities to be implemented to market each production on the 2024/25 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	Percentage calculation of the targets achieved against the total productions staged during the quarter

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 19	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 2024. It must identify activities and initiatives to be implemented to attract current and new audiences for each production in the 2024/25 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 20	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 21	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 R 9 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 22	Number of facilities leased out
Definition	Advertise and secure the leasing of PACOFS facilities. The facilities include workspace, stage equipment, recording studio, kitchen, jazz joint club, bar services, etc.
Source of data	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

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.