

STRATEGIC PLAN

1 APRIL 2020 - 31 MARCH 2025



an agency of the
Department of Arts and Culture



My Children My Africa!

ACCOUNTING AUTHORITY STATEMENT

It gives me great pleasure to submit this Five-Year Strategic Plan of the South African State Theatre (SAST) for the period 2020/21 to 2024/25.

This Strategic Plan is prepared in accordance with the Constitution of the Republic of South Africa, 1996, Public Finance Management Act, 01 of 1999, the Cultural Institutions Act, 119 of 1998, the National Treasury Framework on Strategic Plans and Annual Performance Plans and the New Framework on Strategic Plans, which was issued by the Department of Planning, Monitoring and Evaluation (DPME). The new framework was issued in order to align the performance of government departments and entities with the priorities of the 6th Parliament and the new government that was elected following the May 2019 general elections.

In compiling the Strategic Plan, the South African State Theatre took into consideration the changes in Government national priorities, the Minister's priorities, the establishment of a new Department of Sport, Arts and Culture (DSAC), the establishment of a new National Theatre of South Africa, the proposed amalgamation of DAC entities and the National Development Plan (NDP, 2030). Of particular significance is Priority 5 of the NDP Implementation Plan on Social Cohesion and Safe Communities and Outcome 14 which seeks to achieve Social Cohesion and Nation Building. The new vision of DSAC, which seeks to strive for an active, creative, winning and socially cohesive society was taken into account. The department's mission, which is to develop, transform, preserve, protect and promote sport, arts and culture as well as the values of Batho Pele, Equality, Innovation, Responsiveness, Integrity, Professionalism and Accountability informed the SAST's strategic discussions. The SAST ensured that its Strategic Plan pays particular attention to Outcomes and Impact, in line with government's new planning framework.

This Five Year Plan is further informed by the existing strategic plan and the lessons learnt from the period 2015 to 2020. Council has retained the revised vision, adopted in 2018, which is "To be the prestigious theatre of choice for a distinctly Pan-African experience." In line with its 2018 mission, SAST continues to focus on social and cultural diversity, maintaining a healthy balance between artistic creativity and fiscal stability, socio-economic transformation, environmental friendliness, establishment of partnerships and collaborations, and embracing of information and communication technology. It is envisaged that by following its vision and mission the SAST will fulfil its mandate of providing the performing arts with access to creative spaces in order to provide inspirational and challenging performances.

The strategic outcome-oriented goals of the SAST have remained unchanged. However, Council has prioritised the six themes of the business model. These are Revenue Generation from available resources, Reputation Enhancement, Human Capital Mindset Shift, Improvement in Internal Communication, Audience Development, and Enhancement of Marketing and Public Relations. In order to deliver on these themes, the SAST has identified five strategic pillars, which are: Maximising Revenue (increase capacity to generate own revenue), Enhancement of Reputation, Development of Human Capital, Promotion of a Culture of Excellence and Good Corporate Governance, and Audience Development.

These focus areas will find expression in the 2020/21 Annual Performance Plan, with priority being placed on a Programme of Action.

While Council appreciated challenges during the implementation of the previous Strategic Plan, 2015 to 2020, such as the achievement of a Disclaimer audit opinion in 2016 and the uncovering of fraud and corruption during the 2019/20 financial year, there were also notable achievements. The organisational Turnaround Strategy, adopted in 2016, resulted in significant improvements in human resources, adoption of a pan-African identity, review of quality of spending and organisational plans, the initiation of a transformation project, the strengthening local and international partnerships, the strengthening of good corporate governance and a culture of risk management, the improvement in audit outcomes, and the overall improvement in organisational performance. The organisational performance during the 2014/15 financial year was 76% while during the 2018/19 fiscal year the performance achieved was 91%. In the Financial Year 2018/2019 SAST achieved an unqualified audit opinion.

The Council, Management and Staff of the SAST look forward to receiving support from the Department of Sports, Arts and Culture in implementing its Strategic Plan. As stated above, Council will prioritise the strengthening of the pillars of good corporate governance and the achievement of socio-economic transformation as espoused in the NDP. The SAST Council is cognisant of the fact that this is the final year of its term and the plans of DSAC entities may have to be reviewed when the proposed amalgamation of cultural institutions is implemented.

A word of gratitude and appreciation is extended to Council for the oversight and support to the cause of SAST, the CEO, Management team and all staff who performed with integrity and dedication. We continue to fiercely take appropriate actions against non-performance, corruption and any behaviour that compromises SAST.

FOREWORD

Members of Council, Council Committees, Management and Staff reaffirm commitment to the mandate of DSAC through implementation of this Strategic Plan. SAST commits to bringing exemplary good governance, effective controls, accounting systems, service delivery to the performing arts sector through outcomes-based performance-oriented targets. SAST tirelessly strives to bring a positive impact on the lives of the people of South Africa.



Professor Fikile N. M. Mazibuko
Chairperson of Council
The South African State Theatre



OFFICIAL SIGN-OFF

- It is hereby certified that this Strategic Plan of The South African State Theatre (SAST) for the period 2020 to 2025:
- Was developed by the management of The South African State Theatre under the guidance of the SAST Council.
- Takes into account the relevant policies, legislation and other mandates for which The South African State Theatre is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which The South African State Theatre will endeavour to achieve over the period 2020 to 2025.



Ms Namvula Moloko
Senior Manager: Business Development (Acting)
Programme Manager:
Audience attendance improved.
Revenue generated from commercial activities.



Dr Sibongiseni Mkhize
Chief Executive Officer

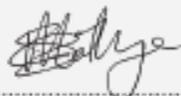
Approved by:



Professor Fikile N. M. Mazibuko
Chairperson of Council



Mr Malcolm October
Senior Manager: Maintenance
Programme Manager:
Buildings and assets maintained and upgraded.



Mr Sizwe Mathye
Chief Financial Officer



Mr Shiraz Ahmed
Senior Manager: Performance Information
(Planning)

OFFICIAL SIGN OFF



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PART A: OUR MANDATE

1. Constitutional mandate

The mandate of the South African State Theatre (SAST) is derived directly from the legislative mandate of the Department of Sport, Arts and Culture (DSAC) which in turn comes from the Constitution of the Republic of South Africa Act, 1996, including from the Preamble and Founding Provisions, and in particular:

Section 16 (1): Everyone has the right to freedom of expression, which includes:

- a) freedom of press and other media;
- b) freedom to receive or impart information or ideas;
- c) freedom of artistic creativity ;and
- d) 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 manners inconsistent with any provision of the Bill of Rights".

Section 32(1): Everyone has the right of access to:

- a) any information held by the state; and any information that is held by another person and that is required for the exercise or protection of any rights.

2. Legislative and Policy mandate

2.1 Legislative mandate

On 1 April 2005, the former Minister of Arts and Culture Mr Pallo Jordan declared the Renaissance Theatre a Cultural Institution in accordance with the Cultural Institutions Act, 1998 (Act 119 of 1998). The Renaissance Theatre is now known as The South African State Theatre.

As a Cultural Institution we are established under the auspices of the Department of Sport, Arts & Culture and are then bound by the Public Finance Management Act 1 of 1999 (PFMA), under schedule 3A, as well as other applicable legislation.

In the White Paper on Arts and Culture and Heritage, the following Acts have been promulgated by Parliament to create institutions in furtherance of the Constitutional mandate of the Department of Sport, Arts and Culture. The primary legislative framework of the Department of Sport, Arts & Culture emanates from the Acts, as amended, listed below:

- Cultural Institutions Act, 1998 (Act 119 of 1998);
- Culture Promotion Act, 1983 (Act 35 of 1983);
- National Heritage Council Act, 1999 (Act 11 of 1999);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- Heraldry Act, 1962 (Act 18 of 1962);
- Legal Deposit Act, 1997 (Act 54 of 1997);
- National Arts Council Act, 1997 (Act 56 of 1997);
- National Film and Video Foundation Act, 1997 (Act 73 of 1997);
- Pan South African Language Board Act, 1995 (Act 59 of 1995);
- National Library of South Africa Act, 1998 (Act 92 of 1998); and
- South African Library for the Blind Act, 1998 (Act 91 of 1998).
- South African Geographical Names Council Act, 1998 (Act 118 of 1998);
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996)

We note the pending promulgation of the revised White Paper on Arts and Culture. The activities embarked upon by DSAC in the interim, namely; the amalgamation of entities under the department are also acknowledged. The proposed outcomes of these activities likely to affect the SAST are as follows:

- Establishment of the National Performing Arts Company (the new single entity) - The amalgamation of the five Performing Arts entities (The Playhouse, the South African State Theatre, PACOFS, The Market Theatre Foundation and Artscape) under a single council.
- Existing performing arts entities to be amalgamated through a notice in the Government Gazette and the notice is to state that all assets, rights, liabilities and obligations of entities are transferred to the new (amalgamated) entity.
- The SAST is to be run as an autonomous division of the new single entity.

2.2 Policy mandate

Overall government's mandate is being driven by the National Development Plan (NDP) Five-year Implementation Plan covering the period 2019 - 2024. The mandate of the Department of Sport, Arts and Culture (DSAC) has accordingly been aligned in the NDP under Priority 5; Social cohesion and nation building (Outcome 14).

NDP IMPLEMENTATION PLAN - PRIORITY 5:
SOCIAL COHESION AND SAFE COMMUNITY
NDP FIVE YEAR IMPLEMENTATION PLAN (2019-2024) OUTCOME
United, democratic, participatory, non-sexist, non-racial, equal society
DEPARTMENT OF SPORT, ARTS AND CULTURE OUTCOME
Social cohesion and nation building (Outcome 14)

The SAST has accordingly aligned its mandate to the DSAC's drivers, outcomes and/or outputs to derive its mandate as follows:

DEPARTMENT OF SPORT, ARTS AND CULTURE OUTCOME
Social cohesion and nation building (Outcome 14)
THE SOUTH AFRICAN STATE THEATRE
Provide access to performance spaces in which the performing arts sector creates productions that are watched by diverse audiences.

3. Institutional Policies and Strategies over the next five year planning period

3.1 Institutional policies

SAST has implemented a culture of good governance which is underpinned by our control environment. The control environment is enabled by the policies and their associated procedures (SoP's) which we have developed and implemented. These policies are reviewed on an annual basis to ensure conformity with legislation and related rulings that become relevant. We have developed standard operating procedures that set-out the various controls that must be complied with when processing any transaction. Policies and SoP's will be revised to be aligned to this five-year strategic plan.

Institutional policies are approved by our Council and a detailed register of these policies is maintained.

3.2 Strategies over the next five year planning period

In April 2018 Council held a Strategy Workshop aimed at identifying priorities for the term of this current council. The workshop sought to examine the SAST's Business Model with a view to achieving Long Term Sustainability. Strategically, focus is on identity and branding, marketing and its capacity to deliver on its mandate as well as the generation of own revenue. The implementation of the strategic priorities has already resulted in the integration of the Strategy, Structure and Financial Resources, which is critical to the success of this organisation. In line with its identity as a pan African theatre, it was agreed that the SAST should fervently and effectively identify/position itself as "the theatre of Africa", with its vision as: "We are the prestigious theatre of choice for a distinctly Pan-African experience". Besides transformation and the new identity being reflected in the Artistic Programme, the SAST will accelerate the process of renaming of theatre venues and other public spaces within the theatre complex. The workshop focussed on the core business, more particularly on the question of balancing artistic creativity and fiscal stability.

The strategic pillars and priorities identified at the workshop served to guide the Council in monitoring and evaluating the performance of the SAST during the 2019/20 financial year. The strategic pillars from the workshop were reviewed and confirmed in November 2019 and they form part of the SAST's new Five-Year Strategic Plan, which will be implemented from the 2020/21 financial year. The strategic pillars are:

1. Maximise Revenue (increase capacity to generate own revenue instead of hoping to receive donations and sponsorships)
2. Enhance reputation
3. Develop and Manage Human Capital
4. Promote a Culture of Excellence
5. Audience Development

Council will continue to provide guidance and leadership to ensure that the strategic priorities of the SAST are aligned to the National Development Plan and the Minister's 10-Point Plan. Particular emphasis will be placed on achieving nation-building and social cohesion while ensuring a healthy balance between fiscal stability and artistic creativity.

In order to successfully implement our mandate, we have developed the following outcome-oriented strategic programmes which are underpinned by the strategic pillars:

- Present In-house Performing Arts productions.
- Provide development opportunities for emerging Arts Practitioners in the context of our programmes.
- Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales.
- Ensure long term sustainability of our Buildings and Assets.
- Attract Audiences to watch the Performing Arts.
- Ensure compliance with applicable Laws, Regulations and Statutory Legislation.

In developing programmes to implement our strategies, we have, as far as possible, included the key priority groups, namely Youth, Women and people living with Disabilities.

Performing arts programmes are developed to allow people across all races, classes, gender, religion, nationality, ethnic origin and language to unite in a shared space with a common goal that is to present the very best performing art.

Programmes are aligned to the national days, where we celebrate our rich history through relevant performance art works. We attract diverse audiences of people from across our society to unite in safe performance spaces to watch performance art works free from any form of social exclusion.

Access to the performing arts space, especially for those communities that have never before been allowed access, is the main focus of our programmes. Together with access, we also provide development opportunities for performing arts practitioners to identify and establish economically viable careers and create performance art products for local and international market consumption.

4. Relevant court rulings

None.

PART B: OUR STRATEGIC FOCUS

Strategic Focus

5. Vision

The prestigious theatre of choice for a distinctly Pan-African experience. ("The theatre of Africa")

6. Mission

A vibrant and dynamic arts and culture institution that integrates social and cultural diversity while maintaining a healthy balance between artistic creativity and fiscal stability.

An entertainment destination of choice for inspiration, education and socio-economic transformation which is underpinned by our unique, engaging and diverse artistic offering that encourages audience growth and an appreciation for the performing arts.

A financially driven and socially conscious institution that focusses on growth, revenue generation and long-term sustainability.

An environmentally friendly and modern theatre complex that provides for the preservation of our heritage and promotion of the arts.

A prestigious institution with strong collaborations and partnerships with the performing arts sector to drive economic development by creating performing arts works that are commercially viable.

An institution that embraces information and communication technology to enable strategic direction and the achievement of organisational goals.

7. Values

· Transparency

Provide access to information to promote society and employee trust in our programmes.

· Accountability

Exercise responsibility and be able to account for our actions and transactions.

· Freedom of expression

Encourage the constitutional right, and a pillar of democracy, to freedom of expression, in particular freedom to artistic creativity, in a responsible and unoffensive manner.

· Honesty

Interact and transact with a good moral character to ensure truthfulness and openness.

· Integrity

Practice consistency and uncompromising adherence to strong moral and ethical principles and values.

· Excellence

Strive to achieve and surpass all expectations in our service delivery.

8. Situational Analysis

8.1 External Environment Analysis

Population dynamics ¹

The SAST is situated in the central business district of the metropolitan municipality of the City of Tshwane. The City of Tshwane is part of the province of Gauteng. With a population of 2,921,488 (2011, Stats SA), the City of Tshwane is ranked as the fifth largest city of South Africa. The working age is made up of; 15 to 64 (71.9%), 0 to 14 (23.2%) and 65+ (4.9%). People classified as Youth (age 14 to 35, per the National Youth Commission Act, 1996) make up 37% of the population. Racial composition of the population across the four primary race groups, being; Black African, Coloured, Indian and White are 75.4%, 2.0%, 1.8% and 20.1%, respectively. First Languages spoken include Sepedi (19.4%), Afrikaans (18.4%), Setswana (14.7%), Xitsonga (8.4%) and Other (39.1%) which includes English at 8.4%. Gender composition is almost equal with 50.2% being Female and 49.8% Male, though details of gender parity are unknown. Foreign nationals also form part of the City's population and includes a significant number of diplomatic corps members, considering that Tshwane boasts a large concentration (130+) of embassies, which is said to be second only to Washington D.C. in the United States. Economically active people in the population number 1,079,273, circa 2011, which represents 36.94% of the population. SAST aims to attract audiences from this population group as well as from the greater Gauteng population.

Political influence

As an implementing agency of the DSAC, we have an obligation to further the manifesto of the ruling party. The ruling party's 2019 election manifesto published on 13 January 2019 seeks a people's plan for a better life for all. Amongst others, the manifesto is about advancing nation-building and social cohesion, stepping up the fight against racism, sexism, homophobia and other intolerances. This manifesto sets out how to improve the lives of South Africans and grow South Africa together. Key themes of the manifesto that are relevant include; ADVANCING SOCIAL TRANSFORMATION, ADVANCING NATION-BUILDING AND SOCIAL COHESION, BUILDING A BETTER AFRICA AND A BETTER WORLD, CREATIVE INDUSTRY and A NATION UNITED IN DIVERSITY. Our political landscape consists of the Democratic Alliance (DA) and the Economic Freedom Fighters (EFF) at a local government level and the African National Congress (ANC) at a provincial and National level. While the SAST operates in this political environment, it remains independent and apolitical and unequivocally strives to embrace people from different walks of life irrespective of their political affiliations.

Economic factors

Inflation has been recorded at 4.5% ² in January 2020, with GDP decreasing by 0.8% for the third quarter of 2019 (Stats SA, 2019) and a further 1.4% decrease in the fourth quarter of 2019 (Stats SA, 2020) ³. Many entertainment products are competing for a share of consumers disposable income, both amongst themselves as primary products and also with many market alternatives that consumers find to be more attractive ways to spend their leisure time.

Technology improvements

The fourth industrial revolution is changing the way the world exists, interacts and functions. The advances in technology provide systems and equipment that are indispensable in everyday life. Some of this equipment has already been adopted in our theatres in the form of 3D data projectors. These projectors allow us to create multi-dimensional performances which present a richer theatre experience. 4D technology is being implemented in movie theatres in the country, which is providing those audiences with an interactive entertainment experience. WIFI and Bluetooth technology offers a personalised experience for audiences and improved tools for performers. Corporate governance of information and communication technology provides a framework for the implementation and management of ICT. SAST intends to make technology a strategic driver, including data collection to enable the SAST to better understand the needs of its patrons.

Social realities

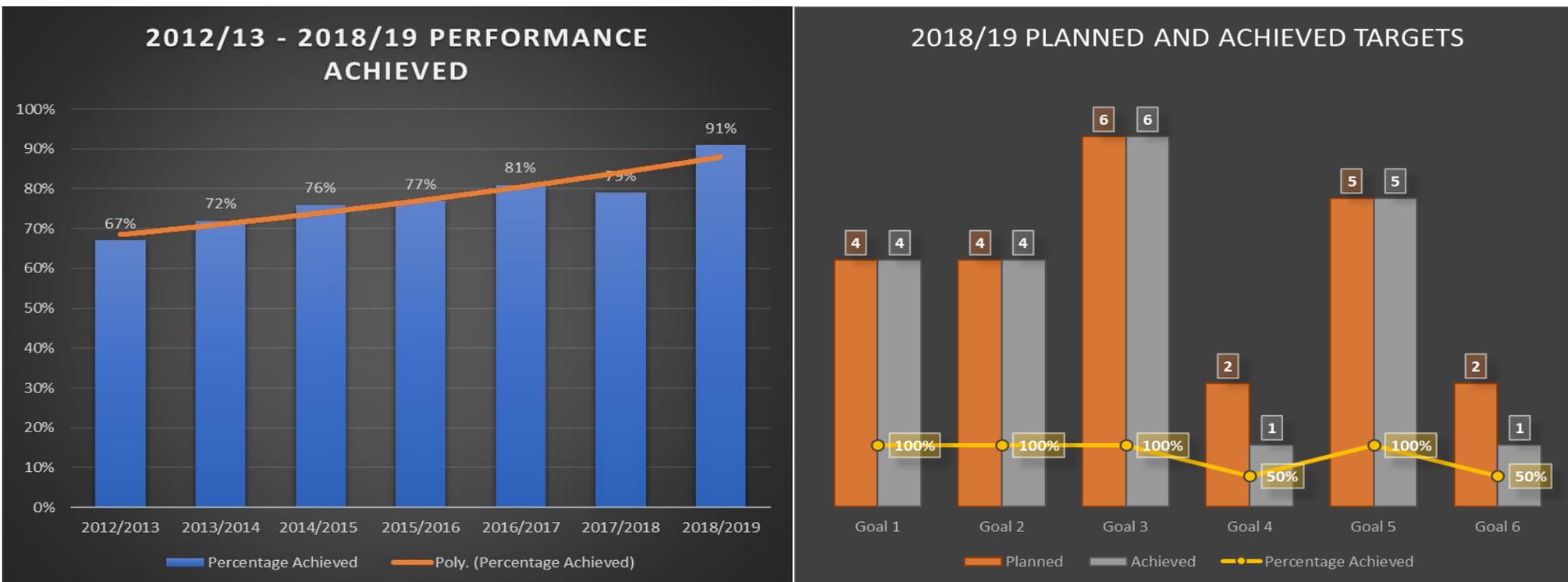
The South African society is socially diverse in its makeup. People from different races, cultures and ethnic backgrounds co-exist as the society of the country. Social challenges are prevalent across society and are not limited to any specific denomination. Abuse of women and children has become a focal area, together with issues of gender-based violence and the ever-increasing problems of substance abuse. These, and other, social challenges affect and influence how society interacts and becomes a barrier of participation for victims. Regrettably, the very same entertainment spaces where victims may find an opportunity to interact with the rest of society are also used as an opportunity by criminals and offenders to proliferate some of these social illnesses. SAST has implemented safety and security measures to ensure the safety of our patrons and customers in both the theatre complex and in the office block.

8.2 Internal Environment Analysis

We have consistently delivered on our strategic objectives over the past five-years. Our focus being on the core mandate-oriented objectives, namely; implementation of our artistic, development and audience programmes. These areas present some of our key strengths as an organisation. Our artistic offering is diverse and includes most, if not all, genres and forms of the performing arts. Many of the performance art work that we have staged has received critical acclaim in the performing arts sector, with many winning industry awards. In total, we have staged 511 performing arts works in which 6,538 short-term jobs were created that were watched by 679,461 audience. 331 arts practitioners have participated in our development programmes. Our theatre infrastructure comprises six performance venues which boast technical equipment that allows for unique live performance presentations. Modernisation of our theatre equipment includes new 3D technology which offers multi-dimensional presentation of performances.

While we have attracted a handsome number of audience, we have not yet tapped into the broader market that exists. This market includes both new and experienced theatre goers, many of whom are eager to come to the SAST. Similarly, there exists many arts practitioners and groups previously not provided with the opportunity to come and perform on our stages. Our brand and product positioning is being focussed to attend to these weakness to ensure that we provide access to the broader performing arts sector and become an entertainment destination for patrons of the performing arts.

In delivering our mandate, we have achieved targets set-out in our Annual Performance Plans. Achievement of targets has increased from 76% in 2014/15 to 91% in 2018/19. The number of targets achieved in 2018/19 was very high. We achieved all targets in four programme areas. Only two programmes under-performed, each by partially achieving predetermined targets with a performance of 50%. The 2018/19 performance provides a baseline for the development of targets set-out in this strategic plan. We believe that our baseline performance provides a good indication of our capability and commitment to our strategic intent.



8.3 Broad-Based Black Economic Empowerment (B-BBEE)

The SAST is committed to contributing to Broad-Based Black Economic Empowerment (B-BBEE). During 2017/18 we undertook to have our B-BBEE compliance verified. The outcome of the verification process, a Broad-Based Black Economic Empowerment Verification Certificate was issued on 19 July 2018. This verification certificate was compiled in terms of the Specialised General Codes – Generic Scorecard, that is said to be applicable to the SAST as a Schedule 3A Public Entity. The overall score obtained in the certificate resulted in a B-BBEE Status rating of Non-compliant Contributor to BEE. Unfortunately, the elements assessed under the specialised score card that are summed to obtain a rating are mostly not applicable to the SAST. In September 2019 we applied to the B-BBEE Commission for both an exemption and a deviation from the requirements to submit an annual verification report. Our intention is to comply with the B-BBEE Act in a meaningful way in which we actually make a contribution to the economic success of the country and are measured on an appropriate score card of applicable elements to SAST as a Public Entity.

Notes:

1. Population statistics are sourced from the Stats SA 2011 survey on the City of Tshwane. Website link http://www.statssa.gov.za/?page_id=1021&id=city-of-tshwane-municipality
2. CPI data sourced from Stats SA Statistical Release January 2020. Website link http://www.statssa.gov.za/?page_id=1854&PPN=P0141
3. GDP data sourced from Stats SA Statistical Release March 2020. Website link <http://www.statssa.gov.za/publications/P0441/P04414thQuarter2019.pdf>

PART C: MEASURING OUR PERFORMANCE

9. Institutional Performance Information

9.1 Measuring the impact

IMPACT STATEMENT
Access to performance spaces provided to the performing arts sector to create and stage their artistic work that is watched by diverse audiences in a safe and socially-cohesive environment.

9.2 Measuring outcomes

Outcome	Outcome Indicator	Baseline (Past 5-years)	5 Year (Target)
Revenue generated from commercial activities.	Self-generated revenue recognised.	R146 401 811	R230 688 178
Buildings and assets maintained and upgraded.	Number of Capital-works projects completed.	11	46
	Number of maintenance programmes completed.	35	35
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Unqualified audit report issued by the Auditor-General South Africa.	Qualified 2014/15, Disclaimer 2015/16, Qualified 2016/17, Unqualified 2017/18, and Unqualified 2018/19.	Unqualified Audit report for the first two financial years, thereafter Unqualified without emphasis of matter for each Financial Year.
	Number of labour matters with rulings against SAST.	5	No incidents of non-compliance with labour-related legislation.
In-house developed and externally sourced performing arts works presented.	Number of performing arts works presented. ⁽¹⁾	511	495
	Number of jobs created in the performing arts. ⁽¹⁾	6 538	4 800
Audience attendance improved.	Number of audience attending performances and events staged at SAST.	679 461	845 000

Development opportunities provided.	Number of community groups participating in the programme.	75	75
	Number of internship positions created and filled. ⁽²⁾	37	500

Notes:

1. Baseline numbers achieved in the past five-years for the indicators, *Number of performing arts works presented* and *Number of jobs created in the performing arts*, are higher than the planned number for the coming years due to special projects that were implemented in the past five-years. These projects included the Touring Venture as well as the Incubator Programme. Both projects received special project funding from DSAC.

2. The sharp increase in the number of internship positions offered is due to implementing a revised internship programme. The revised programme creates one hundred internship positions annually for the next five years. These positions are in the artistic and business development departments. The aim of the revised programme is to provide experiential learning opportunities in the performing arts.

9.3 Explanation of Planned Performance over the Five-year Planning Period

9.3 a) Contribution to the NDP and Priority Groups

Outcome	NDP IMPLEMENTATION PLAN PRIORITY AREA CONTRIBUTION	PRIORITY GROUP PARTICIPATION
In-house developed and externally sourced performing arts works presented.	Economic transformation and job creation	Youth
	Social cohesion and safe communities	Women
	A better Africa and world.	People with disabilities
Development opportunities provided.	Economic transformation and job creation	Youth
	Education, skills and health	Women
	Social cohesion and safe communities	People with disabilities
	Building a capable, ethical and developmental State	
Audience attendance improved.	Social cohesion and safe communities	Youth
	Education, skills and health	Women
		People with disabilities
Buildings and assets maintained and upgraded.	Economic transformation and job creation	Youth
	Building a capable, ethical and developmental State	Women
	Spatial integration, human settlements and local government	People with disabilities
Revenue generated from commercial activities.	Building a capable, ethical and developmental State	Youth
		Women
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Building a capable, ethical and developmental State	Youth
		Women
		People with disabilities

9.3 b) Rationale for the selection of outcome indicators

Outcome	Outcome Indicator	Rationale
In-house developed and externally sourced performing arts works presented.	Number of performing arts works presented.	Represents the number of performing arts productions staged which relates to the number of practitioners that have been provided with access.
	Number of jobs created in the performing arts.	Reports the number of jobs created in the performing arts sector.
Development opportunities provided.	Number of community groups participating in the programme.	Reports the number of community groups that have been provided with access to development programmes.
	Number of internship positions created and filled. (2)	Provides the number of arts practitioners who have participated in programmes to fulfil their formal education requirements in order to achieve a qualification in the arts.
Audience attendance improved.	Number of audience attending performances and events staged at SAST.	Reports the number of people from society that have participated in our activities.
Buildings and assets maintained and upgraded.	Number of Capital-works projects completed.	Provides an indication of our contribution to government's infrastructure development.
	Number of maintenance programmes completed.	Reports on our maintenance of infrastructure.
Revenue generated from commercial activities.	Self-generated revenue recognised.	Reports on the revenue that we generate from utilising the property infrastructure and from staging performances.

Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Unqualified audit report issued by the Auditor-General South Africa.	Reports on our ability to comply with the PFMA and its related legislation.
	Number of labour matters with rulings against SAST.	Reports on our ability to comply with labour legislation.

9.3 c) Enablers to achieve five-year targets

The primary enabler to achieving the five-year targets, is the allocation of the government grant to fund our operational budget.

It also is of critical importance that the Capital Works budget is funded by DSAC to ensure the sustainability of our infrastructure.

Timely promulgation of the revised White Paper on Arts and Culture together with the implementation of its related activities is of strategic importance.

9.3 d) Outcomes contribution to achieve impact

Outcome	Impact	Outcome Contribution to the Impact
In-house developed and externally sourced performing arts works presented.	Provide the performing arts sector with access to performance spaces to stage their artistic works.	Staging of performing arts works thereby creating access.
	Job opportunities created in the performing arts through staging of performing arts works.	Artistic, technical and administrative jobs created in the staging of the performing arts.
Audience attendance improved.	Attract a diverse audience of people from across all races, languages, religions and the different nationalities that form the society of South Africa to watch performances and Create an awareness of the performing arts as a form of entertainment and as a career path that becomes inculcated into the culture of the youth of South Africa.	Product and brand positioning to attract audience and practitioners to the performing arts.

	Promote nation building and a socially cohesive society through commemorating our National Days in our spaces that are free of social barriers.	
Development opportunities provided.	Enable the performing arts sector, in particular the priority groups, namely; women, youth and the disabled, to develop their artistic products to become commercially viable for both local and international market consumption.	Programme engages communities and arts practitioners thereby creating access to development and commercial activities.
Revenue generated from commercial activities.	Government grant augmented with self-generated revenue to ensure financial sustainability.	Revenue is generated by staging of performing arts works and from rental of the property infrastructure.
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Implementation of our mandate according to legislative prescripts through transparent administrative processes that are free of corruption.	Compliance with legislation and combating corrupt activities to enable efficient and legitimate transactions.
Buildings and assets maintained and upgraded.	Ensure long-term sustainability of buildings and assets.	Availability of infrastructure and assets that enables the implementation of our programmes.

PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

10. Technical Indicator Description (TID)

Indicator title	Self-generated revenue recognised.
Definition	Revenue that is generated by the SAST through implementing commercial activities which includes; Ticket Sales, Theatre, Office and other space Rentals, Fundraising, Parking and Front of House Sales.
Source of data	Pastel accounting system.
Method of calculation	Simple count.
Assumptions	Functional and updated Pastel system.
Reporting cycle	Quarterly.
Desired performance	Increase in revenue generated.
Indicator responsibility	Business Development Manager

Indicator title	Number of Capital-works projects completed.
Definition	Renovations, upgrades and acquisition of property, plant and equipment. Projects are summarised on the User Asset Management Plan. Approved and funded projects may be implemented. Implementation may be over several years and progress will be reported accordingly.
Source of data	UAMP progress report.
Method of calculation	Simple count.
Assumptions	Updated and accurate progress report.
Reporting cycle	Annual.
Desired performance	Completion of projects within budget and according to agreed timeframes.
Indicator responsibility	Maintenance Manager

Indicator title	Number of maintenance programmes completed.
Definition	Maintenance and repairs of property, plant and equipment on a routine basis.
Source of data	Maintenance progress report.
Method of calculation	Simple count.

Assumptions	Updated and accurate progress report.
Reporting cycle	Annual.
Desired performance	Maintenance implemented according the programme plan.
Indicator responsibility	Maintenance Manager

Indicator title	Unqualified audit report issued by the Auditor-General South Africa.
Definition	The AG-SA audits the annual financial statements of the SAST and expresses an opinion on the accuracy and completeness thereof.
Source of data	AG-SA audit letter.
Method of calculation	No calculation required.
Assumptions	Accurate report issued.
Reporting cycle	Annual.
Desired performance	Unqualified audit report.
Indicator responsibility	Chief Financial Officer.

Indicator title	Number of labour matters with rulings against SAST.
Definition	Labour disputes which are referred to the CCMA or Labour Court in which SAST is found to have contravened applicable legislation.
Source of data	CCMA or Labour Court award.
Method of calculation	No calculation required.
Assumptions	Fair and unbiased award issued.
Reporting cycle	Quarterly.
Desired performance	That no labour matters are awarded against the SAST.
Indicator responsibility	Human Resources Manager

Indicator title	Number of performing arts works presented.
Definition	Performing arts works staged.
Source of data	Production contract or budget.

Method of calculation	Simple count.
Assumptions	Contracts and budget signed and filed.
Reporting cycle	Quarterly.
Desired performance	Performance art productions are staged according to contract or budget.
Indicator responsibility	Artistic Director.

Indicator title	Number of jobs created in the performing arts.
Definition	Jobs that are created in productions of performing arts works that are staged by SAST.
Source of data	Employment report.
Method of calculation	Simple count.
Assumptions	Accurate and complete employment report.
Reporting cycle	Quarterly.
Desired performance	Jobs are created according to the production contract.
Indicator responsibility	Artistic Director.

Indicator title	Number of audience attending performances and events staged at SAST.
Definition	Audience attending performances, events, exhibitions, workshops and other activities staged or received by SAST.
Source of data	Ticketing system, attendance registers.
Method of calculation	Simple count.
Assumptions	Accurate and complete ticketing system, attendance registers used where ticketing is not practicable.
Reporting cycle	Quarterly.
Desired performance	Increase in the number of audience.
Indicator responsibility	Business Development Manager.

Indicator title	Number of community groups participating in the programme.
Definition	Community groups that participate in the programme.

Source of data	Programme report
Method of calculation	Simple count.
Assumptions	Accurate and complete programme report.
Reporting cycle	Quarterly.
Desired performance	Increase in the number of participants.
Indicator responsibility	Artistic Director.

Indicator title	Number of internship positions created and filled.
Definition	Graduates and students pursuing formal qualifications in the performance arts provided with internship positions to obtain formal work experience required for the fulfilment of requirements of the qualification being studied.
Source of data	Internship contract.
Method of calculation	Simple count.
Assumptions	Contracts signed and filed.
Reporting cycle	Annually.
Desired performance	Positions created filled.
Indicator responsibility	Human Resources Manager.

ANNEXURES

Annexure A

Key Risks

Outcome	Key Risk	Risk Mitigation
In-house developed and externally sourced performing arts works presented.	Inadequate return on investment-made in productions as a portfolio	Costing model to be improved to include sensitivity analysis and revenue optimisation. Develop and approve a framework for selecting stage production.
Development opportunities provided.	Inadequate market awareness of our programmes and the opportunities provided.	Implement an outreach programme to create national awareness of our programmes.
Revenue generated from commercial activities.	Incorrect sales strategy to bring our products to the market.	Rigorous review and implementation of corrective measures in the business development department.
Buildings and assets maintained and upgraded.	Inadequate infrastructure maintenance.	Implementation of a facilities management programme to attend to maintenance and upgrading of our infrastructure.
Audience attendance improved.	Poor audience turn out at our shows.	Develop and implement a comprehensive product, brand and destination strategy that brings audience to watch our performances.
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	Improper administration and management of transactions.	Develop and implement suitable standard operating procedures.

Materiality Significance Framework

Important Note: The continued appropriateness of this Framework will be assessed at least annually against SAST (1) Strategic Plan (2) Budget (3) Risk Management Strategy and (4) Fraud Prevention Plan.

1. Background

This document was developed to give effect to the May 2002 amendment to the Treasury Regulations, whereby the following new requirement was set for public entities:

"For purposes of material [sections 50(1), 55(2) and 66(1) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors."
[Section 28.1.5]

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

No definitions for the concepts "material" and "significant" are included in either the PFMA or in the Treasury Regulations. Accordingly, in compiling this framework the South African State Theatre has sought guidance from, inter-alia International Standards on Auditing 320 (ISA 320) paragraph A2, which indicates the following considerations specific to the public entity when determining materiality:

In the case of a public sector entity, legislators and regulators are often the primary users of its financial statements. Furthermore, the financial statements may be used to make decisions other than economic decisions. The determination of materiality for the financial statements as a whole (and, if applicable, materiality level or levels for particular classes of transactions, account balances or disclosures) in an audit of the financial statements of a public sector entity is therefore influenced by law, regulation or other authority and by the financial information needs of legislators and the public in relation to public sector programs."

Materiality can be based on a number of financial indicators. However guidance in terms of Practice Note on Applications under Section 54 of the PFMA Act No 1 of 1999 dated 13 July 2006, paragraph 3.7 states the following:

"In arriving at acceptable levels of significance, the guiding principles set out below should be applied:

3.7.1 The parameters are derived from the rand values of certain elements of the individual public entity's audited financial statements, as follows:

Elements % range to be applied against rand value

Total Assets 1% - 2%

Total Revenue 0.5% - 1%

Profit after tax 2% - 5%

2. Broad Framework for South African State Theatre

South African State Theatre will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

2.1 Overall Quantitative materiality

Materiality level

The SAST assesses the level of a material loss as being 1.5% of total revenue as disclosed on the 2018/19 audited financial statements

Total revenue as per the 2018/19 audited financial statements = R 95 827 196

Materiality @ 1.5% = R R1 437 407

Factors considered

In determining the said materiality value of 1.5% of total revenue, SAST took into account factors that include:

Base Amount Consideration

Revenue is considered to be the most appropriate Base amount. Revenue comprises of grants received from Department of Arts and Culture and self-generated income. Revenue is the most appropriate due to it being the key driver for SAST financial sustainability.

Financial data to be used

The 2018/19 audited financial statements is considered to be the most appropriate financial data to be used in determining the materiality of SAST in compliance with National Treasury's Practice Note.

Reason for 1.5% of total revenue

The SAST elects to give preference to a lower level of materiality due to the following:

- Unqualified 2018/19 and 2017/18 audits, coming from a qualified in 2016/17

Based on the above, SAST has undertaken a conservative approach by assessing the materiality at lower level of materiality in consultation with the Auditor General.

Furthermore a lower materiality is considered appropriate due to SAST being closely governed by various acts and the public accountability responsibility it has to its stakeholders.

3. SAST General Approach to Qualitative Aspects

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

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

- o New ventures that SAST may enter into.
- o Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- o Transactions entered into that could result in reputational risk to SAST.
- o Any fraudulent or dishonest behaviour of an officer or staff of SAST.
- o Any infringement of the SAST's agreed performance levels.
- o Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations).
- o Items of a non-financial nature, which would impact on the continued operation and deliverables of the SAST.
- o The acquisition or disposal of a significant asset; and
- o The beginning of a significant business activity.

The SAST further expands on these aspects under Annexure A, to this document.

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

Definitions and Abbreviations

Accounting Authority: South African State Theatre Council

Executive Authority: Department of Arts and Culture

Entity: South African State Theatre

PFMA: Public Finance Management Act (Act 1 of 1999 as amended by act 29 of 1999)

Treasury Regulations: Public Finance Management Act, 1999: amendment of Treasury Regulations in Terms of Section 76 as published in Government Gazette No. 7372

Annexure A: Detailed/Specific SAST Responses to Requirements

4.1 SAST Response to Fiduciary duties of the Accounting Authority Requirements

The accounting authority must on request, disclose to the **executive authority** responsible for that public entity or the legislature to which the public entity is accountable, **all material facts** including those reasonable discoverable, which in any way influence the decisions or actions of the executive authority or that legislature.

Further/Specific Requirement (PFMA section 5a)	Quantitative (Amount)	Qualitative
None	<p>SAST Response: Any fact discovered of which the amount exceeds the determined materiality figure as calculated under par 2.1</p>	<p>SAST Response:</p> <ol style="list-style-type: none"> 1. Any item or event of which specific disclosure is required by law 2. Any fact discovered of which its omission or misstatement, in the Council's opinion, could influence the decisions or actions of the executive authority or legislature.

4.2 SAST Response to Annual Report and Financial Statements Requirement

General/Principal Requirement (PFMA section 55)

The annual report and financial statements referred to in subsection (1) (d) must (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned:

<u>Further/Specific Requirement (PFMA section 55 (a))</u>	<u>SAST Response: Quantitative</u>	<u>SAST Response: Qualitative</u>
<p>(b) include particulars of:</p> <p>(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year:</p> <p>(ii) any criminal or disciplinary steps taken consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) any losses recovered or written off;</p> <p>(iv) any financial assistance received from the state and commitments made by the state on its behalf; and</p> <p>(v) any other matters that may be prescribed.</p>	<ol style="list-style-type: none"> 1. Losses through criminal conduct: any loss identified. 2. Losses through irregular, fruitless, wasteful expenditure: Where combined total exceeds the planning materiality figure used by the external auditors for the year under review. 	<p>All identified losses through criminal conduct will be disclosed. Fruitless and wasteful expenditure and financial misconduct.</p>

4.3 SAST Response to Information to be submitted by Accounting Authority Requirement

General/Principal Requirement (PFMA section 54)

Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:

<u>Further/Specific Requirement (PFMA section 54)</u>	<u>SAST Response: Quantitative</u>	<u>SAST Response: Qualitative</u>
(b) participation in a <u>significant</u> partnership, trust, unincorporated joint venture or similar arrangement.	Qualitative aspect is more relevant	Any participation, <u>outside of the approved strategic plan and budget.</u>
(c) acquisition or disposal of a <u>significant</u> shareholding in a company.	Qualitative aspect is more relevant	Any acquisition or disposal, <u>outside of the approved strategic plan and budget.</u>
(d) acquisition or disposal of a <u>significant</u> asset.	Qualitative aspect is more relevant	<ol style="list-style-type: none"> 1. Any asset that would increase or decrease the overall operational functions of the SAST, outside of the approved strategic plan and budget. 2. Disposal of the major part of the assets of the SAST <u>outside of the approved strategic plan and budget.</u>
(e) Commencement or cessation of a <u>significant</u> business activity.	Qualitative aspect is more relevant	Any business activity that would increase or decrease the overall operational functions of the SAST, <u>outside of the approved strategic plan and budget.</u>

Annexure C

Council Charter

1. INTRODUCTION

- 1.1 The Minister of Arts and Culture declared The Renaissance Theatre, a cultural institution, in terms of section 3(1) of the Cultural Institutions Act, 1998, on 22 April 2005.
- 1.2 The Renaissance Theatre, a cultural institution, trading as the South African State Theatre (the SAST)
- 1.3 In terms of the provisions of the Cultural Institutions Act, all cultural institutions must be placed under the control, management and direction of a Council, appointed by the Minister of Arts and Culture.
- 1.4 The Council has been appointed by the Minister of Arts and Culture.
- 1.5 In terms of the Public Finance Management Act, 1999, the SAST is a government business enterprise as listed in Schedule 3 and the Council is the accounting authority for the SAST.
- 1.6 In adherence to good governance practices it is the Council's intention to adopt this Charter to act as the Council's terms of reference.

2. PURPOSE OF THE CHARTER

- 2.1 To clearly define the Council's roles, responsibilities and functions, including the Council's responsibilities for:
 - 2.1.1 The adoption of strategic plans;
 - 2.1.2 Monitoring of operational performance and management;
 - 2.1.3 Determining policy and processes to ensure the integrity of the SAST's risk management and internal controls;
 - 2.1.4 Communication policy; and
 - 2.1.5 Council member's orientation and evaluation.
- 2.2 In addition to the Charter, the Council will be subject to the provisions of the following:
 - 2.2.1 The Cultural Institutions Act, 1998;
 - 2.2.2 The Public Finance Management Act, 1999;
 - 2.2.3 The Shareholders Compact;
 - 2.2.4 The White Paper on Arts, Culture and Heritage;
 - 2.2.5 The Protocol on Corporate Governance in the Public Sector, as issued by the Department of Public Enterprises;
 - 2.2.6 The King IV Report; and
 - 2.2.7 Any other applicable law, regulatory provisions or government policies or any directives.

3. MEMBER OF THE COUNCIL

(In terms of the provisions of section 5 of the Cultural Institutions Act)

3.1 Composition and appointment

- 3.1.1 At least seven members appointed by the Minister of Arts and Culture, in the prescribed manner.
- 3.1.2 The Chief Executive Officer will serve ex officio and has no voting powers.
- 3.1.3 Appointment to the Council must be in accordance with the principles of transparency and representivity.

3.2 Skills

- 3.2.1 At least one of the members appointed to the Council must have experience in financial matters.

3.3 Termination

- 3.3.1 A member of the Council is appointed for a period of three years, unless a shorter period is prescribed.
- 3.3.2 A member of the Council whose period of office has expired, may be reappointed.
- 3.3.3 If a member of the Council dies or vacates office before the expiry of the period for which the member has been appointed, another person may be appointed to fill the vacancy for the unexpired portion of the period for which the member was appointed.
- 3.3.4 A member of the Council must vacate office if:

- 3.3.4.1 that member resigns in writing;
- 3.3.4.2 that member has been absent from three consecutive meetings of the Council without its leave;
- 3.3.4.3 that member is an un-rehabilitated insolvent;
- 3.3.4.4 that member is found to be of unsound mind by a court of law;
- 3.3.4.5 that member is convicted of an offence involving dishonesty or bodily harm and is sentenced to imprisonment without the option of a fine;
- 3.3.4.6 that member materially breaches the code of ethics of the institution; or
- 3.3.4.7 on reasonable grounds, the majority of the Council so recommends and the recommendation is accepted by the Minister of Arts and Culture.
- 3.3.5 The Minister of Arts and Culture may dissolve the Council on any reasonable grounds.

4. DUTIES, FUNCTIONS AND RESPONSIBILITIES OF THE COUNCIL

4.1 Statutory functions in terms of the provisions of section 8 of the Cultural Institutions Act

- 4.1.1 To formulate policy.
- 4.1.2 To hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the SAST.
- 4.1.3 To receive, hold, preserve and safeguard all movable property placed under the care and management of the SAST by the Minister of Arts and Culture, in terms of section 10(1) of the Cultural Institutions Act.
- 4.1.4 To raise funds for the SAST.
- 4.1.5 To manage and control money received by the SAST and to utilise those monies for defraying expenses in connection with the performance of the SAST's functions.
- 4.1.6 To keep a proper record of the property of the SAST and to submit to the Director- General any returns required by him or her in regard thereto and to cause proper books of account to be kept.
- 4.1.7 To determine, subject to the Cultural Institutions Act and with the approval of the Minister of Arts and Culture, the objects of the SAST.
- 4.1.8 To generally carry out the objects of the SAST.
- 4.1.9 The Council may determine the hours during which and the conditions and restrictions subject to which the public may visit the SAS, or portion thereof, and the admission charges to be paid.
- 4.1.10 The Council may appoint such persons as it considers necessary to perform the functions of the SAST.
- 4.1.11 The determination of the remuneration and other conditions of service of persons appointed under section 4.1.10 above must be in accordance with a scheme approved by the Minister of Arts and Culture in consultation with the Minister of Finance.
- 4.1.12 The Council must no later than one month before the commencement of each financial year, submit a business plan covering the next three years and containing such information as may be prescribed by the Minister of Arts and Culture for his or her approval.
- 4.1.13 The Council must submit an annual report to the Minister of Arts and Culture which must contain such information regarding the activities and financial position of the Council as may be prescribed, to be tabled in Parliament by the Minister of Arts and Culture.
- 4.1.14 Within five months after the report has been tabled at Parliament, a delegation consisting of the Council Chairperson and at least two other Council members must brief the relevant committee of Parliament on the annual report.

4.2 Statutory functions in terms of the provisions of Chapter 6 of the Public Finance Management Act

- 4.2.1 The Council must exercise the duty of utmost care and ensure reasonable protection of the assets and records of the SAST.
- 4.2.2 The Council must act with fidelity, honesty, integrity and in the best interests of the SAST in managing the financial affairs of the SAST.
- 4.2.3 The Council must on request, disclose to the Minister of Arts and Culture all material facts, including those responsibly discovered, which in any way may influence the decisions or actions of the Minister of Arts and Culture.
- 4.2.4 The Council must seek, within its sphere of influence to prevent any prejudice to the financial interests of the state.
- 4.2.5 The Council members may not act in any way that is inconsistent with the responsibilities assigned to the Council in terms of any legislature.
- 4.2.6 The Council members may not the position of privileges of, or confidential information obtained as a Council member for personal gain or to improperly benefit another person.
- 4.2.7 The Council members must disclose to the Council any direct or indirect personal or private business interest that that Council member or any spouse, partner or close family member may have in any matter before the Council and with draw from the proceedings of the Council when that matter is considered, unless the Council decides that the Council member's direct or indirect interest in the matter is trivial or irrelevant.

- 4.2.8 The Council must ensure that the SAST has and maintains effective, efficient and transparent systems of financial and risk management and internal controls.
- 4.2.9 The Council must ensure that the SAST has and maintains a system of internal audit under the control and direction of an audit committee.
- 4.2.10 The Council must ensure that an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective, is adopted.
- 4.2.11 The Council must ensure that a system for properly evaluating all major capital projects prior to making a final decision on the project.
- 4.2.12 The Council must take effective and appropriate steps to collect all revenue due to the SAST.
- 4.2.13 The Council must take effective and appropriate steps to prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the SAST.
- 4.2.14 The Council must take effective and appropriate steps to manage available working capital efficiently and economically.
- 4.2.15 The Council is responsible for the management, including the safe-guarding, of the assets and for the management of the revenue, expenditure and liabilities of the SAST.
- 4.2.16 The Council must comply with any tax, levy, duty, pension and audit commitments as required by legislation.
- 4.2.17 The Council must take effective and appropriate disciplinary steps against any employee of the SAST who
- 4.2.17.1 Contravenes or fails to comply with any provision of law;
- 4.2.17.2 Commits an act which undermines the financial management and internal controls system of the SAST; or
- 4.2.17.3 Makes or permits an irregular expenditure or a fruitless and wasteful expenditure.
- 4.2.18 The Council is responsible for the submission by the SAST of all reports, returns, notices and other information to Parliament or the Department of Arts and Culture as may be required by the Public Finance Management Act.
- 4.2.19 The Council must promptly inform the National Treasury on any new entity which the SAST intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to the formal establishment thereof.
- 4.2.20 The Council must comply, and ensure compliance by the SAST with the provisions of Public Finance Management Act and any other legislation applicable to the SAST.
- 4.2.21 If the Council is unable to comply with any of the responsibilities set out in Part 6 of the Public Finance Management Act, the Council must promptly report the inability, together with reasons, to the Minister of Arts and Culture and treasury.
- 4.2.22 The Council must submit to the Department of Arts and Culture and to the relevant treasury, at least one month, or another period agreed with the National Treasury, before the start of its financial year a projection of revenue, expenditure and borrowings for that financial year in the prescribed format; and a corporate plan in the prescribed format covering the affairs of the SAST for the following three financial years (Annual Performance Plan).
- 4.2.23 The Council must submit to the Department of Arts and Culture, at least six months before the start of the financial year or another period agreed to between the Minister of Arts and Culture and the SAST, a budget of estimated revenue and expenditure for that financial year, for approval by the Minister of Arts and Culture.
- 4.2.24 The Council is responsible for ensuring that expenditure of the SAST is in accordance with the approved budget.
- 4.2.25 The Council must submit to the relevant treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require.
- 4.2.26 Before the SAST concludes any of the following transactions, the Council must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to the Minister of Arts and Culture for approval of the transaction:
- 4.2.26.1 Establishment or participation in the establishment of a company;
- 4.2.26.2 Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- 4.2.26.3 Acquisition or disposal of a significant shareholding in a company;
- 4.2.26.4 Acquisition or disposal of a significant asset;
- 4.2.26.5 Commencement or cessation of a significant business activity; and
- 4.2.26.6 A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.
- 4.2.27 The Council must keep full and proper records of the financial affairs of the SAST.
- 4.2.28 The Council must prepare financial statements for each financial year in accordance with generally accepted accounting practice, unless the Accounting Standards Board approves the application of generally recognised accounting practice for the SAST.
- 4.2.29 The Council must submit those financial statements within two months after the end of the financial year to the Auditor-General and the relevant treasury.
- 4.2.30 The Council must submit within five months of the end of a financial year to the relevant treasury and the Minister of Arts and Culture:
- 4.2.30.1 An annual report on the activities the SASR during that financial year.
- 4.2.30.2 The financial statements for that financial year after the statements have been audited; and

4.2.30.3 The report of the Auditor-General on those statements.

4.2.31 The Council must submit the annual report and annual financial statements for tabling in Parliament or the provincial legislature, to the Minister of Arts and Culture.

4.3 Other duties:

4.3.1 Act as the focal point for and custodian of corporate governance by managing the relationship with management and stakeholders along sound corporate governance principles.

4.3.2 Appreciate that strategy, risk, performance and sustainability are inseparable and to give effect to this by:

4.3.2.1 Contributing to and approving the strategy;

4.3.2.2 Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;

4.3.2.3 Identifying key performance and risk areas;

4.3.2.4 Ensuring that the strategy will result in sustainable outcomes; and

4.3.2.5 Considering sustainability as a business opportunity, that guides strategy formulation.

4.3.3 Provide effective leadership on an ethical foundation.

4.3.4 Ensure that the SAST is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the SAST but also the impact that business operations have on the environment and the society within which it operates.

4.3.5 Ensure that the Council's ethics are managed effectively.

4.3.6 Ensure that the Council has an effective and independent Audit Committee.

4.3.7 Be responsible for the governance of risk.

4.3.8 Be responsible for Information Technology (IT) governance.

4.3.9 Ensure that there is an effective risk-based Internal Audit.

4.3.10 Appreciate that stakeholder perceptions affect the SAST's reputation.

4.3.11 Ensure the integrity of the SAST's Annual Integrated Report.

4.3.12 Act in the best interests of the SAST by ensuring that individual Council members:

4.3.12.1 Adhere to legal standards of conduct; and

4.3.12.2 Are permitted to take independent advice in connection with their duties following an agreed procedure.

4.3.13 Commence business rescue proceedings as soon as the SAST is financially distressed.

4.3.14 Appoint and evaluate the performance of the Chief Executive Officer.

4.3.15 The Council should do everything necessary to fulfil its role as stipulated above

4.4 General

4.3.1 The Council shall at all times:

4.4.1.1 Give due consideration to the relevant legal provision and good corporate governance protocols;

4.4.1.2 Retain a copy of the current Charter at the registered office of the SAST and provide stakeholders with a copy of the same if required; and

4.4.1.3 Consider such other topics and fulfil such other duties as defined by the Minister of Arts and Culture.

4.3.2 In order to discharge its responsibilities and fulfil its duties the Council will engage in the specific activities in accordance with the Councils approved work plan.

5. POWERS AND DELEGATION OF POWERS

5.1 In respect of the duties of the Council as set out in section 4 above, the Council will report to the Minister of Arts and Culture.

5.2 The Council may in writing delegate any of the duties, functions, responsibilities and powers entrusted or delegated to the Council to a sub-committee or an official at the SAST or instruct a sub-committee or an official at the SAST to perform any of the duties assigned to the Council.

5.3 A delegation or instruction to a sub-committee or official of the SAST is subject to any limitations and conditions that the Council may impose and does not divest the Council of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

5.4 The Council may confirm, vary or revoke any decision taken by a sub-committee or an official of the SAST as a result of a delegation or instruction, subject to any rights that may have become vested as a consequence of the decision.

5.5 Delegation is formal and involves the following:

5.5.1 Formal charters to be established and approved for each sub-committee of Council, to act as their terms of reference.

5.5.2 The sub-committees' charters are reviewed at least once a year or when necessary.

5.5.3 The sub-committees are appropriately constituted with due regard to the skills required by each committee.

6. CULTURE AND INTERPERSONAL DYNAMICS

6.1 The Council contains a collection of diverse minds that need to speak as one voice and therefore requires Council members to be mindful of the diversity and differences of fellow Council members.

6.2 Council members shall treat each other with mutual respect.

6.3 Any form of racism or sexism will not be tolerated.

6.4 Openness and equality between Council members is essential.

6.5 Debates on critical issues are brought to a clear and consensual conclusion.

6.6 Threats and intimidation of any kind will not be tolerated.

7. COUNCIL CHAIRPERSON

7.1 Appointment

7.1.1 The Chairperson of the Council is appointed by the Minister of Arts and Culture from the appointed Council members and holds office for the period or the unexpired portion of the period for which he or she has been appointed as a Council member.

7.1.2 If the Council Chairperson vacates the office as Chairperson before the expiration of the period for which he or she is appointed, another Council member must be appointed by the Minister of Arts and Culture from the remaining Council members.

7.2 Role of the Council Chairperson

7.2.1 To guide Council members to participate as a cohesive and effective team.

7.2.2 To create awareness with Council members' in order for a mutual understanding of roles, responsibilities and accountability, including the need to comply with the Code of Conduct.

7.2.3 To inform members about developments in government policy, priorities and financial reporting.

7.2.4 To manage the evaluation of the performance of the Chief Executive Officer along with the Chairperson of the Audit and Risk Committee and one other appointed Council member and present the result of the evaluation to the Council members in a Council meeting for further action, if required.

7.2.5 To represent the Council to external parties as an official spokesperson for the Council, unless otherwise delegated to another Council member.

7.3 Council Chairpersons duties related to the media

7.3.1 The Council Chairperson is the only Council member authorised to communicate or express thoughts and opinions to the media, unless otherwise delegated to another Council member.

7.3.2 The Council Chairperson will inform Council members of any and all interviews granted or comments made to the media.

7.3.3 The Council Chairperson in co-operation and understanding with the Chief Executive Officer will compile information regarding the discussion of certain matters before addressing the media or releasing a media statement.

7.4 Chairperson's responsibilities and duties within a meeting

7.4.1 To preserves order, determine quorum, approve proxies, voting procedures, adjournments and to declare outcomes of voting and resolutions.

7.4.2 To monitor the progress of the meeting by ensuring everyone has an opportunity to give his or her opinion, thus facilitating all-around participation.

7.4.3 To encourage robust and productive debate and ensure interactive participation by all Council members.

7.4.4 To make sure the discussion of the agenda does not drift to irrelevant issues unconnected with the objectives of the meeting.

7.4.5 To keep track of the time allocated to participants to avoid stretches in discussions that may lead to long, perennial meetings and at the same time listen attentively to the information discussed in the meeting.

7.4.6 To seek the opinion of the Council members on their responses to the meeting and possible recommendations or concerns.

7.4.7 To encourage all Council members to be always mindful, adhere to professional courtesy and conduct at all times, also to illustrate the necessary respect regarding the importance of professional time.

8. MEETINGS

8.1 Frequency

8.1.1 The Council will meet at least four times a calendar year.

8.1.2 The dates for the four meetings will be agreed upon by the Council members and disseminated to the Council members at the beginning of every calendar year.

8.1.3 Any member of the Council or the Chief Executive Officer, may request a meeting if deemed necessary and a meeting will then be arranged in consultation with the Chairperson of the Council.

8.2 Agenda

8.2.1 The Chief Executive Officer and the Company Secretary shall, in consultation with the Chairperson of the Council, draft an agenda, which shall be circulated with supporting documentation and notice of the meeting preferably seven days before the meeting.

8.2.2 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. The annual work plan must ensure proper coverage of the matters referred to in this Charter.

8.2.3 Council members must be fully prepared for Council meetings, to provide appropriate and constructive input on matters tabled at meetings.

8.3 Minutes and reporting procedures

8.3.1 The Company Secretary shall attend and minute all meetings.

8.3.2 The minutes of the Council meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the Council and other relevant personnel as directed by the Council Chairperson.

8.3.3 The official minutes shall consist of those duly signed by the Council Chairperson and Company Secretary after approval by the Council members.

8.4 Resolutions

8.4.1 Decisions of the Council will be made by resolution of the 50% plus 1 of the Council members present at the Council meeting.

8.4.2 In the event of an equality of votes on any matter, the Council Chairperson will have an additional casting vote.

8.4.3 A written resolution (round robin resolution) signed by 50% plus 1 of the Council members shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Council, provided that each Council member shall have been afforded 7 ordinary days opportunity to express an opinion on the matter to which such resolution relates.

8.4.4 Once a resolution has been approved, it may not be challenged or impugned by any person in any forum on the grounds that it did not satisfy sections 8.4.1, 8.4.2 and 8.4.3 above.

8.5 Quorum and postponement

8.5.1 A quorum for meetings of the Council shall be 50% plus 1 of the Council members.

8.5.2 If the Chairperson of the Council is not present within 15 (fifteen) minutes of the stipulated start time for such meeting, then the Council members present shall elect a Chairperson from among them to act as Chairperson of the meeting.

8.5.3 If after 30 minutes of the stipulated time for such meeting to commence, quorum has not been met, the Chairperson may, without obtaining consent of those present at the meeting declare that the meeting be postponed, for one week.

8.5.4 If at the time appointed for the postponed meeting to begin, the requirements of section

8.4.1 have not been satisfied, then the member of the Committee present will be deemed to constitute quorum.

8.6 Attendance and apologies

8.6.1 The Chief Financial Officer and any other senior member of management may be invited to attend Council meetings.

8.6.2 The Council may, if deemed fit, confer and meet by telephone, closed circuit television or video conferencing and decision taken at such meeting shall constitute a proper resolution of the Council provided that the requirements of section 8.4 and 8.5 of this Charter have been met.

8.6.3 The Council and the Chief Executive Officer may in consultation with the Chairperson invite any other relevant person to attend Council meetings.

8.6.4 All Council members have an obligation to attend all Council meetings.

8.6.5 Absence of a Council member for whatever reason must be reported by way of a written apology via e-mail forwarded to the organiser of the meeting no later than 3 days (72 hours) before the meeting.

8.6.6 In circumstances beyond the control of the Council member, such as unexpected situations or emergencies, apologies may be accepted via telephone call, sms or text message forwarded to the organiser of the meeting, up to 1 hour prior to the meeting.

8.6.7 In the event that no apology is recorded for a meeting, the Council member will be recorded as absent.

9. REMUNERATION

9.1 A Council member who is not in the full-time employment of the State may receive out of the funds of the Council, in respect of his or her functions as a member, honoraria and reimbursement for expenses as the Council may determine.

9.2 The determination criteria for the payment of the honoraria and reimbursement of expenses contemplated in 9.1 above, is subject to the National Treasury's Instructions on cost containment measures as issued from time to time.

10. EVALUATION

The Council shall conduct a self-assessment or self-evaluation of its effectiveness on an annual basis. After completing its evaluation, the Council should review the results so that appropriate action can be taken on any recommendations resulting from the review.

11. TRAINING

11.1 Council members should receive a complete orientation that allows them to function effectively from the start.

11.2 Opportunities for continuous education and training should be actively pursued by each Council member.

11.3 All Council members will be required to keep up to date with developments affecting the areas of responsibility of the Council.

12. GENERAL

12.1 The use of complimentary tickets and house seats for a SAST production is a benefit afforded to Council members, and will be made available to Council members, in the event that there are tickets available for the production requested, from the office of the Chief Executive Officer.



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