



 The Playhouse Company  
an agency of the  
Department of Arts & Culture

# ANNUAL PERFORMANCE PLAN 2019/20






# Foreword

I take this opportunity to confirm Council's commitment to The Playhouse Company, its mission and its strategic objectives. We are committed to uphold its principles and values to build on a strong foundation of good corporate governance to respond responsibly to the country's priorities within our industry.

A track record of complying with statutory requirements is evidenced by the institutional stability and effective corporate governance which has been maintained since our appointment in December 2017. Achieving a clean audit for the 8<sup>th</sup> year is undoubtedly a remarkable mark of diligence, tenacity, good leadership and dedication. Our sincere appreciation goes to management and staff for their commitment and hard work which enabled us to deliver such excellent results.

On behalf of Council, we are also indebted to the National Department of Arts and Culture for additional CAPEX funding which enabled us to implement outstanding infrastructural renovations. We also acknowledge continued guidance and support from the KZN Portfolio Committee of Arts and Culture and KZN Portfolio Committee of Finance. Last but not least we salute the artistic community for their tenacity, creativity and continuous engagement with our institution as well as our audiences for their continued support.

The Annual Performance Plan is a key to achieving the vision of The Playhouse Company and delivering on its strategic plan. Council is committed to ensuring that The Playhouse Company implements the plans detailed in the annual performance plan.



Ms. Hlengiwe Mngabadeli

Chairperson of Council

# Official sign-off

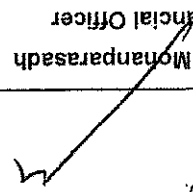
It is hereby certified that this Annual Performance Plan:

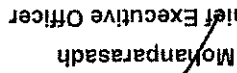
Was developed by the management of The Playhouse Company under the guidance of Council

Was prepared in line with the current Strategic Plan of The Playhouse Company

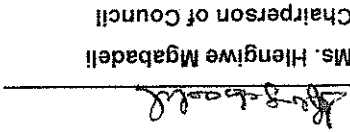
Accurately reflects the performance targets which The Playhouse Company will endeavor to achieve given the resources made available in the budget for

2019/2020.

  
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Mr. Amar Monaparasadh  
Chief Financial Officer

  
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Mr. Amar Monaparasadh  
Acting Chief Executive Officer

Approved by:

  
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Ms. Hlengiwe Mgabedell  
Chairperson of Council

# Contents

## Part A: Strategic overview

1 Updated situational analysis	
1.1 Performance delivery environment	6
1.2 Organisational environment	6
2 Revisions to legislative and other mandates	7
3 Overview of budget and MTEF estimates	7
3.1 Expenditure estimates	7
3.2 Relating expenditure trends to strategic outcome oriented goals	8

## Part B: Programme and subprogramme plans

<b>4. Programme 1: Administration</b>	<b>9</b>
4.1 Sub-programme 1.1: Corporate Governance and Finance	9
4.1.1 Strategic objective annual targets	9
4.1.2 Programme performance indicators, annual targets and quarterly targets	10
4.1.3 Reconciling performance targets with the Budget and MTEF	12
4.2 Sub-programme 1.2: Human Resources	14
4.2.1 Strategic objective annual targets	14
4.2.2 Programme performance indicators, annual targets and quarterly targets	14
4.2.3 Reconciling performance targets with the Budget and MTEF	16
4.3 Sub-programme 1.3: Support Services	17
4.3.1 Strategic objective annual targets	17
4.3.2 Programme performance indicators, annual targets and quarterly targets	17
4.3.3 Reconciling performance targets with the Budget and MTEF	18
<b>5. Programme 2: Business Development</b>	<b>20</b>
5.1 Sub-programme 2.1: Arts and Technical Services	20
5.1.1 Strategic objective annual targets	20
5.1.2 Programme performance indicators, annual targets and quarterly targets	20
5.1.3 Reconciling performance targets with the Budget and MTEF	23
<b>6. Programme 3: Revenue Consolidation</b>	<b>24</b>
6.1.1 Strategic objective annual targets	24
6.1.2 Programme performance indicators, annual targets and quarterly targets	24
6.1.3 Reconciling performance targets with the Budget and MTEF	26

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26	Part C: Links to other plans
26	7. Infrastructure spending
27	Annexure A: Key Planning Concepts
29	Annexure B: Materiality Framework
30	Annexure C: Technical Indicators
47	Annexure D: Audit improvement plan
48	Annexure E: Organisational Structure
49	Annexure F: Statement of Financial Performance
50	Annexure G: Statement of Financial Position
51	Annexure H: Cash Flow Statement
53	Annexure I: Council Constitution and Ethical Code of Conduct
	Annexure J: Fraud Policy and Response Plan
	Annexure K: Risk Management Policy

## Part A: Strategic overview

### 1. Updated situational analysis

In June 2018, The Playhouse Company management deliberated on the 2019/20 annual performance plan. The plan is fully compliant with the Framework for Managing Programme Performance Information. The Playhouse Company's annual performance plan has been aligned to the Medium Term Strategic Framework and the National Development Plan where possible. The 2019/20 annual performance plan has been enhanced further by performing a **SWOT(S-Strengths, W-Weaknesses, O-Opportunities & T-Threats)** analysis for the successive years and that has culminated in this annual performance plan for 2019/20.

- S. The Playhouse Company received an 8<sup>th</sup> consecutive clean audit report for year ended 31 March 2018. This is attributable to steadfast discipline of management and staff to good governance practices as well as to the oversight and supportive role that the Council has played in the public entity. The Playhouse Company's policies and procedures are aligned to relevant statutory and compliance regulations.
- W. The Playhouse Company cannot commit to spending on capital projects until the final allocation letters are received from the Department of Arts and Culture. This delay results in capital projects being rolled over and the funds are incorrectly recognized as a surplus by Treasury. Inadequate enabling legislation with incentives that attract the private sector to fund the arts.
- O. Partnerships with relevant government departments.
- T. The funding of our core business, namely staging of productions continues to be a major concern as this is viewed as an unfunded mandate by provincial and local government. Further threats are related to the high cost of maintenance of the buildings and the scarcity of additional funding from the private sector. Inability to transform or adapt to the 4<sup>th</sup> industrial revolution.

#### 1.1 Performance delivery environment

- The Annual Performance Plan was prepared in June 2018.
- There have been no significant changes in the demand for neither services nor the challenges between the times of preparing the strategic plan and the annual performance plan.
- Through its productions, The Playhouse Company is aligned to outcome 14: "Transforming Society and Uniting the Country" and chapter 15: "Nation Building and Social Cohesion" of the National Development Plan.

#### 1.2 Organisational environment

- The revised organogram was approved by Council in November 2017. The organogram provides for the employment of 93 full time employees and 4 interns. The company makes use of ad hoc labor when there are extra work requirements during the peak periods.

		AUDITED OUTCOME					MEDIUM TERM EXPENDITURE ESTIMATES	
Programmes		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	11 353	10 963	13 016	15 432	16 386	17 496	18 685	
4.1: Corporate Governance and Finance	2 324	3 104	1 917	2 918	3 025	3 237	3 463	
4.2: Human Resources	20 327	22 515	23 676	30 001	32 839	35 137	37 597	
4.3: Support Services								
Programme 2: Business Development	26 940	32 094	29 542	39 314	40 118	40 251	43 069	
5.1: Arts and Technical Services	60 944	68 676	68 151	87 665	92 367	96 121	102 813	
Total Operational Expenditure								
Economic Classification								
Compensation to employees	30 195	33 366	33 367	38 504	42 428	45 397	48 573	
Goods and services	30 749	35 310	34 784	49 161	49 939	50 724	54 240	

Table 1: The Playhouse Company – Programme expenditure and revenue

## 3.1 Expenditure estimates

- The implementation of the annual performance plan is dependent on the grants received from the Department of Arts and Culture, the Provincial Department of Arts and Culture and the local municipality. The Playhouse Company is committed to successfully rolling out the annual performance plan to deliver on the realization of its strategic outcome oriented goals.

## 3. Overview of 2019/20 budget and MTEF estimates

- There have been no significant changes to The Playhouse Company's legislative and other mandates.
- 2. Revisions to legislative and other mandates**
- The Playhouse Company has not made any significant policy changes which may affect the achievement of the targets set for the last leg of the 5-year strategic plan
  - The legislation in place allows for the implementation and achievements of the targets set for the last leg of the 5-year strategic plan.
- 1.3 Implementation of last leg of the 5 year strategic plan: 2016/2020**
- The company is proactive in creating meaningful employment for artists, especially the youth.



<b>Total Operational Expenditure</b>	<b>60 944</b>	<b>68 676</b>	<b>68 151</b>	<b>87 665</b>	<b>92 367</b>	<b>96 121</b>	<b>102 813</b>
Grants – Operational	52 713	54 602	58 762	57 931	60 890	64 242	68 083
Grants – Capital	23 015	20 454	5 298	31 852	6 537	21 512	0
6.1: Revenue Consolidation	13 498	20 956	15 549	16 449	8 038	8 340	8 657
<b>Total Income</b>	<b>89 226</b>	<b>96 012</b>	<b>79 609</b>	<b>106 232</b>	<b>75 465</b>	<b>94 094</b>	<b>76 741</b>
<b>Infrastructure spending</b>							
Office equipment	151	297	760	725	300	300	300
Computer equipment	152	1 289	652	553	225	225	225
Buildings	5 220	11 048	11 125	43 128	5 700	11 862	350
Stage & other equipment	657	21 028	1 069	3 327	200	200	200
Motor vehicles	395	0	467	0	0	0	0
<b>Total Capital Expenditure</b>	<b>6 575</b>	<b>33 662</b>	<b>14 073</b>	<b>47 732</b>	<b>6 425</b>	<b>12 587</b>	<b>1 075</b>

### 3.2 Relating expenditure trends to strategic outcome oriented goals

- The realization of the company's strategic outcome oriented goals is an ongoing process, guided by the implementation of the APP annually. The MTEF captures the annual resource requirements of the company to achieve its annual targets. Any changes in funding allocation by the national department will have dire implications for the company.



4.1.2 Programme performance indicators, annual targets and Quarterly targets

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Audited performance			Estimated performance	Medium-term-targets		
			2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
4.1.2.1 To provide effective and efficient financial administration and corporate governance.	Ensure good governance practices and applicable legislative requirements are adhered to in the organization.	Unqualified audit report yearly.	1	1	1	1	1	1	1
	Review and update all the Policies and Procedures in the organization on an annual basis.	An annual communication report detailing the changes to all policies within the organization by 1 April.	1	1	1	1	1	1	1
4.1.2.2 Implementing controls, processes and systems of the above.	Ensuring Internal Audits are completed as per the internal audit plan.	4 Internal audits to be conducted annually.	5	4	4	4	4	4	4
	Ensuring good governance and controls are in place.	Maximum of 10% critical findings to be raised per internal audit quarterly report of total findings.	0%	0%	0%	10%	10%	10%	10%
	Risk assessment completed on an annual basis.	1 Risk assessment report prepared on an annual basis by 30 April.	1	1	1	1	1	1	1
	Review the IT plan. Improve IT infrastructure. Supply efficient IT resources to all departments.	Less than 10% downtime in operations reflected in monthly report.	0%	0%	0%	10%	10%	10%	10%
4.1.2.3 Fixed Assets: Increase efficiency in the management of fixed assets.	Annual verification of fixed assets. Monthly updates of the fixed asset register and bar coding of new assets.	Completed fixed asset register in compliance with Fixed Asset Policy by 31 March.	1	1	1	1	1	1	1
4.1.2.4 Supply Chain Management (SCM): To enforce compliance with SCM policies and	Implement all treasury practice notes within the stipulated timelines.	Ensure practice notes are discussed with staff within 30 days on receipt from Treasury. Minutes of meeting or email confirmation available to support this.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance



4.1.2.4 Supply Chain Management (SCM): To enforce compliance with SCM policies and procedures.	Implement all treasury practice notes within the stipulated timelines.	Ensure practice notes are discussed with staff within 30 days on receipt from Treasury. Minutes of meeting or email confirmation available to support this.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
4.1.2.5 Budgeting and Reporting: To improve financial management and control of The Playhouse Company funds.	Monitoring of budgets and explanation for variances on a monthly basis.	5% variance of actual against budget must have an explanation on a monthly basis.	12	3	3	3	3
	Annual Budgets to be submitted to DAC by 31 <sup>st</sup> August, 30 <sup>th</sup> November and final by the 31 <sup>st</sup> January each year.	Monthly management accounts to be distributed to Management, FINCO and Audit & Governance Committee members by 15 <sup>th</sup> of every month.	12	3	3	3	3
		Quarterly management accounts to be distributed to key stakeholders 30 days after each quarter.	4	1	1	1	1
4.1.2.6 Process of managing Debt: develop a system to guide the process of managing bad debt.	Implement a debt management system.	Minimum of 90% debt recovery excluding matters handed over for collection, by 31 March.	90%	22.5%	22.5%	22.5%	22.5%

#### 4.1.3 Reconciling performance targets with the Budget and MTEF

Table 3: Corporate Governance and Finance

Programmes	AUDITED OUTCOME			MEDIUM TERM EXPENDITURE ESTIMATES			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4.1: Corporate Governance and Finance	11 353	10 963	13 016	15 432	16 386	17 496	18 685
<b>Total Expenditure</b>	<b>11 353</b>	<b>10 963</b>	<b>13 016</b>	<b>15 432</b>	<b>16 386</b>	<b>17 496</b>	<b>18 685</b>
<b>Economic Classification</b>							
Compensation to employees	6 543	6 599	7 549	8 049	8 521	9 116	9 753
Goods and services	335	392	792	1 073	1 113	1 155	1 201
Audit fees	1 324	1 539	1 443	2 134	2 283	2 443	2 614
Travel	1 021	577	695	1 368	1 464	1 566	1 676
Insurance	310	335	265	345	369	395	423

*Performance and expenditure trends*

- The compensation to employees is budgeted to increase by 7% in 2019/2020 in line with National Treasury's MTEF guidelines. The annual increases thereafter are inflation linked.
- All expenditure is budgeted to increase by 7% from the 2019/2020 financial year.

Telephone	221	215	343	288	308	330	353
Bank charges	140	132	144	158	169	181	194
Computer expenses	409	452	282	482	516	552	591
Corporate marketing	795	518	1329	1259	1348	1442	1543
Printing, postage & stationery	255	204	174	275	295	315	337
<b>Total Expenditure</b>	<b>11 353</b>	<b>10 963</b>	<b>13 016</b>	<b>15 432</b>	<b>16 386</b>	<b>17 496</b>	<b>18 685</b>

#### 4.2. Sub-programme 1.2: HUMAN RESOURCES

Programme purpose : Provide human resources support to the entity

- There have been no changes to the budget programme structure.

##### 4.2.1 Strategic objective annual targets for 2019/2020

Strategic Objectives/ Outcomes	Actions to support Strategic Objectives	Audited performance			Estimated performance	Medium-term-targets		
		Measurable and evidence based performance indicators 2015/2016	Measurable and evidence based performance indicators 2016/2017	Measurable and evidence based performance indicators 2017/2018	Measurable and evidence based performance indicators 2018/2019	Measurable and evidence based performance indicators 2019/2020	Measurable and evidence based performance indicators 2020/2021	Measurable and evidence based performance indicators 2021/2022
To effectively support and service the human resources requirements of the organization	To provide skills training that will ensure a highly skilled workforce	100% of training plan implemented by 31 March 2016	92% of training plan implemented by 31 March 2017	91% of the training plan is implemented by 31 March annually	90% of the training plan is implemented by 31 March annually	90% of the training plan is implemented by 31 March annually	90% of the training plan is implemented by 31 March annually	90% of the training plan is implemented by 31 March annually
	To assist line management in the implementation of the performance management system	Interim and final performance assessment performed timeously for March 2016	Interim and final performance assessment performed timeously for March 2017	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.

##### 4.2.2 Programme performance indicators, annual targets and Quarterly targets

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Audited performance			Estimated performance	Medium-term-targets		
			2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
4.2.2.1 To ensure a constant resource of skilled, talented and motivated employees to	Implementation of effective recruitment, training and development, and performance management systems.	Following plans and system in place by 31 January of each year, i.e. the recruitment system, the training and development plan and the performance	1	1	1	1	1	1	1





4.2.2.4 Training and development.	Provide skills training that will capacitate employees to perform at their peak.	Develop a training plan/budget annually and ensure implementation by end of March annually.	1	n/a	n/a	n/a	1
		90% of Training plan accomplished by 31 March of each year.	90%	10%	35%	35%	10%
	Provide work experience to capacitate trainees.	Enroll at least 4 trainees to receive on the job work exposure.	4	2	2	n/a	n/a
	Bi-annual Performance Reviews for all employees.	Performance Reviews completed for employees on a bi-annual basis.	2	1	n/a	1	n/a
4.2.2.5 Ensure a stable IR operating environment.	Monitor and review disciplinary and grievance matters reported.	Report on disciplinary and grievance matters on a quarterly basis.	4	1	1	1	1
	Building and maintenance of sound collaborative employee relations within the organization.	Negotiate wage agreement annually with the Collective Bargaining Forum.	1	1	n/a	n/a	n/a

#### 4.2.3 Reconciling performance targets with the Budget and MTEF

Table 4: Human Resources

Programmes	AUDITED OUTCOME			MEDIUM TERM EXPENDITURE ESTIMATES			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4.2: Human Resources	2 324	3 104	1 917	2 918	3 025	3 237	3 463
<b>Total Expenditure</b>	<b>2 324</b>	<b>3 104</b>	<b>1 917</b>	<b>2 918</b>	<b>3 025</b>	<b>3 237</b>	<b>3 463</b>
<b>Economic Classification</b>							
Compensation to employees	1 775	2 596	1 441	2 178	2 233	2 390	2 556
Goods and services	72	73	94	102	109	117	125
Training	319	312	293	342	366	392	419
Staff welfare	49	55	62	48	51	54	58
Recruitment expenses	109	68	27	248	265	284	304
<b>Total Expenditure</b>	<b>2 324</b>	<b>3 104</b>	<b>1 917</b>	<b>2 918</b>	<b>3 025</b>	<b>3 237</b>	<b>3 463</b>

#### Performance and expenditure trends

- The compensation to employees' annual increases is linked to the inflation rate.
- All expenditure is budgeted to increase by 7% from the 2019/2020 financial year.

4.3. Sub-programme 1.3: SUPPORT SERVICES

Programme purpose : Provide infrastructural, capital and security support

- There have been no changes to the budget programme structure.

4.3.1 Strategic objective annual targets for 2019/2020

Strategic Objectives/Outcomes		Actions to support Strategic Objectives		Measurable and evidence based performance indicators		Measurable and evidence based performance indicators		Measurable and evidence based performance indicators		Measurable and evidence based performance indicators	
To provide functional, efficient and safe asset management	Comprehensive infrastructure support and safety plan.	Support and safety plan was in place at 31 March 2016. Monthly progress was reported on at the meetings	Support and safety plan was in place at 31 March 2017. Monthly progress was reported on at the meetings	Support and safety plan was in place at 31 March 2018. Monthly progress was reported on at the meetings	Support and safety plan was in place at 31 March 2019. Monthly progress was reported on at the meetings	Comprehensive infrastructure support and safety plan in place by 31 January of each year and monthly progress reporting.	Comprehensive infrastructure support and safety plan in place by 31 January of each year and monthly progress reporting.	Comprehensive infrastructure support and safety plan in place by 31 January of each year and monthly progress reporting.	Comprehensive infrastructure support and safety plan in place by 31 January of each year and monthly progress reporting.	Comprehensive infrastructure support and safety plan in place by 31 January of each year and monthly progress reporting.	Comprehensive infrastructure support and safety plan in place by 31 January of each year and monthly progress reporting.
Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators
2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Audited performance						Estimated performance					
Medium-term-targets						Medium-term-targets					

4.3.2 Programme performance indicators, annual targets and Quarterly targets

Outcomes: Key Objectives		Actions to accomplish objectives		Measurable and evidence based performance indicators		Audited performance		Estimated performance		Medium-term-targets	
4.3.1 To provide effective, efficient and safe infrastructure support.	Devise and implement an effective, efficient and timely master maintenance plan for the vehicles, equipment and buildings by 31 January of each year.	Signed written master maintenance plan and monthly departmental meeting minutes.	12	12	10	10	10	10	10	10	10
4.3.2 Pursue funding of capital expenditure in consultation with the CEO.	Develop and implement an Annual Capital Funding Expenditure Plan by 31 January of each year.	Annual Capital Funding Expenditure Plan by 31 January of each year.	1	1	1	1	1	1	1	1	1
Medium-term-targets						Medium-term-targets					

4.3.2.3 Maintain a healthy and safe environment.	Devise and implement a health and safety plan in accordance with Health and Safety legislation.	Review Health and Safety Plan and submit report by 31 March.	1	1	1	1	1	1
		Quarterly Health and Safety meetings with recorded minutes.	4	4	4	4	4	4
4.3.2.4 Ensure optimal maintenance of Playhouse vehicles.	Review, update and implement the fleet maintenance plan.	Fleet maintenance plan in place by 1 April of each year and implementation on a regular basis.	1	1	1	1	1	1

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4.3.2.1 To provide effective, efficient and safe infrastructural support.	Devise and implement an effective, efficient and timeous master maintenance plan for the vehicles, equipment and buildings by 31 January of each year.	Signed written master maintenance plan and monthly departmental meeting minutes.	10	3	3	2	2
4.3.2.2 Pursue funding of capital expenditure in consultation with the CEO.	Develop and implement an Annual Capital Funding Expenditure Plan to source funding for capital expenditure projects.	Annual Capital Funding Expenditure Plan by 31 January of each year.	1	n/a	n/a	n/a	1
4.3.2.3 Maintain a healthy and safe environment.	Devise and implement a health and safety plan in accordance with Health and Safety legislation.	Review Health and Safety Plan and submit report by 31 March.	1	n/a	n/a	n/a	1
		Quarterly Health and Safety meetings with recorded minutes.	4	1	1	1	1
4.3.2.4 Ensure optimal maintenance of Playhouse vehicles.	Review, update and implement the fleet maintenance plan.	Fleet maintenance plan in place by 1 April of each year and implementation on a regular basis.	1	1	n/a	n/a	n/a

#### 4.3.3 Reconciling performance targets with the Budget and MTEF

Table 5: Support Services

Programmes	AUDITED OUTCOME			MEDIUM TERM EXPENDITURE ESTIMATES			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
4.3: Support Services	20 327	22 515	23 676	30 001	32 839	35 137	37 597

*Performance and expenditure trends*

- The compensation to employees has increased by 7% for the 2018/19 financial. The annual increase thereafter is inflation linked.

Total Expenditure	20 327	22 515	23 676	30 001	32 838	35 137	37 597
Cleaning	1 306	1 553	1 737	2 350	2 515	2 691	2 879
Electricity and other municipal charges	4 447	5 150	4 672	5 729	6 130	6 559	7 018
Security	2 609	3 099	3 263	4 288	4 588	4 909	5 253
Repairs & maintenance	1 860	1 293	2 243	3 526	3 773	4 037	4 319
Goods and services	1 401	1 579	1 513	2 208	2 360	2 526	2 702
Compensation to employees	8 704	9 841	10 248	11 901	13 473	14 416	15 425
Economic Classification							
Total Expenditure	20 327	22 515	23 676	30 001	32 839	35 137	37 597

## 5. Programme 2: Business Development

This programme is responsible for mainstreaming the role of arts and culture in social and economic development.

### 5.1. Sub-programme 2.1: ARTS AND TECHNICAL SERVICES

Programme purpose : Produce and present productions of various genres.

- There have been no changes to the budget programme structure.

#### 5.1.1 Strategic objective annual targets for 2019/2020

Strategic Objectives/ Outcomes	Actions to support Strategic Objectives	Audited performance			Estimated performance	Medium-term-targets		
		Measurable and evidence based indicators 2015/2016	Measurable and evidence based performance indicators 2016/2017	Measurable and evidence based performance indicators 2017/2018	Measurable and evidence based performance indicators 2018/2019	Measurable and evidence based performance indicators 2019/2020	Measurable and evidence based performance indicators 2020/2021	Measurable and evidence based performance indicators 2021/2022
To produce and present diverse shows that have artistic, entertainment and educational value.	Develop an Annual Arts Plan that includes both professional and developmental productions.	Arts plan for year ended 31 March 2016 finalized by 31 January 2015.	Arts plan for year ended 31 March 2017 finalized by 31 January 2016.	Arts plan for year ended 31 March 2018 finalized by 31 January 2017	Finalized Annual Arts Plan in place by 31 January.	Finalized Annual Arts Plan in place by 31 January.	Finalized Annual Arts Plan in place by 31 January.	Finalized Annual Arts Plan in place by 31 January.

#### 5.1.2 Programme performance indicators, annual targets and Quarterly targets

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Audited performance			Estimate d perform ance	Medium-term-targets		
			2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
5.1.2.1 To produce and present diverse shows that have artistic, entertainment and educational value(subject to available funding).	Develop an Annual Arts Programme (AAP).	Finalized Arts Programme by 31 January, it will include the following:	1	1	1	1	1	1	1
	Implement the annual arts programme by 31 March annually.	a) Indigenous performing arts	2	2	2	2	2	2	2
		b) New Stages	4	8	7	3	4	4	4
		c) SA Women's Arts Festival	14	11	10	10	10	10	10
		d) Schools Programmes	4	2	3	2	2	2	2
		e) Test Driving the Arts	14	14	14	11	13	13	13
		f) Festive Season	3	3	2	2	2	2	2



Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
5.1.2.1 To produce and present diverse shows that have artistic, entertainment and educational value(subject to available funding).	Develop an Annual Arts Programme (AAP).	Finalized Arts Programme by 31 January, it will include the following:	1				1	
	Implement the annual arts programme by 31 March annually.	a) Indigenous performing arts		2		1		1
		b) New Stages		4	4			
		c) SA Women's Arts Festival		10		10		
		d) Schools Programmes		2		1		1
		e) Test Driving the Arts		13	3	3	4	3
		f) Festive Season		2			2	
		g) In-Association Productions & Events		12	2	4	4	2
		h) Community Arts Mentorship Programme		1				1
		i) Outside Hire Production & Events		45	6	10	12	17
		j) Mobile Stage		40		20		20
k) Sundowners		15	3	5	4	3		
5.1.2.2 Ensure equity in our artistic programming.	AAP to ensure that at least 80% of previously marginalised groups participate annually.	Artistic panel and peer review process to ensure that minimum of 80% of previously marginalised groups participate annually.	80%	n/a	n/a	n/a	80%	
5.1.2.3 To position and strengthen The Playhouse Company brand and market in-house productions through partnerships.	Secure mutually beneficial partnerships.	Secured in kind sponsorships to a value no less than R 250 000 per annum.	R 250 000	n/a	n/a	R 125 000	R 125 000	
	Develop marketing campaigns for various activities at The Playhouse Company.	Marketing plan in place by the 31 January annually.	1	n/a	n/a	1	n/a	
	To strengthen relationships/ partnerships with relevant stakeholders.	Stakeholder management plan in place by the 31 January annually.	1	n/a	n/a	1	n/a	
5.1.2.4 Ensure effective audience development through implementation of the artistic programme	Audience attendance of at least 250 000 per annum(paying and non-paying audience).	Audience attendance and sales report to reflect attendance of at least 250 000 per annum (Paying and non-paying).	250 000	30 000	70 000	100 000	50 000	
		Audience attendance and sales report to reflect paying attendance of at least 45 000 per annum.	45 000	4 100	5 060	32 000	3 840	

5.1.3 Reconciling performance targets with the Budget and MTEF

5.1.2.5 Stage Technical Services: to ensure that all theatre venues and resources, Sound, Lighting, Wardrobe and Recording Studio, are running optimally.	5.1.2.6 To deliver high quality customer service at Front of House
Review and implement the maintenance plans for all venues and resources, Sound, Lighting, Wardrobe and Recording Studio.	Conduct on-going customer surveys.
A monthly maintenance report with evidence-based improvement in place for Wardrobe and Recording Studio.	Report monthly on Customer Surveys.
12	12
3	3
3	3
3	3

Table 2: Arts and Technical Services

		AUDITED OUTCOME					MEDIUM TERM EXPENDITURE ESTIMATES	
Programmes		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
5.1: Arts and Technical Services		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Total Expenditure		26 940	32 094	29 542	39 314	40 118	40 251	43 069
Economic Classification								
Compensation to employees		13 174	14 330	14 129	16 376	18 202	19 476	20 839
Goods and services		488	594	541	668	714	764	818
Production costs		12 555	16 539	14 224	21 612	20 498	19 257	20 605
Repairs & maintenance		131	123	113	134	143	153	164
Consumables		299	275	283	242	258	277	296
Travel and subsistence		49	25	52	49	52	56	60
Telephone		108	93	73	90	96	103	110
Protective clothing		136	115	127	145	155	166	177
Total Expenditure		26 940	32 094	29 542	39 314	40 118	40 251	43 069



***Performance and expenditure trends***

- The core function of the arts, marketing and technical department is to produce and present productions of various genres. For the 2019/2020 financial year the production costs are budgeted to increase by 7% p.a.

6. Programme 3: Revenue Consolidation

Programme purpose : Generate secondary revenue.

- There have been no changes to the budget programme structure.

6.1.1 Strategic objective annual targets for 2019/2020

Strategic Objectives/Outcomes	Strategic Objectives	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators	Measurable and evidence based performance indicators
To optimise the institution's revenue streams.	Collate and align infrastructural funding resources and institutional needs from various streams into the annual budget.	The finalised budget incorporating the funding streams was approved by Council by 31 January 2016	The finalised budget incorporating the funding streams was approved by Council by 31 January 2017	The finalised budget incorporating the funding streams was approved by Council by 31 January 2018	Finalised budget incorporating funding streams by 31 January.	Finalised budget incorporating funding streams by 31 January.	Finalised budget incorporating funding streams by 31 January.

6.1.2 Programme performance indicators, annual targets and Quarterly targets

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Audited performance	Estimated performance	Medium-term-targets	
6.1.2.1 Optimise secondary sources of revenue.	Consolidate and implement comprehensive plans for generating secondary income	CFO to consolidate plans for secondary income for inclusion in budget, in place by 31 January of each year.	100% of all investments at rates greater than (prime lending rate less 5%).	100% of all investments	100% of all investments	
						2015/16
6.1.2.2 Investments: optimal return on investment of funds ensuring compliance with the Investment Policy.	Invest with major banks in the country with a preferable interest rate of prime lending rate less 5%.	Secure all fixed investments at rates greater than (prime lending rate less 5%).	100% of all investments	100% of all investments	100% of all investments	
						2015/16

6.1.2.3 Revenue generated through the outside hirers.	Develop and implement a plan to achieve the targeted budget established for the outside hire of the theatres.	Outside theatre hires to achieve 90% of budgeted revenue annually.	420%	245%	546%	90%	90%	90%	90%
6.1.2.4 Tenants, Costumes, Sets and Props.	Ensure the proactive drive in the tenants, costumes, sets and props meets the budgeted targets established.	Tenants, costumes, sets and props hire to achieve 75% of budgeted revenue annually.	97%	99%	85%	75%	75%	75%	75%
6.1.2.5 Box office.	Ensure the revenue generated from ticket sales meets the budgeted targets established.	Ticket sales to achieve 90% of budgeted revenue annually.	New	294%	110%	90%	90%	90%	90%

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Annual target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
6.1.2.1 Optimise secondary sources of revenue.	Consolidate and implement comprehensive plans for generating secondary income.	CFO to consolidate 2 plans for secondary income for inclusion in budget, in place by 31 January of each year.	2	n/a	n/a	1	1
6.1.2.2 Investments: optimal return on investment of funds ensuring compliance with the Investment Policy.	Invest with major banks in the country with a preferable interest rate of prime lending rate less 5%.	Secure all fixed investments at rates greater than (prime lending rate less 5%).	100% of all investments	100% of all investments	100% of all investments	100% of all investments	100% of all investments
6.1.2.3 Revenue generated through the outside hirers.	Develop and implement a plan to achieve the targeted budget established for the outside hire of the theatres.	Outside theatre hires to achieve 90% of budgeted revenue annually.	90%	20%	25%	25%	20%
6.1.2.4 Tenants, Costumes, Sets and Props.	Ensure the proactive drive in the tenants, costumes, sets and props meets the budgeted targets established.	Tenants, costumes, sets and props hire to achieve 75% of budgeted revenue annually.	75%	20%	20%	20%	15%
6.1.2.5 Box office.	Ensure the revenue generated from ticket sales meets the budgeted targets established.	Ticket sales to achieve 90% of budgeted revenue annually.	90%	20%	25%	25%	20%

6.1.3 Reconciling performance targets with the Budget and MTEF

Table 6: Revenue Consolidation

		AUDITED OUTCOME					MEDIUM TERM EXPENDITURE ESTIMATES	
Programmes		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6.1: Revenue Consolidation		13 498	20 956	15 549	16 449	8 038	8 340	8 657
Total Secondary Revenue		13 498	20 956	15 549	16 449	8 038	8 340	8 657
Economic Classification								
Finance Income		7 257	7 805	8 045	6 502	2 004	2 004	2 004
Production Income		3 998	7 710	3 043	2 893	3 038	3 189	3 349
Rentals		413	569	476	471	495	519	545
Costume, Decor & Props hire		494	485	437	608	638	670	704
Recording Studio				218	360	378	397	417
Sponsorship Income		882	2 499	1 936	3 791	0	0	0
Sundries Income		454	1 888	1 394	1 824	1 486	1 560	1 638
Total Secondary Revenue		13 498	20 956	15 549	16 449	8 038	8 340	8 657

Part C: Links to other plans  
7. Infrastructure Spending

		AUDITED OUTCOME					MEDIUM TERM EXPENDITURE ESTIMATES	
Capital Items		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Office equipment		151	297	760	725	300	300	300

Computer equipment	152	1 289	652	553	225	225	225
Buildings	5220	11 048	11 125	43 128	5 700	11 862	350
Stage & other equipment	657	21 028	1 069	3 327	200	200	200
Motor vehicles	395	0	467	0	0	0	0
<b>Total Expenditure</b>	<b>6 575</b>	<b>33 662</b>	<b>14 073</b>	<b>47 732</b>	<b>6 425</b>	<b>12 587</b>	<b>1 075</b>

- The capital expenditure will ensure that the company's infrastructure is upgraded to match any world class venue and continue into existence into the next century.

Annexure A

Key Planning Concepts

1. Vision

Inspiring and cultivating artistic excellence and cultural diversity in the performing arts.

2. Mission

In achieving the above vision, The Playhouse Company describes its mission as:

We advance, promote and preserve the performing arts by:

- Producing, co-producing and presenting productions with artistic, entertainment and educational value for diverse and ever increasing audiences;
- Facilitating social cohesion, diversity and inclusivity through our work;
- Targeting diverse audiences through a proactive marketing and customer focused approach;
- Incultating an appreciation for the performing arts, developing future audiences and commissioning local content productions;
- Supporting education, training and skills development for artists, arts practitioners and staff;
- Working in partnership with local, national, regional and international partners to maximise the impact of our programmes;
- Enhancing financial viability through a balanced commercial and transformation programme; and
- Ensuring the protection of the historic landmark that is the Durban Playhouse.

3. Values

Value	What it means in practice for The Playhouse Company
Integrity	<ul style="list-style-type: none"> <li>• We value and seek openness, honesty, consistency and fairness.</li> <li>• We seek to do what is right and act in good faith at all times, especially when nobody is watching.</li> <li>• We are committed to ethical behavior and have a zero tolerance stance towards corruption of any form.</li> <li>• We exercise care not to disclose confidential information.</li> </ul>
Professionalism	<ul style="list-style-type: none"> <li>• We behave in a professional and competent manner when dealing with our stakeholders.</li> <li>• We are committed to the advancement of the Playhouse brand.</li> <li>• We show our stakeholders respect and we will be punctual.</li> <li>• We capacitate our team to excel in their dealings with our stakeholders.</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>• We respect the constitution and are governed by its values.</li> <li>• We will respect and advance tolerance for differences in culture, belief, heritage, opinion and values in all we do.</li> <li>• We will advance the rights of marginalised and vulnerable groups and promote access to our programmes and facilities.</li> <li>• We will seek to promote qualitative equity in all our programmes.</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>• We share information and resources willingly to keep each other informed and to develop capacity and knowledge.</li> </ul>

	<ul style="list-style-type: none"> <li>We are open about what we do and how we do things and ensure adequate access to information by stakeholders.</li> <li>We respect the guidelines for information security and non-disclosure.</li> <li>We communicate in an open and honest manner and endeavor to keep each other informed.</li> </ul>
Excellence and Accountability	<ul style="list-style-type: none"> <li>We take responsibility for our actions, deliver what we promise and seek to add value beyond what is expected.</li> <li>We are timeline driven and goal orientated in achieving our goals.</li> <li>We seek to work efficiently and effectively and to be increasingly productive.</li> <li>We aim for excellence and learn from our mistakes.</li> </ul>
Care for People (Sinobuntu)	<ul style="list-style-type: none"> <li>We strive to work with care, empathy, respect and consideration for the wellbeing of our staff, customers and stakeholders.</li> <li>We focus on collaboration, working together as a cross-functional team and sharing insights and expertise, in order to achieve our goal of creating value.</li> <li>We work hard at maintaining a safe and healthy work environment, protecting our assets and scarce resources, developing our people and promoting a healthy work / life balance.</li> <li>We seek to demonstrate humility through our approach and in our delivery of service to our stakeholders and audience.</li> </ul>
Creativity and innovation	<ul style="list-style-type: none"> <li>We prioritize listening to and understanding the needs and requirements of our stakeholders, as the foundation off of which to proactively innovate and create new approaches and new products and services.</li> <li>We seek to ensure our programmes and experiences are increasingly compelling, through cutting edge, best in class and "outside the box" approach to our work.</li> <li>We understand the constraints of government, particularly the constraint in resources. With this in mind, we proactively focus on ways to optimize and enhance the efficiency of our approach and work.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>We seek to keep our eye on the future and consider the ongoing sustainability of the organization at all times.</li> <li>We proactively seek to be at the forefront of the "live" experience as a driver of our future sustainability, and desire to "own" the live communication channel.</li> </ul>

#### 4. Strategic outcome oriented goals of the institution

<b>Strategic Outcome Oriented Goal 1</b>	To advance, promote and preserve the performing arts.
<b>Goal statement</b>	To advance, promote and preserve the performing arts in KZN by reaching a total audience of 250,000 by the end of each financial year.
<b>Strategic Objectives</b>	To produce and present diverse shows that have artistic, entertainment and educational value.
	To provide effective and efficient financial administration and corporate governance.
	To effectively support and service the human resources requirements of the organisation
	To provide functional, efficient and safe asset management.

#### 5. Budget Programmes

Included in Strategic Plan and Annual Performance Plan.

## MATERIALITY AND SIGNIFICANCE FRAMEWORK

### Annexure B

#### Background

In terms of the Public Finance Management Act (PFMA) an accounting authority must develop and agree a framework of acceptable levels of materiality and significance in consultation with the external auditors.

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Furthermore, materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement.

The materiality framework has been developed after taking into account both quantitative and qualitative aspects.

#### Quantitative Aspects

The Playhouse Company's level of materiality was based on the budgeted figures for the year ended 31 March 2018.

The following financial indicators percentages are indicative of materiality levels that is widely used and accepted in the accounting profession as a basis for calculating materiality:

1. Revenue and operational expenditure: 1%

Operational expenditure = R 87.7 million

Materiality is therefore R 87.7m X 1% = R 877 000

2. Assets and liabilities: 1%

Total assets = R 296 million

Materiality is therefore R 296m X 1% = R 2 960 000

3. Final Materiality is the average of the two and set at R 1.92 million

4. The tolerable error is calculated at 10% of Final Materiality: R 192 000.

#### Qualitative Aspects

Materiality is not merely related to the size of the entity and the elements in its financial statements. Misstatements that are large, either individually or in the aggregate, may affect the judgement of a reasonable user. As a result, misstatement may also be material on qualitative grounds. These qualitative grounds include, amongst others:

- Transactions entered into that could result in a reputation risk to The Playhouse Company.
- Transactions resulting from any fraudulent or dishonest behaviour by members of The Playhouse Company staff.
- Transactions that are in contravention of any procedures or processes required by legislation or regulation.



## Annexure C: Technical indicator descriptions

### BACKGROUND

The technical indicator description is one of the requirements of the Strategic Planning and Annual Performance Plan template from the National Treasury. The directive is for each performance indicator to have a technical indicator description.

### Document

The technical indicator description document must be read together with the submitted 2019-2020 Annual Performance Plan.

### Experiences

During the course of planning and reporting processes it was observed that in some instances, there is confusion on the conceptualization and alignment of indicators. The technical indicator description will assist in addressing this problem.

### Reporting

The technical indicator description process will assist in interpreting those indicators and ensure that all stakeholders have a common understanding and expectation for every indicator in the APP.

### Programme 1: Administration

Sub-programme 1.1: Corporate Governance and Finance

Indicator Title	Unqualified audit report yearly with no findings on Compliance, Performance Information and Annual Financial Statements.
Short Definition	Unqualified audit report on annual financial statements(AFS) and National Treasury's AFS by 31 July every year
Purpose/importance	Ensure good governance practices and applicable legislative requirements are adhered to in the organization
Source/Collection of data	Annual financial statements, working papers, financial data from Pastel and supporting documents
Method of calculation	Annual financial statements are compiled using Pastel software, AG conducts final audit on AFS
Data Limitation	Completeness of financial information at year end
Type of Indicator	Outputs/Activities
Calculation type	Cumulative
Reporting Cycle	Annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	An annual communication detailing the changes to all policies within the organization by 1 April
Short Definition	Communication to inform employees of the changes made to policies
Purpose/importance	Review and update all the Policies and Procedures in the organization on an annual basis.
Source/Collection of data	Minutes of Council meeting approving changes to policies
Method of calculation	Simple count of reviewed policies approved and signed off
Data Limitation	No specific limitation
Type of Indicator	Outputs
Calculation type	Cumulative

Indicator Title	Less than 10% downtime in IT operations
Short Definition	Percentage availability of IT services
Purpose/Importance	Review the IT plan, improve IT infrastructure & supply efficient IT resources to all departments
Source/Collection of data	IT reports
Method of calculation	Percentage availability of IT services
Data Limitation	Input from IT service provider
Type of Indicator	Outputs/Activities
Calculation type	Cumulative

Indicator Title	1 Risk assessment report prepared on an annual basis by 30 April.
Short Definition	Risk assessment workshop is held annually and risk register updated
Purpose/Importance	Risk assessment completed on an annual basis.
Source/Collection of data	National Risk management Framework
Method of calculation	Manually
Data Limitation	Regular updating of risk register
Type of Indicator	Outputs/Activities
Calculation type	Cumulative
Reporting Cycle	Annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	4 Internal audits to be conducted annually with Maximum of 10% critical findings to be raised per internal audit
Short Definition	A communication of Internal Audit findings to stakeholders (e.g. management, accounting officer and audit committee, etc.) with value adding recommendations on assurance and consulting audit engagements
Purpose/Importance	Ensuring Internal Audits are completed and ensuring good governance and controls are in place
Source/Collection of data	Acts, Regulations, financial and non-financial records, manual and electronic reports, policies, procedures and personnel.
Method of calculation	Examination, observation, re-performance and data analysis to identify what should be with what is
Data Limitation	The performance of each audit assignment which yields and audit report is dependent on the availability of information.
Type of Indicator	Outputs/Activities
Calculation type	Cumulative
Reporting Cycle	Quarterly
New Indicator	Continues without change
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Reporting Cycle	Annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Reporting Cycle	Quarterly & Annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	Completed fixed asset register in compliance with Fixed Asset Policy by 31 March of each year.
Short Definition	Update the asset register regularly and conduct asset verification in Sept and March
Purpose/importance	Bi-annual verification of fixed assets with monthly updates of the fixed asset register and bar coding of new assets
Source/Collection of data	Asset register on Pastel Evolution, source documents (invoices) for new assets purchased
Method of calculation	Updating asset register on Pastel Evolution software
Data Limitation	Regular updating of asset register
Type of Indicator	Outputs/Activities
Calculation type	Cumulative
Reporting Cycle	Bi-Annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	Ensure practice notes are discussed with staff within 30 days on receipt from Treasury. Minutes of meeting or email confirmation available to support this.
Short Definition	Report on SCM compliance
Purpose/importance	Implement all treasury practice notes within the stipulated timelines
Source/Collection of data	Entity's policy and tender files
Method of calculation	Completion of SCM questionnaire
Data Limitation	None
Type of Indicator	Inputs/Outputs/Activities
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	5% variance of actual against budget must have an explanation on a monthly basis
Short Definition	Report on actual deviation from budget
Purpose/importance	Monitoring of budgets and explanation for variances on a monthly and quarterly basis
Source/Collection of data	Pastel reports
Method of calculation	Review of Pastel reports
Data Limitation	None
Type of Indicator	Outputs
Calculation type	Percentage - 5% variance of actual against budget must have an explanation on a monthly basis

Indicator Title	Minimum of 90% debt recovery excluding legal matters by 31 March
Short Definition	Measure of debtors that is collectible
Purpose/importance	Implement a debt management system
Source/Collection of data	Pastei reports on debtors age analysis
Method of calculation	Percentage - Measure of debtors that is collectible
Data Limitation	No specific limitations
Type of Indicator	Output

Indicator Title	Quarterly management accounts to be distributed to key stakeholders 30 days after each quarter.
Short Definition	The Playhouse Company submits quarterly progress reports to DAC
Purpose/importance	Annual Budgets to be submitted to DAC by 31 August, 30 November and final by the 31st of January each year.
Source/Collection of data	Pastei reports on different departments
Method of calculation	Count number of reports submitted to DAC
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	Monthly management accounts to be distributed to Management, FINCO and Audit & Governance Committee members by 15th of every subsequent month
Short Definition	The Playhouse Company submits monthly progress reports to Management, FINCO and Audit & Governance Committee members
Purpose/importance	Report on trading results for the month by The Playhouse Company
Source/Collection of data	Pastei reports on different departments
Method of calculation	Count number of reports submitted to Management, FINCO and Audit & Governance Committee members
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Monthly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Reporting Cycle	Monthly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	Report on the employment equity progress vs. plan on a quarterly basis
Short Definition	Report on compliance to the Employment Equity targets
Purpose/Importance	To report on the progress made towards implementation of the entity's set employment equity targets
Source/Collection of data	VIP reports on positions filled compared to the organogram
Method of calculation	Simple count
Data Limitation	None
Type of Indicator	Output
Calculation type	Percentage - employment equity progress vs. plan
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance

Indicator Title	Review of actual positions filled against those budgeted and report thereon at the monthly management meetings
Short Definition	Review of vacant positions
Purpose/Importance	To review report on the progress made towards filling vacant positions
Source/Collection of data	VIP reports on positions filled compared to the organogram
Method of calculation	Simple count
Data Limitation	None
Type of Indicator	Output
Calculation type	Percentage - Review of actual positions filled against those budgeted
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

Indicator Title	Report on the annual labor turnover on a monthly basis
Short Definition	Percentage labor turnover rate
Purpose/Importance	Review annual labor turnover
Source/Collection of data	VIP reports on positions filled compared to the organogram
Method of calculation	Simple count
Data Limitation	None
Type of Indicator	Output
Calculation type	Percentage - Percentage labor turnover rate
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

## Sub-programme 1.2: Human Resources

Indicator Responsibility	Human Resources Manager
Indicator Title	Develop a training plan/budget annually and ensure implementation by end of March annually
Short Definition	Training plan/budget developed annually
Purpose/importance	Provide skills training that will capacitate employees to perform at their peak
Source/Collection of data	Number of workshops and training sessions are counted
Method of calculation	Each workshop and training session is counted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

Indicator Title	90% of Training plan and budget accomplished
Short Definition	Number of Workshops and Training Sessions attended
Purpose/importance	Provide skills training that will capacitate employees to perform at their peak
Source/Collection of data	Number of workshops and training sessions are counted
Method of calculation	Each workshop and training session is counted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

Indicator Title	Enroll at least 4 trainees to receive on the job work exposure.
Short Definition	Number of trainees enrolled
Purpose/importance	Provide skills training that will capacitate trainees to perform at their peak
Source/Collection of data	Number of enrolments are counted
Method of calculation	Each enrolment is counted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

Indicator Title	Negotiate wage agreement annually with the Collective Bargaining Forum.
Short Definition	The number of wage negotiation meetings held with the trade unions
Purpose/Importance	Building and maintenance of sound collaborative employee relations within the organization
Source/Collection of data	Signed wage agreement
Method of calculation	Simple count
Data Limitation	None
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Quarterly and annually
New Indicator	
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

Indicator Title	Report on disciplinary and grievance matters on a quarterly basis
Short Definition	The number of disciplinary and grievance matters carried out
Purpose/Importance	Building and maintenance of sound collaborative employee relations within the organization
Source/Collection of data	Number of disciplinary and grievance matters signed.
Method of calculation	Simple count
Data Limitation	None
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

Indicator Title	Performance Reviews completed for employees on a bi-annual basis.
Short Definition	The number of performance evaluations for the performance year
Purpose/Importance	Bi-annual Performance Reviews for all employees
Source/Collection of data	Employees performance records collected and consolidated by human resources
Method of calculation	Simple count
Data Limitation	Depend on the accuracy of employees data
Type of Indicator	Output
Calculation type	Non-cumulative
Reporting Cycle	Bi-annually
New Indicator	Improved
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager



New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Human Resources Manager

### Sub-programme 1.3: Support Services

Indicator Title	Signed written master maintenance plan and monthly departmental meeting minutes.
Short Definition	Progress regarding maintenance provided to user departments where necessary
Purpose/importance	Devise and implement an effective, efficient and timeous master maintenance plan for the vehicles, equipment and buildings by 1 February of each year.
Source/Collection of data	Maintenance reports
Method of calculation	Simple count – number of reports submitted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Support Services Manager

Indicator Title	Annual Capital Funding Expenditure Plan by 31 January of each year.
Short Definition	Capital funding expenditure plan devised annually
Purpose/importance	Develop and implement an Annual Capital Funding Expenditure Plan to acquire funding for capital expenditure projects.
Source/Collection of data	Capital Funding Expenditure Plan reports
Method of calculation	Simple count – number of reports submitted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Support Services Manager

Indicator Title	Review Health and Safety Plan and submit report by 31 March.
Short Definition	Health and safety plan devised annually
Purpose/importance	Devise and implement a health and safety plan in accordance with Health and Safety legislation.
Source/Collection of data	The Health and Safety Plan report
Method of calculation	Simple count – number of reports submitted

## Sub-programme 2.1: Arts and Technical Services

## Programme 2: Business Development

Indicator Title	Fleet maintenance plan in place by 1 April of each year and implementation on a regular basis.
Short Definition	Fleet maintenance plan devised annually
Purpose/importance	Review, update and implement the fleet maintenance plan.
Source/Collection of data	Fleet maintenance plan reports
Method of calculation	Simple count – number of reports submitted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Support Services Manager

Indicator Title	Quarterly Health and Safety meetings with recorded minutes
Short Definition	Health and safety plan meetings held quarterly
Purpose/importance	Devise and implement a health and safety plan in accordance with Health and Safety legislation.
Source/Collection of data	The Health and Safety Plan meetings minutes and signed attendance registers
Method of calculation	Simple count – number of meeting minutes submitted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Security Manager

Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Security Manager

Indicator Title	Finalized Arts Programme by 31 January, it will include the various production types
Short Definition	Number of productions presented in the various production types
Purpose/importance	Implement the annual arts programme by 31 March annually
Source/Collection of data	Records are kept of number of productions presented
Method of calculation	Each productions presented is counted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Artistic Director

Indicator Title	Artistic panel and peer review process to ensure that minimum of 80% of previously marginalised groups participate annually
Short Definition	Minimum percentage of previously marginalized groups to be included in the arts programme
Purpose/importance	AAP to ensure that at least 80% of previously marginalised groups participate annually.
Source/Collection of data	Arts programme
Method of calculation	Each production is counted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Artistic Director

Indicator Title	Secured in kind sponsorships to a value no less than R 250 000 per annum.
Short Definition	In kind sponsorships secured
Purpose/importance	Secure sponsorships.
Source/Collection of data	Marketing report
Method of calculation	Sum of sponsorships rand values
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Artistic Director

Indicator Title	Audience attendance and sales report to reflect attendance of at least 250 000 per annum (Paying and non-paying).
Short Definition	Audience attendance plan devised annually
Purpose/Importance	Develop Audience attendance plan
Source/Collection of data	Audience attendance and sales report
Method of calculation	Simple count – number of Audience attendance per sales reports
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	Yes
Desired Performance	As per targeted performance
Indicator Responsibility	Marketing Manager

Indicator Title	Stakeholder management plan in place by the 31st of January annually.
Short Definition	Stakeholder management plan devised annually
Purpose/Importance	Develop Stakeholder management plan
Source/Collection of data	Stakeholder management plan
Method of calculation	Simple count – number of reports approved
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	Yes
Desired Performance	As per targeted performance
Indicator Responsibility	Marketing Manager

Indicator Title	Marketing plan in place by the 31st of January annually.
Short Definition	Marketing devised annually
Purpose/Importance	Develop market campaigns for in house productions in order to develop production sponsorship partnerships
Source/Collection of data	Marketing Plan reports
Method of calculation	Simple count – number of reports submitted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Marketing Manager

Indicator Title	Audience attendance and sales report to reflect paying attendance of at least 45 000 per annum
Short Definition	Audience attendance plan devised annually
Purpose/importance	Develop Audience attendance plan
Source/Collection of data	Audience attendance and sales report
Method of calculation	Simple count – number of Audience attendance per sales reports
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	Yes
Desired Performance	As per targeted performance
Indicator Responsibility	Marketing Manager

Indicator Title	A monthly maintenance report with evidence-based improvement is in place for all venues and resources, Sound, Lighting, Wardrobe and Recording Studio.
Short Definition	Monthly maintenance reporting by technical department
Purpose/importance	Review and implement the maintenance plans for all venues and resources, Sound, Lighting, Wardrobe and Recording Studio.
Source/Collection of data	Technical reports
Method of calculation	Simple count – number of reports submitted
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Technical manager

Indicator title	Report on Annual Satisfaction Survey monthly
Short definition	We want to determine what the patron's need, and to improve on services we provide currently
Purpose / Importance	We conduct the survey to measure how well are we serving our patrons
Source/Collection of data	Report of the survey
Method of calculation	To conduct the survey after each performance
Data limitation	Patrons not willing to participate in the survey
Type of indicator	Measures input, activities, impact, output
Calculation type	None cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	As per targeted performance
Indicator responsibility	Technical manager

6. Revenue Consolidation

Indicator Title	CFO to consolidate plans for secondary income for inclusion in budget, in place by 31 January of each year.
Short Definition	Secondary income plans devised annually
Purpose/importance	Consolidate and implement comprehensive plans for generating secondary income
Source/Collection of data	Annual budget
Method of calculation	Simple count
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Cumulative
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	Secure all fixed investments at rates greater than (prime lending rate less 5%).
Short Definition	Investment income plans devised annually
Purpose/importance	Invest with major banks in the country with a preferable interest rate of prime lending rate less 5%.
Source/Collection of data	Investment reports
Method of calculation	Simple count
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Percentage - interest rate of prime lending rate less 5%.
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Indicator Title	Outside theatre hires to achieve 90% of budgeted revenue annually
Short Definition	Outside theatre hires income plans devised annually
Purpose/importance	Develop and implement a plan to achieve the targeted budget established for the outside hire of the theatres.
Source/Collection of data	Pastel reports
Method of calculation	Simple count
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Percentage - Outside theatre hires to achieve 90% of budgeted revenue
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance

Indicator Responsibility	Chief Financial Officer
Indicator Title	Tenants, costumes, sets and props hire to achieve 75% of budgeted revenue annually.
Short Definition	Tenants, costumes, sets and props hire plans devised annually
Purpose/importance	Develop and implement a plan to achieve the targeted budget established for Tenants, costumes, sets and props hire.
Source/Collection of data	Pastel reports
Method of calculation	Simple count
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Percentage - Tenants, costumes, sets and props hire to achieve 75% of budgeted revenue annually
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

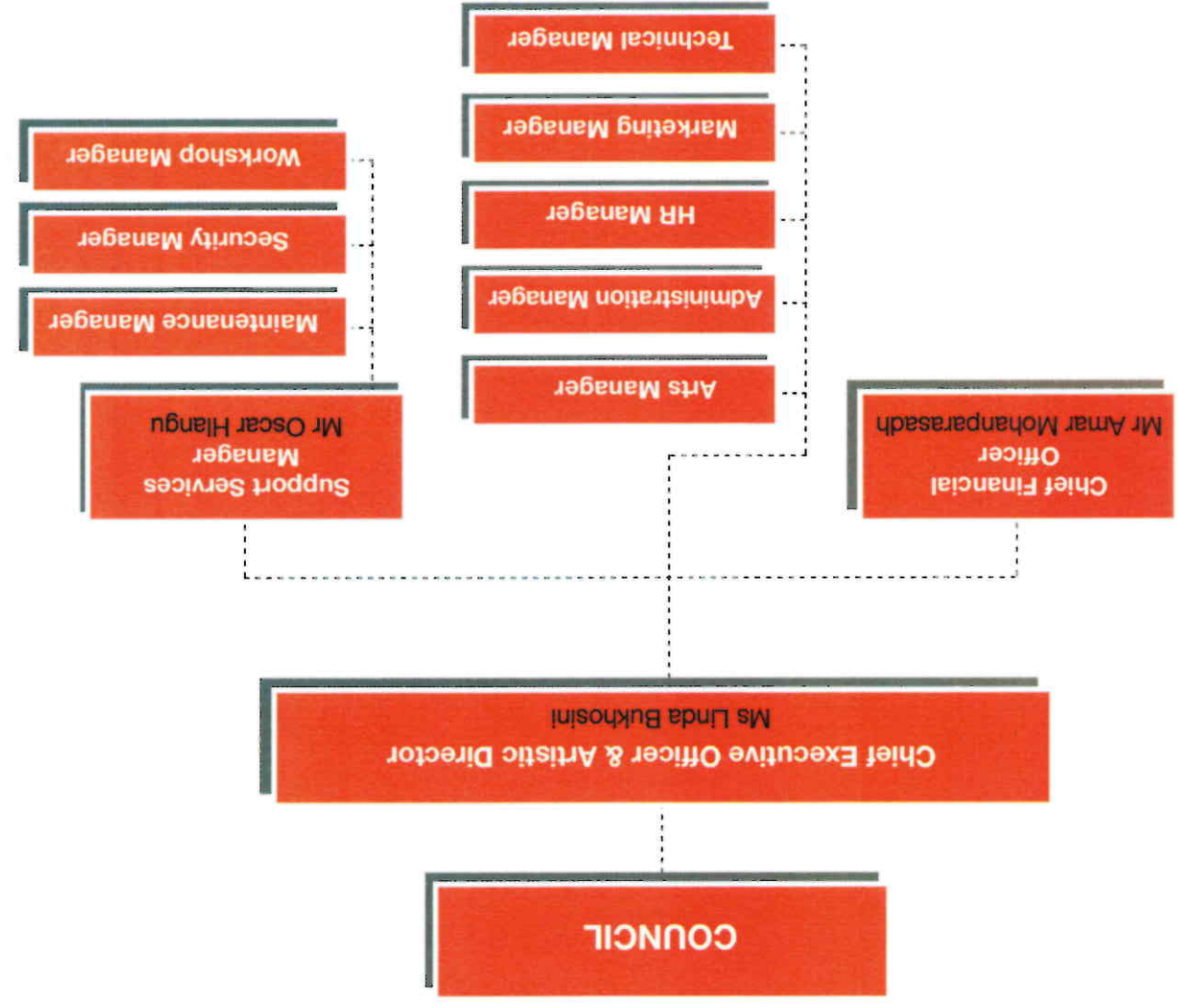
Indicator Title	Ticket sales to achieve 90% of budgeted revenue annually.
Short Definition	Ticket sales income plans devised annually
Purpose/importance	Develop and implement a plan to achieve the targeted budget established for Ticket sales.
Source/Collection of data	Pastel reports
Method of calculation	Simple count
Data Limitation	No specific limitations
Type of Indicator	Output
Calculation type	Percentage - Ticket sales to achieve 90% of budgeted revenue annually
Reporting Cycle	Quarterly and annually
New Indicator	No
Desired Performance	As per targeted performance
Indicator Responsibility	Chief Financial Officer

Annexure D: Audit Improvement plan

Misstatements in financial statements			* Describe activities in point form to address issue (use lower case):		N/a	N/a	* Select planned start and completion dates:			* Select title and enter name (use lower case):		* Select position:	* Select progress of activity:	*Enter any pertinent comments:	N/a
			N/a	N/a	N/a	N/a									N/a



Annexure E: Organisational Structure



Annexure F: Statement of Financial Performance

	AUDITED OUTCOME				MEDIUM TERM EXPENDITURE ESTIMATES		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>							
Entity revenue	19 819	26 154	20 528	12 658	8 038	8 339	8 656
Sale of goods and services other than capital assets	3 777	4 227	4 890	3 454	3 197	3 356	3 524
Entity revenue other than sales	16 042	21 927	15 638	9 204	4 841	4 983	5 132
Transfers received	76 610	77 555	65 996	75 006	84 330	87 782	94 156
<b>TOTAL REVENUE</b>	<b>96 429</b>	<b>103 709</b>	<b>86 524</b>	<b>87 664</b>	<b>92 368</b>	<b>96 121</b>	<b>102 812</b>
<b>Expenditure by Economic classification</b>							
Current payments	80 630	91 140	91 274	87 664	92 368	96 121	102 812
Compensation of employees	30 121	33 366	33 367	38 504	42 429	45 397	48 572
Salaries and wages	26 298	29 269	28 933	33 520	36 951	39 536	42 300
Social contributions	3 823	4 097	4 434	4 984	5 478	5 861	6 272
Goods and services	38 025	42 992	41 625	49 160	49 939	50 724	54 240
Of which 1							
Agency and support / outsourced services	1 760						
Advertising		628	1 414	1 329	1 419	1 518	1 625
Audit costs		1 539	1 443	2 134	2 283	2 443	2 614
Bank Charges		132	144	158	169	181	194
Board costs		252	231	551	590	631	676
Catering: internal activities		35	44	68	73	78	83
Communication	441	405	486	458	490	524	560
Computer services	433	474	535	521	557	596	638
Consultants	62	22	8	32	34	37	39
Contractors	3 765	4 479	4 827	6 395	6 843	7 322	7 835

NET SURPLUS / (DEFICIT)  
 TOTAL EXPENDITURE  
 Inventory  
 Legal fees  
 Non life insurance  
 Printing and publication  
 Property payments  
 Repairs and maintenance  
 Training and staff development  
 Travel and subsistence  
 Venue and facilities  
 Other  
 Depreciation  
 Losses from  
 Sale of fixed assets

9	322	269	215	230	246	263
21	24	50	54	57	61	423
335	265	345	369	395	423	756
390	388	617	660	707	756	7129
5237	4812	5819	6227	6663	7129	6 751
2 675	3 467	5 511	5 897	6 310	6 751	711
365	320	580	621	664	711	1379
537	836	1125	1204	1288	1379	481
25 144	21 826	22 859	21 799	20 615	22 022	0
14 766	16 210	0	0	0	0	0
16	72	0	0	0	0	0
0	0	0	0	0	0	0
91 140	91 274	87 664	92 368	96 121	102 812	0
15 799	-4 750	0	0	0	0	0
80 630	91 140	87 664	92 368	96 121	102 812	0

**Annexure G: Statement of Financial Position**

	AUDITED OUTCOME				MEDIUM TERM EXPENDITURE ESTIMATES		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>ASSETS</b>							
Current assets	113 112	98 640	92 306	71 988	41 856	19 127	5 732
Inventory	510	537	605	650	760	500	500
Trade and other receivables from exchange transactions	1 962	1 366	1 882	900	600	700	700
Cash and cash equivalents	110 640	96 737	89 819	70 438	40 496	17 927	4 532
Non-current assets	172 997	191 877	189 669	225 790	232 712	254 609	254 994
Property, plant and equipment	84 618	102 748	100 931	137 022	143 914	165 781	166 136
Intangible assets	49	799	408	438	468	498	528
Heritage assets	88 330	88 330	88 330	88 330	88 330	88 330	88 330
<b>Total assets</b>	<b>286 109</b>	<b>290 517</b>	<b>281 975</b>	<b>297 778</b>	<b>274 568</b>	<b>273 736</b>	<b>260 726</b>
<b>LIABILITIES</b>							
Current liabilities	7 404	8 584	9 071	6 305	4 759	5 955	9 897
Trade and other payables from exchange transactions	7 404	8 584	9 071	6 305	4 759	5 955	9 897
Non-current liabilities	0	0	0	0	0	0	0
Finance lease liability							
Non-current provisions							
<b>Total liabilities</b>	<b>7 404</b>	<b>8 584</b>	<b>9 071</b>	<b>6 305</b>	<b>4 759</b>	<b>5 955</b>	<b>9 897</b>
<b>NET ASSETS</b>	<b>278 705</b>	<b>281 933</b>	<b>272 904</b>	<b>291 473</b>	<b>269 809</b>	<b>267 781</b>	<b>250 829</b>
Accumulated surplus / (deficit)	254 200	266 769	262 019	280 587	263 684	261 656	244 704
Capital fund/ Deferred government grant	24 505	15 164	10 885	10 886	6 125	6 125	6 125
<b>Total net assets and liabilities</b>	<b>286 109</b>	<b>290 517</b>	<b>281 975</b>	<b>297 778</b>	<b>274 568</b>	<b>273 736</b>	<b>260 726</b>

Annexure H: Cash Flow Statement

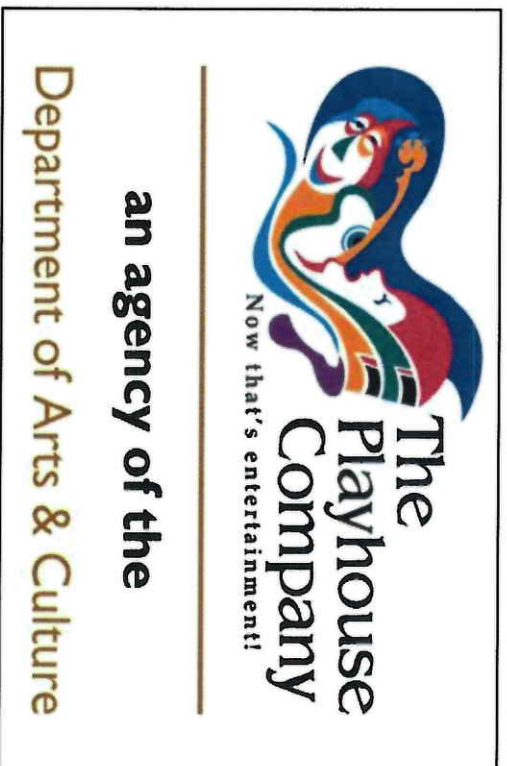
		AUDITED OUTCOME					MEDIUM TERM EXPENDITURE ESTIMATES	
The budget information (Medium term estimate) is done on accrual basis:		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		R'000	R'000	R'000	R'000	R'000	R'000	R'000

Cash receipts from stakeholders	73 594	88 428	80 287	87 664	92 368	96 121	102 812	
Sales of goods and services other than capital assets	6 918	10 499	11 574	8 447	6 034	6 335	6 652	
Sales of goods and services produced by department (excl. capital assets)	6 918	10 499	11 574	8 447	6 034	6 335	6 652	
Sales by market establishments	6 918	10 499	11 574	8 447	6 034	6 335	6 652	
Transfers received	59 419	70 124	61 331	72 715	84 330	87 782	94 156	
Executive Authority (DAC)	48 632	59 337	53 157	64 058	75 189	78 129	84 020	
Provincial governments	7 787	7 787	8 174	8 657	9 141	9 653	10 136	
Local governments	3 000	3 000	0	0	0	0	0	
Interest and rent on land	7 257	7 805	7 382	6 502	2 004	2 004	2 004	
Interest	7 257	7 805	7 382	6 502	2 004	2 004	2 004	
<b>Cash paid to stakeholders</b>	<b>61 152</b>	<b>69 004</b>	<b>73 433</b>	<b>93 436</b>	<b>98 545</b>	<b>102 729</b>	<b>98 984</b>	
Current payments	56 607	63 767	67 994	87 617	92 318	96 067	91 956	
Compensation of employees	30 121	33 366	33 367	38 504	42 429	45 397	46 022	
Salaries and wages	26 298	29 269	28 933	33 520	36 951	39 536	40 300	
Social contributions	3 823	4 097	4 434	4 984	5 478	5 861	5 722	
Goods and services	26 486	30 401	34 627	49 113	49 889	50 670	45 934	
Advertising	1 025	628	1 414	1 329	1 419	1 518	1 625	
Audit costs	1 324	1 539	1 443	2 134	2 283	2 443	2 364	
Bank charges	140	132	144	158	169	181	194	
Board costs	437	252	231	551	590	631	676	

Catering: internal activities	43	35	44	68	73	78	83
Communication	441	405	486	458	490	524	560
Computer services	433	474	535	521	557	596	638
Consultants	62	22	8	32	34	37	39
Contractors	3 765	4 479	4 827	6 395	6 843	7 322	6 585
Entertainment	61	39					
Inventory	227	322	269	215	230	246	263
Legal fees	30	21	24	50	54	57	61
Non life insurance		335	265	345	369	395	423
Printing and publication	436	391	388	617	660	707	756
Property payments			4 812	5 819	6 227	6 663	5 879
Repairs and maintenance	3 080	2 675	3 467	5 511	5 897	6 310	5 501
Training and staff development	402	365	320	580	621	664	711
Travel and subsistence	791	537	836	1 125	1 204	1 288	1 129
Venues and facilities	223	296	286	393	420	449	481
Other unclassified expenditure	13 566	17 454	14 828	22 812	21 749	20 561	17 966
Of which							
Productions	12 555	16 539	14 224	21 612	20 498	19 257	16 605
Health and safety	700	580	604	700	751	804	861
Insurance	311	335					
Contingency	0	0	0	500	500	500	500
Transfer and subsidies	4 545	5 237	5 439	5 819	6 227	6 662	7 028
Other government units	4 545	5 237	5 439	5 819	6 227	6 662	7 028
Municipalities	4 545	5 237	5 439	5 819	6 227	6 662	7 028
<b>Cash flow from operating activities</b>	<b>12 442</b>	<b>19 424</b>	<b>6 854</b>	<b>(5 772)</b>	<b>(6 177)</b>	<b>(6 608)</b>	<b>3 828</b>
<b>Cash flow from investing activities</b>	<b>(6 575)</b>	<b>(33 662)</b>	<b>(13 772)</b>	<b>(32 177)</b>	<b>(6 862)</b>	<b>(21 837)</b>	<b>(325)</b>
Acquisition of property, plant, equipment & intangible assets	(6 575)	(33 662)	(13 772)	(32 177)	(6 862)	(21 837)	(325)

Buildings: non-residential	(5 220)	(11 048)	(11 126)	(31 852)	(6 537)	(21 512)	0
Transport equipment	(395)	0	(467)	0	0	0	0
Furniture and office equipment	(151)	(297)	(760)	(100)	(100)	(100)	(100)
Other machinery and equipment	(657)	(21 028)	(1 069)	0	0	0	0
Software and other intangible assets	(18)	(819)	(62)	(30)	(30)	(30)	(30)
Computer equipment	(134)	(470)	(590)	(195)	(195)	(195)	(195)
Proceeds from sale of ppe			302	0	0	0	0
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred Income	0	0	0	0	0	0	0
Departmental transfer							
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>5 867</b>	<b>(14 238)</b>	<b>(6 918)</b>	<b>(37 949)</b>	<b>(13 039)</b>	<b>(28 445)</b>	<b>3 503</b>





**COUNCIL CONSTITUTION  
AND  
ETHICAL CODE OF CONDUCT**

# POLICY DOCUMENT CONTROL PAGE

<b>SUPERSEDES</b>	Version 1 approved on 3 December 2010
<b>DETAILS</b>	Description of Amendments
	P4, point 3.2.2 amended to include the word “its” in line with the Cultural Institutions Act

## ORIGINATOR

<b>Prepared by</b>	Amar Mohanparasadh
<b>Designation</b>	Chief Financial Officer
<b>Custodian</b>	Linda Bukhosini
<b>Designation</b>	Chief Executive Officer

## BOARD AND EXECUTIVE APPROVAL

<b>Referred for approval</b>	CEO
<b>Date of Referral</b>	27 May 2016
<b>Approved by</b>	Council
<b>Approval Date</b>	27 May 2016
<b>Executive Director</b>	

## CIRCULATION

<b>Issue Date</b>	
<b>Circulated by</b>	
<b>Issued to</b>	

## **PLAYHOUSE COMPANY COUNCIL CONSTITUTION AND ETHICAL CODE OF CONDUCT**

### **1. INTRODUCTION**

- 1.1 The Council and its members commit themselves to meeting their responsibilities and maintaining accountability for the ongoing development and success of the Playhouse Company.
- 1.2 This constitution sets out the manner in which the Council of the Playhouse Company will carry out its obligations in terms of the legislative framework, including:
  - 1.2.1 the Cultural Institutions Act (CI Act) No. 119 of 1998 as amended and its Regulations;
  - 1.2.2 the Public Finance Management Act (PFMA), Act 1 of 1999 as amended;
  - 1.2.3 all ancillary legislation.
- 1.3 The constitution confirms the Council members' commitment to the Playhouse Council in accepting all obligations and responsibilities required of Council members.

### **2. CORPORATE BODY**

- 2.1 The Playhouse Institution is a corporate body known as the Playhouse Company as declared in terms of Section 3 of the CI Act.

### **3. THE COUNCIL**

- 3.1 The affairs of the Playhouse Company shall be under the control, management and direction of the Council, consisting of no less than seven members appointed by the Minister of Arts and Culture in accordance with the prescribed manner, and the CEO who serves *ex officio* with no voting powers.
- 3.2 In the event of a member of the Council dying or vacating office before the expiration of the period for which the member has been appointed, another person may be appointed to fill the vacancy for the unexpired portion for which the member was appointed.
- 3.3 A member of the Council must vacate the office if:
- 3.3.1 that member resigns in writing;
  - 3.3.2 that member has been absent from three consecutive meetings;
  - 3.3.3 that member is an unrehabilitated insolvent;
  - 3.3.4 that member is found to be of unsound mind by a Court of Law;
  - 3.3.5 that member is convicted of an offence involving dishonesty or bodily harm and is sentenced to imprisonment without the option of a fine;
  - 3.3.6 that member momentarily breaches the Code of Ethics of the Playhouse Company; or
  - 3.3.7 on reasonable grounds, the majority of the Council so recommends and the recommendation is accepted by the Minister.
- 3.4 The Council acknowledges that the Minister may dissolve a Council on reasonable grounds.

### **4. CODE OF CONDUCT AND ETHICS FOR MEMBERS OF THE COUNCIL**

- 4.1 The Council hereby adopts a Code of Conduct and Ethics as set out below.
- 4.2 **Good corporate governance**  
The Playhouse Company, in terms of Section 4 of the CI Act, constitutes a corporate body and accordingly, the Playhouse Company, the Council and all members shall be required to comply with the principles of good corporate governance which will include, but not be limited to, the following:
- 4.2.1 transparency and representivity in respect of the appointment of members as contemplated in Section 5 of the CI Act;
  - 4.2.2 accountability in respect of any conduct by, and in respect of all matters directed and controlled by the Council or members;
  - 4.2.3 diligence and integrity by members in the performance of all their duties and functions as contemplated by Section 8 of the CI Act;

4.2.4 competence and skill by members in the performance of their duties and functions as contemplated by Section 8 of the CI Act;

4.2.5 due compliance by the Council and all members with all provisions stipulated by the CI Act, all Regulations promulgated in respect of the Playhouse Company in terms of Section 16 of the CI Act ("the Regulations"), and of this Code.

4.3 **Fiduciary responsibility**

Members have a fiduciary responsibility towards the Playhouse Company. Accordingly, a member shall at all times:

4.3.1 act honestly and in utmost good faith towards the Playhouse Company;

4.3.2 protect and further the best interests, and safeguard the affairs and business of the Playhouse Company;

4.3.3 only perform such duties and functions as are assigned to the member by the Council or a committee to which such member is a member (as the case may be).

4.4 **Complaints Procedure**

Should the Council or any member be confronted with or receive any complaint or be informed of any grievance by a member of the public, or an arts personality, or another member, or any other person, the Council or that member shall act strictly in accordance with the complaints procedure set out hereunder:

4.4.1 any complaint, whether written or verbal ("the complaint"), shall immediately be reported to the Chairperson without, in any manner, commenting on, or communicating, the issues raised in the complaint to any other person;

4.4.2 the Chairperson shall be responsible to evaluate the significance of the complaint and shall in his/her reasonable discretion determine whether or not the complaint is of such a nature that it should be addressed by the Council  
or solely by the Chairperson.

4.5 **Communications internally**

4.5.1 Members, other than the Chief Executive Officer ("CEO"), shall not individually, or as a Council, direct any communication of whatsoever nature directly to an employee, agent or consultant of the Playhouse Company and all such communications shall only be directed to the CEO who shall in turn communicate same to the relevant employee, agent or consultant.

4.5.2 Members are to disclose to Council all communication after being approached by members of staff before commenting on or responding to such communication.

4.6 **Disclosure of interests**

4.6.1 A member shall be required to inform the Council of any business interest, whether it is a direct, indirect, personal or private business

interest, that that member may have in any matter before the Council or a committee.

4.6.2 Any gifts received by a member above a prescribed amount must be declared to the Council within fourteen days. The prescribed amount shall be determined by the Council from time to time.

**4.7 Personal gain, rewards, gifts and favours**

4.7.1 A member shall never use his/her position for private gain or the improper benefit of any other person and/or entity.

4.7.2 A member shall not request, solicit or accept any reward, gift or favour for:

4.7.2.1 voting or abstaining from voting in a particular manner;

4.7.2.2 influencing or persuading any member of the Council or of another committee to exercise any power, function or duty in a particular way;

4.7.2.3 making a representation to other members of the Council or another committee; or

4.7.2.4 the disclosure of confidential and/or privileged information as envisaged in clause 10 below to any other person, institution or body.

**4.8 Unauthorised disclosure of information**

**4.8.1** A member shall at no time, without the permission of the Council, disclose confidential or privileged information to any other person.

4.8.2 In the event that a member is uncertain as to whether or not information should be regarded as confidential or privileged, that member shall obtain clarification from the Council regarding the status of such information, prior to the disclosure thereof to any other person.

4.8.3 For purposes of this Code, "confidential or privileged information" shall include information:

4.8.3.1 obtained by members from discussion in closed session by the Council or another committee;

4.8.3.2 the disclosure of which would violate a person's right to privacy;

4.8.3.3 declared to be confidential, privileged or secret by the Council or which is considered as such in terms of any law.

**4.9 Ethics**

4.9.1 The Council and its members undertake, in relation to the Playhouse Company's patrons, the public, other members, the Council, the Playhouse Company itself and any other person, to continuously promote the following values:

4.9.1.1 professionalism, client-satisfaction, the establishment of patron needs (specifically in relation to the previously disadvantaged communities), product and service excellence;

4.9.1.2 loyalty, dedication, pro-activity, enthusiasm;

4.9.1.3 honesty, integrity, trustworthiness; and

- 4.9.1.4 empathy, friendliness, politeness.
- 4.10 **Breaches of code**
- 4.10.1 A Council may:
  - 4.10.1.1 investigate and make a finding on an alleged breach of the provisions of this code; or
  - 4.10.1.2 establish a special committee to investigate and make a finding on an alleged breach of this code and to make appropriate recommendations to the Council.
- 4.10.2 if the Council or a special committee finds that a member has breached the provision of this code the Council may:
  - 4.10.2.1 issue a formal warning to the member;
  - 4.10.2.2 reprimand the member;
  - 4.10.2.3 request the Minister of the Department of Arts and Culture to suspend the member for a period;
  - 4.10.2.4 request the Minister of the Department of Arts and Culture to remove the member from office.
- 4.10.3 Any member who has been warned or reprimanded in terms of clause 4.10.1 or 4.10.2 may, within fourteen days of having been notified of the decision of the Council, appeal to the Minister of the Department of Arts and Culture in writing setting out the reasons on which the appeal is based.
- 4.10.4 A copy of the appeal must be provided to the Council.
- 4.10.5 The Council may within fourteen days of receipt of the appeal referred to in clause 14.10.3 above make representations pertaining to the appeal to the Minister of the Department of Arts and Culture in writing.
- 4.10.6 The Minister of the Department of Arts and Culture may, after having considered the appeal, confirm, set aside or vary the decision of the Council and inform the member and the Council of the outcome of the appeal.
- 4.10.7 The Minister of the Department of Arts and Culture may appoint a person or committee to investigate any alleged breach of the provisions of this code and to make a recommendation on whether the member should be suspended or removed from office.
- 4.10.8 If the Minister of the Department of Arts and Culture is of the opinion that the member has breached a provision of this code and that such contravention warrants a suspension or removal from office, the Minister of the Department of Arts and Culture may:
  - 4.10.8.1 suspend the member for a period and upon conditions determined by the Minister of the Department of Arts and Culture; or
  - 4.10.8.2 remove the member from office.

### PAYMENT OF COUNCIL MEMBERS

- 5.1 In terms of Section 10(a — b) of the CI Act, the Council members may receive honoraria and reimbursement for expenses from the funds of the Playhouse Company.
- 5.2 The Council will, on an annual basis, decide such amounts in accordance with the criteria set by the Minister for the payment of such honoraria and reimbursement of expenses.

### CHAIRPERSON

- 6.1 The Chairperson of the Council is appointed by the Minister from appointed members of the Council and holds office for the period for which he or she has been appointed.
- 6.2 In the event of the Chairperson vacating office before the expiration of the period for which he or she is appointed, another member of the Council shall be appointed by the Minister.
- 6.3 In the event of the Chairperson being absent from a meeting of the Council, the members present must elect one of their numbers to preside at that meeting. That person may, during that meeting and until the Chairperson resumes his or her functions, perform all those functions.

### FUNCTIONS OF THE COUNCIL

- 7.1 The functions of the Council are:
  - 7.1.1 to formulate policy;
  - 7.1.2 to hold, preserve and safeguard all movable and immovable property of whatever kind placed in their care or loaned or belonging to the Playhouse Company;
  - 7.1.3 to receive, hold, preserve and safeguard all specimens and collection of all other movable property placed under its care and management under Section 10 of the CI Act 10(1);
  - 7.1.4 to raise funds for the Playhouse Company;
  - 7.1.5 to manage and control the monies received by the Playhouse Company and to utilise those monies for defraying expenses in connection with the performance of its functions;
  - 7.1.6 to keep a proper record of the property of the Playhouse Company, 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;
  - 7.1.7 to determine and substitute the CI Act and with the approval of the Minister, the object of the declared institution; and
  - 7.1.8 to generally carry out the objects of the declared institution.



- 7.2 Council may determine the hours and conditions to which the public may visit the Playhouse Company.
- 7.3 The Council shall have the power to appoint such persons as it considers necessary to perform the functions of the Playhouse Company, the determination of the remuneration and terms and conditions of services shall be in accordance with the scheme approved by the Minister in consultation with the Minister of Finance.
- 7.4 The Minister shall publish the objects of the Playhouse Company in the Government Gazette.

8. **APPOINTMENT OF COMMITTEES — DELEGATION**

- 8.1 The Council from time to time will create committees to assist it in fulfilling its functions.
- 8.2 The Council will delegate specific powers to these committees.

9. **DUTIES OF MEMBERS**

- 9.1 A member must at all times act honestly in performing the functions of his or her office.
- 9.2 A member must at all times exercise a reasonable degree of care and diligence in performing a Member's functions, and in furtherance of this duty without limiting its scope, must:
  - 9.2.1 take reasonable steps to inform himself or herself about the Playhouse Company, its business and activities and the circumstances in which it operates;
  - 9.2.2 take reasonable steps, through the processes of the Council, to obtain sufficient information and advice about all matters to be decided by the Council to enable him or her to make conscientious and informed decisions; and
  - 9.2.3 exercise an active discretion with respect to all matters to be decided by the Council.
- 9.3 The Council members shall conform to the Playhouse Company Code of Ethics.
- 9.4 A member must at all times act within and adhere to the provisions of the Code of Conduct and Ethics as set out in clause 4 below.
- 9.5 Members are expected to exercise reasonable diligence in relation to:
  - 9.5.1 the business of; and
  - 9.5.2 preparation for and attendance at meetings of the Council and any committee to which the Member is appointed.

- 9.6 A member, or former member, must not make improper use of his or her position as a Member, or of information acquired by virtue of his or her position as a member to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to prejudice the Playhouse Company.
10. This item must be interpreted as adding to, and not deviating from, any law relating to the criminal or civil liability of a member of a governing body of a corporate body, and it does not prevent any criminal or civil proceedings being instituted in respect of such a liability.

### **COUNCIL REPORTING**

- 11.1 The Council shall submit, no later than one month before the commencement of each financial year, a business plan covering the next three year period containing such information as may be prescribed by the Minister for his approval.
- 11.2 The Council shall submit an annual report to the Minister which must contain such information regarding the activities and financial position of the Council as may be prescribed.
- 11.3 The Council shall appoint a delegation to brief the relevant committees of Parliament on the annual report.

### **12. PROCEDURE AT COUNCIL MEETINGS**

- 12.1 The Council shall regulate its meetings and conduct its proceedings as it may deem appropriate, subject to the terms of the CI Act and of these Regulations.
- 12.2 Meetings may be convened at any time by the Chairperson, or in his or her absence, the Deputy Chairperson.
- 12.3 Meetings must be convened at any time if so directed by the Minister, or upon the written request of at least three members.
- 12.4 The notice convening a meeting shall be in writing, and shall include an agenda and such other meeting papers as may be considered appropriate. Notice shall be delivered to each of the members at least seven (7) days prior to any meeting, unless special circumstances require the convening of an urgent meeting, in which event any formalities may be dispensed with or modified by decision of the Chairperson (or Deputy Chairperson, as the case may be), who may direct that notice be given verbally, by facsimile, Internet, or in such other manner as he / she may deem appropriate in the circumstances.

- 12.5 The quorum necessary for the transaction of any business of the Council shall be a majority of the appointed members.
- 12.6 Each appointed member shall have one (1) vote, and all matters arising shall be decided by a majority of the votes.
- 12.7 In the event of an equality of votes, the Chairperson shall have a second or casting vote.
- 12.8 Written minutes shall be kept of all decisions and proceedings of the Council, and an Attendance Register shall be maintained recording the names of all members personally present at each meeting. Upon confirmation, the minutes shall be signed by the Chairperson or other person presiding at such meeting and a copy thereof shall be made available to each Member.
- 12.9 The Council may, by resolution permit members to participate in a particular meeting by telephone, close circuit television, satellite television or audio or audio visual communication or any other means of communication. A member who participates in a meeting on permission given as aforesaid must be regarded as being present at the particular meeting.
- 12.10 A "round robin" resolution, that is a resolution addressed in writing to all appointed members, and supported by no less than the majority of their number, shall be as valid as if passed at a duly convened meeting of the Council, and — unless stated to the contrary — shall be deemed to have been passed as at the date of the last signature thereto.
- 12.11 The Council may delegate any of its powers to any one or more of the members, or to a special purpose committee as it may deem appropriate.
- 12.12 In effecting any such delegation, the Council may at its discretion:
  - 12.12.1 appoint, remove and substitute the persons to whom such delegation has been made, or any one or more of them; and may include appointees who are not themselves members;
  - 12.12.2 nominate the person/s who shall serve as Chairperson (and, if deemed necessary, also as Deputy Chairperson) of any committee; and stipulate the period of notices; the quorum; the voting; and any other procedural formalities affecting meetings and decisions of such committee.
  - 12.13 Any such person/s or committee to whom a delegation is made shall, in executing the mandate, conform to the directions and procedures stipulated by the Council from time to time. The Council shall not be divested of any of its powers and duties as a result of any such delegation.
  - 12.14 The Chairperson of the Council shall be deemed *ex officio* to be a

member of all committees so appointed, and may attend any meetings thereof at her/his discretion.

**13. MANAGEMENT AND/OR ADMINISTRATION**

Members, other than the CEO, shall not individually, other than as a Council, have any management and / or administrative capacity relating to the Playhouse Company's affairs.

**14. GENERAL POWERS**

The Playhouse Company shall have all such powers and may perform all such acts as are necessary for or incidental to the exercise of its powers and the performance of its duties.

**15. FINANCE**

In addition to income derived by the Playhouse Company from grant, donation, bequest, investment and deployment of its assets, the Government and/or the Provincial Administration with responsibility for cultural matters in the Province, shall provide funds to the Playhouse Company from monies appropriated by Parliament or the Provincial Government, as the case may be, in order to enable the Playhouse Company to perform its functions and to exercise its powers and duties.

**16. BANKING ACCOUNTS**

**16.1** Banking accounts shall be opened in the name of the Playhouse Company with one or more registered banking institutions; and all payments and cash received shall be deposited to the credit of such banking account's.

**16.2** Cheques, promissory notes, and other banking instruments, requiring signature or authorisation on behalf of the Playhouse Company, shall be signed or authorised as the Council may determine; provided that such signature or authorisation involves at least two (2) persons duly authorised by the Council.

**17. PUBLIC FINANCE MANAGEMENT ACT**

Upon designation of the Playhouse Company for purposes of the

Public Finance Management Act No. 1 of 1999, the Council shall ensure due compliance by the Playhouse Company with the provisions of that Act, and shall appoint an accounting officer and ensure that annual financial statements are prepared and submitted for audit by the Auditors.

18. **CONFLICTS OF INTEREST**

Members shall be obliged promptly to declare any self-interest or conflict of interest which may arise with respect to matters before the Council. In any such event the member concerned, after declaring his or her interest, shall recuse and absent him or herself and take no further part in deliberations concerning the matter in question. The minutes of the meeting shall record any such declaration of interest and recusal.

19. **DISSOLUTION**

The provisions of Section 14 of the CI Act shall apply in the event of the abolition or dissolution of the Playhouse Company by decision of the Minister or otherwise; and any residual assets, rights, liabilities and obligations of the Playhouse Company shall in such event be dealt with in accordance with the relevant provisions of the CI Act.

20. **APPROVAL OF THE CONSTITUTION**

Approved by the council on 27 May 2016 and applies with immediate effect.



Signature: \_\_\_\_\_

Chairperson of Council





## **FRAUD POLICY AND RESPONSE PLAN**

## **FRAUD POLICY AND RESPONSE PLAN**

### **1. General**

All cases referred for investigation should be investigated thoroughly and as speedily as possible. Failure to execute adequate investigations, as well as inordinate delays will lead to a lack of confidence in and seriously impact on the credibility of the Playhouse Company's attitude to anti-fraud and anti-corruption.

In handling cases, the Playhouse Company must ensure that they-

- Have appropriately skilled personnel;
- Appropriately categorise the cases referred;
- Follow a suitable investigative methodology;
- Ensure that cases are referred to the correct authorities where required; and
- provide regular and comprehensive feedback on the progress of investigations.

In addition the Playhouse Company must comply with the minimum anti-corruption capacity requirements as prescribed by Cabinet which provides as follows:

- developing an integrated anti-corruption strategy;
- how to prevent corruption;
- how to detect corruption;
- how to investigate corruption; and
- how to resolve corruption through disciplinary and other control measures.

### **2. Handling of cases**

Cases can be referred by employees reporting a concern that they have or a report could be received from the public or from other regulatory authority. All cases must be considered on their merits and a process needs to be followed to determine the necessary action to be taken.

#### **2.1 Classification of cases**

Once a case has been received the CFO should analyse the case and determine-

- Whether the case falls within the mandate of the Playhouse Company;
- Whether the case is urgent, sensitive or routine;



- The security classification to be attached to the case;
  - Whether depending on the above, the case should be referred to another agency (to be discussed in paragraph 4.0); and
  - Whether the case should be investigated internally;
- 2.2 Cases not to be investigated**

- Cases that should more appropriately be dealt with in terms of another process, e.g. grievance procedures;
- Cases of frivolous/vexatious/factual nature or those which seek to abuse the complaint rules of the Public Service; and
- Allegations in which a critical factual gap exists, rendering the likelihood of a successful conclusion unlikely, doubtful or impossible (e.g. no or inadequate description of person(s) involved).

### **2.3 Skills and levels of staff**

- It is important that the skills, interest and expertise of staff should match the inherent requirements of an investigating officer for corruption-related cases.
- It is appropriate that the management of case investigations occurs at a senior management level. These managers must be knowledgeable of organizational operations, administrative procedures and prescripts in the Playhouse Company.
- It is thus the suggestion that the CFO should be tasked with carrying out the investigations.

### **3. The Investigative process**

The following principles of conducting investigations should be followed:

- Write the report as the investigation proceeds.

Immediately commence with the outline of the report, and build up the report as the investigation proceeds. In this way, missing elements will be identified upfront, instead of at the end of the investigation.

When drafting the report it should be kept in mind that it may be subject to access under the Promotion of Access to Information Act, Act No. 2 of 2000.

- Draft an investigation plan.

Once all the available documents have been perused, the investigating officer should have enough information at hand in order to proceed with the investigation. The investigation should have clear objectives and time frames, in order to ensure that the investigation is completed timely and effectively. This process will also ensure that no unplanned or uncoordinated actions are taken, and that adequate resources are available to conduct the investigation.

- Analyse available documentation.  
At the commencement of the investigation, a clear understanding of the prescripts and regulations relevant to the case must be obtained. All available documentation should be analysed to identify points of clarity, and in order to identify outstanding information.
- Set up a filing system

All documentation should be catalogued in order to organize documentation received. Original documents should be secured and numbered sequentially. Keep record of where the documents were found and/or in whose possession it was.

Comments, cross-references, and highlighting sections on a document should be made on copies of the original documents. Do not write on the original documents. This approach will be of assistance if the matter goes for a disciplinary hearing or to a Court of Law.

- Plan interviews:
  - (i) Identify persons to be interviewed.
    - Obtain name, position, and contact particulars of the individual.
  - (ii) Prepare questionnaires to utilize as guidelines during the interview.
    - Get the team to prepare questions to be utilized.
    - Decide what information is required from the interviewee, ensure that the questions are prepared to elicit the necessary information.
    - Formulate the questions as simply as possible.
    - It is best to start an interview with open questions that will elicit broad narrative responses. This gives the interviewee an opportunity to express his/her opinion.

- After this process, probing questions should be asked to elicit more information.

(iii) Physical preparation for interviews.

- Establish the date and time of the interview(s).
- Determine the venue for the interview(s). Consider whether the interview(s) should take place in the interviewee's own environment, or in a neutral place.
- Notify interviewee(s) in writing of interview(s) and of documents s/he should bring to the interview(s).

- Conduct interviews and obtain outstanding documentation.

(i) At the commencement of the interview, inform the interviewee of the following:

- The purpose of the interview.
- Confirm basic information with the interviewee.
- If the interview is recorded, advise the interviewee accordingly.
- Request the employee to provide positive identification.

(ii) Preferably affidavits should be taken with every person with whom an interview is conducted.

In terms of section 6 of the Justices of the Peace and Commissioners of Oaths Act, Act No. 16 of 1963, the Minister may, by notice in the Gazette, designate the holder of any office as a commissioner of oaths for any area specified in such notice.

In terms of Government Gazette No 19033, dated 10 July 1998, item 49, officers in the Administrative, Professional, Clerical, Technical or General A and General B Divisions of the Public Service occupying a post with a salary scale the minimum notch of which is equivalent to or higher than the minimum notch of salary level 2 applicable to the Public Service, are designated to be commissioners of oaths.

(iii) General guidelines to consider during interviews:

- Do not apologise for questions. The interviewee will expect questions that might make him/her uneasy, but be sensitive.
- Do not be scared to probe deeper for more information.

- Finish one area/concept first before moving on to another.
  - Start with easy, non-threatening questions.
  - Observe the interviewee's body language/posture, which can indicate various emotional states, such as confidence, depression and defiance.
- (iv) When accepting documentation as evidence, the following should be taken into account:
- which have been drawn up by a public official in the execution of a public duty;
  - which are intended for public use; and
  - to which the public has a right of access.

A legal opinion may be required in respect of any investigation. This can be obtained from the Office of the Chief State Law Advisor.

#### 4. Referral to other Agencies

In cases where referral to other more appropriate institutions is considered, the mandates of these institutions should be taken into consideration in order to facilitate an informed decision. The table below provides an overview of institutions that cases may be referred to:

Nature of case	Agency to refer to	Contact details
All criminal acts of corruption, including any matter that falls within the ambit of S34 of the Prevention and Combating of Corrupt Activities Act	SAPS	Closest police station/SAPS Anti-Corruption Unit or police commissioner. Reports made in terms of S34 of the Prevention and Combating of Corrupt Activities Act must be in accordance with the guidelines published by the National Commissioner in Government Gazette No.26552 of 16 July 2004
Impacts on security of State or integrity of a Department	National Intelligence Agency	Director-General: National Intelligence Agency Private Bag x87

		Pretoria, 0001 Tel: (012) 427 4000 Fax: (012) 427 4651
Request is made when an audit is required in a matter that involves public funds	National Treasury	National Treasury Private Bag 897 Pretoria, 0001 Tel: 441 3000 (012) Fax: 441 3699 (012)
Serious cases of malpractice or maladministration in State Institutions, especially where public funds are involved and can be recovered civilly.	Special Investigating Unit (SIU)	Head: SIU PO Box 893 East London, 5200 Tel: (043) 726 9705 Fax: (043) 726 9261
Serious cases of corruption relating to members of the Executive, Legislature or elected officials.	National Prosecuting Authority	National Director of Public Prosecution Private Bag x 752 Pretoria, 0001 Tel: (012) 845 6000 Fax: (012) 843 2758

When referring a case to an appropriate institution, departments should follow the following processes:

- Draft a report that includes a description of the offence and the particulars of suspect(s) or witness(es). This report will serve as a reference point for the records of both the referring and the receiving agencies.
- Collect exhibits and other corroborating documentation that is available. This is for the record of both the referring and the receiving agency, especially if there is a threat that evidence might be tampered with.
- Collect any other information that is available and may be of help to an investigator.
- Identify the agency which the case can be referred. The matter can first be discussed telephonically or in a meeting with the chosen agency.
- Formally refer the case to the chosen agency with due consideration to the security classification attached to the investigation of the relevant case.

**5. Feedback and reporting**

**a. Reporting to stakeholders**

Interaction with stakeholders takes place in the form of consultation on the findings made, in order to verify information in the report. This will ensure that by the time a recommendation is made, there is some consensus with regard to certain issues pertaining to the investigation.

Should it be necessary, re-interview witnesses.

**b. Reporting where cases have been referred by the National Anti-Corruption Hotline (NACH)**


Should there be a report received via the NACH, the Playhouse Company must ensure that we respond within the timeframes set by the Public Service Commission (PSC).

It is important to give feedback on the progress of the investigation within a 40 day timeframe, or in the timeframe that will be set by the Department of Arts and Culture in their correspondence to the Playhouse Company.

Where The Playhouse Company found no wrongdoing emanating from an allegation having conducted an investigation, a report needs to be presented to the PSC detailing the reasons why the allegation was unfounded.

**6. Approval of the plan**

Approved by the Council on 09 February 2007, and applies with immediate effect.

SIGNATURE:  DATE: 22-08-07

CHAIRPERSON OF COUNCIL



The  
Playhouse  
Company

## RISK MANAGEMENT POLICY

**Table of Contents**

1. Introduction	3
2. Objective	3
3. Scope of Policy	3
4. Definitions	3
5. Risk identification and analysis	5
6. Risk appetite	6
7. Risk register	6
8. Accountability, roles and responsibilities	6
8.1 Accounting Authority	6
8.2 Accounting Officer	6
8.3 Management	6
8.4 Chief Risk officer	7
8.5 Risk Management Committee	8
8.6 Audit Committee	9
9. Assurance activities	9
10. Monitoring achievement of the risk management policy	10
11. Approval of the policy	10
12. APPENDIX A: RISK IMPACT & LIKELIHOOD SCORING	11
13. APPENDIX B: RISK REGISTER	12



## 1. INTRODUCTION

The accounting authority has committed The Playhouse Company to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999.

Section 51 (1) (a) (i) of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA) requires "*An Accounting Authority for a public entity - (a) must ensure that the public entity has and maintains – (1) effective, efficient and transparent systems of financial and risk management and internal control.*"

## 2. OBJECTIVE

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of The Playhouse Company will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks, as well as the risk to the stakeholders.

Effective risk management is imperative to The Playhouse Company to fulfill its mandate, the promotion of arts and culture in Kwa-Zulu Natal, in line with the service delivery expectations of the public and the performance expectations of the Department of Arts and Culture.

## 3. SCOPE OF THE POLICY

The realization of our strategic plan depends on us being able to take calculated risks in a way that does not jeopardize the direct interests of stakeholders. Sound management of risk will enable us to anticipate and respond to changes in our service delivery environment, as well as take informed decisions under conditions of uncertainty.

## 4. DEFINITIONS

**Audit Committee** - A Committee established in terms of Section 77 of the Public Finance Management Act 1, of 1999

**Chief risk officer** - The Accounting Authority / Officer is the ultimate Chief Risk Officer of the institution and is accountable for the institution's risk management in terms of legislation.

**Risk champion** - an existing member of the senior management within the institution

**Controls** are the existing processes, devices, practices or other actions that act to minimize negative risks or enhance positive opportunities.

**Business Risk** is the chance of something happening that will have an impact (either positive or negative) on objectives. A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. It is measured in terms of a combination of the consequences (impact) of an event and their likelihood. Note that risk is characterised by uncertainty.

**Risk identification** - the process of determining what, where, when, why, and how something could happen. Risk identification is a deliberate and systematic effort to understand and document all of the key risks facing the institution

**Risk Assessment** refers to the overall process of identifying, analysing, and evaluating risks. It may also be referred to as a 'risk analysis' or 'risk evaluation' or 'risk profile' and may involve a qualitative and/or quantitative assessment.

**Risk Management** is the culture, processes and structures that are directed towards realizing potential opportunities whilst managing adverse effects. The risk management process involves communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

**Risk Register** is a documented record of each risk identified. It specifies: a description of the risk, its causes and its impacts; an outline of the existing controls; an assessment of the consequences of the risk should it occur and the likelihood of the consequence occurring, given the controls; a risk rating; and an overall priority for the risk.

#### **Types of Risk:**

- **Financial/Budget Risk** (Overspend, run out of money, failure to pay etc.)
- **Performance Risk** (Lack of skills and delivery leads to termination)
- **Political Risk** (Stakeholder unhappiness e.g. National and local government departments)
- **Legal Risk** (Moneys not utilised according to regulations/mandate)
- **Audit Risk** (Qualified audit reports by the auditor general that reflects very badly on management's performance)
- **Organisational Risk** (Lack of skill, succession, capacity, training)
- **Reputation Risk** (Branding of the Playhouse Company, external image to the community)

**Impact** may be defined as the effect to a business process resulting in potential loss or service delivery failure should risk arise

**Likelihood** may be defined as the probability that an adverse event, which could cause a risk to arise, may occur

## 5. RISK IDENTIFICATION AND ANALYSIS

The **types of risks** faced by the entity are many and varied, and may be categorised as strategic and operational. These risks may impact – either positively or negatively – on the entity's human resource, environmental, information, intellectual, political, and financial assets and image.

- The entity has five main ways in which it can effectively manage risk, as follows:
  - accept the risk and make a conscious decision to not take any action;
  - accept the risk but take some actions to lessen or minimize its likelihood or impact;
  - transfer the risk to another individual or organization, by, for example, outsourcing the activity;
  - finance (insure against) the risk;
  - eliminate the risk by ceasing to perform the activity causing it.

How the entity decides to manage individual risks will be determined following a risk assessment based on a systematic analysis of how a number of **likelihood** and **impact ratings** apply to each risk.

The entity has identified relevant likelihood and impact ratings, as shown in Appendix A.

- The sources used in the identification of risks are as follows:
  - Strategic Plans or Annual reports
  - Budget implementation plans
  - Current legal cases
  - Report to management
  - Auditor General report
  - Internal Audit Charter
  - Audit Committee Charter
  - Previous years risk assessments
  - Inputs from other departments within the organisation

The approach adopted can be summarised as follows:

- An annual risk workshop will be conducted.
- A risk map will be developed to identify and rank all significant risks facing the entity and facilitate the achievement of the entity's strategy through proactive risk management.
- Risks will be ranked in terms of likelihood of occurrence and expected impact upon the entity
- Risks identified will be allocated to managers who will be responsible and accountable for managing such risks
- The risk register will be updated
- The risk register will be used to develop the Internal Audit Plan

## 6. RISK APPETITE

The Accounting Officer, through the Risk Committee shall set the risk appetite for the entity.

Risk appetite is the level of tolerance for risk in the entity, in other words, at what point does a risk become serious enough for the entity to start committing resources to the management of the risk.

Risk appetite is further described as the amount of risk exposure, or potential adverse impact from an event, that the entity is willing to accept/retain. Once the risk appetite threshold has been breached, risk management treatments and business controls are implemented to bring the exposure level back within the accepted ranges.

The Playhouse Company's risk register records the risk appetite.

Each risk identified is rated in terms of its Impact and Likelihood/probability to determine an inherent risk ranking value.

After looking at the adequacy of the controls in place, a residual rating is quantified. This residual risk rating represents the risk appetite of the company.

The Playhouse Company's risk appetite can be summarized as follows:

Residual Risk Rating range	Risk Acceptability	Action Plan
1 – 7	Acceptable	Manage risk using existing controls in place
8 – 9	Acceptable	Manage risk using existing controls in place
10 – 12	Unacceptable	Implement new internal controls to manage the risk
13 – 25	Unacceptable	Implement new internal controls to manage the risk

## 7. RISK REGISTER(Appendix B)

A Risk Register is a documented record of each risk identified as part of a risk assessment (also known as a risk profile).

It specifies:

- a description of the risk, its causes and its impacts;
- an outline of the existing controls;
- an assessment of the consequences of the risk should it occur and the likelihood of the consequence occurring, given the controls;
- a risk rating;
- and an overall priority for the risk

The entity will maintain a master risk register that systematically identifies and registers key risks – at a strategic and operational level. This will be reviewed and reported to the management & Audit Committee at least once a year.

## 8. ACCOUNTABILITY, ROLES AND RESPONSIBILITIES

### 8.1 Accounting Authority

High level responsibilities of the accounting authority in risk management include:

- Providing oversight and direction to the Accounting Officer on the risk management related strategy and policies;
- Having knowledge of the extent to which the Accounting Officer and management has established effective risk management in their respective departments;
- Awareness of and concurring with the entity's risk appetite and tolerance levels;
- Insist on the achievement of the objectives, effective performance management and value for money

## 8.2 Accounting Officer

The accounting officer shall ensure that the responsibility for risk management vests at all levels of management and that it is not only limited to the accounting officer. The accounting officer shall ensure that a risk assessment is conducted at least annually to identify emerging risks and to update the risk register.

High level responsibilities of the Accounting Officer include:

- Setting the tone at the top by supporting risk management and allocating resources towards the implementation thereof;
- Establishing the necessary structures and reporting lines within the department to support risk management;
- Approving the risk management policy and the fraud risk management policy;
- Approving the entity's risk appetite and risk tolerance;
- Hold management accountable for designing, implementing, monitoring and integrating risk management principles into their day-to-day activities;
- Holding the structures responsible for risk management activities accountable for adequate performance;
- Ensuring that a conducive control environment exists to ensure that identified risks are proactively managed;
- Request from the Audit Committee, internal audit, risk management committee and other appropriate structures for assurance on the effectiveness of risk management;
- Provide all relevant stakeholders with the necessary reports that key risks are properly identified, assessed, mitigated and monitored;
- Consider and act on recommendations from the Audit Committee, internal audit, risk management committee and other appropriate structures for improving the overall state of risk management;
- Provide appropriate leadership and guidance to senior management and structures for various aspects of risk management.

## 8.3 Management

In discharging their high level responsibilities relating to risk management, management:

- Acknowledges the "ownership" of risks within their functional areas and all responsibilities associated with managing such risks;

- Cascades risk management into their functional responsibilities;
- Empowers officials to perform adequately in terms of risk management responsibilities through proper communication of responsibilities, comprehensive orientation and ongoing opportunities for skills development;
- Holds officials accountable for their specific risk management responsibilities;
- Maintains the functional risk profile within the departments risk tolerance and appetite;
- Provides reports on the functional risk management consistent with the entity's reporting protocols(including appearing before committees);
- Implements the directives of the Accounting Officer concerning risk management;
- Maintains a harmonious working relationship with the Chief Risk Officer and supports the Chief Risk officer in matters concerning the functions of risk management;
- Keeps key functional risks at the forefront of the management agenda and devote personal attention in overseeing the management of these risks.

#### 8.4 Chief Risk Officer

The Chief Risk Officers function will form part of the Chief Financial Officers role and responsibilities.

High level responsibilities of the chief risk officer include:

- Working with senior management to develop the risk management policy as well as risk appetite and tolerance levels for approval by the Accounting Officer;
- Communicating the risk management policy to all stakeholders in the department;
- Setting up the risk management structure and risk management reporting lines within the entity;
- Continuously driving the risk management process towards best practice;
- Developing a common risk assessment methodology that is aligned with the entity's strategic, tactical and operational levels for approval by the Accounting Officer;
- Coordinating risk assessments within the entity on a regular basis;
- Sensitizing management timeously of the need to perform risk assessments for all major changes, capital expenditure, projects and similar events, and assist to ensure that the attendant processes, particularly reporting, are completed efficiently and timeously;
- Assisting management in developing and implementing risk responses for each identified material risk;
- Ensuring effective information systems exist to facilitate overall risk management improvement within the entity;
- Performing further analysis to identify emerging risks facing the entity for further action and intervention;
- Collating and consolidating the results of the various assessments within the entity;
- Compiling the necessary reports to the risk management committee.

## 8.5 Risk Management Committee

All managers will form part of the risk management committee. The risk management committee will form part of the monthly management meeting at which the risk register and other risk related items will be discussed.

In discharging its oversight responsibilities relating to risk management, the Risk Management Committee has the following high level responsibilities:

- Review the risk management policy and recommend for approval by the Accounting Officer;
- Review the risk appetite and tolerance and recommend for approval by the Accounting Officer;
- Review the entity's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the entity;
- Report to the Accounting Officer and material changes to the risk profile of the entity;
- Provide proper and timely reports to the Accounting Officer on the state of the risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.

## 8.6 Audit Committee

In discharging its oversight responsibilities relating to risk management, the audit committee:

- Gains thorough understanding of the risk management policy and fraud risk management policy of the entity to enable them to add value to the risk management process when making recommendations to improve the process;
- Reviews and critiques the risk appetite and risk tolerance, and recommends this for approval by the Accounting Officer;
- Reviews the completeness of the risk assessment process implemented by management to ensure that all possible categories of risks, both internal and external to the entity, have been identified during the risk assessment process. This includes an awareness of emerging risks pertaining to the entity.
- Reviews the risk profile and management action plans to address the risks;
- Reviews the adequacy of adapted risk responses;
- The audit committee must monitor the progress made with the management action plan;
- Reviews the progress made with regards to the implementation of the risk management strategy of the entity;
- Facilitates and monitors the coordination of all assurance activities implemented by the entity;
- Reviews and recommends any risk disclosures in the annual financial statements;
- Provides regular feedback to the Accounting Officer on the effectiveness of the risk management process implemented by the entity;

- Review the process implemented by Management in respect of fraud prevention and ensure that all fraud related incidents have been followed up appropriately;
- Reviews and ensures that the internal audit plans are aligned to the risk profile of the entity;
- Review the effectiveness of the internal audit assurance activities and recommends appropriate action to address any shortcomings.

#### **9. ASSURANCE ACTIVITIES**

The internal auditors shall assist the risk management committee in updating the risk register and identifying new risks. The updated risk register will be submitted to the Accounting Officer and the Audit and Governance committee for approval.

The updated risk register will be used to draw up the internal audit plan for the ensuing financial year, which shall be reviewed and approved by the Accounting Officer and the Audit and Governance committee

#### **10. MONITORING OF ACHIEVEMENT OF THE RISK MANAGEMENT POLICY**

Management of the entity acknowledge that in order to realize the full potential, risk management should be subject to periodic reviews. Management shall ensure that the updated risk register forms part of the agenda of the management meeting.

#### **11. APPROVAL OF THE POLICY**

Approved by the Council on 03/12/2010, and applies with immediate effect.

SIGNATURE:   
CHAIRPERSON OF COUNCIL



## APPENDIX A: RISK IMPACT & LIKELIHOOD SCORING

Risk Impact ratings		Safety & Environmental	Technical Complexity	Financial
Severity Ranking	Continuity of Service Delivery	Environmental	Technical Complexity	Financial
Catastrophic 5	Risk event will result in widespread and lengthy reduction in continuity of service delivery to customers of greater than 48 hours	Major environmental damage Serious injury (permanent disability) or death of personnel or members of the public. Major negative media coverage	Use of unproven technology for critical system / project components High level of technical interdependencies between system components	Leads to termination of the project
Critical 4	Reduction in service delivery or disruption for a period ranging between 24 & 48 hours over a significant area	Significant injury of personnel or public Significant environmental damage Significant negative media coverage	Use of new technology not previously utilised by the organisation for critical systems / project components	Cost increase > 20%
Major 3	Reduction in service delivery or disruption for a period between 8 & 47 hours over a regional area	Lower level environmental, safety or health impacts. Negative media coverage	Use of unproven or emerging technology for critical systems / project components.	Cost increase > 10%
Significant 2	Brief local inconvenience (work around possible). Loss of an asset with minor impact on operations	Little environmental, safety or health impacts. Limited negative media coverage.	Use of unproven or emerging technology for systems / project components.	Cost increase < 10%
Negligible 1	No impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Minimal or no impact on cost

**Likelihood**

Likelihood is the probability (considering the present control environment or action in hand) that an adverse event, which could cause materialisation of the risk, may occur, rated as follows:

<b>Risk Likelihood ratings</b>			
<b>Risk Probability Factor</b>	<b>Measurement Criteria</b>	<b>Qualification Criteria</b>	<b>Rating</b>
Almost Certain	Certain to occur, almost every time.	The risk is almost certain to occur in the current circumstances	5
High	Will occur frequently, 1 out of 10 times.	More than an even chance of occurring	4
Medium	Will occur sometimes, 1 out of 100 times.	Could occur quite often	3
Low	Will seldom occur, 1 out of 1 000 times.	Small likelihood but could happen	2
Minimum	Will almost never occur, 1 out of 10 000 times.	Not expected to happen – Event would be a surprise	1



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