

**ROODEPOORT CITY THEATRE (NPC)
Trading as
JOBURG PROMUSICA**

Registration No: 1981/005017/08

Abridged Integrated Report 2016/17

(In terms of Section 121 of the
Municipal Finance Management Act, 2003 and Section 46 of the Municipal Systems Act, 2000)

**ROODEPOORT CITY THEATRE (NPC)
Trading as
JOBURG PROMUSICA**

(AN ASSOCIATION INCORPORATED UNDER SECTION 21 OF THE COMPANIES ACT)

COMPANY INFORMATION:

Registration number: 1981/005017/08

Registered Address: Civic Centre, Region C
100 Christian de Wet Road
Florida Park
ROODEPOORT

Postal Address: P O Box 1531
Florida
1710

Telephone number : (011) 674- 1356/7/8

Fax number : (011) 674-2365

Website : www.promusica.co.za

Bankers : Nedbank

Auditors : Auditor-General

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STRUCTURE OF THE REPORT

National Treasury's MFMA Annual Report Circular 63 requires municipal entities to adopt the following format for an Annual Report:

- Chapter 1: Mayor's Foreword and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational development performance
- Chapter 5: Financial performance
- Chapter 6: Auditor General's findings

Scope of report

The Integrated report for 1 July 2016 to 30 June 2017 covers financial, social and economic report. The entity aligns itself local and international sustainability best reporting practices including the:

- Municipal Finance Management Act (MFMA)
- Public Finance Management Act (PFMA)
- Generally Recognised Accounting Principles (GAAP)
- Section 46(1) on the Municipal Systems Act (MSA)
- King III Code on Corporate Governance (KING III)
- Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC)
- International Financial Reporting Standards (IFRS)
- GRI Framework
- Millennium Development Goals
- Joburg 2040 Growth and Development Strategy (GDS)
- The City of Johannesburg's Integrated Development Plan (IDP)

The report considers economic, environmental, social and technical performance and is also available online on entity's website (<http://www.joburgcitytheatres.com>).

Materiality

The main areas covered in this report in terms of both current and future issues are based on what our stakeholders have said to us that they need to know, our business focus areas, priorities and the actively managed risks we face.

The entity has applied the principle of materiality in pertinent content and disclosure. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

Internal Criteria	External Criteria
City of Johannesburg Growth and Development strategy (Joburg 2040 criteria and objectives)	Critical opportunities and challenges the Entity is geared to respond to.
National and Provincial outcomes of Government	Changes in the socio-economic developmental agenda and priorities of National and Provincial Government
Enterprise Risk Management Process; including key risks impacting Entity's strategic and operational objectives	Factors which may impact the Entity's reputation, thereby influencing its ability to promote

and the associated mitigating activities	sustainable growth
Stakeholder expectations and feedback – e.g. from residents, rate-payers, business community, Non-Governmental Organisations (NGOs), National and Provincial Government, neighbouring municipalities, designated targeted groups.	The provisions of various frameworks including: Municipal Finance Management Act (MFMA); Public Finance Management Act (PFMA) , Section 46(1) of the Municipal Systems Act (MSA); King III Code on Corporate Governance (King II) , International Financial Reporting Standards (IFRS); Millennium Development Goals; BBBEE Code.
The Entity's mission, vision and values.	
The Entity's governance framework and policy environment.	

Assurance:

The Entity's Annual report for the 2016/17 financial year was assessed and rated to ascertain whether minimum disclosure requirements were adhered to in terms of the following:

Integrated Reporting Framework	MFMA: Circular 63 Annual reporting requirements
Ethical Leadership and Corporate Citizenship	Mayor's Foreword Statement and Executive Summary Report
Boards and Directors : <ul style="list-style-type: none"> - Board Independence; - Board reporting ; - Boards performance; - Board Committees; - Director's remuneration; 	Governance <ul style="list-style-type: none"> - Governance structures; - Intergovernmental relations ; - Public Accountability Participation; - Supply Chain Management, By laws, oversight committees; - Risk management; - Anti-corruption and fraud; - Disclosure of financial interests; - Councilors and committee.
Audit Committees <ul style="list-style-type: none"> - Finance Competence; - Audit Committee performance; 	Service delivery
The Governance of Risk	Organizational Development performance
Compliance with Laws, Codes , Rules and Standards	Financial Performance
Internal Audit <ul style="list-style-type: none"> - Internal Audit Function; - Internal Controls 	Appendices; Annual Financial Statements
Governing Stakeholders Relationships	
Integrated Reporting Disclosure <ul style="list-style-type: none"> - Financial Disclosure; - Sustainability Disclosure; 	
Integrated Reporting Philosophy	

The mitigation strategies on the assessment and outcomes of the Entity's 2016/17 annual report in terms of the Integrated Reporting and MFMA Circular 63 has been included as part of this report (refer to Section 4 of Chapter 6 – Auditor General's findings).

The Entity will continue to refine its approach in future annual reports to further align with international reporting standards and to promote consistency and accountability with respect to its role in creating and sustaining value for all citizens of Johannesburg.

Section 5: Foreword by Member of the Mayoral Committee



Roodepoort City Theatre NPC has been transferred to Joburg Theatre SOC Ltd, since January 2013. The shareholder has resolved that the Board of Directors of Joburg Theatre oversee the winding up process of Roodepoort City Theatre.

Cllr Nonhlanhla Sifumba
Member of the Mayoral Committee
Community Development

Section 6: Chairperson's Foreword
Insert Chairperson's photo

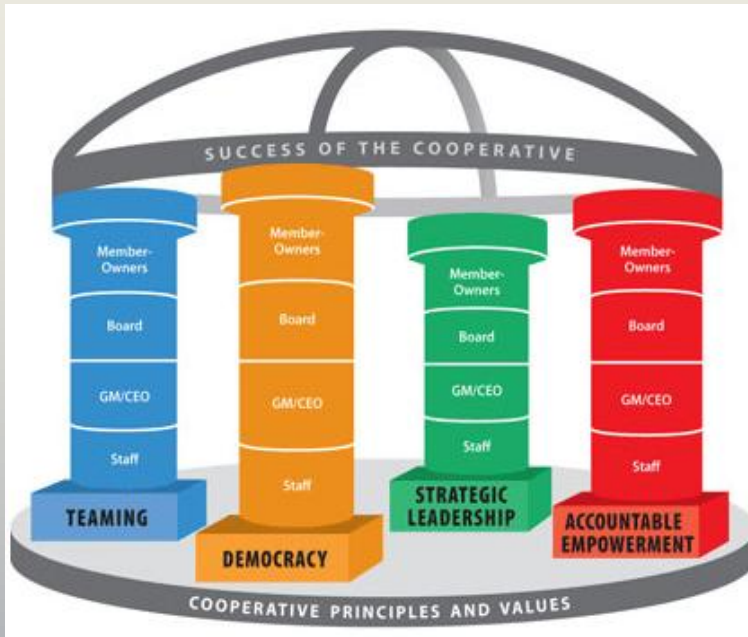


Roodepoort City Theatre (NPC) has been transferred to Joburg Theatre (SOC) Ltd. Deregistration process of the company is been conducted by the shareholder.

Mr Nkopane Maphiri
Board Chairperson

CHAPTER TWO

GOVERNANCE



Four Pillars of Cooperative Governance

The Four Pillars is a model that clarifies different components of cooperative-specific governance by defining four distinct roles and responsibilities. The Four Pillars are:

- Teaming
- Democracy
- Strategic Leadership
- Accountable Empowerment

Section 1: Corporate Governance Statement

To ensure accountability and governance arrangements are in place, Section 121(2) (c) of the MFMA supports the requirements of Section 18(1) (d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1) (a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Application of King III

The entity applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in our governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the entity's compliance with King III Code on Corporate Governance forms part of the Shareholder mandate of the audit committee. The entity has complied with the Code in all respect during the year under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which *inter alia* regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King III Report for Corporate Governance for South Africa 2009 (King III). The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the Report's recommendations and the Board continually reviews our progress to ensure that we improve our Corporate Governance. During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act, the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with the terms of section 121 of the Municipal Finance Management Act.

For the JCT good governance means the competent management of the City resources under our control in a manner that is open, transparent, accountable, equitable and responsive to needs of the people. Through the approved Business Plan, performance measurements and systems, as well as the commitment to the Company approved values we subscribe to the value based principles of responsibility, accountability, fairness, transparency and ethical leadership. The company strive to fully entrench these principles in our day-to-day operations.

Group's Governance Framework

COJ has resolved to develop the Governance Framework in compliance with the principles of good corporate governance to ensure that the provision of municipal services to the residents of COJ is done in an efficient and sustainable manner.

The Governance Framework is intended to assist JCT, its officials and all stakeholders to better understand the governance structure and principles required to ensure effectiveness and accountability.

It aims to ensure that there are proper governance structures that enable effective communication between COJ and its entities without encroaching on one another's legislative powers and duties. It contains the guidelines that enable effective communication between COJ and local community to ensure effective service delivery. JCT as defined in the Municipal Systems Act as: a company under the ownership and control of a municipality; having assigned financial and operational authority to carry on a business activity; and providing goods or services in accordance with ordinary business principles.

The MEs were established as autonomous companies in terms of the Companies Act. Overall responsibility is vested in a board of directors, including executive and non-executive directors. A managing director is charged with day-to-day operational responsibility. The board and managing director are responsible for developing a business plan that specify services, revenue, efficiency and customer care improvement, safety standards, environmental protection, social and economic development and new income ideas.

The status quo remains and through the Governance Framework the City endeavours to enhance and clarify the roles and responsibilities of different stakeholders and enhances oversight, monitoring and evaluation within the Group functions.

The framework sets out corporate governance principles and processes that must be put in place so as to achieve greater value by the City and the MEs. It aims to provide consistency between COJ departments and MEs to ensure an effective service delivery.

The main objective of the Governance Framework is not to change the current organizational structure, but to ensure that the City realize its long term vision, namely, Growth and Development Strategy 2040 (“COJ 2040 Strategy”).

The entity applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in our governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, the City of Johannesburg Metropolitan Municipality as a sole shareholder and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the entity’s compliance with King Code on Corporate Governance forms part of the mandate of the audit committee. The entity has complied with the Code in all respect during the year under review.

The Board of Directors has incorporated the City of Johannesburg’s Corporate Governance Protocol in its Board Charter, which *inter alia* regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King Report for Corporate Governance for South Africa 2009 (King III). The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the Report’s recommendations and the Board continually reviews our progress to ensure that we improve our Corporate Governance. During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with the terms of section 121 of the Municipal Finance Management Act.

Ethical Leadership

The board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company’s establishment in XXXX.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company’s stakeholders.

Corporate Citizenship

The board and management recognise that the entity is formed under a political structure. As such, it has a social and moral standing in society with all the attendant responsibilities. The board is therefore responsible for ensuring that the entity protects, enhances and invests in the well-being of the economy, society and natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined in international conventions on human rights.

Compliance with laws, rules, codes and standards

The board is responsible for ensuring that the entity complies with applicable laws and considers adhering to non-binding rules, codes and standards.

The entity is a wholly owned company of the City of Johannesburg and is thus subject to a wide range of legislation applicable to government entities. As such compliance remains a core focus for the company to ensure that we are able to monitor our compliance in a holistic manner. The Memorandum of Incorporation has been considered and approved by our Board of Directors and signed by Shareholder.

The company has approved the Code of Conduct in line with the municipal Systems Act No 32 of 2000 for management of ethics and declarations of interests for purposes of transparency and compliance with King III.

Accountability

The Board is responsible for the preparation and presentation of the information contained in the financial statements in accordance with applicable laws and regulations. The Board is satisfied that the statements give a true and accurate view of the results and state of affairs of the company. An independent examination of the financial statements has been carried out by the external auditors in accordance with International Auditing Standards and as far as the Board is aware no relevant audit information which may have had a bearing on the outcome of these statements was withheld from the auditors. The financial statements were prepared in accordance with Generally Recognised Accounting Practice (GRAP). The Board has considered the correctness of the information contained in the integrated report and is satisfied that this provides a true and correct reflection of the business and activities of the JCT. The annual financial statements included in this integrated report have been prepared on the *'going concern'* basis and the directors believe that the company has adequate resources to continue to operate for the foreseeable future. The Board has responsibility for the system of internal control which enables it, together with the combined assurances provided by management, Group Risk and Assurance Services (GRAS) and Sub-Committees, to provide a reasonable assurance against material misstatement and loss and of the maintenance of proper accounting records and reliable financial information. The Board is also responsible for ensuring the adequate prevention and detection of fraud and irregularities and the safeguarding of the company assets. The company has an independent whistle blowing facility hotline which provides all stakeholders with a mechanism for the reporting of irregularities. The internal control system is evaluated by the Audit and Risk Committee (ARC) and GRAS in accordance with the annually approved audit coverage plan.

Section 2: Board of Directors

The entity has a unitary board, which consist of executives and non-executives directors. The Board is chaired by a non-executive director, Prof Mongane Wally Serote. The board meets regularly, at least quarterly and retain full control over the company. The Board remains accountable to the City of Johannesburg Metropolitan Municipality, the sole member and its stakeholders, the citizens of Johannesburg. A Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity' relationship with the City of Johannesburg. The Board provides Monthly, Quarterly, Bi-Annually and Annual Reports on its performance and service delivery to the parent municipality as prescribed in the SDA, the MFMA and the MSA.

Non-executive Directors contribute an independent view to matters under consideration and add to the depth of experience of the Board. The roles of Chairperson and Managing Director are separate, with responsibilities divided between them. The Chairperson has no executive functions. Members have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters including compliance with Company Rules and Procedures, statutory regulations and best corporate practices.

The Board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. An annual director and peer review is undertaken, as well as a Board evaluation.

The term of office of the non-executive directors is subject to review at the Annual General Meeting. A performance evaluation of the Board is conducted at the end of the financial year. Any shortcomings are addressed and areas of strength consolidated. The performance of board committees are evaluated against the terms of reference.

Board of Directors



NKOPANE MAPHIRI
Board Chairperson



XOLISWA NDUNENI-NGEMA
Chief Executive Officer



SOLOMON MPHAKATHI
Chief Financial Officer



STELLA BALOYI
Non-Executive Director



AMANDA FORSYTHE
Non-Executive Director



MPUMELELO MKHABELA
Non-Executive Director



MAKHOSAZANA MBATHA
Non-Executive Director



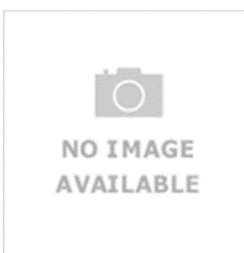
THABO MOITSHEKI
Non-Executive Director



JUNIOR RAMOVHA
Non-Executive Director



MPHO LECOGE
Non-Executive Director



THEOPHILUS MUKHUBA
Non-Executive Director



ASHLEY HAYDEN
Non-Executive Director

BOARD OF DIRECTORS' PROFILES

MR NKOPANE MAPHIRI (CHAIRPERSON)

Mr Maphiri is a media and communications professional with over 23 years of experience in public and private enterprises.

Amongst other activities, he has served as a Ministerial Committee advisor on the broadcasting policy, which led to the Broadcasting Act of 1999, and as a board member of AMARC, an international non-governmental organization contributing to the development of community and participatory radio. He has also served as the Chief of Operations of the Media Development and Diversity Agency (MDDA), a statutory development agency for promoting and ensuring media development and diversity.

MS XOLISWA NDUNENI-NGEMA (CHIEF EXECUTIVE OFFICER)

Xoliswa Nduneni-Ngema has an extensive track record in the arts, having been in the industry for more than twenty years serving in various portfolios and positions within the public and private sector. She was the former CEO of the South African State Theatre in Pretoria and former Project Manager of the Newtown Cultural Precinct.

In Newtown, Xoliswa left a trademark of festivals and concerts that were the first for the City of Joburg. She was previously CEO of Bassline Music Centre and Director and Producer for Sibojama Theatre, a company established by Hugh Masekela and James Ngcobo. Xoliswa also served as Council Member of Windybrow Theatre, a Board Member of Emthonjeni Arts Residency and Dance Umbrella and a Director of the Joburg Fashion District.

MR SOLOMON MPHAKATHI (CHIEF FINANCIAL OFFICER)

Solomon Mphakathi is a qualified chartered accountant with more than 10 years' experience in the finance and auditing field. He was born in the then Transkei in the district of Engcobo in 1979. He graduated his Bcom (Acc) degree from the University of Fort Hare. He then went to further his studies in commerce with the University of Port Elizabeth where he graduated with a certificate in financial accounting. In 2004 he completed his Bcom (Acc) Hons with the University of Kwazulu Natal. He trained for the CA qualification in the Office of the Auditor General where he amassed a lot of public sector experience.

On completion of his training he then joined Engen Petroleum Limited in Cape Town in their internal audit division. A year later he joined one of the then biggest internal audit departments at Eskom where he held a position of a Senior Audit Advisor. He then joined Transnet Engineering as Corporate Governance Manager responsible for continuous internal controls improvement and monitoring, investigations and maintenance of good corporate governance practices. At a later stage he promoted to a position of Senior Finance Manager responsible for the whole financial management and financial discipline of one of the biggest businesses in Transnet Engineering.

MS STELLA BALOYI

Stella is an entrepreneur and has twenty (20) years' experience in the Travel Industry as well as in the consulting, marketing and sales industry within the corporate travel sector.

She holds a diploma in tourism and is a member of Association of Southern African Travel Agents (ASATA), Southern African Association for the Conference Industry (SAACI) and South African Travel Centre (SATC).

Stella is the co-founder of Nineteen76, a 100% female black owned travel agency with its offices in Pretoria and Polokwane.

MS AMANDA FORSYTHE

Amanda is an interpreter and translator having studied philosophy and French at the University of Joburg. She also completed the Cambridge Interpreters Course in advanced training by chief interpreters of major international organisations.

Her professional background runs from being an in-house interpreter and translator at the French Embassy, being a commercial attaché at the French Trade Commission, being a former Councillor of ward 87 in the City of Joburg as well as a lecturer in French translation at the University of Joburg.

Amanda's private sector clients include Johnson & Johnson, Lafarge, Denel Dynamics and Eversheds.

MR MPUMELELO MKHABELA

Mpumelelo Mkhabela is a media production professional who was once, as part of his career, a South African National Editors' Forum (SANEF) Chairman and an editor for the Sowetan.

Mkhabela has been a journalist since 1999. He started his career as a junior reporter at City Press. In 2001 he was appointed parliamentary correspondent, a position he held until 2007 when he joined the Sunday Times as senior political writer and later parliamentary bureau chief.

In 2010 he was appointed deputy editor of The Sunday Independent. In 2011 he was appointed editor of the Daily Dispatch before he was transferred to Sowetan as editor. He holds a BA (Hons) in English and Political Science from the University of Limpopo, Bachelor of Journalism (Hons) from Stellenbosch University, a certificate in finance for non-financial managers and an MA in International Politics (Cum Laude) from UNISA.

MS MAKHOSAZANA MBATHA

Makhosazana holds a BA: Communication from the University of Joburg and certificates in Copywriting AAA and in social media and digital copywriting AAA.

Her background includes building and executing social media strategy, creating content for various clients on social media platforms like Twitter and Facebook as well as managing community engagement.

MR THABO MOITSHEKI

Thabo comes from an education profession background and is qualified with a diploma in Arts Education. He has experience in performance management, event planning, employment equity and diversity management as well as policy development and management.

Change and Strategic management are also some of the competencies Thabo possesses. He is also the founder member of Kagiso Life Line Centre (Centre for Trauma and stress).

During the 90s stretching into the 20s, Thabo was an advisory member of the Vaal Community Radio and also a regional chairperson of NASDEV (a body for student development practitioners in Institutions of Higher Learning).

MR JUNIOR RAMOVHA

Junior comes from a public administration background having worked in the public service spectrum and having been primarily responsible for implementing community development projects.

His skills and competencies are project management, change management and governance. His involvement in community activities, particularly, sports and recreation has enhanced his strategic networking and planning with various organisations and stakeholders.

During his tenure in the City of Joburg, he developed a strategy to create awareness of the City's sports and recreation programmes to heighten the use of sports and recreation facilities.

MS MPHONGA LECOGÉ

Mpho Lecogé is qualified with a diploma in training and development as well as a diploma in secondary education. Her professional experience cuts across human resources administration, employee compensation, benefits, education and organisational performance management.

She has worked and held executive management positions in various private and public sector companies such as Nandos southern Africa, National Health Laboratory Service and Barloworld Equipment, Botswana.

At present, Mpho is the managing director of Umthunzi Holdings cc, a female owned company which specialises in human resources development and management.

DR THEOPHILUS MUKHUBA

Dr Mukhuba is qualified with a Bachelor of Arts degree, university education diploma and a Bachelor of Arts (Honours) majoring in poetry, poetics, drama, fiction and research essay from the Rand Afrikaans University (now the University of Joburg).

He also holds a Masters of Education in Educational Linguistics and certificate courses in project management and financial management for non-financial managers. Dr Mukhuba is a member of the South African Council of Educators. He also is a writer and publishes articles online and in journals.

MS ASHLEY HAYDEN

Ashley is a freelance television director and radio presenter who holds a BA (Hons) from Rhodes University.

She has extensive experience in directing television crews, coaching executives and staff of various organisations on media liaison as well as communication strategies.

Ashley also fund raises for different charitable organisations such as the Homestead Organisation for Street Children, Greyhound Rescue and Kitty and Puppy Haven.

Attendance at meetings held during the year was as follows:

JOBURG THEATRE: NON-EXECUTIVE DIRECTORS (NED) AND INDEPENDENT AUDIT COMMITTEE MEMBERS (IAC)														
NAME	BOARD MEETING	CHAIRPERSON'S QUARTELY	GROUP AUDIT COMMITTEE	GROUP RISK GOVERNANCE COMMITTEE	GROUP PERFORMANCE AUDIT COMMITTEE	AUDIT & RISK COMMITTEE	REMUNERATION, SOCIAL & ETHICS COMMITTEE	ANNUAL GENERAL MEETING	ARTISTIC COMMITTEE	STRATEGIC PLANNING SESSION	RISK ASSESSMENT WORKSHOP	SHAREHOLDER COMPACT & NED/IAC INDUCTION	ATTENDANCE FOR RETAINER FEES 2014/15	TOTAL
Number of Meetings	5	2	7	4	5	5	2	1	1	1				33
Mongane Serote (Board Chairperson) *	4	2												6
Mavuso Shabalala (NED) [ARC Chairperson] *	3		7	3	5	4		1		1				24
Ishmael Mkhabela (NED) [RemSEC: Chair] *	4						2				1			7
Mabutho Sithole (NED) [AC: Chair] *	4							1	1	1				7
Todd Twala (NED) *	4							1	1	1				7
Lorraine Malebo (NED) *	3						1							4
Sipho Sithole (NED) *	2						2	1	1	1				7
Jonny Modipa (NED) *	4						1			1				6
Eugene Sindair (NED) *	4						2	1		1				8
Tshidi Molala (IAC)						4		1						5
Chrystal Cape (IAC)						4				1	1			6
Manana Moroka (IAC)						5		1			1			7
Nkopane Maphiri (Board Chairperson) #	1													1
Ashely Hayden (NED) #	1							1					2	4
Mpho Lecoge (NED) [RemSEC: Chair] #	1							1					2	4
Stella Baloyi (NED) #	1							1					2	4
Theophilus Mukhuba (NED) [AC: Chair] #								1					1	2
Amanda Forsythe (NED) #	1							1					2	4
Thabo Moitsheki (NED) #													2	2
Makhosazana Mbatha (NED) #	1							1			1		2	5
Mpumelelo Mkhabela (NED) [ARC Chairperson] #	1							1					2	4
Junior Ramovha (NED) #	1							1					2	4
Retired on 16 March 2017 *														
Appointed on 16 March 2017 #														

The Board of Directors has adopted the Board Charter which encapsulates the City of Johannesburg Governance Protocol and includes matters of ethics, procedure and the conduct of committee members. Registers are kept and updated on the disclosure and declaration of interests of directors and senior management. The Board and Senior Management ensure that there is full material compliance to all relevant legislation.

Section 3: Board Committees

The board committees assist the Board in the discharge of its duties and responsibilities. Each board committee has formal written terms of reference that are reviewed annually and effectively delegated in respect of certain of the board's responsibilities. The board monitors these responsibilities to ensure effective coverage of, and control over, the operations of Joburg Theatre. The following committees have been formed, each of which is chaired by a non-executive director:

- Audit and Risk Committee
- Remuneration, Social and Ethics Committee
- Artistic Committee

3.1 Audit and Risk Committee

The Audit and Risk committee consist of three independent audit committee members and two non-executive directors:

- Mr Mavuso Shabalala* (Non-Executive Director - Chairperson)
- Ms Tshidi Molala (Independent Audit Committee Member)
- Ms Chrystal Cape (Independent Audit Committee Member)
- Ms Margaret Moroka (Independent Audit Committee Member)
- Mr Mpumelelo Mkhabela# (Non-Executive Director – Chairperson)
- Ms Amanda Forsythe# (Non-Executive Director)

* Retired 16 March 2017

Appointed 16 March 2017

The role of the audit and risk committee is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. The audit and risk committee exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The committee met five times during the year under review.

The audit and risk committee operates in accordance with a written charter authorised by the board, and provides assistance to the board with regard to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosures;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Review/ approval of external audit plans, findings, problems, reports and fees;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with code of ethics.

The audit and risk committee has been delegated the task of overseeing the quality, integrity and reliability of the company's risk management function. In terms of its mandate, it reviews and assesses the integrity and the quality of risk control systems and ensures that risk policies and strategies are effectively managed.

The audit and risk committee addressed its responsibilities properly in terms of the charter during the year under review. No changes to the charter were adopted during the year under review.

Management has timeously provided quality quarterly reports and annual financial statements reviewed by the audit and risk committee and recommended for Board approval.

The audit and risk committee considers the annual financial statements of the entity to be a fair presentation of its financial position on June 30th 2016 and of the results of its operations, changes in equity and cash flow for the period ended then in accordance with GRAP and the Companies Act.

As recommended in King III, an Audit and Risk Committee assessment was conducted, the results of which confirmed that the Committee had discharged its mandate in full. The Board confirms that the Committee discharged its mandate during the period under review.

The audit and risk committee is pleased to note that all components of the integrated report are included as is required in terms of section 121(3) of the MFMA as follows :

- The annual financial statements of the municipality
- The Auditor General report
- Report of the Audit Committee
- The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;
- The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.
- An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;
- Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports
- Any explanation that maybe necessary to clarify issues that are in connection with the financial statements.

As indicated above, the quality of the integrated report is adequate. Therefore the audit and risk committee recommended for the approval by the board and the shareholder.

3.2 Remuneration, Social and Ethics Committee

The Remuneration, Social and Ethics committee consists of the following non-executive directors:

- Mr Ishmael Mkhabela* (Chairperson)
- Ms Lorraine Malebo*
- Bishop Eugene Sinclair*
- Mr Siphso Sithole*
- Advocate Johnny Modipa*
- Ms Mpho Lecoge# (Chairperson)
- Ms Stella Baloyi#
- Mr Junior Ramovha#

* Retired 16 March 2017

Appointed 16 March 2017

The committee met twice during the year under review.

Section 43 (5) of the Companies Regulations, 2011 states that the Social and Ethics Committee has the following functions:

- (a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - (i) Social and economic development, including the company's standing in terms of the goals and purposes of:
 - (aa) the 10 principles set out in the United Nations Global Compact Principles; and
 - (bb) the OECD recommendations regarding corruption;
 - (cc) the Employment Equity Act; and
 - (dd) the Broad-Based Black Economic Empowerment Act;
 - (ii) Good corporate citizenship, including the company's:
 - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - (cc) record of sponsorship, donations and charitable giving;
 - (iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;

The social and ethics committee advises the board on remuneration policies, remuneration packages and other terms of employment for all directors and senior executives. Its terms of reference also include recommendations to the board on matters relating *inter alia*, to general staff policy remuneration, bonuses, executive remuneration, director's remuneration and fees, service contracts, and retirement funds. The independent professional advisors advise the committee when necessary.

Section 5: Company Secretarial Function

Primary function of the company secretary is to act as the link between the board and management and to facilitate good relationships with the shareholders. The company secretary is responsible for the general administration, more specifically to ensure compliance to good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation.

CHAPTER FIVE

FINANCIAL PERFORMANCE



- DIRECTORS RESPONSIBILITY AND APPROVAL
- AUDIT COMMITTEE REPORT
- REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA
- DIRECTORS REPORT
- COMPANY SECRETARY'S CERTIFICATION
- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF FINANCIAL PERFORMANCE
- STATEMENT OF NET ASSETS
- CASH FLOW STATEMENT
- ACCOUNTING POLICIES
- NOTES TO THE ANNUAL FINANCIAL STATEMENTS
- STATEMENT OF COMPARISON OF BUDGET TO ACTUAL & ADJUSTED BUDGET
- REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND LEGAL PROCESS

CHAPTER SIX

AUDITOR-GENERAL AUDIT FINDINGS



KEY ACHIEVEMENTS

- **Highlights of the current audit opinion**
- **Progress made on resolving historical audit findings**
- **etc.**

Section 1: Report of the Auditor-General

Report of the auditor-general Gauteng provincial legislature and the council of the Roodepoort City Theatre NPC

Report on the financial statements

Johannesburg

30 November 2017



**A U D I T O R - G E N E R A L
S O U T H A F R I C A**

Auditing to build public confidence

Section 2: History of Auditor-General Findings

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

	2013/14	2014/15	2015/16	2016/17
Financial Audit Opinion	Unqualified	Clean	Clean	
Performance Audit Opinion	Unqualified	Clean	Clean	

Section 3: Historical Audit Findings and Remedial Action

ANALYSIS OF 2016/17 AUDIT FINDINGS

	NEW IN 2016/17	REPEAT FINDING	ACTIONS TO RESOLVE
Matters affecting Audit opinion			
Important Matters			
Administrative Matters			

Section 4: Commitment by the Board of Directors

The Board that has satisfied itself that the remedial actions taken on matters raised by the Auditor-General are adequate.

Chairperson

As submitted to the Auditor-General on 31 August 2017

In order to achieve compliance with the Auditor-General directive, the performance assessment (as per section 121(4)(c)) compare the actual performance against the measurable performance objectives set in the SDAs and other agreements between the entities and the COJ. There were no activities in 2016/17 as Roodepoort City Theatre NPC operations were transferred to Joburg Theatre SOC Ltd, since January 2013.

Section 4: Mitigation strategies on the assessment of the Integrated Reporting and MFMA Circular 63