



JOBURG | SOWETO | ROODEPOORT



a world class African city

**- JOBURG THEATRE-  
(SOC)LIMITED**

Registration No: 2000/013032/07

trading as  
Joburg City Theatres

# the **JOBURG THEATRE**



## **THIRD QUARTER PERFORMANCE REPORT 2020/21**

**1<sup>ST</sup> DRAFT  
SUBMITTED ON 06 APRIL 2021**

JOBURG THEATRE

SOC LIMITED

**COMPANY INFORMATION:**

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**Bankers** : **Nedbank Limited  
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## ABBREVIATIONS

Abbreviation/ Acronym	Explanation/ Description
AA	Affirmative Action
AFS	Annual Financial Statement
AG	Auditor General South Africa
AGM	Annual General Meeting
ARC	Audit and Risk Committee
BBS	Behaviour Based Safety
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CATHSSETA	Culture Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COJ	City of Johannesburg
EAP	Employees Assistant Programme
EE	Employment Equity
EPWP	Expanded Public Works Programme
EXCO	Executive Management Committee
FY	Financial Year
GAC	Group Audit Committee
GDS	Growth and Development Strategy
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IAC	Independent Audit Committee
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IT	Information Technology
JCT	Joburg City Theatres
JT	Joburg Theatre
KPA	Key Performance Area
GRAS	Group Risk and Assurance Services
KPI	Key Performance Indicator
MANCO	Management Team Committee
MFMA	Municipal Finance Management Act
MOE	Municipal Owned Entity
MOI	Memorandum of Incorporation
MSCMR	Municipal Supply Chain Management Regulations
NED	Non-Executive Director
PANSA	Performing Arts Network South Africa
RAC	Risk Assurance and Compliance
SAMRO	Southern African Music Rights Organisation
SCM	Supply Chain Management
SDA	Service Delivery Agreement
REMSEC	Remuneration, Social and Ethics Committee
RT	Roodepoort Theatre
SETA	Sector Education and Training Authority
SHEQ	Safety Health Environment and Quality
SLA	Service Level Agreement
ST	Soweto Theatre
STAGES	Stages Restaurant
YTD	Year to Date

## CHAPTER ONE: INTRODUCTION AND CORPORATE PROFILE

### Section 1: Corporate Profile / Overview of the entity



The City Council of Johannesburg initially constructed the Johannesburg Civic Theatre in 1962, creating a high-profile landmark on the top of the Braamfontein hill, which grew to become one of the most technically proficient theatres in the southern hemisphere. It was operated by the Johannesburg Civic Theatre Association<sup>1</sup>.

In July 2000 – when theatres across the country were considered to be both creatively and financially moribund – through the iGoli process, the Johannesburg Civic Theatre (Pty) Ltd was corporatised from the then Johannesburg Civic Theatre Association, a Section 21 Company. It was then rebranded in 2009 as Joburg Theatre.

Roodepoort City Theatre NPC t/a Joburg Promusica was founded in 1980. The name of the theatre was later changed to the Promusica Theatre, through the iGoli process in 2000. The theatre operates as a 328 seat auditorium and an 80 seat box theatre. In 2009/10, the strategic positioning of the organisation was reviewed, resulting in a stronger focus on the receiving house aspects of Promusica and a more concerted effort to attract independent producers to the venue.

The Soweto Theatre in Jabulani, Soweto was officially launched in 2012.

In 2011, a high-level review of the City's institutional arrangements was commissioned, and it resolved that Joburg Theatre (SOC) Ltd and Roodepoort City Theatre NPC t/a Joburg Promusica be integrated into a single theatre management company; and further to institutionalise the operations of the newly established Soweto Theatre under the same structure.

The strategic rationale for this decision was as follows:

- 1) The governance structures of the entities were regarded as costly and perhaps not the ideal for small entity/ies that, by the nature of the service it offers to communities, will always rely on some funding from the City to be sustainable;
- 2) At the time, the relative independence of the entities had not facilitated an integrated strategic approach and plan for the (sic three) theatres, or indeed for integrated arts and culture advancement and resultant socio-economic benefit within the City.

Therefore, it was recommended that all the theatres be integrated under a single "Theatre Management Company", with one Board and "Group CEO/MD" to manage the three theatres. In addition, benefit would be realised by savings at executive level (i.e. single CFO, Company Secretary, Shared Services, etc.).

The merger of the Joburg Theatre (SOC) Ltd and Roodepoort City Theatre NPC t/a Joburg Promusica was approved by Council on 25 August 2011, pending the required due diligence and legal processes; and the integrated theatre management company – now called **Joburg City Theatres (JCT)** – was mandated to render the functions and services that, until 31 December 2012, were rendered by the three theatres. The effective date for the integration was 1 January 2013.

Joburg Theatre is also permanent home to Joburg Ballet, which is supported by an annual grant from Joburg City Theatres; as well as the Peoples Theatre Company – performing throughout the year to children between the

<sup>1</sup> Joburg Theatre – the First 45 Years, 1962–2007. September 2007

ages of 3 and 13 – and one of the country’s most respected community development projects in the arts, the tiny ‘black-box’ theatre known as space.com.

Since 2017, the Joburg Philharmonic Orchestra is also supported through an annual grant from Joburg City Theatres.

While not its core mandate, over the period since 2013 the hospitality, catering and restaurant services provided by Joburg City Theatres have also matured and grown, contributing significantly to revenue generation and to the suite of services that Joburg City Theatres offers.

The Board of the integrated “Johannesburg City Theatres” (JCT) is the Accounting Authority in terms of the Municipal Finance Management Act (MFMA). The Board provides strategic direction, leadership and oversight, so as to enhance shareholder value and ensure Joburg City Theatres’ long-term sustainability, development and growth. In fulfilling its responsibilities, the Board is supported by the Chief Executive Officer and the executive team in implementing the approved Strategic Plan and policies.

Joburg City Theatres strives to comply with the principles contained in the King 4 code of Good Governance in South Africa. In line with good corporate governance practices, the Board of Joburg City Theatres developed a 5-year corporate strategic plan for the organisation, which covers the period between 2019/20 and 2023/24. The approved strategic plan, focusses on the development of a series of aligned annual performance/business plans for the organisation, which reflects the medium-term and annual targets and responsibilities of the rolling milestones defined by the strategic plan.

In terms of its planning approach, historically, Joburg City Theatres has undertaken an annual process, led by the Board, to develop an Annual Business Plan, which includes the current year and two outer years. The challenge with this approach is that it is by its nature quite short-term (focused on the year at hand) and possibly lacks a longer-term (5-year and beyond) view of where the Theatres are going. The Board thus decided to lead a process for developing a longer-term strategic plan, which would provide a longer-term view of the Theatres. This would then inform the rolling Annual Business Plans over the period (1st for 2019/20) – which are then a series of progressive plans towards achieving the strategy.

The goal was to move beyond compliance driven planning to an integrated results-based approach to planning. While it is appreciated that the period of a Joburg City Theatres 5-Year Strategic Plan would extend even beyond the period of the Board’s tenure, this would form part of the Board “legacy”.

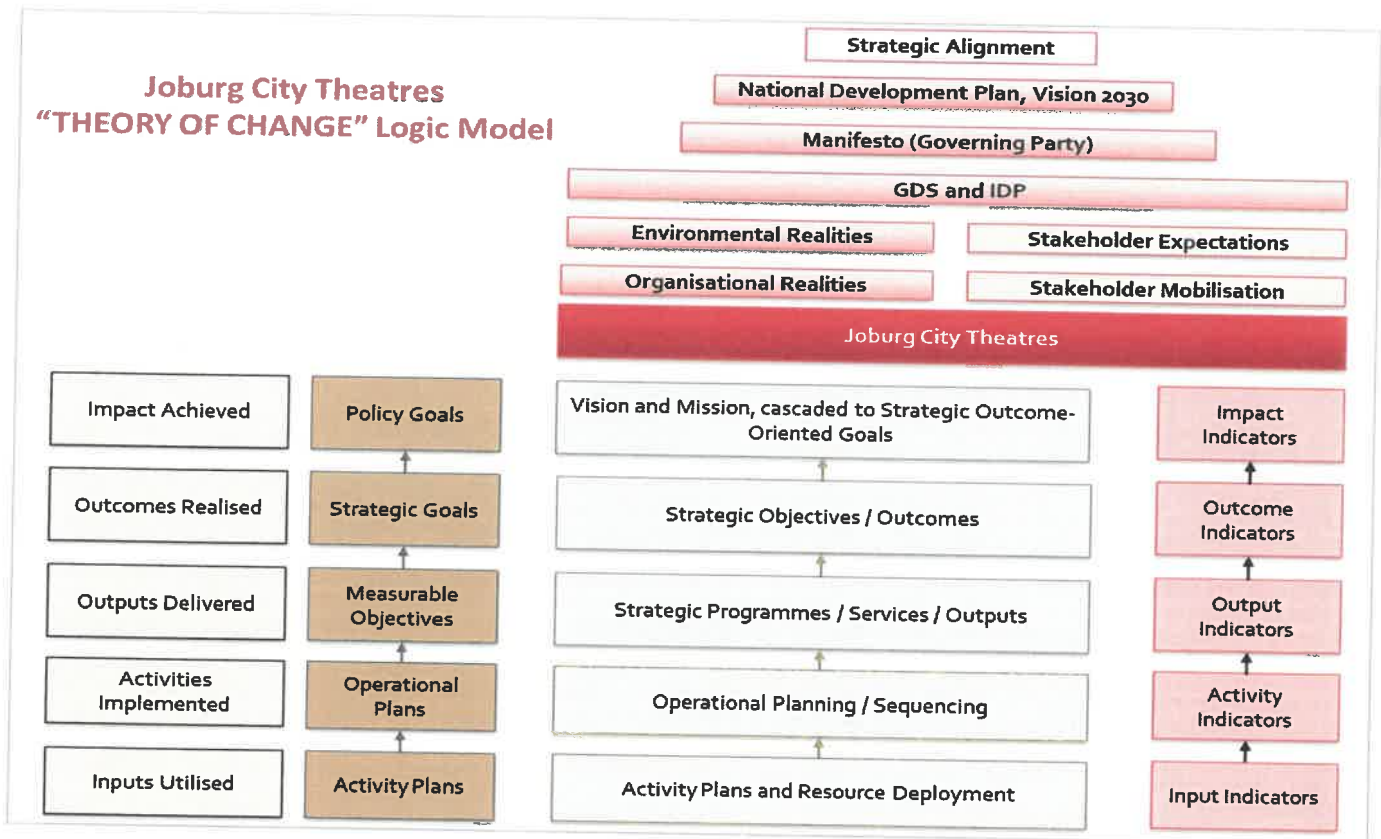
During November to December 2018, Joburg City Theatres thus embarked on an iterative process to critically examine its strategic posture and direction in line with its mandate, and in light of shifts in the environment, which have an impact on its planning and programme delivery. There was a need to examine and consider the changes in the performance environment, as well as the policy framework. The process culminated in the development of this strategic framework that is progressive in nature and practical to implement.

The overall aim of the process was to apply the principles of strategic review, analysis, planning, monitoring and evaluation in developing a strategic plan; reflecting aligned institutional arrangements and critical success areas to give effect to the strategic plan.

The planning process was necessarily iterative and focused on critically examining the strategic intent, goals, objectives and performance metrics to ensure that they are specific, measurable, achievable, and realistic and time bound – in accordance with “SMART” principles.

In facilitating the process towards the development of the Strategic Plan, a Theory of Change Logic Model was followed and informed the approach to the discussions and to the packaging of the strategic data, as follows:

**Figure 1: The Theory of Change Logic Model Informing the Planning Approach**



In response to the various engagements and considerations, the Joburg City Theatres Strategic Plan presented below seeks to provide the organisation with clarity of purpose and describes:

- 1) A strategic framework for Joburg City Theatres that defines the character of the organisation, including a response to the regulatory, external and industry environment, and the expectations of the various partners and stakeholders;
- 2) An articulation of the mandate, vision, mission and values of Joburg City Theatres, in light of a carefully considered and defined response to its mandate and primary object;
- 3) The strategic role of Joburg City Theatres in relation to that of its partners from the state, civil society and the private sector, both domestically and internationally, in together delivering well-planned, effective and responsive programmes and services;
- 4) The Joburg City Theatres business model and service offerings, and a balanced and aligned set of strategic goals, focus areas, objectives and aligned performance metrics for the five year period, that seek to articulate:
  - a) How to reposition and enhance the visibility of the organisation both domestically and internationally;
  - b) How to enhance the efficiency and effectiveness of Joburg City Theatres and its operations; and



- c) How to best apply and leverage limited resources in order to grow the reach and impact of the organisation in the next five years and beyond;
- 5) The required institutional arrangements and organisational design considerations to give effect to the strategy.

This Business Plan, as approved by the Board, then serves as input to the management team towards the development of an aligned Annual Performance Plan for 2020/21. Management will then actively pursue implementation of the approved Business Plan as aligned to the Five Year Strategic Plan of 2019/20-2023/24, under the oversight and guidance of the Board.

### **Mandate and Core Business**

In response to the National and City policy framework outlined above, Joburg City Theatres is governed in terms of its Memorandum of Incorporation and the amended Shareholder Agreement, that which outlines the role and primary objects of Joburg City Theatres. Read together, in terms of these documents, Joburg City Theatres focuses on the delivery of the following services:

- 1) The management and promotion of high-quality performing arts and entertainment facilities;
- 2) Provision of supportive hospitality infrastructure and services;
- 3) To enable Joburg residents to access and benefit from quality arts and culture facilities and experiences;
- 4) The hosting and showcasing of revenue generating local and international productions that have a positive impact on the financial sustainability of Joburg City Theatres, whilst also exposing Joburgers to globally recognised professional entertainment;
- 5) The hosting of quality performing arts and entertainment productions that are attractive to both traditional and regular theatre goers, but also to new and diverse audiences;
- 6) The promotion and development of local content and local markets through programmes that advance social cohesion and support the transformation of society;
- 7) The in-house and/or co-production and staging of arts and entertainment productions in collaboration with local arts practitioners, entrepreneurs and enterprises;
- 8) The acceleration of youth development through enhancing the teaching and learning experience of learners, programmes that stimulate an interest in the arts as a viable career path and the provision of opportunities for future arts practitioners and entrepreneurs;
- 9) To conceptualise, create, produce, market and disseminate content, both through own facilities and by taking shows to communities;
- 10) To generate revenue over and above the subsidy received from the City through the effective delivery of the above services.

The primary mandate of Joburg City Theatres is:

***To provide a high quality and innovative live entertainment and educational programmes, which serves the diverse communities of the City of Joburg and supports social cohesion, inclusivity and tolerance.***

In support of this primary mandate, the core business of Joburg City Theatres is:

- *To provide high quality, well-managed and accessible theatre and live entertainment venues, and proactively work to develop new audiences and markets;*
- *To provide high quality, well-managed and accessible theatre and live entertainment venues, and proactively work to develop new audiences and markets;*
- *To identify, commission and produce relevant productions and experiences; and support youth development, including the development of future arts practitioners and entrepreneurs; and*
- *To offer quality support and services that enable the acquisition and hosting of local and international professional productions and experiences that are relevant to diverse audiences.*

## Vision

Joburg City Theatres sets for itself the following vision:

***A leading World Class home of live entertainment, providing sustainable, development-oriented and diverse programming.***

In support of the City of Joburg's Vision:

***Johannesburg – a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society. Joburg. My City – Our Future!"***

## Mission

In achieving the above vision, Joburg City Theatres' mission is:

***To produce and present innovative and relevant indigenous and international entertainment programmes that promote diversity and social cohesion.***

In so doing, Joburg City Theatres' commits to:

- *Conceptualise, manage, host and promote high quality performing arts and entertainment experiences and facilities;*
- *Create opportunities for affordable access and use of theatres by all communities;*
- *Provide opportunities for the youth, including the development of future arts practitioners and entrepreneurs;*
- *Grow shareholder value by ensuring sound financial sustainability, good governance and;*
- *Work in partnership with others to maximise the impact of our programmes.*

## Values

To support and drive its core strategy, Joburg City Theatres appreciates that values identify the principles for the conduct of the institution in carrying out its mission. Joburg City Theatres' values define a citizen-oriented approach for producing and delivering its services in line with the service delivery improvement priorities of the CoJ, as follows:

Value	What it means in practice
<b>Service Excellence</b>	<ul style="list-style-type: none"> <li>▪ We will at all times render the quickest, responsive and best service to our customers. We will do so in a competent, timely, cost effective, efficient and professional manner.</li> <li>▪ We will strive for enhanced levels of customer satisfaction and responsiveness, and diligently strive to meet and exceed our service standards.</li> </ul>
<b>UBUNTU (Care and concern for people)</b>	<ul style="list-style-type: none"> <li>▪ We will do our work with care, empathy and concern for the wellbeing of vulnerable communities, customers and stakeholders;</li> <li>▪ We will at all times display tolerance, respect and consideration of cultural diversity;</li> <li>▪ We will implement Batho Pele Principles.</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>▪ We will display punctuality, reliability, dependability and a commitment to meet deadlines;</li> <li>▪ We will act in a transparent manner and display ethical and consistent behaviour;</li> <li>▪ We will behave with integrity in all our actions, always acting in the best interest of the citizen and organisation.</li> </ul>
<b>Agility</b>	<ul style="list-style-type: none"> <li>▪ We will seek to be flexible, adaptable and responsive to our highly competitive environment;</li> <li>▪ We will value and promote innovative ideas and solutions in order to deliver exceptional results;</li> <li>▪ We will strive to identify opportunities to delivery services more economically and efficiently, and to respond to revenue opportunities, given the constrained fiscal environment;</li> <li>▪ We will seek to leverage the positive social benefit of the arts, and to use the arts to address societal issues and promote greater quality of life.</li> </ul>

Designed as a broad set of programmatic interventions, the National Development Plan (NDP) proposes a 'virtuous cycle' of growth and development, whilst reducing poverty and inequality. The enablers are strong leadership throughout society, national consensus, social cohesion and a capable state. Chapter 15 of the NDP asserts that:

*"Arts and culture opens powerful spaces for engagement about where a society finds itself and where it is going. Promoted effectively, the creative and cultural industries can contribute substantially to small business development, job creation, urban development and renewal."*

In support of the NDP, the CoJ **Growth and Development Strategy 2040 (GDS)** presents five systemic outcomes that serve to guide and orientate all planning in the City and shape the priorities of the City to 2040, namely:

Outcomes	What it means in practice
<b>Outcome 1</b>	<p>Improved quality of life and development-driven resilience for all</p> <ul style="list-style-type: none"> <li>▪ <i>The City envisages a future that presents significantly improved human and social development realities, through targeted focus on poverty reduction, food security, development initiatives that enable self-sustainability, improved health and life expectancy, and real social inclusivity. By 2040, the City aims to achieve substantially enhanced quality of life for all, with this outcome supported by the establishment of development-driven resilience</i></li> </ul>
<b>Outcome 2</b>	<p>Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low-carbon economy</p> <ul style="list-style-type: none"> <li>▪ <i>The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g. housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives.</i></li> </ul>
<b>Outcome 3</b>	<p>An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens</p> <ul style="list-style-type: none"> <li>▪ <i>The City of Johannesburg will focus on supporting the creation an even more competitive, ‘smart’ and resilient city economy, when measured in relation to national, continent and global performance. The City will promote economic growth and sustainability through the meaningful mobilisation of all who work and live here, and through collaborating with others to build job-intensive long-term growth and prosperity, from which all can benefit</i></li> </ul>
<b>Outcome 4</b>	<p>A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.</p> <ul style="list-style-type: none"> <li>▪ <i>The City envisages a future where it will focus on driving a caring, responsive, efficient and progressive service delivery and developmental approach within the GCR and within its own metropolitan space, to enable both to reach their full potential as integrated and vibrant spaces.</i></li> </ul>

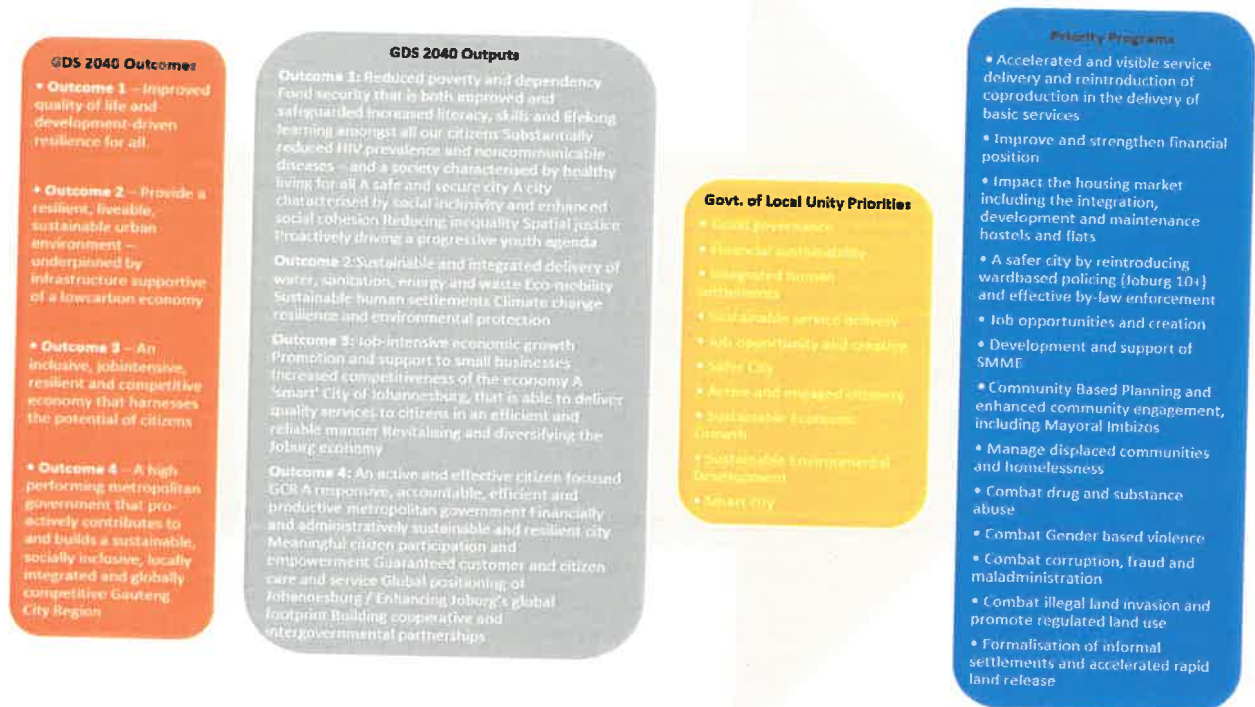
The above strategy and policy imperatives inform this business plan of Joburg City Theatres for the financial year 2020/21. In this regard, Joburg City Theatres is a progressive, complementary and supportive intergovernmental partner of the Department of Arts Culture.

As part of the Social and Human Development Cluster and located under the Department of Community Development with the MMC as Executive Authority, Joburg City Theatres is primarily tasked to support **GDS Outcome 1**, aimed at a future that presents significantly improved human and social development realities in the City; and to ensure an integrated approach to providing a comprehensive and effective service to all citizens of the City.

It is noted that JCT also contributes significantly to **GDS Outcome 1**, in terms of ensuring the role of the arts and creative industries in supporting a growing, diverse and competitive economy that creates jobs.

In turn, the following diagrams reflect the alignment of the GDS the new strategic agenda and the Government of Local Unity (GLU) priorities.

### Alignment to the New Strategic Agenda:



### The Aligned CoJ Priorities:

The above priorities are further unpacked specific to the Theatres, as follows:

### Specific priorities focus areas for JCT to 2021:

The following table presents the Joburg City Theatres alignment to the above priorities, and outlines the specific focus areas to 2021 for each:

COJ PRIORITIES AND IDP PROGRAMMES	JOBURG CITY THEATRES STRATEGIC FOCUS AREAS (Informing JCT Strategic Objectives and Key Result Areas)
<ul style="list-style-type: none"> <li>➤ <b>COJ Priority 7:</b> Active and Engaged Citizenry</li> <li><b>IDP Programme 7, 9 &amp; 10:</b></li> <li>➤ <b>Community Based Planning and enhanced community engagement, including Mayoral Imbizos</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Audience development;</li> <li>▪ Arts education and arts talent development.</li> <li>▪ Theatre open days</li> <li>▪ Mobile theatre truck – take theatre to communities;</li> </ul>

COJ PRIORITIES AND IDP PROGRAMMES	JOBURG CITY THEATRES STRATEGIC FOCUS AREAS (Informing JCT Strategic Objectives and Key Result Areas)
<ul style="list-style-type: none"> <li>➤ Combat drug and substance abuse</li> <li>➤ Combat Gender based violence</li> </ul>	
<p><b>COJ Priority 5: Job opportunity and creation</b></p> <ul style="list-style-type: none"> <li>➤ <b>IDP Programmes 5: Job opportunities and creation</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Expanded Public Works programmes (EPWP) opportunities</li> <li>▪ Provide opportunities for the youth, including development of future arts practitioners</li> <li>▪ Work opportunities created at JCT</li> </ul>
<p><b>COJ Priority 4: Sustainable Service Delivery</b></p> <ul style="list-style-type: none"> <li>➤ <b>IDP Programme 1: Accelerated and visible service delivery and reintroduction of coproduction in the delivery of basic services</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Thematic productions;</li> <li>▪ Host, develop and stage productions that tell the story – and promote civic pride / cohesion;</li> <li>▪ Customer care improvement;</li> <li>▪ Integrated programming of the theatres</li> <li>▪ Ensure efficient and effective internal business processes and systems.</li> </ul>
<p><b>COJ Priority 1: Good Governance</b></p> <p><b>IDP Programme 11:</b></p> <ul style="list-style-type: none"> <li>➤ Combat corruption, fraud and maladministration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Put mechanisms in place to verify observance of code of conduct and ethics and make it known within JCT;</li> <li>▪ Perform a comprehensive fraud risk assessment as part of the operational risk assessment;</li> <li>▪ Develop and deploy preventative and detective fraud control activities;</li> <li>▪ Formulate and collate a fraud response plan to ensure a coordinated approach to investigation and corrective action.</li> </ul>
<p><b>COJ Priority 2: Financial sustainability</b></p> <ul style="list-style-type: none"> <li>➤ <b>IDP Programme 2: Improve and strengthen financial position</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Grow shareholder value by ensuring sound financial management, financial control and growth in revenue;</li> <li>▪ Increase asset utilisation and leveraging investment;</li> <li>▪ Well planned and implemented CAPEX and maintenance programme.</li> <li>▪ Cost efficiency across value-chain;</li> </ul>
<p><b>COJ Priority 8: Sustainable Economic Development</b></p> <ul style="list-style-type: none"> <li>➤ <b>IDP Programme 6 Development and support of SMME</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ SMME support;</li> <li>▪ Ensure sound and consistent supply chain management processes that support preferential procurement, and enhance the contribution of JCT to enterprise development;</li> <li>▪ Cultivate local entrepreneurs / suppliers.</li> </ul>

COJ PRIORITIES AND IDP PROGRAMMES	JOBURG CITY THEATRES STRATEGIC FOCUS AREAS (Informing JCT Strategic Objectives and Key Result Areas)
<p><b>COJ Priority 10: Smart city</b></p> <p>➤ <b>IDP Programme 1:</b> Accelerated and visible service delivery and reintroduction of coproduction in the delivery of basic services</p>	<ul style="list-style-type: none"> <li>▪ Theatre production streaming</li> <li>▪ Offering free wifi in theatre venues</li> </ul>
<p><b>COJ Priority 7: Active and Engaged Citizenry</b></p> <p>➤ <b>IDP Programme 1:</b> Accelerated and visible service delivery and reintroduction of coproduction in the delivery of basic services</p>	<ul style="list-style-type: none"> <li>▪ THEMATIC FOCUS OF PRODUCTIONS: (Edu-tainment and productions that address issues).</li> <li>▪ Relevant programming;</li> <li>▪ Host, develop and stage productions that tell the story – and promote civic pride / cohesion;</li> <li>▪ Culture, heritage and arts appreciation and education.</li> </ul>
<p><b>COJ Priority 8: Sustainable Economic Growth</b></p> <p>➤ <b>IDP Programmes 5 &amp; 6:</b> Job opportunities and creation Development and support of SMME</p>	<ul style="list-style-type: none"> <li>▪ Audience and content development;</li> <li>▪ Arts education and arts talent development.</li> <li>▪ Promote accessibility to JCT venues and improve the utilisation of facilities;</li> <li>▪ Promote the visibility of facilities and JCT brand;</li> <li>▪ Take arts to communities.</li> </ul>
<p><b>COJ Priority 4: Sustainable Service Delivery</b></p> <p>➤ <b>IDP Programme 1:</b> Accelerated and visible service delivery and reintroduction of coproduction in the delivery of basic services</p>	<ul style="list-style-type: none"> <li>▪ Grow shareholder value by ensuring sound financial management, financial control and growth in revenue;</li> <li>▪ Cost efficiency across value-chain;</li> <li>▪ Customer care improvement;</li> <li>▪ Integrate the programming of the theatres and integrate the value chain of the theatres;</li> <li>▪ Ensure efficient and effective internal business processes and systems.</li> </ul>
<p><b>COJ Priority 1: Good Governance</b></p> <p>➤ <b>IDP Programme 11:</b> Combat corruption, fraud and maladministration</p>	<ul style="list-style-type: none"> <li>▪ Put mechanisms in place to verify observance of code of conduct and ethics and make it known within JCT;</li> <li>▪ Perform a comprehensive fraud risk assessment as part of the operational risk assessment;</li> <li>▪ Develop and deploy preventative and detective fraud control activities;</li> </ul>

COJ PRIORITIES AND IDP PROGRAMMES	JOBURG CITY THEATRES STRATEGIC FOCUS AREAS (Informing JCT Strategic Objectives and Key Result Areas)
	<ul style="list-style-type: none"> <li>▪ Formulate and collate a fraud response plan to ensure a coordinated approach to investigation and corrective action.</li> </ul>
<p><b>COJ Priority 9:</b> Sustainable Environmental Development</p> <p>➤ <b>IDP Programme 2:</b> Impact the housing market including the integration, development and maintenance hostels and flats</p>	<ul style="list-style-type: none"> <li>▪ Promote accessibility to JCT venues in support of quality liveable spaces / urban revitalisation around the precincts;</li> <li>▪ Increase asset utilisation and leveraging investment;</li> <li>▪ Well planned and implemented CAPEX and maintenance programme.</li> </ul>
<p><b>COJ Priority 2:</b> Financial sustainability</p> <p>➤ <b>IDP Programme 2:</b> Improve and strengthen financial position</p>	<ul style="list-style-type: none"> <li>▪ Grow shareholder value by ensuring sound financial management, financial control and growth in revenue;</li> <li>▪ SMME support;</li> <li>▪ Ensure sound and consistent supply chain management processes that support preferential procurement, and enhance the contribution of JCT to enterprise development;</li> <li>▪ Cultivate local entrepreneurs / suppliers;</li> <li>▪ Encourage urban regeneration in Braamfontein / Newtown and Jabulani Cultural Precinct nodes, in order to stimulate economic growth in contribution to the 5% target.</li> </ul>

## Section 2: Strategic Objectives

As the organisation pursues its Vision and Mission, the Strategic Objectives are derived from the above strategic intent and business model, and are aligned to both the GDS 2040 and CoJ strategic priorities and outcomes of the Government of Local Unity.

Five Strategic Objectives have been developed in order to enable Joburg City Theatres to effectively focus and prioritise its options in delivering on its mandate and to respond to the above strategic focus areas.

- JCT forms part of the City's Human and Social Development Cluster, integrating the work of the City departments and entities that take the strategic and practical lead on the City's constitutional mandate to promote the social development and upliftment of its residents. Though the cluster contributes to all four strategic outcomes as set out by the 2040 GDS, it is primarily organised around **outcome Outcome 1: Improved quality of life and development-driven resilience for all.**

This is a commitment to improving social, health and safety conditions city wide, with a targeted focus on poverty and deprivation, a strong push to promote social inclusion and an emphasis on self-sustaining transformation and building capacity amongst residents themselves to eliminate long-standing problems and handle new shocks. JCT's contribution in the cluster is **"targeting deprived spaces and communities through Arts and Culture Programming"**.



In delivering its core functions and services, Joburg City Theatres is aligned to, and supports the vision of the City of Johannesburg as articulated in the GDS:

***Johannesburg – a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society. Joburg.***

***My City – Our Future!***

For the period 2020/21 and beyond, five (5) Strategic Objectives have been developed in order to enable Joburg City Theatres to effectively focus and prioritise its options in delivering on its mandate and respond to the above strategic focus areas. The Strategic Objectives are framed as statements that describe the outcome expected as a result of Joburg City Theatres' intervention, and are elaborated upon in the table below:

Five Strategic Objectives have been developed in order to enable Joburg City Theatres to effectively focus and prioritise its options in delivering on its mandate and to respond to the above strategic focus areas.

The Strategic Objectives are framed as statements that describe the outcome expected as a result of Joburg City Theatres' intervention and are elaborated upon in the table below:

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**Table 3: Joburg City Theatres Strategic Objectives**

Joburg City Theatres Strategic Objective (Towards achieving the mandate, mission and Strategic Priorities)	Objective Description and Focus Areas	CoJ Priority Alignment
<ul style="list-style-type: none"> <li>• <b>High quality performing arts and entertainment experiences and facilities.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Excellence in delivery of the JCT core business, in support of the mandate, vision and mission;</li> <li>▪ Supporting the development and creation of work;</li> <li>▪ Strengthening the acquiring and hosting of local and international work;</li> <li>▪ Facilitate production partnerships with theatres in South Africa and the African Diaspora for the development of productions from African stories;</li> <li>▪ Ensuring facilities and infrastructure are in excellent condition; and</li> <li>▪ Monitor and enhance customer satisfaction and the achievement of service standards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Sustainable service delivery</b></li> <li>▪ Financial sustainability</li> <li>▪ Job opportunity and creation</li> <li>▪ Smart City</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Build JCT brand awareness and grow market share of JCT as a leading brand;</li> <li>▪ Build JCT visibility through enhanced marketing, communication and stakeholder management;</li> <li>▪ Leveraging of mutually beneficial partnering agreements and joint programmes; and</li> <li>▪ Fundraising and donations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainable Service Delivery</li> <li>▪ Financial sustainability</li> </ul>

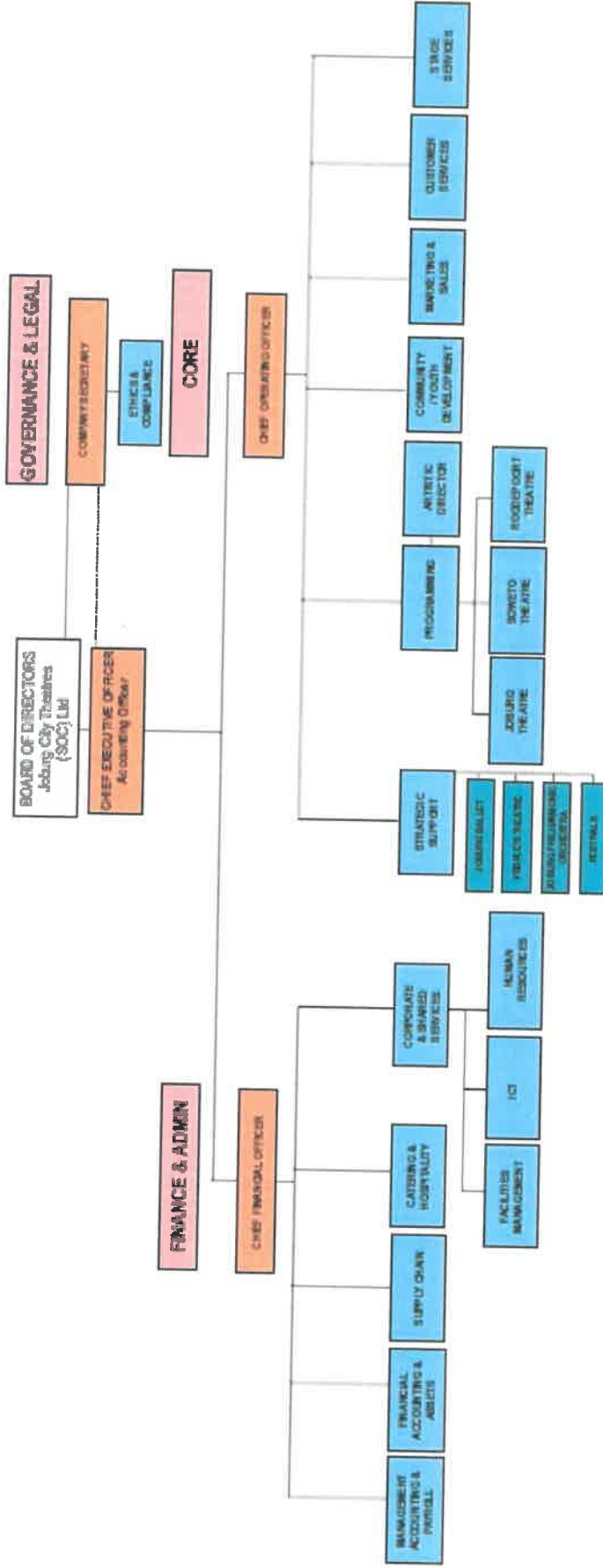
Joburg City Theatres Strategic Objective (Towards achieving the mandate, mission and Strategic Priorities)	Objective Description and Focus Areas	CoJ Priority Alignment
<ul style="list-style-type: none"> <li>• <b>Provision of opportunities for the youth, including future arts practitioners and entrepreneurs.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Support local content development;</li> <li>▪ Support for youth development programmes;</li> <li>▪ Facilitate partnerships and co-productions that widen the participation of local producing partners engaged with JCT;</li> <li>▪ Implement structured opportunities for the development of the talents and skills of young people in the arts; and</li> <li>▪ Sound and consistent supply chain management processes that support preferential procurement, and enhance the contribution of JCT to enterprise development.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Active and engaged citizenry</b></li> <li>▪ Job opportunity and creation</li> <li>▪ Sustainable Economic Growth</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Affordable access to and use of theatres by communities.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Thematic productions that address issues;</li> <li>▪ Engagement with arts practitioners, private sector and communities in bringing new audiences into contact with JCT programmes;</li> <li>▪ Develop future audiences by providing discounted tickets to learners;</li> <li>▪ Provide access to JCT venues;</li> <li>▪ Accessibility to theatres venues for people living with disabilities; and</li> <li>▪ Mechanisms and approaches that assist to make theatre going practical for various communities;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Job opportunity and creation</li> <li>▪ Active and Engaged Citizenry</li> <li>▪ Sustainable service delivery</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Good governance, financial sustainability and sound management.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance the imperative for revenue generation with socio-economic development;</li> <li>▪ Grow shareholder value by ensuring sound financial management, financial control and growth in revenue;</li> <li>▪ Increase asset utilisation and leveraging investment;</li> </ul>	<ul style="list-style-type: none"> <li>▪ Good Governance</li> <li>▪ Financial Sustainability</li> </ul>

<b>Joburg City Theatres Strategic Objective</b> <b>(Towards achieving the mandate, mission and Strategic Priorities)</b>	<b>Objective Description and Focus Areas</b>	<b>CoJ Priority Alignment</b>
	<ul style="list-style-type: none"> <li>▪ Cost efficiency across value-chain;</li> <li>▪ Customer care improvement;</li> <li>▪ Integrate the programming of the theatres and integrate the value chain of the theatres; and</li> <li>▪ Ensure efficient and effective internal business processes and systems.</li> </ul>	

### Section 3: Salient Features

- JCT managed to stream 5 productions
- **73% scorecard** achievement
- JCT **celebrated Black History Month Indaba in collaboration with...???**
- My Vagina Was Not Buried With Him, in collaboration with CoJ: Community Development, ACH for Human Rights Month, this was staged at both Joburg Theatre and Soweto Theatre
- Recording of Joyous Celebration 25 album and DVD
- Kampoer, a partnership with Martket Theatre
- Vuma Zion at Soweto Theatre
- The average spend for JCT on BBBEE is **92%** while spend on SMMEs averages at **42%**
- The total revenue for 2019/20 3rd quarter was R40 million and in the 2020/21 is R41.8 million representing an increase of 4%.

Section 4: High-Level Organisational Structure



**JOBURG CITY THEATRES**  
(SOC) Ltd  
Company Organogram

## Section 5: Chairperson's Foreword



This report is an account of the Joburg City Theatres' performance for Third Quarter of 2020/21 financial year, which indicates 73% achievement of the targets set in its approved 2020/21 Business Plan, whilst 45% percent was partially achieved on Capex. These achievements are a direct result of the dedication of employees of Joburg City Theatres, together with the stakeholders who worked tirelessly, and at times work odd hours of the day to ensure that service delivery continues, I express my gratitude to them.

During this reporting period, the focus was on business processes and service delivery optimisation. The industry is still facing worldwide outbreak of the COVID-19 virus, the National Disaster Act and Government Regulations have led to a number of restrictions such as public gatherings, social distancing, opening of outlets according to the specified needs of the Lockdown levels, thus impacting the implementation of the budget commitments and project plans. Despite the fact that this pandemic is a catastrophe for our economies and culture as a whole, it provides us with an incentive to direct our collective energies to combat it. As a result, we must look at our environment from new eyes and redefine the strength of our cultures.

The Board has however noted the underperformance of the entity in critical service delivery related targets as outlined in the attached Service Delivery Budget and Implementation Plan (SDBIP).

In realising our vision of 'A world-class, world-class live entertainment home offering sustainable, growth-driven and diverse programs', Joburg City Theatres continues to focus on the creation and maintenance of a business environment conducive to theatre practitioners to stimulate economic growth and creative jobs even under the terrible cloud of the Covid-19 epidemic.

I thank our various stakeholders and collaborators for their selfless efforts, creativity underpinned by a heart of service, and dedication to the conservation of our people's lives, the environment, land, and industry. The next monitoring cycle will necessitate us working as a team to restore and adjust to the new standard.

I would like to express my gratitude to members of the board of directors and the independent audit committee for delegating oversight and strategic advice in order to ensure the company's long-term viability and governance. Finally, I would like to share our gratitude as JCT Board and thank our MMC, Cllr Margaret Arnolds, for her strategic leadership representing the shareholder, the City Manager for guidance and continuous support and the Executive Mayor for his vision in leading this amazing and exciting City.



**Desmond Ndzipho**  
Chairperson of the Board  
Joburg Theatre (SOC) Ltd

## Section 6: Chief Executive Officer's Report



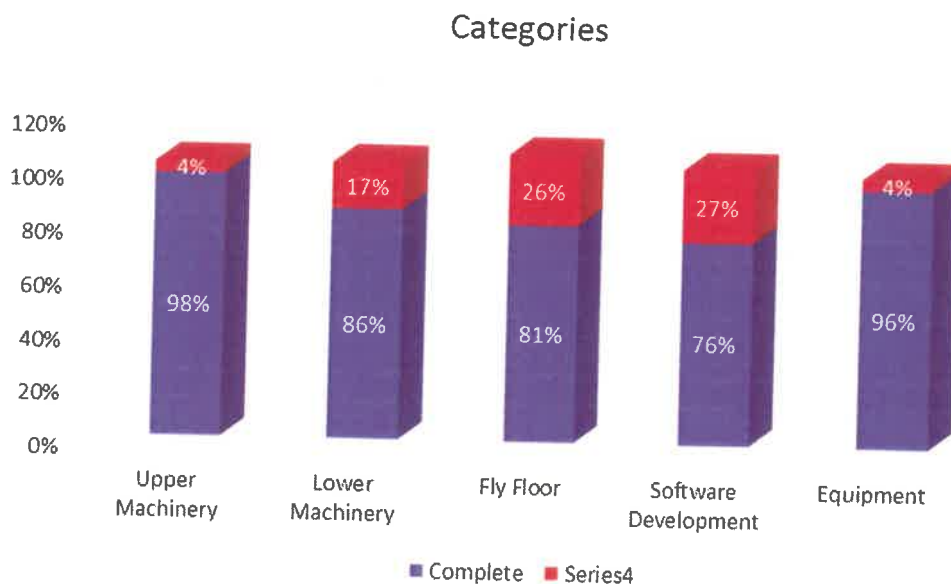
The purpose of this report is to provide the Third Quarter performance of the 2020/21 financial year of Joburg City Theatres (JCT).

It is worth noting that 2021 started amidst the COVID-19 lockdown, a phenomenon that has led to the slowdown of JCT's operations. Social distancing requirements many performing arts institutions attempted to adapt by offering digital services. In particular, this resulted in the free online streaming of previously recorded performances of productions.

New patterns have undoubtedly arisen within the company. The most significant is the switch to multimedia or livestreaming. The entity, on the other hand, does not feel that it can replace the essence of what theatre is or serves to be as a medium. Nothing can replace the live experience of being in the same room as the performer and seeing it live, or the communication or connection between audience members and artists.

We are committed to continued improvements and ensuring that the entity delivers on its mandate and contributes to improving the quality of lives of the residents of the City of Johannesburg. Without hiding behind the Covid-19 impact, it is worth noting that the pandemic has presented an unprecedented challenge in the theatre industry in South Africa and world over. Streaming of productions does not generate revenue that would be generated by bums on seats and full venues. Many productions have had to be cancelled or postponed but we remain optimistic that things will start shaping up in the 2021/22 financial year – obviously in a new normal.

JCT pro-actively took an opportunity to accelerate the upgrade of stage machinery project at Joburg Theatre which started in 2019. Looking at the total project, eighty seven percent (87%) of all the work has been completed. The upper machinery upgrade is the most complicated upgrade because of the amount of motors and control cabinets conversions. Most of the upgrades are processed in the background and from a patron's view not much would appear to change. However, producers and technical staff will have the benefit of using the upgrades for maximum effect. Patrons will be able to see the magic of what producers can dream up with the new technology.



Whilst the theatres are quiet Joburg Theatre started with upgrading the carpets in the foyers in preparation for audiences return.





### SCORE CARD PERFORMANCE

JCT has 23KPIs, for the period under review only 22KPIs were measured. The overall score for the third quarter is **73% achievement**; and **45% achievement** on capital expenditure budget against the target of 70%.

The unsatisfactory results are due to the COVID 19 impact on theatre operations. From level 3 theatres were partially allowed to operate again, but with limited capacity and social distancing measures in place. This made it nearly impossible for theatres to remain financially viable, and most theatres have remained closed during the restrictions or only opening for small one / two hander productions. It not only impacts those working in and for the theatre, but also those working in other areas that provide services to theatres, such as food and beverage – a major revenue contributor for JCT. On March 16th industry woke up to devastating news that The Fugard Theatre was closing permanently with immediate effect.

### KPIs NOT ACHIEVED AND REASONS

#	Description	Challenge	Way-forward
1.	Number of youths attending arts programmes	Covid-19 lockdown restrictions made it difficult to have large numbers of youth attending arts programmes.	With the easing of the restrictions, numbers will begin to improve with easing of Covid-19 restrictions.
2.	Number of attendees to theatres	Covid-19 lockdown restrictions limited the number of patrons both indoor and outdoor events and this made not viable to operate in the 3 <sup>rd</sup> quarter. Most programmes were deferred to later on in the year.	An improvement is expected with a number of productions are coming and revised lockdown restrictions with increased numbers. However it is unlikely that this target will be met with restrictions on attendance of events.

#	Description	Challenge	Way-forward
3.	Percentage spent on operating budget against approved operating budget	With productions deferred there was limited spending on that line item. In addition, there need to save costs as theatres are not generating the required revenues and cash to fund expenditure.	As productions are implemented there will be an improvement in spending on opex, however this needs to be monitored against revenue generation and cash.
4.	Percentage of CAPEX budget spent	The tender for generators was cancelled and will be re-advertised. Achieved Capex at 45% and not meeting the target of 70%. Target missed by 25% an equivalent of R9.2m.	With the re advert it is expected that the award will be made mid May 2021 and delivery should start in the month of June 2021.
5.	Proportion of earned income against total revenue including subsidy	Covid-19 lockdown restrictions had a huge impact on revenue generation due to the limited numbers that are permitted which made it not viable to operate. Target missed by 6% an equivalent of R9.5m in rand value terms.	Easing of lockdown restrictions will see an improvement, however even if there is an improvement the entity is unlikely to catch up and make the target in the 4 <sup>th</sup> quarter.
6.	Clean audit outcome	Auditors raised a finding on local content requirement on two tenders and three request for quotations. The total value of the five transactions was R533 000. It was deemed to be material by auditors and it constituted irregular expenditure.	Consultations with the DTI have been done already. Training for staff on local content requirements has been arranged for mid-April 2021. All current contract have been evaluated to identify if they fall within the designated sectors for local content. New tenders and RFQs are checked against the designated sector list before they are advertised.

## ARTISTIC PERFORMANCE

A recent article in the *New York Times* suggests that the current explosion of digital theatre is merely a way of holding space before we can return to “real” theatre.

With most theatres preparing for a return to physical spaces, it is worth considering how the “digital space” will impact future audience conventions and expectations. Renegotiated and re-imagined ideas of access, community and interactivity borne out of necessity, are an opportunity to rethink theatre. These should not be ignored when the return to public spaces happens: rather, they should inform theatre’s future.

The Market Theatre and Roodepoort Theatre in association with Theatrerocket presented *Kamphoer – die verhaal van Susan Nell* on stage. The Market Theatre run opened officially on 29 January 2021, and closed on 14 February 2021. The Roodepoort Theatre run commenced on 18 February and closed on 28 February 2021. The production looked at grave injustices that women often suffer as a result of a war, the gross human rights violation that Susan Nell endured. The themes covered in the production were very relevant issues that our society still face. The partnership with Market Theatre enables the theatres to address a demand for diverse work in different parts of Johannesburg.



Despite the challenges presented by lockdown regulations, Soweto Theatre continues to program all that is possible in compliance with regulations. In the third quarter, productions worthy of mention are Raisin In The Sun rehearsals - in preparation for the staging of the production in September, Vuma Zion and My Vagina was not buried with him.

Soweto Theatre rose to the occasion during the pandemic and found an innovative way to bring the 2021 School Setworks to learners. Using ground-breaking means to merge theatre and education to stimulate creative and individual thinking. This is a great opportunity for all schools in Gauteng to see the isiZulu set books, **Ubhuku Lwamanqe and Icala Kaliboli**, come alive as Soweto Theatre takes the School Setworks Festival to schools across the province from February – December 2021.

Joburg Theatre celebrated Black History Month with a compilation of South African improvised music and jazz released by Brownswood Recordings entitled INDABA IS 2021. PDX Jazz Festival in partnership with Joburg Theatre and Ndlela Music presented the "INDABA IS" Weekender on the 22nd February 2021 and 24th February 2021. The project was a collaboration with 2 luminaries of the South African Music scene pianist/songwriter Thandi Nthuli and The Brother Moves On's Siyabonga Mthembu who act as curators / musical directors. The 'Indaba Is' compilation featured Bokani Dyer, The Brother Moves On, Lwanda Gogwana, and The Wretched.

In the spirit of in keeping the Arts Alive JCT offered virtual entertainment for self-care during Covid-19, by observing all Health and Safety precautions, encouraging everyone to take a breath and be part of the Creative Awakening. The overall Creative Awakening Programme includes exercises like breathing and wellness classes streamed live on the Joburg Theatre, Soweto Theatre & Roodepoort Theatre social media pages from 1 March 2021. The facilitators provide expert advice and guidance from their respective artistic fields on how sessions will benefit the overall wellness of individuals and also providing context on how the Arts can be a long term exercise routine for all ages. The programme featured Opera Breathing with Pheny Modiane at Roodepoort Theatre; African Dance Warm Up with Oscar Buthelezi at Joburg Theatre; Voice & Breath Well-being & Empowerment with Fiona Ramsay and Joburg Ballet, Introduction by Artistic Director Iain MacDonald, Warm-up Session with Ruan Galdino, second session by Thabang Mabaso and Basic Ballet Barre session with Claudia Monja.

We are thrilled to be an art institution that provides a broad artistic offering to society during the pandemic to encourage social cohesion and overall wellness by creatively re-discovering the performing arts and their valuable contribution to society. As a source of entertainment, this programme provides an approach to unleash creativity and an opportunity to learn while exploring the arts as a universal language to remedy different situations around the world.



While Bras are typically worn under clothing, they come in all shapes, sizes, colours and fabrics, just like each woman is unique in her journey so is her encounter with Gender Based Violence (GBV). The City of Joburg's Department of Arts, Culture and Heritage, JCT together with Napo Masheane invited women across Johannesburg to take part in the Hang your Bra campaign, a movement which seeks to encourage survivors of Sexual Violence to hang their old or unused Bras at the foyer entrances at Joburg Theatre and Soweto Theatre. A washing line was put up for all in support of this cause to hang up their bra. This was building up to the staging of the production "My Vagina Was Not Buried With Him", a production that focusses on matter of GBV on the entire African continent. This production which wove prose, dance and theatre captured eloquently and stingingly realistically the pain women have been living with for years without escape, and for decades with no recognition.



Under the regulations of level-1. Joburg Theatre hosted exclusive Joyous Celebration live recording and unfortunately, no audience members were allowed to view this productions, however live performances and streaming are scheduled for the Easter weekend.



## FINANCIAL PERFORMANCE

- The total revenue for 2019/20 3rd quarter was R40 million and in the 2020/21 is R41.8 million representing an increase of 4%.
- The earned revenue for 2019/20 3rd quarter was R 11 million and in the 2020/21 is R 3.6 million representing a decrease of -67%.
- Hospitality and catering revenue for 2019/20 3rd quarter was R7.9 million and in the 2020/21 is R2.9 million representing a decrease of -63%.

The CFO's report below will provide detailed explanations for the variances noted above.

## HUMAN RESOURCES

JCT is at 93 percent occupancy (up from 90 percent in the previous quarter) compared to the authorized staffing level, with the remaining 7% reported as vacancy rate (vacancy rate was 10 percent in the previous quarter). In addition to the above staffing, 6 percent of human capacity is made up of interns who are assigned to different agencies, and 58 percent is made up of temporary/adhoc employees.

We look forward to exploring, debating, and finding strategy for Joburg City Theatres in the last 3 months of 2020/21 financial year in order to have a large and stable theatre base in Joburg that continually expands and transforms in order to satisfy all Joburg people.

I would like to share my humble gratitude to the management teams and all staff, for demonstrating the Theatre's dedication to achieving defined goals despite the challenges faced. The city leadership's support continues to provide guidance and direction on all facets of business and governance. The distinction has been made by the City Manager's office. Lastly, I would like to thank the board of directors lead by Mr Desmond Ndzube for the strategic guidance and Cllr Margaret Arnolds, MMC for Community Development for driving policy.

**Xoliswa Nduneni-Ngema**  
**Chief Executive Officer**  
**Joburg Theatre (SOC) Ltd**

## Section 7: Chief Financial Officer's Report



### Executive Summary

#### Revenue

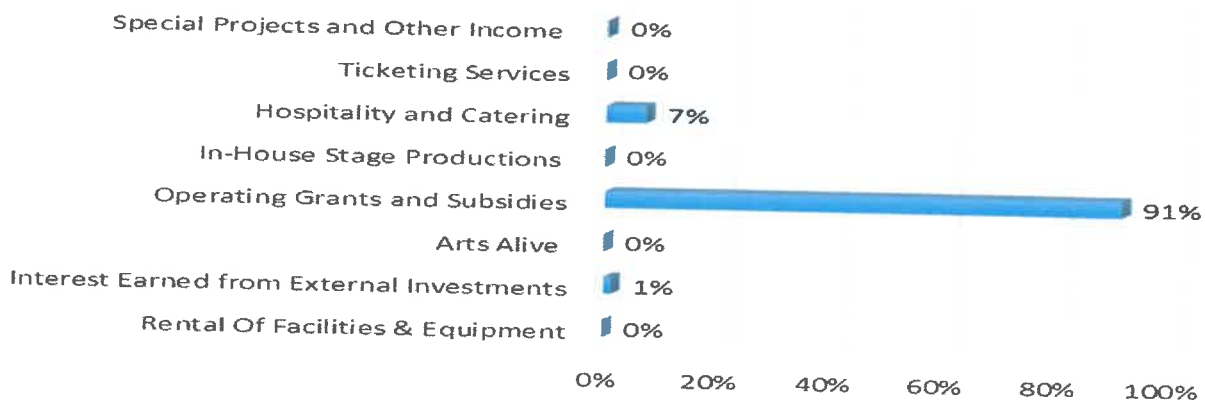
During the third quarter ended March 31, 2021, theatres began to re-open following a full month suspension of operations due to the 2nd wave that hit South Africa late December and lasted until beginning of February 2021. As of March 31, 2021, Joburg City Theatres (JCT) had resumed operations at all auditoriums with limited seating capacities as per regulations in the government gazette. The magnitude of the impact of the global pandemic on the industry was again evident in our third quarter results particularly on revenue results, as theatre operations in the SA were suspended for nearly 5 weeks of the current quarter under review. And yet, despite unrelenting obstacles, the JCT finance team continued to make significant progress in pursuit of our three key priorities: to strengthen our liquidity position; to dramatically reduce operating expenditures, and to continue to safely and successfully restore our operations.

The duration and impact of this pandemic are still affecting the industry to this day and are certain to continue to affect our results going forward. And yet, as has been the case at JCT, we have remained resilient and resourceful. The liquidity enhancing and leverage on actions that we already have taken and will further need to take, combined with our relentless focus on efficiency and cash management, are all crucial to navigating through this storm. The entity has taken and continues to take significant steps to reduce expenses by eliminating non-essential costs. For most South African theatre makers this is an extremely hard blow.

<b>Total Revenue 3rd Quarter 2020/21</b>	R41.8 million up 4%	↑
•The total revenue for 2019/20 3rd quarter was R40 million and in the 2020/21 is R41.8 million representing an increase of 4%.		
<b>Earned Revenue 3rd Quarter 2020/21</b>	R3.6 million down -206%	↓
•The earned revenue for 2019/20 3rd quarter was R 11 million and in the 2020/21 is R 3.6 million representing an decrease of -206%.		
<b>Hospitality &amp; Catering 3rd Quarter 2020/21</b>	R2.9 million down by -63%	↓
•Hospitality and catering revenue for 2019/20 3rd quarter was R7.9 million and in the 2020/21 is R2.9 million representing an decrease of -63%.		

Graph below is a summary of main revenue items:

### Revenue Contribution by Line Item



Item Description	Actual_Qtr 3 2020/21 R'000	Budget_Qtr 3 2020/21 R'000	Actual_Qtr 3 2019/20 R'000	Actual to Budget %	Current to Prior %
<b>Income</b>	<b>41 763</b>	<b>56 564</b>	<b>40 214</b>	<b>-26%</b>	<b>4%</b>
Rental Of Facilities & Equipment	13	1 127	1 097	-99%	-99%
Interest Earned from External Investments	567	450	786	26%	-28%
Operating Grants and Subsidies	38 133	38 133	29 001	0%	31%
Arts Alive	-	8 668	-	-100%	0%
In-House Stage Productions	-	1 411	1 299	-100%	-100%
Hospitality and Catering	2 954	6 160	7 948	-52%	-63%
Ticketing Services	1	362	132	-100%	-99%
Other Income	95	254	49	-62%	-294%

### Explanation of Variances

Our revenue streams come from several different sources like hospitality and catering services, producing shows and renting shows, and there is not much in terms of rental activities due to lockdown restrictions imposed by government to curb the spread of the corona virus, loss of revenue has had a pretty serious impact on theatres operations. For most theatres, operating at a heavily reduced capacity makes productions financially unviable, the shows resuming their runs at auditoriums aren't opening to make a profit but to provide opportunities to the workforce and bring audiences back into the Theatre, boosting the local economy. COVID 19 restrictions affect more than box-office sales, too.

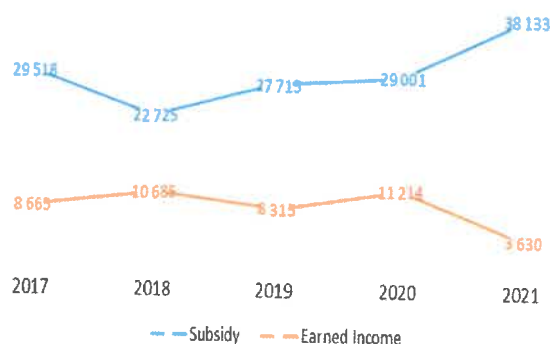
### Revenue for the past 5 years

The revenue for the entity has been increasing for the past 5 years from R38m to R42m which translate to an average increase of 2% per annum while expenditure has been increasing at an average rate of 1%

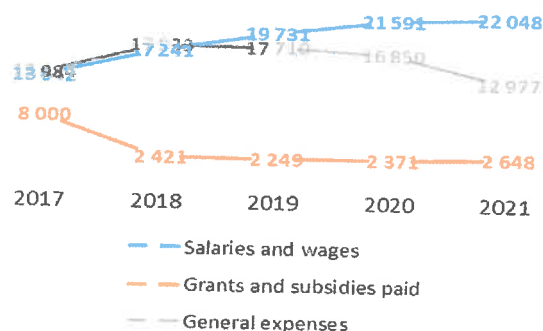
Revenue category	Consolidated Revenue JCT				
	Quarter 3 Actuals R'000				
	2021	2020	2019	2018	2017
Subsidy	38 133	29 001	27 715	22 725	29 518
Earned Income	3 630	11 214	8 315	10 685	8 665
	<b>41 763</b>	<b>40 214</b>	<b>36 030</b>	<b>33 410</b>	<b>38 183</b>

Expenditure category	Consolidated Expenditure JCT				
	Quarter 3 Actuals R'000				
	2021	2020	2019	2018	2017
Salaries and wages	22 048	21 591	19 731	17 241	13 642
Grants and subsidies paid	2 648	2 371	2 249	2 421	8 000
General expenses	12 977	16 850	17 710	17 933	13 984
	<b>37 673</b>	<b>40 811</b>	<b>39 690</b>	<b>37 595</b>	<b>35 626</b>
<b>Surplus for the period</b>	<b>4 091</b>	<b>-597</b>	<b>-3 660</b>	<b>-4 185</b>	<b>2 557</b>

QUARTER 3 REVENUE FOR THE PAST 5 YEARS



QUARTER 3 EXPENDITURE FOR THE PAST 5 YEARS



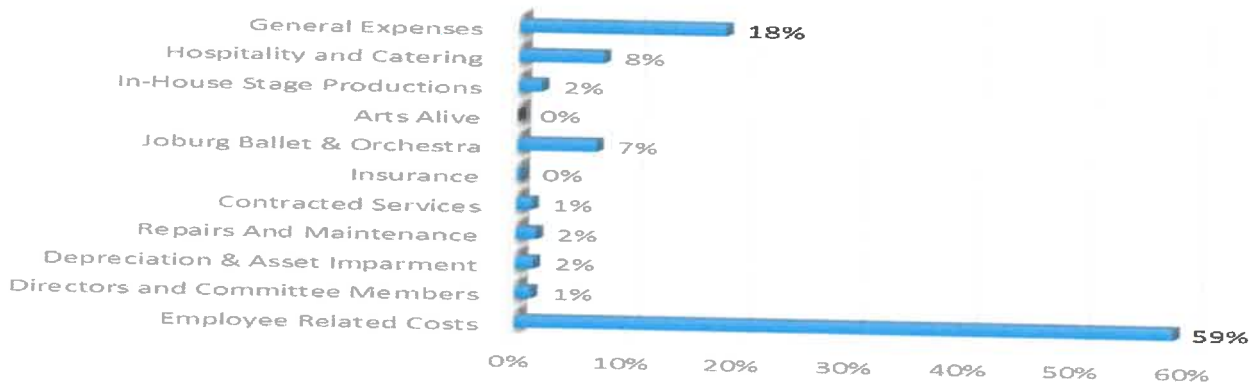
## Expenditure

JCT continues to employ its utmost financial discipline when it comes to expenditure management. Total Expenditure for the 2020/21 is 31% below budget primarily because of the savings on almost all the line items of expenditure. Minimal activities in the theatre has caused the savings on all the commitments, with the exception of hospitality and catering which has been operating on most of the City of Johannesburg events. The table below depicts expenditure performance against target for the 3rd quarter:

Item Description	Actual_Qtr 3 2020/21 R'000	Budget_Qtr 3 2020/21 R'000	Actual_Qtr 3 2019/20 R'000	Actual to Budget %	Current to Prior %
<b>Expenditure</b>	<b>37 672</b>	<b>54 426</b>	<b>40 812</b>	<b>31%</b>	<b>8%</b>
Employee Related Costs	22 048	22 466	21 591	2%	-2%
Directors and Committee Members	526	672	462	22%	-12%
Depreciation & Asset Imparment	594	594	615	0%	4%
Repairs And Maintenance	679	865	782	21%	15%
Contracted Services	514	609	237	16%	-54%
Insurance	109	109	-	0%	-100%
Joburg Ballet	2 648	2 648	2 371	0%	-10%
Arts Alive	-	-	-	0%	0%
In-House Productions	764	5 334	2 109	86%	176%
Hospitality and Catering	2 830	2 917	3 710	3%	31%
General Expenses	6 961.46	18 214	8 935	62%	28%

The bar chart below depicts the expenditure contribution for 3rd quarter:

### Expenditure by category



## Trading Surplus/Deficit

JCT recorded a trading surplus of R 4m for the quarter against the budgeted surplus of R2m.

## Statement of Financial Position 3rd quarter 2020/21

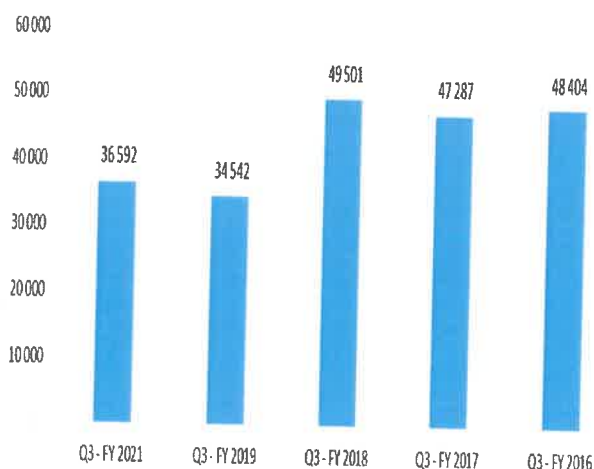
Cash and cash equivalents improved by 6% year on year. Current ratio for the entity has improved by 27% year on year from 0.93:1 to 1.18:1, and above the City's norm of 1:1, The solvency ratio is 25% better than the same period last year at 1.47:1 from the 1.18:1 however it's still below the norm of 2:1, this does not pose a challenge for the entity as the asset base does not grow because a lot of asset improvements are funded by the shareholder and more than 90% of the payables is deferred income from the subsidy that the entity expected to spend in the current year. Current assets has improved by 10% year on year and current liabilities decreased by 13%. Total assets increased by 4% year on year while total liabilities also gone up by 16% year on year.

## Cash flow results for 3rd quarter Financial Year

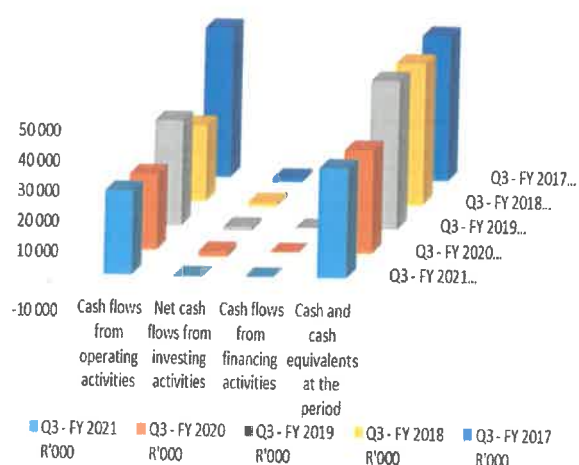
Cash Flows	Q3 - FY 2021	Q3 - FY 2020	Q3 - FY 2019	Q3 - FY 2018	Q3 - FY 2017
	R'000	R'000	R'000	R'000	R'000
Cash flows from operating activities	28 039	25 402	35 100	25 263	49 733
Net cash flows from investing activities	- 283	- 1 913	1 329	1 260	1 329
Cash flows from financing activities	-	-	-	-	-
<b>Cash and cash equivalents at the period</b>	<b>36 592</b>	<b>34 542</b>	<b>49 501</b>	<b>47 287</b>	<b>48 404</b>



## Cash Balances



## Cashflow analysis



### Statement on Compliance

During the audit of 2019/20 financial year auditors identified two tenders and three request for quotations which should have been advertised with a local content requirement in accordance with regulation 8(2) of the preferential procurement regulations of 2017. These were declared as irregular and amounted to R533 274.18

#### IRREGULAR EXPENDITURE SCHEDULE

Supplier Name	Description	Amount
Ocean Breeze	Supply Of Frozen, Dry Goods, Consumables & Cleaning Supplies For Joburg City Theatres	104 434.49
Dikhudu Investments	Supply And Delivery Of Uniform For Joburg City Theatres	190 005.69
Mavhunga Holdings (Pty) LTD	Outdoor Furniture For Joburg Zoo Restaurant	129 124.00
Somphek General Trading	Manufacturing Of Cocktail Tables And Chairs	109 710.00
		<b>533 274.18</b>

There were also no payments paid to suppliers over 30 days from receipt of an invoice during the period under review.

### Joburg Ballet

Joburg Ballet submitted its quarter 2 management accounts in line with the Service Level Agreement. The management accounts reflected a surplus of R 229k against a surplus budget of R 15k. The entity has R792k in the bank account and the tranche for the 3rd quarter has been released.

Statement of Financial Position as at 31 March 2021			Joburg Ballet				
	Mar 21	Mar 20	Statement of Financial Performance for the period ending 31 March 2021				
	R'000	R'000	Actual CY	Budget CY	Actual PY	Variance	
Assets			R'000	R'000	R'000	R'000	%
Current assets	1 116	91	Revenue	299	351	1 487	-15%
Non current asset	11	370	Grants	2 648	2 648	2 758	0%
<b>Total assets</b>	<b>1 127</b>	<b>462</b>	Expenditure	2 717	2 984	4 443	9%
<b>Liabilities</b>				<b>229</b>	<b>15</b>	<b>197</b>	<b>1463%</b>
Current Liabilities	116	727					
Non current Liabil	26	-					
<b>Total liabilities</b>	<b>142</b>	<b>727</b>					
<b>NET Assets</b>	<b>985</b>	<b>265</b>					
<b>Bank Balances</b>	<b>792</b>	<b>28</b>					

### Johannesburg Philharmonic Orchestra

Orchestra submitted its quarter 2 management accounts in line with the Service Level Agreement. The management accounts reflected a surplus of R 5.6m against a surplus budget of R5m. The entity has R10.9m in the bank account and the tranche for the 2nd quarter has been released.

Johannesburg Philharmonic Orchestra					
Statement of Financial Position as at 31 December 2020		Statement of Financial Performance for the period ending 31 December 2020			
	December 20		Actual R'000	Budget R'000	Variance
Assets	R'000				
Current assets	11 523	Revenue	7 718	12 823	-40%
Non current assets	13 417	Grants	11 042	14 420	-23%
Total assets	<u>24 940</u>	Expenditure	- 13 096	- 22 227	-41%
<b>Liabilities</b>			<u>5 664</u>	<u>5 016</u>	13%
Current Liabilities	238				
Non current Liabilities	-				
Total liabilities	<u>238</u>				
<b>NET Assets</b>	<u>24 702</u>				
<b>Bank Balances</b>	<u>10 919</u>				

### AUDIT OPINION TRENDS

The entity has achieved an unqualified audit opinion with for the last 5 years of which 4 were clean.

Financial Year	Audit Opinion for the last 5 years				
	2020	2019	2018	2017	2016
	Unqualified	Clean	Clean	Clean	Clean

### In conclusion

I wish to thank the MMCs for the political leadership and oversight, the Board particularly the Audit and Risk Committee for its stewardship over the financial management, internal controls and risk management, the EXCO for the support and guidance over the last nine months, the whole management team and staff at Joburg City Theatres for their sterling contribution in the 3rd quarter of the year.

  
**Solomon Mphahathi**  
 Chief Financial Officer  
 Joburg Theatre (SOC) Ltd

## CHAPTER TWO: DIRECTOR'S REPORT AND GOVERNANCE

### Section 1: Board of directors

JCT has a unitary board and the positions of Chairperson and CEO are distinct and separate. The board consists of two executive directors, i.e. the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) and thirteen (13) non-executive directors.

Mr. Desmond Ndzipho is an independent Non-Executive Director, who is not an employee of the entity and is the board Chairperson. In addition, the Chairperson does not undertake any executive functions within the entity.

The CEO is responsible for the day-to-day management of JCT. The board of directors as the Accounting Authority of JCT exercises strategic leadership in the entity. As a result, the board is responsible for the performance of JCT and all its employees. Ensuring compliance with all applicable legislation and policies is also a key function of the board.

In terms of the Local Government: Municipal Finance Management Act (MFMA) and the Local Government: Municipal Systems Act (MSA), the board as part of its oversight responsibilities, reports to the parent municipality and sole Shareholder of the City of Johannesburg Metropolitan Municipality ("the City of Joburg") on the entity's performance on a quarterly, bi-annual and annual basis.

A Service Delivery Agreement (SDA) concluded in accordance with the MSA and a Shareholder Compact regulates the relationship between the board and the Shareholder. During the quarter under review, the board was requested by the City's Group Governance department responsible for Shareholder services to provide their inputs to the Shareholder Compact which was under review.

The board is responsible and accountable to Shareholder of JCT, the parent municipality's stakeholders and the citizens of Johannesburg.

Non-executive directors have unlimited access to the company's executive management. Access is available through the office of the CEO.

In executing its fiduciary responsibilities as well as in all governance and legal matters affecting the entity, the board is guided by the Company Secretary, who in turn gets guided by the provisions of section 88 (1) and (2) of the Companies Act 71 of 2008 as amended.

In discharging its fiduciary responsibilities, the board can seek professional independent advice on any governance matter, following the procurement processes provided for in the MFMA and JCT's Supply Chain Management policies.

The Shareholder through its shareholder services arm in the Group Governance department performs annual board evaluations. The purpose of these evaluations is to ensure continuous improvements, board effectiveness and to provide board support through training and development.

The Shareholder re-constituted JCT's board at a special general meeting held on 11 February 2021, and from then on and for the 3<sup>rd</sup> quarter, the board was composed as follows:

- Mr. Desmond Ndzipho (Chairperson and Non-Executive Director (NED));
- Mr. JC Weapond (NED)
- Ms. Dineo Sitole (NED);
- Mr. Mande Ndema (NED);
- Ms. Ashley Hayden (NED);

- Ms. Moipone Qhomane (NED);
- Ms. Nomveliso Mpongo (NED);
- Mr. Rabone Moripe (NED)
- Mr. Mabutho Sithole (NED);
- Mr. Thembinkosi Masina (NED);
- Ms. Sebenzile Mkonto (NED);
- Mr Junior Ramovha (NED); and
- Ms. Bonga Kweyama (NED).
- Ms X Nduneni-Ngema (Chief Executive Officer and Executive Director)
- Mr S Mphakathi (Chief Financial Officer and Executive Director).

At the above-mentioned general meeting of the Shareholder, the following Non-Executive Directors were retired:

- Mr. Tom Mofokeng;
- Mr. Vetmani Linda;
- Adv. Mbuso Majozi;
- Mr. Thulani Vincent Langa;
- Ms. Thandiwe Shezi; and
- Mr. Dingane Khesuoe.

The resignation of Dr. Mongane Serote on 14 December 2020 was also confirmed at the special general meeting.

The board met twice three (3) times during the 3<sup>rd</sup> quarter and this was on the 11<sup>th</sup> of January 2021, the 3<sup>rd</sup> and the 26<sup>th</sup> of February 2021, to discuss amongst others, the following matters:

- JCT's 2020/21 mid-year performance assessment report;
- The entity's 2019/20 Audit Report and Management Letter; and
- Management's performance and rewards for the 2019/20 financial year.

On 04 March 2021, the board attended the induction facilitated by the Shareholder for the parent municipality and its entities.

## **Section 2: Board Committees**

JCT has two (2) board committees which assist the board in overseeing service delivery and monitoring the execution of JCT's mandate in accordance with the SDA and Shareholder priorities. The two (2) board committees are the Audit and Risk Committee (ARC) and the Remuneration, Social and Ethics Committee (REMSEC).

### **Audit and Risk Committee**

The Audit and risk committee (ARC) is responsible for performing oversight on the entity's asset management, ensuring that the entity has effective internal controls, the entity's Annual Financial Statements fairly represent its affairs and that the entity's risk management framework is adequate in identifying, assessing and effectively responding to the entity's risks. The ARC discharges this duty in line with its terms of references which were approved by the board, the MFMA, other applicable legislation and best practice.

In addition, the ARC monitors strategic risks, i.e. risks relating to liquidity, solvency and reputation associated with poorly designed or inadequate responses, amongst other risks. During the mid-year, the ARC and Assurance Services undertook a risk management workshop which was facilitated by the City's Group Risk and Assurance Services for purposes of reviewing the entity's strategic risk registers. Board members were also invited to the workshop. The exercise is an annual process.

JCT re-constituted its board committees following the re-constitution of the board by the Shareholder February and the ARC is therefore made up as follows:

- Ms. Chrystal Cape-Independent Audit Committee (IAC) member and Chairperson
- Ms. Nompumelelo Mkhize-IAC member;
- Mr. Frank Masibi – IAC Member;
- Ms. Ashley Hayden –NED;
- Mr. Rabone Moripe-NED;
- Mr. JC. Weapond; and
- Mr. Mande Ndema.

For part of the 3<sup>rd</sup> quarter until their retirement by the Shareholder at the special general meeting in March 2021, Mr. Vetman Sizwe Linda and Adv. Mbuso Majozi were also part of the ARC.

During the 3<sup>rd</sup> quarter, the ARC met twice on the 12<sup>th</sup> of January 2021 and on the 26<sup>th</sup> of February 2021.

### **Remuneration, Social and Ethics Committee**

REMSEC is a board committee tasked to perform oversight on the company's human resources management and labour matters. The entity's performance in its operational environment, health and public safety is the responsibility of REMSEC.

Ethics governance is monitored by REMSEC on a bi-annual basis and the Company Secretary is responsible for providing an account of the entity's ethical performance. In this realm, the reporting cuts across the entity's performance in terms of its human resources management work plan which is aligned to the United Nations Global Compact (UNGC) Principles. During the 3<sup>rd</sup> quarter, the Company Secretary successfully completed the online training course on Ethics in the public sector, which was offered by the Department of National School of Government.

The following non-executive directors comprise REMSEC:

- Ms. Dineo Sitole –Non-Executive Director (NED) and Chairperson
- Mr. Mabutho Sithole-NED
- Mr. Junior Ramovha-NED
- Ms. Moipone Qhomane-Goliath-NED
- Ms. Nomveliso Mpongo-NED
- Ms. Sebenzile Mkonto-NED
- Ms. Bonga Kweyama-NED; and
- Mr. Thembinkosi Masina-NED.

Mr. Tom Mofokeng, Mr. Dingane Khesuoe and Ms. Thandiwe Shezi were part of REMSEC for the first month of the 3<sup>rd</sup> quarter until their retirement by the Shareholder on 11 February 2021.

REMSEC met once on the 8<sup>th</sup> of January 2021, during the 3<sup>rd</sup> quarter.

The table below outlines the remuneration and attendances at Board meetings and board committees for the 3<sup>rd</sup> quarter:

Name of Board Member	REMSEC Meeting 08 January 2021	Audit and Risk Committee 12 January 2021	Board Meeting 12 January 2021	Chairperson's Quarterly Meeting with MMC 25 January 2021	Audit and Risk Committee 26 February 2021	Chairpersons' Meeting – 2019/20 Performance Evaluation for Management	Board Meeting 03 February 2021	Special Board Meeting 26 February 2021	GRGC Meeting 24 February 2021	Total	Meeting Attendance
Mr. Desmond Ndzipho	R00.00	R00.00	R16 000.00	R2 000.00	-	R16 000.00	R16 000.00	R 16 000.00		R66 000.00	5/5
Ms. Dineo Sitole	R8000.00	R00.00	R12 000.00		-	R8 000.00	R12 000.00	R12 000.00		R52 000.00	5/5
Ms. Ashley Hayden	R00.00	R6000.00	R12 000.00		R6 000.00		R12 000.00	R12 000.00		R48 000.00	5/5
Mr. Mabutho Sithole	R6000.00	R00.00	R12 000.00		-		R00.00	R12 000.00		R30 000.00	3/4
Adv. Mbuso Majoji	R00.00	R6000.00	R12 000.00		-		R12 000.00	-		R30 000.00	3/3
Mr. Rabone Moripe	R00.00	R6000.00	R12 000.00		R6 000.00		R12 000.00	R12 000.00		R48 000.00	5/5
Mr. Junior Ramovha	R6000.00	R00.00	R12 000.00		-		R12 000.00	R12 000.00		R42 000.00	4/4
Mr. Sizwe Vetmani	R00.00	R6000.00	R12 000.00		-		R12 000.00	-		R30 000.00	3/3
Mr. Tom Mofokeng	R6000.00	R00.00	R12 000.00		-		R12 000.00	-		R30 000.00	3/3
Mr. Dingane Khesuoe	R00.00	R00.00	R12 000.00		-		R12 000.00	-		R24 000.00	2/3
Ms. Thandiwe Shezi	R6000.00	R00.00	R12 000.00		-		R12 000.00	-		R30 000.00	3/3
Ms. Chrystal Cape -IAC	-	R8000.00	-		R 8000.00	R8 000.00	-	-	R00.00	R24 000.00	4/4
Ms. Nompumelelo Mkhize-IAC	-	R6 000.00	-		R6 000.00		-	-		R12 000.00	2/2
Mr. Frank Masibi-IAC	-	R6 000.00	-		R6 000.00		-	-		R12 000.00	2/2
Mr. JC Weapond	-	-	-		-		-	R12 000.00		R12 000.00	1/1

Name of Board Member	REMSEC Meeting 08 January 2021	Audit and Risk Committee 12 January 2021	Board Meeting 12 January 2021	Chairperson's Quarterly Meeting with MMC 25 January 2021	Audit and Risk Committee 26 February 2021	Chairpersons' Meeting – 2019/20 Performance Evaluation for Management	Board Meeting 03 February 2021	Special Board Meeting 26 February 2021	GRGC Meeting 24 February 2021	Total	Meeting Attendance
Ms. Bonga Kweyama	-	-	-	-	-	-	-	R12 000.00		R12 000.00	1/1
Ms. Nomveliso Mpongo	-	-	-	-	-	-	-	R12 000.00		R12 000.00	1/1
Ms. Sebenzile Mkonto	-	-	-	-	-	-	-	R12 000.00		R12 000.00	1/1
Mr. Thembinkosi Masina	-	-	-	-	-	-	-	R12 000.00		R12 000.00	1/1
Ms. Moipone Qhomane	-	-	-	-	-	-	-	R12 000.00		R12 000.00	1/1
Mr. Mande Ndema	-	-	-	-	-	-	-	R12 000.00		R12 000.00	1/1
<b>Total</b>	<b>R32 000.00</b>	<b>R44 000.00</b>	<b>R136 000.00</b>	<b>R2 000.00</b>	<b>R32 000.00</b>	<b>R32 000.00</b>	<b>R124 000.00</b>	<b>R160 000.00</b>	<b>R00.00</b>	<b>R562 000.00</b>	

**NOTE:** The total number of meetings attended by each board member varies because the board was reconstituted on the 11<sup>th</sup> of February 2021 so some members were retired and only attended meetings until 11 February 2021 while other members were appointed on the same day and there was only one meeting following their appointment. Furthermore, the total meetings include Group meetings which only the Audit and Risk Chairperson attends on invitation and the board Chairperson is the only one who attends the Chairperson's quarterly meeting. The board Chairperson is not a member of any sub-committee but has a standing invitation to all sub-committees. Independent Audit Committee members only attend Audit and Risk Committee meetings.

The table below discloses the 2020/21 remuneration of executive management:

<b>EMPLOYEE RELATED COSTS</b>		<b>2021</b>	<b>EMPLOYEE RELATED COSTS</b>		<b>2020</b>
Salaries & Wages		70 465 769,00	Salaries & Wages		64 851 571,00
Employee Costs included in Other		1 014 000,00	Employee Costs included in Other		798 000,00
		<b>71 479 769,00</b>			<b>65 649 571,00</b>
<b>Chief Executive Officer</b>		<b>2021</b>	<b>Chief Executive Officer</b>		<b>2020</b>
Annual Remuneration		1 758 927,37	Annual Remuneration		1 666 352,25
Performance Bonus		311 052,42	Performance Bonus		194 712,00
Contributions to UIF, Medical Aid & Pension		19 697,02	Contributions to UIF, Medical Aid & Pension		17 324,16
Other		28 371,89	Other		-
		<b>2 118 048,70</b>			<b>1 878 388,41</b>
<b>Chief Operating Officer</b>		<b>2021</b>	<b>Chief Operating Officer</b>		<b>2020</b>
Annual Remuneration		1 061 517,06	Annual Remuneration		999 074,88
Performance Bonus		111 008,32	Performance Bonus		175 111,71
Contributions to UIF, Medical Aid & Pension		301 608,69	Contributions to UIF, Medical Aid & Pension		287 936,68
Other (Including Leave Pay)		60 342,71	Other		76 622,46
		<b>1 534 476,78</b>			<b>1 538 745,73</b>
<b>Chief Financial Officer</b>		<b>2021</b>	<b>Chief Financial Officer</b>		<b>2020</b>
Annual Remuneration		1 694 808,72	Annual Remuneration		1 253 185,92
Performance Bonus		229 232,17	Performance Bonus		212 566,06
Contributions to UIF, Medical Aid & Pension		20 577,57	Contributions to UIF, Medical Aid & Pension		310 376,98
Other		262 368,11	Other		88 594,30
		<b>2 206 986,57</b>			<b>1 864 723,26</b>
<b>Company Secretary</b>		<b>2021</b>	<b>Company Secretary</b>		<b>2020</b>
Annual Remuneration		911 544,11	Annual Remuneration		857 923,83
Performance Bonus		148 706,80	Performance Bonus		150 371,60
Contributions to UIF, Medical Aid & Pension		10 842,13	Contributions to UIF, Medical Aid & Pension		9 967,14
Other (Including Leave Pay)		54 190,93	Other		9 000,00
		<b>1 125 283,97</b>			<b>1 027 262,57</b>

#### Section 4: Company Secretarial Function

The Company Secretary (CS) has a dual responsibility, one of governance and the other one of being the company's in-house legal counsel. The CS is charged with the responsibility to uphold the governance affairs of the entity and is contractually responsible for the management of legal matters within the entity. The CS's governance responsibilities are codified under section 88(1) and (2) of the Companies Act.

#### Reporting on compliance with the MFMA, MSA and Priority Regulations by the Board of Directors

JCT's monitors compliance through a Combined Assurance model framework. Compliance with applicable legislation such as the MFMA, Companies Act and Occupational Health and Safety is assessed on a monthly and quarterly basis by the City's group compliance department, which falls under GRAS.

GRAS has developed a priority regulatory register, which identifies the priority legislative provisions, and regulatory requirements, which JCT monitors compliance against.

Compliance with the MFMA Circular 65 (relating to the payment of suppliers within 30 days) and 68 (relating to the incurring of unauthorised, irregular, fruitless and wasteful expenditure) for the period July and September 2020 was reported on by the entity and the requisite report submitted to GRAS for assessment. Following the assessment by GRAS, as the entity's Internal Auditors, GRAS will report accordingly to CoJ structures.

The table below depicts the entity's percentage performance against its compliance regulatory register:



IDP Programme	Result Area	Key Performance Indicator	Key Intervention	2019/20 Target	2020/21 Target	2019/20 Performance				
						Target	Q1	Q2	Q3	Q4
							100%	100%	100%	100%
Enhance our financial sustainability	Improved financial planning and project management	Percentage compliance with relevant legislation and policy prescripts	Strategy improvement plans	100%	100%	Actual	100%	96%	100%	100%

## Section 5: Risk Management and internal controls

JCT management monitors risk management and internal controls on a daily basis through execution of duties in operation and risk management is a standing agenda item on the Executive Committee (EXCO)'s weekly meetings and Management Committee (MANCO)'s monthly meetings.

All employees of JCT have a daily responsibility to manage risks and internal controls through the execution of duties in the entity's operations.

Strategic and operational risk registers are presented to the Audit and Risk Committee (ARC) and board at their quarterly meetings, for discussion, inputs and oversight by the board.

Risk management is a standing agenda item on the Executive Committee (EXCO)'s weekly meetings and Management Committee (MANCO)'s monthly meetings. During the past six months, there were no MANCO meetings, as the entity was not operating at full capacity due to the COVID-19 restrictions. EXCO meetings took place on a weekly basis.

Strategic and operational risk registers are on a quarterly basis considered by the Audit and Risk Committee (ARC) and board. The board approved the 2020/21 strategic risk register in this quarter.

### Reporting on compliance with the MFMA and MSA by the Board of directors

Through the entity's delegations of authority policy, the board has entrusted the CEO with the responsibility to ensure sound financial planning and management, essential to improve service delivery and sustain the business into the future, as per the MFMA.

On a monthly basis, the entity reports to the City (through GRAS) on compliance with the provisions of Circular 68 and Circular 65 of the MFMA. A summary of these reports are illustrated in the entity's quarterly performance assessment reports which management present to the board at its quarterly meetings for oversight.

The performance reporting on the Service Delivery and Budget Implementation Plan (SDBIP) is done to the Mayoral Committee and Council on a quarterly basis.

During the period under review, regular reporting requirements to Council in accordance with the MSA, were fulfilled.

The effective risk management is integral to the company's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.

Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures are in place to manage operating risk involving segregation of duties, transaction authorisation, supervision, monitoring and financial and managerial reporting.

During the period under review JCT has reviewed, monitored and reported on risks focusing on three main categories. Those categories are the strategic risks and operational risks, the emerging risks and, the ICT risks. The entity still faces significant risks both the strategic risk register and the emerging risks identified. Further actions to mitigate these risks have been put in place and are implemented and monitored continuously.

In order to meet its responsibility with respect to providing reliable financial information, Joburg City Theatres maintains financial and operational systems of internal controls. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management authority, that the assets are adequately protected against material loss or unauthorised acquisition, use or disposal and those transactions are properly authorised and recorded. The system includes a documented organisation structure and areas of responsibility, established policies and procedures, including a Code of Ethics to foster a strong ethical climate, which are communicated to the parent municipality. It also includes the careful selection, training and development of people.

Internal auditors monitor the operation of the internal control systems and report findings and recommendations to management, the audit committee and the board of directors. Corrective actions are taken to address control deficiencies and other opportunities for improving the system as they are defined. The board of directors, operating through its audit and risk committee, provides supervisions of the financial reporting process and internal control systems. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of internal control systems can change with circumstances.

### **Risk Register**

The management of risks is the responsibility of the Chief Executive Officer who carries out this duty with the theatre's management team. The Finance Manager is the company's Risk Champion. The company's Risks Register is reviewed monthly by EXCO and quarterly at each meeting of the Audit and Risk Committee and the Board of directors.

The tables on the following pages spell out the areas of both the strategic and operational risks identified by the company for the 2019/20 financial year, including risk control measures:

NE	NE Objectives	Risk Description	Root Causes	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owners	Action Deadline
1	High quality performing arts and entertainment experience and facilities and financial sustainability	Incapacity to deliver on the core mandate.	1. Outbreak of Corona virus 2. Lockdown regulations	Loss of revenue Disruptions of operations Threat to financial sustainability	Catastrophic 5	Almost Certain 5	Very High	1. Introduction of virtual performances 2. Performance to limited audiences as per the COVID19 regulations. 3. Virtual meeting and remotely working 4. Increase in subsidy allocation from shareholder. 5. Implementation of health and safety regulations. 6. Implementation of the Business Continuity Plan. 7. A COVID19 Compliance Officer has been appointed.	Fair	High	CEO	1. The entity will continue to adhere to the COVID regulations. 2. Employees will be working in separate areas to observe social distancing. 3. Continue to encourage online booking to avoid cash exchange.	CFO COO	Ongoing
2	High quality performing arts and entertainment experience and facilities	Countywide implementation of load shedding by the state power utility (Eskom)	1. Eskom is expanding a shortage of capacity due to a number of generating units still out of service due to breakdowns. The situation remains tight and reliable Eskom might implement further load shedding in the year should the situation deteriorate. 2. Lack of alternative power generation in Joburg	Operational of shows Loss of revenue Reputational damage	Moderate 3	Possible 3	Moderate	1. JF continuously engages and negotiates with City Power to conveniently schedule load shedding. 2. ST has an emergency generator for fighting 3. RTI has a generator however does not provide sufficient power to run all the operations	Fair	Low	CEO	1. Joburg Theatre will install emergency backup generator.	CFO	30 June 2021
3	Affordable access to and use of theatres by communities	Inconsistent attendance at theatre show.	1. High cost of productions and the need to recover costs. 2. Effect of the country's economic status. 3. Lack of exposure of potential audiences to the theatre experience 4. Loadshedding 5. Fear of COVID 6. Fear of crime in the area. 7. COVID-19 regulations and limited audiences allowed in the theatre	Loss of revenue.	Major 4	Almost Certain 5	High	1. Different pricing structures based on product and venue. 2. Offering a limited number of discounted and/or free tickets to the youth and senior citizens 3. Mobile theatre truck used to take the arts to targeted diverse communities. 4. Action to engage stakeholder to ensure safety in the precinct 5. Customer satisfaction survey conducted after every show.	Fair	Moderate	CEO	1. Implementation of funding strategy to target sponsorship 2. Conduct comprehensive survey to establish audience needs 3. To engage JPPD and SAPS to police the precinct. 4. Develop and implement a marketing plan	COO	1. 30 June 2021 2. 30 June 2021 3. Ongoing 4. 30 June 2021
4	Good governance, financial sustainability and sound management	Aged, obsolete and outdated stage machinery and equipment	1. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement 2. The current machinery can affect staging of productions and attracting new ones.	High Power consumption	Catastrophic 5	Almost Certain 5	Very High	1. Project plan to upgrade the stage machinery. 2. Theatre calendars are aligned with the project plan 3. Project manager and steering committee is in place to oversee the implementation of the project 4. Phase 1: Automation and software upgrades is completed	Fair	High	CEO	1. Monitor the implementation of the project plan. 2. Phase 2 upgrade on the stage lifts to be completed 3. Phase 3 for training and testing to be done	CFO	Ongoing 2.27 February 2021 (Physical work) 3. Final commissioning by August 2021

ME Objectives	Risk Description	Root Causes	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owners	Action Deadline
	Lack of brand positioning and brand awareness of JCT	<ol style="list-style-type: none"> <li>Inadequate marketing budget</li> <li>Ineffective implementation of the marketing strategy</li> </ol>	Reputational damage	Major	4 Likely 4	High	<ol style="list-style-type: none"> <li>Media partnerships for productions at each theatre</li> <li>Media database management</li> <li>Continuous productions awareness campaigns</li> <li>Marketing strategy in place</li> </ol>	Fair	Moderate	CEO	<ol style="list-style-type: none"> <li>Implementation of the revised marketing and communication strategy</li> <li>Allocating more funds to the project of brand awareness of JCT.</li> </ol>	COO CFO	Annually
High quality performing arts and entertainment experience and facilities	Theft, fraud and corruption	<ol style="list-style-type: none"> <li>Conflict of interest</li> <li>Inadequate segregation of duties / inadequate or no supervision</li> <li>Weak internal control environment - cash handling / administrative procedures</li> <li>Lack of accountability</li> <li>Poor work ethics</li> <li>Greed, collusion, bribery</li> <li>Inadequate IT access controls</li> <li>Inadequate physical security controls</li> </ol>	Reputational damage	Major	4 Possible 3	High	<ol style="list-style-type: none"> <li>Anti-fraud and anti corruption policy in place</li> <li>Fraud prevention plan</li> <li>Code of conduct</li> <li>Segregation of duties</li> <li>Declaration of interests</li> <li>Gift register in place</li> <li>Remuneration, Social and Ethics Committee</li> <li>Fraud risk assessment conducted annually</li> <li>Anti-fraud and corruption awareness workshops conducted</li> </ol>	Fair	Moderate	CEO	<ol style="list-style-type: none"> <li>1.1 Continue to conduct anti-fraud and corruption awareness workshop</li> <li>1.2 Continue to conduct Fraud risk assessment</li> </ol>	Company Secretary Risk Champion (FM)	1.1.Bi-annually 1.2. Annually
Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT	Non-compliance with applicable legislation	<ol style="list-style-type: none"> <li>Various and changing legislative requirements to be complied with.</li> <li>There is a requirement to comply with MSCOA</li> </ol>	Reputational damage	Major	4 Likely 4	High	<ol style="list-style-type: none"> <li>Regulatory compliance register assessment tool monitored by the Company Secretary.</li> <li>Compliance policy and framework in place</li> <li>Presented to the BOD the impact and progress on MSCOA compliance.</li> <li>Quarterly reporting to oversight committees on compliance.</li> <li>Entity is currently transacting on MSCOA</li> </ol>	Fair	Moderate	CEO	<ol style="list-style-type: none"> <li>1.1. Review of Regulatory compliance register</li> <li>2. Continuous monitoring reporting on compliance.</li> <li>Seamless integration of systems will be completed on implementation of SAP</li> </ol>	1. Company Secretary 2. CFO	1. Annually (as and when legislation changes) 2. Quarterly and Monthly 3.
Good governance, financial sustainability and sound management	Limited programmes available for newly trained Arts Practitioners	<ol style="list-style-type: none"> <li>Limited in-house production to absorb newly trained practitioners</li> </ol>	Loss of revenue	Major	4 Likely 4	High	<ol style="list-style-type: none"> <li>Applied Performing Arts and Arts Management partnership with WIIS.</li> <li>Weekly drama workshops</li> <li>Monitoring and updating of internal staff in key positions on in-house productions</li> </ol>	Fair	Moderate	CEO	1. Establish partnership with other role players in the industry	COO	Quarterly

## **Reporting on compliance with the MFMA and MSA by the Board of directors**

The board works closely with management and the City in the entity's planning and performance management matters.

Through the entity's delegations of authority policy, the board has entrusted the CEO with the responsibility to ensure sound financial planning and management, essential to improve service delivery and sustain the business into the future, as per the MFMA.

On a monthly basis, the entity reports to the City (through GRAS) on compliance with the provisions of Circular 68 and Circular 65 of the MFMA. These reports are presented to the board at its quarterly meetings for oversight.

The performance reporting on the Service Delivery and Budget Implementation Plan (SDBIP) is done to the Mayoral Committee and Council on a quarterly basis.

During the period under review, regular reporting requirements to Council in accordance with the MSA, were fulfilled.

## **Section 6: Sustainability Report**

### **Sustainability Vision**

One of JCT's strategic objectives and key focus area is to ensure the entity remains sustainable by balancing the imperative for revenue generation with socio-economic development.

The entity's operations are broadly underpinned by the concept of long term sustainability. As a result, issues of health, safety and security have been elevated by the organisation to ensure that the City's theatres i.e. Joburg, Roodepoort and Soweto Theatres remain the entertainment destination of choice. On a quarterly basis, issues of health, safety and security are thoroughly interrogated by REMSEC and the ARC; and enhancements to environmental sustainability recommended.

By the same token, skills development is a priority for JCT and to drive this training initiative, JCT concludes a Workplace Skills Plan on an annual basis.

REMSEC considered the possibility of introducing a more coordinated approach that could facilitate the effective management of ethics performance in the organisation. The intention of this initiative is to, going forward, identify through an ethics risk assessment, specific ethics risks and opportunities in relation to the company's operating context and effective ways of advancing ethics management. By so doing, the organisation will be elevating its business as socially and environmentally responsible and the sustainability of JCT will be enhanced.

### **Stakeholders Report**

JCT values continuous engagement with its stakeholders, who include individuals, groups of individuals and organisations. The entity supports continuous accessibility, education and facilitates partnerships as well as co-production opportunities.

JCT's stakeholders are the individuals, groups of individuals or organisations that affect and are affected by the entity's activities, products or services and associated performance.

JCT's board and management are dedicated in ensuring that JCT remains a responsible corporate citizen in a manner that balances the interests of all stakeholders.

As such, the entity supports improved accessibility, education and facilitates partnerships as well as co-production opportunities.

In delivering on the JCT mandate, the entity recognises the following financial, internal and external capabilities as enablers to achieving its mission of producing and presenting innovative and relevant indigenous and international entertainment programmes that promote multiculturalism, diversity and social cohesion:

Applicable Stakeholder	Stakeholder Reporting Requirements & Manner of Engagement
Government Departments, Local Government and COJ	JCT is committed to delivering its services with care, empathy and concern for the well-being of the entity's stakeholders. This is in line with the entity's values of Dignity, Ubuntu, Professionalism and Agility.
Artists, practitioners and Organised Performing Arts bodies	Opportunities are continuously provided to artists in support of creating work, performing, increasing accessibility, facilitating partnerships and co-production opportunities, incubating youth projects and addressing youth unemployment. JCT is an active member of PANSAs, the Performing Arts Network of South Africa.
Funding Partners / Business	JCT is always identifying strategic partners to support the delivery of JCT's mandate. During the period under review JCT partnered with the City's Department of Arts and Culture in delivering the Arts Alive Festival.
Professional service providers, contractors and suppliers	Continuous effort is put towards strengthening enterprise development and support, improving contract negotiation, management and reporting, compliance to fair supply chain management processes and timeous payment for work done as legislated.
Media	JCT's marketing strategy for the company provides guidance on enhancing communication of programmes and opportunities, proactively packaging and communicating project initiative and telling good stories of the programmes and creating brand awareness. The strategy is regularly reviewed to accommodate developing trends in the industry, where possible.
Patrons / General Public	During the first half of the mid-year, due to the COVID-19 pandemic could not stage live entertainment/ programs but through JCT's website and social media platforms live-streamed, some of its pre-existing content with the aim to keep the diverse residents within the City of Joburg entertained. In November and December 2020, JCT in partnership with Joburg City Parks and ZOO, Joburg City Power and Metrobus delivered the festival of lights at the Joburg ZOO.
Board	JCT continued to ensure sound performance reporting and sound corporate governance during the 3 <sup>rd</sup> quarter. Although the board have not had a meeting after the AGM, communication with the board has been going on online. In addition, JCT continued to support integration and collaboration across all business units and COJ.
Employees	JCT values its employees as a key human resource asset which makes possible service delivery and the attainment of the entity's strategic objectives. The entity's human resources policies and practices are in place primarily to acknowledge and reinforce the strategic importance of

Applicable Stakeholder	Stakeholder Reporting Requirements & Manner of Engagement
	<p>human resources. There was a staff meeting during this quarter to inform employees on organisational performance, challenges in the entity and the economic outlook. Employees were also engaged on their concerns and how they could collaborate with management in achieving JCT's strategic objectives.</p> <p>Skills development and training interventions are offered to staff within the organisation and details of the training that took place during the quarter are reported under the Human Resources Management section of this report.</p>

JCT's policies and procedure are in place to provide clear guidelines on rights and obligations as well as to manage expectations between the employer and the employees. The company policies are continuously reviewed in line with operations, new legislation and recommended best practices.

### Section 7: Anticorruption and Fraud

JCT has a culture of zero tolerance to fraud and corruption in all its activities and this commitment is reflected in the entity's Anti-Fraud and Anti-Corruption policy. The fundamental principles underpinning the policy are deterrence, prevention, detection, reaction to, and reducing the likelihood of fraud, corruption, theft and maladministration.

During the quarter under review, there was a single allegation of fraud reported at the entity. The case related to collusion between an employee and a supplier. The matter is under investigation.

JCT has an anti-fraud and anti-corruption policy in place which contains the following objectives:

To prevent fraud, enhance the entity's governance and internal controls, maintain integrity in the entity's operations, establish procedures and protections that allow JCT employees and members of the public to act on suspected fraud and/or corruption with potentially adverse ramifications to the entity and to achieve the legitimate business objectives of the entity for the benefit of the Shareholder and JCT's stakeholders.

To develop and foster a climate within JCT where all employees strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of a full spectrum of both pro-active and re-active measures at their disposal.

To set down the stance of JCT to fraud as well as to re-enforce existing systems, policies, rules and regulations of JCT aimed at deterring, preventing, detecting, reacting to, and reducing the likelihood of fraud, corruption, theft and maladministration.

To confirm JCT's commitment to a culture of zero tolerance to fraud and corruption in all its activities.

As part of the entity's fraud prevention strategy, the entity conducts regular ethics awareness workshops.

### Section 8: ICT Governance

JCT has an established Information and Technology Steering Committee, which is responsible for recommending effective performance management mechanisms on Technology and Information governance to the entity's EXCO.

During this the period under review, the ARC recommended that management should review the IT policy to ensure its adequacy in as far as JCT's technology and information resources in support of the achievement of the organisation's strategic objectives, are concerned. Accordingly, the policy was reviewed to ensure that the entity is secure from threats associated with the use of information and technology.

In line with King IV, information technology (IT) governance forms an important part of Joburg City Theatre's (JCT) governance structures, policies and procedures. It is crucial that the current and future use of ICT is carefully directed and controlled in order for ICT to be aligned to the business goals of the entity.

ICT governance is not just an IT problem; it is at its broadest sense part of the overall governance of an entity with specific focus on improving the management and control of ICT for the benefit of stakeholders. ICT governance spans the culture, organisation, policy and practises that provide for the management and control of ICT. Creating an environment where ICT governance is an integral part of corporate governance is critical in ensuring alignment with business objectives, value delivery, accountability, risk management and overall performance management.

For the effective implementation of IT governance, and in order to improve the value of governance and sustainability, Joburg City Theatres aligns the strategic framework and IT policy in the following objectives:

**Improved value and strategic delivery:**

**Upgrading of Stage Machinery at Joburg Theatre (long term project 2017 – 2021)**

The building department, in consultation with the contractor, schedules downtime around the stage machinery to ensure business continuity. Ironically, South Africa's lockdown status, due to Covid 19, has allowed for more time to be dedicated to this project. The entire project is ongoing and monitored by the building department's technical staff with reports submitted to CFO.

<b>Capex Update</b>	
<b>Stage Machinery Upgrade</b>	<b>Action Taken</b>
<b>1 Overall</b>  1.1 approximately 87% of the total work has been completed 1.2 Upper Machinery is 98% complete 1.3 Lower Machinery is 86% complete 1.4 Software development is 76% complete 1.5 Fly Floor conversion is 81% complete 1.6 Hardware in the storage area is 96% complete	Hardware installation for the emergency control and local is installed and final commissioning are taking place  BSW conversion is currently in progress and cable modification is being attended to.  Awaiting final Mimic devices for main desk and removal of old equipment to be finalised
2 Carpet Tender	Carpet is currently being installed in all of the FOH Areas including function rooms
3 Gas Generator Tender	A Second Tender to be implemented.

<b>Health and Safety</b>	<b>Action Taken</b>
<b>1. Incidents</b> 1.1) No Incidents	No Action
<b>2. Condoms</b> 2.1 No condoms used in the third quarter	No Action



Health and Safety	Action Taken
<p><b>3. Evacuation Drill</b></p> <p>3.1 Evacuation drill was conducted</p> <p>3.1.1 Next Evacuation Drill will be done on 12 May 2021</p>	<p>19 January 2021</p>
<p><b>4. Evacuation Problem</b></p> <p>4.1 The installation company (BESPOKE) to assist when next evacuation drill take place to oversee the operation of the new system.</p>	<p>12 May 2021</p>
<p><b>5. Safety Meeting</b></p> <p>5.1 Safety Meeting</p> <p>5.2 New meeting scheduled for</p> <p>5.3 Meetings with the COO and Producer on going forward with the compliance of the amended regulations set out by government for the Level 1 disaster management act</p>	<p>05 February 2021</p> <p>5 May 2021</p> <p>Ongoing</p>
<p><b>1. Security matters</b></p> <p>1.1 No security incidents were reported in the third quarter of 2021.</p> <p>1.2 The Nissan NP200 Utility vehicle hijacked and stolen. Incident was reported to police and an active investigation is currently ongoing. Case Number 131/02/2021</p> <p>1.3 Incident was reported to insurance company</p>	<p>Security staff are working normal shifts</p> <p>13 February 2021</p>
<p><b>2. Maintenance</b></p> <p>2.1 January Job cards</p> <p>2.2 February Job Cards</p> <p>2.3 March Job Cards</p> <p>2.4 Stage Machinery servicing and Cleaning</p>	<p>230 Job cards completed</p> <p>238 Job cards completed</p> <p>440 Job cards completed</p> <p>Ongoing</p>
<p><b>3. Disaster Management</b></p> <p>3.1 Covid-19 Procedures</p> <p>3.2 Hand Sanitizers</p>	<p>Implement all the COVID-19 regulation as stipulated by government in the government gazette and in conjunction with SHE at COJ</p> <p>Automated Hand Sanitizers on movable stands were installed at all entrances and at the theatre entrances. The hand sanitizers are Continuously filled.</p>

Health and Safety	Action Taken
3.3 Face masks	All staff has been issued with face masks.
3.4 Staff working in the Theatre	<p>Security staff are working a two shift work week.</p> <p>Maintenance staff has started to work a six day work week.</p> <p>Cleaning staff working a five day week. If a show is called then two cleaners move to show schedule.</p> <p>Stage staff are called in, as and when needed.</p> <p>Screening done daily and registers filled in when staff and public arrive. Register are kept for safe keeping by the OHS manager.</p>
3.5 Registers for staff and Public put in place FOH and at security control room	All warning signs and information signs was put up throughout the building.
3.6 Signs	Social distancing floor signs was put in place at FOH and Metro Stages Restaurant.
3.7 Perspex Screens	All area where necessary Perspex screens were installed e.g. Receptionist, Box Office, Coffee Bars at all theatres, Finance Office
3.8 Risk assessment and workplace plan documentation	Risk assessment and a workplace plan has been done and shared with COJ

### COJ Free Wi-Fi

Network infrastructure for Free Wi-Fi has been installed at the Theatre. However the network not yet functional. JCT engages regularly with MTC to get feedback on mutual projects. JCT and MTC meet every 2<sup>nd</sup> week with regards to connectivity status, as well as feedback on issues which have been reported as problem areas.

## **COJ A647 SAP Business Transformation Programme**

JCT is currently installing the SAP client software on all finance PC's. The COJ SAP migration team however could not give us any indication when Theatres will be migrated to SAP. JCT has raised the matter in the CIO Forum. The general consensus amongst CIOs is that the CIO Forum needs SAP representation on the Forum.

### **SAP – Connectivity to COJ**

JCT entered into a contract agreement with MTC to provide JCT with a VPN between Theatres and access physical rack space in a Datacentre for JCT's backup hardware.

All phases have been completed and are functional. Concerns have been raised with MTC because the network infrastructure in the Jabulani area is without backup power. Due to regular meetings with MTC, information is received on progress.

All MTC network equipment will be moved out of the Jabulani Civic Centre and into a container with backup power. The project will only be finalised mid May 2021 provided that there is no new delays.

JCT backup infrastructure was moved to the Datacentre at Teraco (Edenvale) and has been functional. However MTC's Midrand POP is now suffering the same problems with load shedding as with Jabulani. When the POP at Midrand loses power, the connection to the datacentre goes offline. This affects backups from Joburg Theatre to the datacentre.

### **Risk Register**

JCT completed and updated the risk register during this quarter. MTC's lack of backup power has been added to the register as a high risk.

Due to Covid regulations, JCT staff work in shifts and more staff work from home. This has exposed a new risk in regards to our Anti-Virus software. When connected to the JCT VPN, users' laptops report back to the on-premise management console. In the event when the VPN is not connected, then the Laptop is seen as offline. No mitigating action can be taken to resolve issues on the laptop when it is not detected.

To resolve this matter JCT will need to move to a cloud-based version of the management console when license renewals are actioned. The cloud-based version of the console may cost more than the on premises version. The project will need to go for tender.

### **2020 2021 Capex**

Capex was generously allocated for IT projects in the current financial year. The following projects have been identified for procurement:

1. Once-off costs for massive connection installation through MTC (completed)
2. Purchase of IT hardware to allow for staff to work-from-home (completed)
3. Purchase of IT software for the stage department, to meet rapid advancements in both sound and lighting technologies (completed)
4. Outright purchase of PABX (completed)
5. Investment in hardware and software to allow for in-house streaming projects (completed)

### **Readiness for compliance legislation:**

There were no IT related findings during the 2019/20 AG audit.

## **Business and technology strategies**

### **Software Licensing**

JCT, in partnership with COJ, procure software licensing under the COJ's Enterprise agreement with Microsoft. Any future projects requiring licensing can now be addressed. JCT is no longer dependant on individual software agreements with Microsoft which in the past were subjected to expiration dates.

The Enterprise agreement with Microsoft ensures the longevity of systems and keeping them updated.

### **Risk management – Internet Security**

All JCT systems are now running Windows 10 and supported by WSUS updates. The entire network can be maintained with one standard throughout. The team can focus on keeping the systems up to date and patched with the latest security updates and monitored by Anti-Virus software. JCT staff actively check that WSUS updates run on all PCs and that PCs have the latest security patches applied.

Currently the JCT staff are upgrading all PCs to the latest windows build number and resolving any upgrade issues on systems, when detected.

Microsoft also released a patch for on-premise Exchange servers, which JCT has applied.

### **Business continuity**

JCT implemented the latest virtualized systems technologies, which by design enables server virtualization, reduces the dependency of legacy hardware architecture and reduces hardware costs. On completion of the fibre connectivity between theatres and links to the offsite datacentre provided by MTC, JCT is now in a position where vital backup equipment is located off site to ensure business continuity.

### **Challenges**

JCT's primary challenge is with MTC's connectivity issues. Continuous engagement with MTC will be maintained.

The ongoing Eskom load shedding is problematic and exposes faulty UPS and generators or the lack thereof. It also cause damage to equipment when power spikes occur. These kind of issues are addressed as they arise.

## **Section 9: Compliance with Laws and Regulations**

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.

The board of directors embraces the principles of corporate governance and considers these as the underlying philosophy in creating organisation excellence at all levels within JCT. The board of directors and the Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the Code of Corporate Practices and Conduct in the King Report. The board remains steadfast in maintaining high standards of corporate governance and implementing corporate governance principles, policies and practices. 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 COJ group audit committee. The board is satisfied that the company has complied with all legislation relevant to or affecting the company, as well as all regulations and codes of practice.

Compliance reporting is assessed on a monthly and quarterly basis by the City's Group Risk and Assurance Services' (GRAS) compliance division.

On a quarterly basis, the entity reports to the ARC, Board and the City (through GRAS) on compliance with the priority regulatory register, which is a tool identifying the MFMA, the Companies Act and the Occupational Health and Safety Act and Regulations (85 of 1993) and (181 of 1993) as the primary compliance pieces of legislation for purposes of reporting.

In addition, a corporate governance checklist in terms of King VI and compliance against the checklist was for the first time developed and reported on in the entity's draft annual report.

### **Statement of Compliance**

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

The board is committed to good corporate governance, which promotes the interests of all JCT stakeholders, upholds the principles of accountability, effectiveness, transparency, efficiency and public confidence in the entity's operations.

Accordingly, the board has established corporate governance instruments which provide a framework for the effective governance of the company and which comply with the laws and regulations applicable to JCT.

JCT strives for the highest standards of corporate governance as adopted in King IV Report. The Board of directors has incorporated the City of Johannesburg's Corporate Governance Protocol (the Protocol) in its Board Charter, which inter alia regulates its relationship with the City of Johannesburg as its sole shareholder 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. The Company steadfastly consolidated its position in respect of adherence to the King IV report on Corporate Governance. JCT's practices are, in most material instances, in line with the principles set out in the King IV Report. Ongoing steps are however taken to align practices with the Report's recommendations and the Board continually reviews progress to ensure that the company improves its Corporate Governance.

Compliance is an integral part of good governance, providing assurance on the effectiveness of the control environment through the Audit and Risk Committee.

### **Subsidiaries or associations with other companies including trusts**

There are no subsidiaries or trusts in which Joburg City Theatres is a participant.

### **Timeous notification with respect to resolutions to its members**

Minutes of the meetings of the Board of directors and its subcommittees - including resolutions - are to be circulated to members of the Board within 21 days following a meeting.

### **Financial Irregularities**

No financial irregularities were reported in the period under review.

### **Report on Resolutions passed with the Registrar of Companies beyond expected time frame**

There have been no resolutions passed with the Registrar of Companies beyond the expected time frame in the period under review.

### **Report of the documentation procedures and processes**

Minutes and appropriate minute books are kept for all meetings of the Board of directors and subcommittees.

### **Internal Audit Function**

JCT outsourced its internal audit function in terms of section 165 (3) of the MFMA to the Group Risk and Assurance Services GRAS from the shareholder. GRAS has a specific mandate from the Audit and Risk Committee and independently appraises the adequacy and effectiveness of the company's systems, financial internal controls and accounting records, reporting its findings to the Auditor General as well as the Audit & Risk Committee. GRAS interacts with the Chief Financial Officer and reports to the Audit and Risk Committee on a functional basis and has direct access to the Chairperson of the Board.

The Joburg City Theatres' internal audit coverage plan is based on risk assessment performed at each operating unit. The coverage plan is updated annually, based on the risk assessment and results of the audit work performed.

### **Corporate Ethics and Organisational Integrity**

#### **Code of Ethics**

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 2000.

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.

The company has a Code of Conduct ('the Code') which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as required to ensure it reflects the highest standards of behaviour and professionalism.

Upon commencement of employment, all new employees receive a contract of employment and a Policies and Procedures Manual and sign acknowledgment of receipt of both documents. The contract of employment contains clauses referring to the Code of Conduct, as well as other Policies and Procedures applicable to all employees. A copy of the signed contract, together with a document stating that the employee has received the Policies and Procedures Manual, is kept on the individual's personnel files.

The Policies and Procedures Manual is updated on a regular basis by the Governance department in consultation with other departments. The updated policies are communicated with management as well as all employees; thereafter all employees receive copies of the updated policies and sign an acknowledgement of receipt.

It is the responsibility of the theatre's heads of departments (HODs) to monitor compliance with the Company's Code of Conduct in conjunction with the Human Resources Manager. Employees committing a breach of the Company's Code of Conduct are dealt with in a fair and consistent manner by management, in accordance with the Disciplinary Code and Procedures. Joburg City Theatres service providers, suppliers and trade partners are also subject to the Code. It is the opinion of the Board of directors that the company complies with the highest ethical standards in all matters of business.

In terms of the Code of Conduct and Ethics implementation plan mechanisms are being developed to verify observance of code and make it known within JCT. After adoption, the code was sent to all employees in electronic and hard copy formats and Mr Makhaola Ndebele was appointed as ethics officer for the company and is responsible for ensuring compliance and creating innovative ethics training formats, and setting up ethics help line amongst other responsibilities. Ethics remain a standing agenda item in the Remuneration, Social and Ethics committee meetings to monitor adherence to the Code.

#### **Register of Directors interest in contracts**

Directors of the company are continuously advised to declare any interests they hold in any contracts that the company might enter into. To this end the directors are supplied with a form on which to declare their interests and declared interests are then entered into the company register. There has not been any material interest declared as at the date of this report.

#### **Report on the prohibition of disposal of assets contained in Section 115 of the Companies Act**

No assets as contained in Section 115 were disposed.

#### **Compliance Monitoring and Reporting**

The Joburg City Theatres has established and maintains a system of risk management in accordance with the provisions of the Municipal Finance Management Act, the King IV report on Corporate Governance and Risk Management Standards as applicable.

Oversight over the governance and management of risk in Joburg City Theatres is carried out by the Audit and Risk Committee which is a committee of the Board of Directors. The Audit and Risk Committee meets on a quarterly basis (or as regularly as may be agreed between the Board and the Committee) and operates in accordance with an approved term of reference.

#### **Risk Management Framework and Policy and the Compliance Advisory and Assurance Framework**

- The entity is using **Group Risk Management Framework and Policy**.
- Similarly, the ME's **Compliance Framework** is aligned to the CoJ Group Compliance Advisory and Assurance Framework.
- The Risk Management Framework and the Compliance Monitoring Framework are reviewed annually.

#### **Annual Risk Management Plan**

The Annual Risk Management and combined assurance Plan for the current financial year 2020/21 was reviewed and approved at the meeting held in July 2020 by the Audit and Risk Committee and submitted to COJ's Group Risk. The Committee oversees progress on the implementation of the annual plan at each quarterly meeting and has confirmed the entity's plan is aligned to the City's Group Risk.

As at end of the period under review, the progress against the plan was as follows:

<b>Activity</b>	<b>% completed</b>
Operational Risk Register Monitoring	100% and or fully implemented
Strategic Risk Register Monitoring	100% and or fully implemented

#### **Quarterly Risk Management Status Update**

The Audit and Risk Committee confirms that the Committee has reviewed the Strategic risk profile of the ME, ensuring that these are aligned to the citywide top strategic risks as applicable.

In terms of the Code of Conduct and Ethics implementation plan mechanisms are being developed to verify observance of code and make it known within JCT. After adoption, the code was sent to all employees in electronic and hard copy formats and Mr Makhaola Ndebele was appointed as ethics officer for the company and is responsible for ensuring compliance and creating innovative ethics training formats, and setting up ethics help line amongst other responsibilities. Ethics remain a standing agenda item in the Remuneration, Social and Ethics committee meetings to monitor adherence to the Code.

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<b>Activity</b>	<b>% completed</b>
Operational Risk Register Monitoring	100% and or fully implemented
Strategic Risk Register Monitoring	100% and or fully implemented

#### **Quarterly Risk Management Status Update**

The Audit and Risk Committee confirms that the Committee has reviewed the Strategic risk profile of the ME, ensuring that these are aligned to the citywide top strategic risks as applicable.



During the quarter under review, Joburg City Theatres experienced the following significant highlights from a risk management perspective:

**A coronavirus has been identified in China (Wuhan City), and was initially known as 2019 Novel Coronavirus (2019-nCoV). The case was reported on December 31st, 2019, and confirmation of the coronavirus identification occurred on January 7th, 2020. Formally, the disease is now known as coronavirus disease or COVID-19. The virus causing the disease is known as "severe acute respiratory syndrome coronavirus 2" (SARS-CoV-2).**

**Progress on implementation per action plan** - The residual risk rating remains high even though the spread of the disease has slowed down drastically across the country, and the country has reached and passed its peak. There is a very high risk of a third wave of the peak in infections with the country having moved to lockdown level one of the risk adjusted lockdown levels strategy. The theatres remained closed throughout the quarter, as one of government's measures to curb the spread of the virus. During this period the theatre has ensured that all staff conducting deliveries have face masks to illuminate their coughing or sneezing on people & to limit the intake of germs from the atmosphere when in contact with other people. Constant use of hand sanitizer, and sanitizing the credit card devices after every use will decrease the spread of the virus. All employees that have been brought back to work are working in separate areas / sections and have very limited contact with each other. Call centre employees are based in separate offices whose only interaction with others are when they meet the cashier to wring up the order. The separation between them when they do interact is 2m. In order to illuminate the movement of the printed till slip, the delivery person will take a picture of the bill to show to the customer for approval of payment.

**Countrywide implementation of load shedding by the state power utility (Eskom):**

The residual risk rating remains high due to lack of alternative power generation in Joburg Theatre and Soweto Theatre leading to either cancellation of shows or no bookings.

**Progress on implementation per action plan**– Management is continuously engaging and negotiating with City Power to conveniently schedule load shedding. Management was successful in lobbying shareholder to allocate additional CAPEX for the generators and/or alternative power source for JT and ST urgently, the implementation of the project is in progress.

**Obsolete and/or outdated stage machinery and equipment:**

The residual risk rating remains moderate until the project has been fully completed. The residual risk rating remains high due to inadequate capex budget. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement.

**Progress on implementation per action plan**– The project is a multiyear project which will be completed by the 3rd Quarter of the current financial year. About R30m has been spent on this project in the last three financial years (2017/18, 2018/19 & 2019/20).

**Limited programmes available for newly trained Arts Practitioners**

Limited in-house production to absorb newly trained practitioners.

**Progress on implementation per action plan** -JCT is in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM), there are also weekly drama workshops and interns are placed in key positions on in-house stage productions.

**Inconsistent attendance at theatre shows:**

High cost of productions and the need to recover costs, effect of the country's downgraded economic status, Corona virus has been an impact because some people do not have money and some are scared of the virus, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.

**Progress on implementation per action plan** - Different pricing structures based on product and venue, offering a limited number of discounted and/or free tickets to the youth and senior citizens communities, mobile theatre truck used to access targeted communities as well as diverse and inclusive theatre programme.

**Non-compliance with applicable legislation:**

Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.

**Progress on implementation per action plan** - Regulatory compliance register/ assessment tool monitored by the Company Secretary. Compliance policy and framework developed and implemented. All pre-deregistration processes concluded by management. Quarterly reporting to oversight committees on compliance. The company is already transacting on the MSCOA chart.

**Theft, fraud and corruption resulting in financial and non-financial loss:**

Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls.

**Progress on implementation per action plan** - The Anti-Fraud and Anti-Corruption policy in place, Fraud prevention plan, Code of conduct, Segregation of duties, Declaration of interests, Gift register in place and Remuneration, Social and Ethics Committee, conduct fraud risk assessment and anti-fraud and corruption awareness campaigns.

**Lack of brand architecture (continuous and consistent message management):**



Reputation of the Theatre precinct, poor/ bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.




**Progress on implementation per action plan** - Media partnerships, media community management, continuous brand and productions awareness campaigns, marketing strategy in place and barter exchange deals.




Table 1: Quarterly Risk Management Status Update

	<b>LOW</b>
	<b>MODERATE</b>
	<b>HIGH</b>

Status on implementation of the risk response / treatment plans for significant risks reported

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
Aged, obsolete and outdated stage machinery and equipment, resulting in cancelled productions/ inability to attract new productions	<p>Old stage machinery becomes no longer useable.</p> <p>Insufficient financing to upgrade machinery and equipment.</p> <p>Inability to attract state of the art shows.</p>	High	High	High		No	
Country wide spread of novel coronavirus, commonly known as COvid-19, which has its origins in China	<p>Following the announcement by President Cyril Ramaphosa of 15 March 2020 declaring that COVID-19 had become a “national disaster and resulted to school closures, travel restrictions, and bans on large gatherings. The outbreak of COVID 19 has interrupted all Theatre activities planned for the 3rd and 4th quarter of 2019/20 financial year and also 1st quarter of the 2020/21 financial year.</p>	High	High	High		No	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
Countrywide implementation of load shedding by the state power utility (Eskom):	Lack of alternative power generation in Joburg Theatre and Soweto Theatre leading to either cancellation of shows or no bookings	Low	Low	Low		Yes	
Limited programmes available for newly trained Arts Practitioners	Limited in house programmes to absorb newly trained practitioners	Moderate	Moderate	Moderate		Yes	
Inconsistent attendance at theatre shows	High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.	Moderate	Moderate	Moderate		Yes	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
Non-compliance with applicable legislation	Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.	Moderate	Moderate	Moderate		Yes	
Theft, fraud and corruption resulting in financial and non-financial loss	Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls	Moderate	Moderate	Moderate		Yes	
Lack of brand architecture (continuous and consistent message management)	Reputation of the Theatre precinct, poor/bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.	Moderate	Moderate	Moderate		Yes	

**Information on emerging / new risks**

None.

**Major projects and contracts risk profiles**

JCT does not have major projects that have a significant risk exposure to the entity and the COI.

**ICT risk governance & ICT risk management**

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	Q1	Q2	Q3	Q4
Business interruptions	MTC does not have a backup power for the its network equipment in Jabulani civic centre	Soweto theatre's connectivity to Jabulani Civic Centre and to Joburg Theatre is lost when there is power outage	Continuously engaging the service provider on the best solution to this	Moderate	Moderate	Moderate	

**Fraud risk management / fraud prevention**

The entity has an approved fraud prevention policy and fraud hotline. During fraud risk assessment conducted, the following fraud risk exposure has been identified:

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	Q1	Q2	Q3	Q4
Fraud and Corruption	There could be a possibility of nepotism, collusion, overtime payment, false travel claims, etc.	Reputational damage and financial loss	Continue doing workshops. Monitoring of compliance	Low	Low	Low	

### **Risk transfer – exposures**

There were two incidents reported in this quarter under review.

### **Legal and regulatory compliance**

Compliance reporting is assessed on a monthly and quarterly basis by the City's Group Risk and Assurance Services' (GRAS) compliance division.

On a quarterly basis, the entity reports to the ARC, Board and the City (through GRAS) on compliance with the priority regulatory register, which is a tool identifying the MFMA, the Companies Act and the Occupational Health and Safety Act and Regulations (85 of 1993) and (181 of 1993) as the primary compliance pieces of legislation for purposes of reporting.

The entity relies on a Priority Regulatory Register which is a measurement tool adopted by the City of Joburg group for measuring compliance with various pieces of legislation and regulations. The Priority Regulatory Register for the entity measures compliance with the Companies Act, the MFMA and the Occupational Health and Safety Act (OHSA). Compliance per the register is measured on a quarterly basis and where compliance is claimed, the claim is supported by the relevant evidence for assurance purposes by GRAS.

The results of the compliance register are reported to the ARC and the board on a quarterly basis. By the same token, on a monthly basis, the entity rates its compliance with Circulars 668 and 65 of the MFMA. Submission of these reports is done to GRAS for assessment. These reports are also presented to the ARC and the board.

Performance reporting against the entity's Service Delivery and Budget Implementation Plan (SDBIP) is done to the Mayoral Committee and Council on a quarterly basis.

For the period under review, regular reporting requirements to Council as prescribed by the MSA were fulfilled.

### **Compliance Monitoring and Reporting**

The Entity has established the following mechanisms to monitor compliance with applicable laws and regulations:

- Compliance tool

#### **Circular 68**

##### **(i) Fruitless and Wasteful Expenditure**

The Entity identified the following instances of fruitless and wasteful expenditure:

- None

## (ii) Unauthorised Expenditure

The Entity identified the following instances of unauthorised expenditure:

- None

## (iii) Irregular Expenditure

During the audit of 2019/20 financial year auditors identified two tenders and three request for quotations which should have been advertised with a local content requirement in accordance with regulation 8(2) of the preferential procurement regulations of 2017. These were declared as irregular and amounted to R533 274.18

IRREGULAR EXPENDITURE SCHEDULE		
Supplier Name	Description	Amount
Ocean Breeze	Supply Of Frozen, Dry Goods, Consumables & Cleaning Supplies For Joburg City Theatres	104 434.49
Dikhudu Investments	Supply And Delivery Of Uniform For Joburg City Theatres	190 005.69
Mavhunga Holdings (Pty) LTD	Outdoor Furniture For Joburg Zoo Restaurant	129 124.00
Somphek General Trading	Manufacturing Of Cocktail Tables And Chairs	109 710.00
		<b>533 274.18</b>

## (iv) Payments exceeding 30 days of receipt of invoice

The Entity identified the following instances where payments to suppliers were made in excess of 30 days:

No incidents of payments exceeding 30 days have been identified.

## Priority Legislation

The Entity has established the following mechanisms to monitor compliance with applicable laws and regulations:

- Compliance Framework and tool
- Compliance SOP (Standard Operating Procedure)
- Compliance Profile Assessment Tool

## Occupational Health and Safety Act and Regulations (85 of 1993)

- Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees.

## Municipal Finance Management Act and Regulations Act of 56 of 2003

- The accounting officer of the municipality must submit that information to national treasury, the Auditor General, and the relevant Provincial Treasury in writing.

## Companies Act

- The Companies Act, 2008 requires all companies to keep accurate and complete accounting records, which must be kept and be accessible at the company's registered office.



- All companies (including external companies) and close corporations are required by law to lodge their annual returns with CIPC within a certain period of time every year. An annual return is a statutory return in terms of the Companies and Close Corporations Acts and therefore MUST be complied with. Failure to do so will result in the Commission assuming that the company and/or close corporation is not doing business or is not intending on doing business in the near future. Non-compliance with annual returns may lead to deregistration, which has the effect that the juristic personality is withdrawn and the company or close corporation ceases to exist.

### **Combined and Integrated Assurance and Oversight**

An integrated and combined assurance approach has been adopted for the purposes of maximising assurance provision and therefore aggregation of assurance outcomes.

### **Joburg City Theatres Top Strategic risks**

The top strategic risk areas for the financial year 2020/21 have been re-evaluated and monitored continuously during the 3<sup>rd</sup> quarter. This entailed the re-evaluation of the strategic risk landscapes and the identification of new emerging risks.

The measurement, prioritisation and ranking of the risk exposures has been in accordance with the formally adopted group risk assessment methodology. The prioritisation of the top risks is to ensure that adequate assurance resources can be directed to those risks that need more attention of management, and therefore combined assurance mapping is adequate and effective.

### **Discussion**

The consolidation of assurance outcomes is based on the work done as at the end of Quarter 3 of 2020/21 and are summarised herein. The report therefore covers the following:

- strategic risks and residual risk profile for Quarter 3 of 2020/21;
- Strategic and operational risk monitoring;
- Strategic risk mapping to the Priorities.

### **Joburg City Theatres Top Strategic Risks Monitoring**

The top strategic risks are monitored continuously and communicated to management on a monthly basis. The Top Strategic risks are mapped to the Specific priorities focus areas for JCT and have been assigned risk ownership and action ownership at Departmental level.

The risk and action ownership was agreed to with the Executive Management Team during the risk assessment workshop. Management is apprised on an-ongoing basis of the progress being made to implement risk mitigation actions and therefore management of associated risk exposures. For the purposes of monitoring risks and risk movements, Key Risk Indicators have been identified for each strategic risk area:

## Quarterly Risk Management Status Update – Management (Level 1 Assurance)

The Audit and Risk Committee confirms that the Committee has reviewed the Strategic risk profile of the ME, ensuring that these are aligned to the City-wide top strategic risks as applicable. During the quarter under review, Joburg City Theatres experienced the following significant highlights from a risk management perspective:

- i) **A coronavirus has been identified in China (Wuhan City), and was initially known as 2019 Novel Coronavirus (2019-nCoV). The case was reported on December 31st, 2019, and confirmation of the coronavirus identification occurred on January 7th, 2020. Formally, the disease is now known as coronavirus disease or COVID-19. The virus causing the disease is known as "severe acute respiratory syndrome coronavirus 2" (SARS-CoV-2).**

**Progress on implementation per action plan-** The residual risk rating remains high even though the spread of the disease has slowed down drastically across the country, and the country has reached and passed its peak. There is a very high risk of a second wave of the peak in infections with the country having moved to lockdown level one of the risk adjusted lockdown levels strategy. The theatres remained closed throughout the quarter, as one of government's measures to curb the spread of the virus. During this period the theatre has ensured that all staff conducting deliveries have face masks to illuminate their coughing or sneezing on people & to limit the intake of germs from the atmosphere when in contact with other people. Constant use of hand sanitizer, and sanitizing the credit card devices after every use will decrease the spread of the virus. All employees that have been brought back to work are working in separate areas / sections and have very limited contact with each other. Call centre employees are based in separate offices whose only interaction with others are when they meet the cashier to wring up the order. The separation between them when they do interact is 2m. In order to illuminate the movement of the printed till slip, the delivery person will take a picture of the bill to show to the customer for approval of payment.

- ii) **Countrywide implementation of load shedding by the state power utility (Eskom):**

The residual risk rating remains high due to lack of alternative power generation in Joburg Theatre and Soweto Theatre leading to either cancellation of shows or no bookings.

**Progress on implementation per action plan-** Management is continuously engaging and negotiating with City Power to conveniently schedule load shedding. Management was successful in lobbying shareholder to allocate additional CAPEX for the generators and/or alternative power source for JT and ST urgently, the implementation of this project is still in progress.

- iii) **Obsolete and/or outdated stage machinery and equipment:**

The residual risk rating remains moderate until the project has been fully completed. The residual risk rating remains high due to inadequate capex budget. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement.

**Progress on implementation per action plan-** The project is a multiyear project which will be completed on in 2<sup>nd</sup> quarter of the current financial year.

About R26m has been spent to date

- iv) **Limited programmes available for newly trained Arts Practitioners**

Limited in-house production to absorb newly trained practitioners.

**Progress on implementation per action plan** -JCT is in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM), there are also weekly drama workshops and interns are placed in key positions on in-house stage productions.

**v) Inconsistent attendance at theatre shows:**

High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.

**Progress on implementation per action plan** - Different pricing structures based on product and venue, offering a limited number of discounted and/or free tickets to the youth and senior citizens communities, mobile theatre truck used to access targeted communities as well as diverse and inclusive theatre programme.

**vi) Non-compliance with applicable legislation:**

Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.

**Progress on implementation per action plan** - Regulatory compliance register/ assessment tool monitored by the Company Secretary. Compliance policy and framework developed and implemented. All pre-deregistration processes concluded by management. Quarterly reporting to oversight committees on compliance. The company is already transacting on the MSCOA chart.

**vii) Theft, fraud and corruption resulting in financial and non-financial loss:**

Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls.

**Progress on implementation per action plan** - The Anti-Fraud and Anti-Corruption policy in place, Fraud prevention plan, Code of conduct, Segregation of duties, Declaration of interests, Gift register in place and Remuneration, Social and Ethics Committee, conduct fraud risk assessment and anti-fraud and corruption awareness campaigns.

**viii) Lack of brand architecture (continuous and consistent message management):**

Reputation of the Theatre precinct, poor/ bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.

**Progress on implementation per action plan** - Media partnerships, media community management, continuous brand and productions awareness campaigns, marketing strategy in place and barter exchange deals.

**Quarterly Risk Management Status Update – Group Risk and Assurance Services (Level 2 Assurance)**

- **Group Risk Services**

Group Risk Services continuously conducts risk assessment of Joburg City Theatres to 5 strategic risks, this entails assessing the mitigating actions and progress on implementation of action plans. The table below depicts the Joburg City Theatres risk highlights for the quarter under review based on the assessment conducted by Group Risk Services.

Ref	Risk Description	Mitigating actions	Progress on implementation per action plan
1	Aged, obsolete and outdated stage machinery and equipment	<ol style="list-style-type: none"> <li>1. Fair maintenance of stage machinery.</li> <li>2. The Council has allocated R16m &amp; R30m in budget year 2018/19 and 2019/20 respectively.</li> <li>3. The service provider has been appointed to do the upgrade. R30m has been spent in 2019/20 on this project.</li> <li>5. Theatre calendars are aligned with the project plan</li> <li>6. Project manager appointed to oversee the project</li> </ol>	R26m has already been spent to date
2	'A coronavirus has been identified in China (Wuhan City), and was initially known as 2019 Novel Coronavirus (2019-nCoV). The case was reported on December 31st, 2019, and confirmation of the coronavirus identification occurred on January 7th, 2020. Formally, the disease is now known as coronavirus disease or COVID-19. The virus causing the disease is known as "severe acute respiratory syndrome coronavirus 2" (SARS-CoV-2).	<ol style="list-style-type: none"> <li>1. Strict safety measures (as per labour department regulations) is observed.</li> <li>2. Compliance Officer appointed to monitor</li> <li>3. Screening of employee entering office</li> <li>4. Provided workers with flexible work arrangements in situations of sickness or sickness in the family, Protect the workplace against discrimination and social stigma, Support workers coping with stress during COVID-19 outbreak</li> <li>5. Face masks</li> </ol>	Ensure that all staff conducting deliveries have face masks to illuminate their coughing or sneezing on people & to limit the intake of germs from the atmosphere when in contact with other people. Constant use of hand sanitizer, and sanitizing the credit card devices after every use will decrease the spread of the virus. All employees that have been brought back to work are working in separate areas / sections and have very limited contact with each other. Call centre employees are based in separate offices whose only interaction with others are when they meet the cashier to wrap up the order. The separation between them when they do interact is 2m. In order to illuminate the movement of the printed till slip, the delivery person will take a picture of the bill to show to the customer for approval of payment.
3	Countrywide implementation of load shedding by the state power utility (Eskom)	<ol style="list-style-type: none"> <li>1. Eskom is experiencing a shortage of capacity due to a number of generating units still out of service due to breakdowns. The situation remains tight and volatile Eskom might implement further load shedding in the year should the situation deteriorate.</li> <li>2. Consistent load shedding could lead to cancellation of shows resulting in financial loss and reputational damage.</li> </ol>	<ol style="list-style-type: none"> <li>1. JT continuously engages and negotiates with City Power to conveniently schedule load shedding.</li> <li>2. ST has an emergency generator for lighting</li> <li>3. RT has a generator however does not provide sufficient power to run all the operations</li> </ol>

Ref	Risk Description	Mitigating actions	Progress on implementation per action plan
		3. Lack of alternative power generation in Joburg Theatre and Soweto Theatre leading to either cancellation of shows or no bookings	
4	Lack of brand architecture (continuous and consistent message management)	<ol style="list-style-type: none"> <li>1. Media partnerships</li> <li>2. Media community management</li> <li>3. Continuous brand and productions awareness campaigns.</li> <li>4. Marketing strategy in place</li> <li>5. Barter exchange deals</li> </ol>	Review of the marketing and communication strategy.
5	Inconsistent attendance at theatre shows	<ol style="list-style-type: none"> <li>1. Different pricing structures based on product and venue.</li> <li>2. Offering a limited number of discounted and/or free tickets to the youth and senior citizens communities.</li> <li>3. Mobile theatre truck used to access targeted communities.</li> <li>4. Diverse and inclusive theatre programmes</li> </ol>	<ol style="list-style-type: none"> <li>1. To target companies with CSI programmes to bring a child to the theatre</li> <li>2. Develop funding policy to target sponsorship</li> <li>3. Conduct comprehensive survey to establish audience needs</li> </ol>
6	Limited programmes available for newly trained Arts Practitioners	<ol style="list-style-type: none"> <li>1. Limited in-house production to absorb newly trained practitioners</li> </ol>	<ol style="list-style-type: none"> <li>1. Applied performing Arts and Arts management partnership with Wits.</li> <li>2. Weekly drama workshop</li> </ol>
7	Non-Compliance with legal legislation	<ol style="list-style-type: none"> <li>1. Various and changing legislative requirements to be complied with</li> <li>2. There is a requirement to comply with MSCOA</li> </ol>	<ol style="list-style-type: none"> <li>1. Regulatory compliance register/ assessment tool monitored by the company secretary</li> <li>2. Compliance policy and framework in place</li> </ol>

- **Internal Audit**

Due to the disruptions of Covid- 19, internal audit for 2019/20 was concluded on 2<sup>nd</sup> quarter 2020/21.



The assurance outcomes by internal audit are based on the work done in fourth quarter of the 2019/20 financial year.


- **External Audit (Auditor General of SA)**



The officer of the Auditor General concluded they audit of 2019/20 on 3<sup>rd</sup> quarter of the current financial year.



The assurance outcomes by the auditor general are based on the 2018/19 audit, Joburg City Theatres maintained it clean audit status in 2018/19.

**TABLE 1: SUMMARY ASSURANCE OUTCOMES – QUARTER 1 OF 2020/21**



	<b>LOW</b>		<b>MODERATE</b>		<b>HIGH</b>
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Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes – Q3 2020/21		Level 2 – External Assurance		Level 1 and 2 Combined Assurance		
			Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisor	Level 2 – integrated assurance	Auditor General	Combined Assurance
	Aged, Obsolete and/or outdated stage machinery and equipment	Old stage machinery becomes no longer useable.  Insufficient financing to upgrade machinery and equipment.  Inability to attract state of the art shows.	High		High	High	High	High	High

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes – Q3 2020/21		Level 2 – External Assurance		Level 1 and 2 Combined Assurance				
			Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisor	Level 2 – integrated assurance	Auditor General	Combined Assurance		
	Worldwide spread of Covid -19 causing disruption to business resulting from closure of all economic activities	Following the announcement by President Cyril Ramaphosa of 15 March 2020 declaring that COVID-19 had become a “national disaster and resulted to school closures, travel restrictions, and bans on large gatherings. The outbreak of COVID 19 has interrupted all Theatre activities planned for the 3rd and 4th quarter of 2019/20 financial year and also 1st quarter of the 2020/21 financial year.	High		High	High	High	High	High	High	High
	Countrywide implementation of load shedding by the state power utility (Eskom):	Lack of alternative power generation in Joburg Theatre and Soweto Theatre leading to either cancellation of shows or no bookings	Low		Low	Low	Low	Low	Low	Low	Low

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q3 2020/21		Level 2 – External Assurance		Level 1 and 2 Combined Assurance			
			Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisor	Level 2 – integrated assurance	Auditor General	Combined Assurance	
	Limited programmes available for newly trained Arts Practitioners	Limited in house production to absorb newly trained practitioners	Moderate		Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
	Inconsistent attendance at theatre shows	High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.	Moderate		Moderate	Moderate	Moderate	Moderate	Moderate	Moderate



Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q3 2020/21		Level 2 – External Assurance		Level 1 and 2 Combined Assurance				
			Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisor	Level 2 – integrated assurance	Auditor General	Combined Assurance		
	Non-compliance with applicable legislation	Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.	Moderate		Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
	Lack of brand architecture (continuous and consistent message management	Reputation of the Theatre precinct, poor/bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.	Moderate		Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q3 2020/21		Level 2 – External Assurance		Level 1 and 2 Combined Assurance		
			Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisor	Level 2 – integrated assurance	Auditor General	Combined Assurance
	Theft, fraud and corruption resulting in financial and non-financial loss	Conflict of interest, Inadequate segregation of duties / inadequate or no supervision. Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and inadequate physical security controls.	Moderate		Moderate	Moderate	Moderate	Moderate	Moderate

### Summary Discussion of Operational Risks

#### Operational Risks - Monitoring and assurance

Operational risk assessment reviews for all the departments for the current financial year have been completed. These are key operational risks that have been highlighted herein to evidence the implementation of a combined assurance; and the integrated assurance approach within JCT.

- **Group Internal Audit**

Group Internal audit commenced with the audit during the second quarter of the current financial year, the internal audit coverage plan is linked to the top 5 strategic risks of Joburg City theatres, even though the audit is still in progress at the end of the quarter, certain components were complete, and therefore assurance could be provided on completed components, by the end of the period under review assurance from internal audit could only be provided on completed components.

## CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

### Section 1: Highlights and Achievements

The performing arts are vulnerable because much of the sector relies on live engagement with groups of people in a central space: performers are in close proximity when sharing a space, and backstage areas are shared by actors and crew members; dressers, make-up artists, props managers and stage hands all work together to create a live performance. Some modes of live performance might require one-on-one engagement with an audience member or necessitate a transgression of the boundary between audiences and performers. Sound and lighting booths are generally small, enclosed spaces in which social distancing is almost impossible.

Embodied engagements and visceral exchanges that foreground the sensory are central to the performing arts. The kind of attention we pay to a theatre piece and the kind of attention we pay to online viewing content is different. Whether watching a performance or performing, those who share the space are not just *in* space, their interrelationship *shapes* the shared space. This shaping of a shared space and associated embodied exchanges are at the heart of the challenge to reimagine the performing arts in the context of COVID-19.

The entertainment business model is built on audiences, attendance to shows, large gatherings. Pulled out from underneath the industry like a carpet. At the start of the nationwide lockdown, it would be fair to say that the entire entertainment industry was caught by surprise. Performers and performance venues immediately faced a slue of cancellations, and as incomes from live performance swirled into the COVID drainpipe, the industry frantically sought ways to stay afloat.

First was going online. As meetings did, so did entertainment, go online. This was done without much thought or consideration for what people would watch on streaming. It was not enough to just perform and stream a live performance, television, which is what streaming was in direct competition with.

When the theatres began to produce works for online streaming, a focus was put on ensuring that the streamed production was appealing and attractive to audiences at home.

## JOBURG THEATRE

Following an unpleasant season under the devastating pandemic of Covid-19, Joburg Theatre is slowly opening its doors in 2021 since the last presidential speech of Cyril Ramaphosa. After back and forth of new regulations and unfortunate cancellation with a mediate effect of Festival of lights 2020 last December due to a Second Wave of Covid-19. Joburg Theatre was proud to work in partnership with **Kyknet TV** to host a film recording FliekNet to hit South African screens. This was a four day Shoot held at Lesedi Theatre. This production was produced by Red Pepper Productions under the supervision of Claribel Nkwili.



*"I'd like to say a very big thank you to everyone at the theatre who helped us while we there the past 4 days. Please especially thank the technicians who came in, they were great and Mr Mgababa" – Claribel Nkwili (Red Pepper Production).*

**Mask up for love 2021** was fully booked hosted by Stages restaurant, celebrating Valentine's Day. The collaboration of Timothy Moloji and Lelo Ramasimong blessing the audience with hit cover songs from Luther Vandrose, Beyoncé, Adele and many more. Stages also hosted a competition give-away of hampers from the Joburg Market to our lovely lucky couples who attended this event. Joburg Theatre celebrated a month of love with outstanding local talent.



*One of our lucky hamper winners- Happy Valentines!*

In collaboration with 2021 Biamp PDX Jazz Festival commemorates Black History Month with a compilation of current South African improvised music & jazz, hosted an international **INDABA IS**. The Indaba featured various artists from all over the world. This event was hosted at Lesedi Theatre and later streamed online for those who missed it. The project was conceived and produced by two leading figures on the South African music scene, pianist Thandi Nthuli and singer Siyabonga Mthembu (The Brother Moves On, The Ancestors). It brings together eight emblematic Johannesburg bands, with spiritual jazz as an obvious anchor. Jazz acts as a springboard for exploring South Africa's musical diversity. The songs that make up Indaba Is propel eight current South African bands to new and unexplored musical frontiers.



A Joyous night with **Joyous Celebration** at the Mandela Theatre. Under the regulations of level-1. Joburg Theatre hosted exclusive Joyous Celebration live recording and unfortunately no audience members were allowed to view this productions.



Precious Khomo, a female gospel recording artist was hosted at Lesedi, recording her debut album **The Sound from The Throne room**. Packed with a digitals set up complemented the show and attendance were blessed with her voice. Precious stated *"I'm a worshipper, a 'Talker' and a recording artist! I love Jesus so much and my life depend on Him! I know that my victory is guaranteed"*. Joburg Theatre was proud to host this event especially to gospel music lovers.



JCT presented a virtual Wellness Programme - **Creative Awakening Wellness Programme** - that provides edutainment to patrons on overall wellness that can be done in the comfort of their own spaces/environment. The programme featured:

- **Opera Breathing with Phenye Modiane at Roodepoort Theatre.** An incredible Opera singer, who sang the role of El Ramendado in Carmen and Ugqayinyanga also sang the role of Ferrando in *Cosi fan Tutte*, Alfredo in La Traviata also performed as Beppe in Rita and Rodolfo in La Boheme at Joburg Theatre and Durban Playhouse. Alongside his performing career, he also serves as the MD of Johannesburg Opera. **Streaming 8 March 2021 from 08h30 on Facebook, @JoburgTheatre @SowetoTheatre and @RoodepoortTheatre.**
- **African Dance Warm Up with Oscar Buthelezi at Joburg Theatre.** Buthelezi is a high flyer, and yet his feet are firmly on the ground when he is not leaping across the stage. This young man flew the South African flag high on the world stage, going against 70 choreographers from 26 countries around the

world for the high profile Kurt Jooss Prize for the 2016 Choreographer of the Year Award. 2019 winner of the Naledi award -with the Color Purple Musical.

**Streaming 15 March 2021 from 08h30. on Facebook, @JoburgTheatre @SowetoTheatre and @RoodepoortTheatre.**

- **Voice & Breath Well-being & Empowerment with Fiona Ramsay.** One of the country's leading actresses, Fiona is a highly acclaimed voice-over artist, actress, MC and speaker, she created and devised a unique technique in the approach to vocal coaching, dialect training and communication empowerment, and embodies the axiom 'You are what you speak!' and encourages that all speak with ease in the business, arts, corporate or sports arenas.

**Streaming 22 March 2021 from 08h30 on Facebook, @JoburgTheatre @SowetoTheatre and @RoodepoortTheatre.**

- **Joburg Ballet, Introduction by Artistic Director Iain MacDonald, Warm-up Session with Ruan Galdino, second session by Thabang Mabaso and Basic Ballet Barre session with Claudia Monja.** The dynamically evolving centre of Johannesburg's cultural life. A professional company, presenting classical ballets and new works to a diverse and growing audience.

**Streaming, 29 March 2021 from 08h30 on Facebook, @JoburgTheatre @SowetoTheatre and @RoodepoortTheatre.**

The wellness programme touched the importance of breathing and promoted consciousness since the whole world is impacted by a deadly pandemic Covid-19.



*"I am honoured and privileged to have been a part of JOBURG CITY THEATRES WELLNESS PROGRAMME".* Opera Breathing with Phenye Modiane.

Napo Masheane shines a spotlight on the surge of gender-based violence and femicide in South Africa in **"My Vagina Was Not Buried with Him"**. The Theatre practitioner and poet is chuffed about her thought-provoking stage production, which recently premiered, albeit virtually, at the Toronto International Festival of Authors (TIFA) alongside other internationally renowned productions from Canada, Jamaica, Sudan and the United Kingdom. Written and performed by Masheane, "My Vagina Was Not Buried With him" is directed by Clive Mathibe, whose career in the arts industry spans over a decade. The tear-jerking production explores the ongoing plight of women abuse and femicide in the country. A successful partnership with the Joburg Theatre and Soweto Theatre, My Vagina Was Not Buried with Him premiered at the Joburg Theatre with a standing ovation and moved to Soweto Theatre for a second run.

A panel of discussion was opened to debate on some of the atrocities caused by men towards women. The floor was heated with heart touching personal stories reflecting on the performance.



This choreopoem told through the story Nthate's, a Mosotho makoti (Bride), who holds a microscope over fears that many young girls and women live under. With this finds herself conflicted and in a state of utter desolation as she struggles to cope with the dire expectations imposed on her as a Mosotho woman and even the perils she's forced to live with even after the death of her husband. The barriers and lines between life and death are then blurred as they bridge between the spirit world and the real world. The three sister-friends evoked by Nthate's tears at the graveside; claw their ways out of their own graves to rescue and silence Nthate cry. Through tears, laughter, resistance, beauty and humour, the four sister-friends set a course for a life changing journey and embark on road-trip, which will go against traditional and cultural norms as well as exultantly ensuring them to search, find and reclaim their vaginas back.



**A Raisin in the Sun-** Soweto Theatre kept its doors open while adhering to COVID -19 regulations. Mr. Jerry Mofokeng and his crew used the Red Theatre to have rehearsals for the show A Raisin In the Sun, a production taken from the 1950's American production by Hansberry.

Hansberry's recognition of the close relationship between art and propaganda is the reason she chose the environment of the powerless as a backdrop for her work about American culture. Her objective was to be a spokesperson for those who, prior to *Raisin*, had no voice. The thought that anyone outside of the black community would care about the struggles of a black family in Southside Chicago, prior to the opening of *Raisin*, was all but preposterous. Not only did Hansberry choose the voice of her theme a black family (and a *poor* black family, at that), but she also threaded information about Africa throughout the fabric of her play, mainly through her most stable character, Asagai, Beneatha's suitor from Nigeria.



**Ubuciko Arts & Culture Group** utilised Soweto Blue Theatre to record their online production teaching and spreading the word about CORONA COVID -19 and how it has affected our lives also how it is affecting the world. No audience was allowed but patrons are welcome to watch it through the Ubuciko Facebook page.

**Uhadi Guitar the Sound of Healing show-** This was screening performance of the Love Bite edition concert presented by Ndyebo the jazz musician and a renowned International who will be featuring the likes of Sintu, Latoya Makhene and Legendary Blondie Makhene for an intimate musical performance that promise healing and capture new dawn of love. Ndyebo first came onto music scene in 2016 with his debut single Ivama. The live screening took place on the 14 February 2020.

**Patrons' comments:**

*"As always Ndyebo never disappoints. I really enjoyed with my family."*

*"This was my first time in this kind of show, I enjoyed every song played. Great experience*

*Thanks to Ndyebo, Mr. Makhene and the production. I enjoyed myself. Love never fails."*

*"Being part of this team has taught me a lot. Healing, peace you really find yourself. The music sent a message to the world. I think people heal to find themselves regularly where they've been because our world is vast."*



**Ecuador Festival-** Soweto Theatre continued the spirit of love to its patrons proving music session by Uhadi where he featured the Makhene family, performing love familiar songs where attendees got to sing along and had a blast with their loved ones.

*"Everything was well, every time will come back."*



**Music Tutorial Programme Auditions -** Soweto Theatre music tutorial hosted auditions for the youth of Soweto and its surroundings to provide them with an opportunity to be part of the program and learn different genres & instruments in music.





**Patrons in attendance had the following to say:**

*"The plantation around the theatre is very welcoming. The service is on point and attractive, as I walked in for my audition, nervous and shaking, the staff was so comforting and the judges made conversation to be easy and effortless."*

*"Soweto Theatre offers a great platform for young individuals to embark on artistic endeavors and offers a wide range of opportunities to youth."*

*"My day here will always be memorable as it has sparked a wonderful journey of music education. The staff was very friendly and the environment was conducive during this pandemic as they adhere to safety protocols of COVID- 19."*



**Zindala Zombili African Music and Dance Festival** hosted their finals for the music and dance where it all began with categories of traditional music and dance Isicathamiya and Umaskandi on the first day.

Ms. Nthabiseng Sekgoe, Mr. Sekgwe and Mr. Msomi were the judges of the day. Participants came out from Gauteng and its surroundings, others coming all the way from KZN (Pomoroy). Inkululeko walked away with first prize winning R 10 000.00 under the Isicathamiya category and Amasinga also came first under Umaskandi winning R 10 000.00 as well.

**Patrons in attendance had the following to say:**

*"It is my first time to be her at Soweto Theatre, thank you to the sponsors from Arts& culture, I feel like home because of the safety in the environment, cleanliness of the place is on point and I hope I will win these finals."*

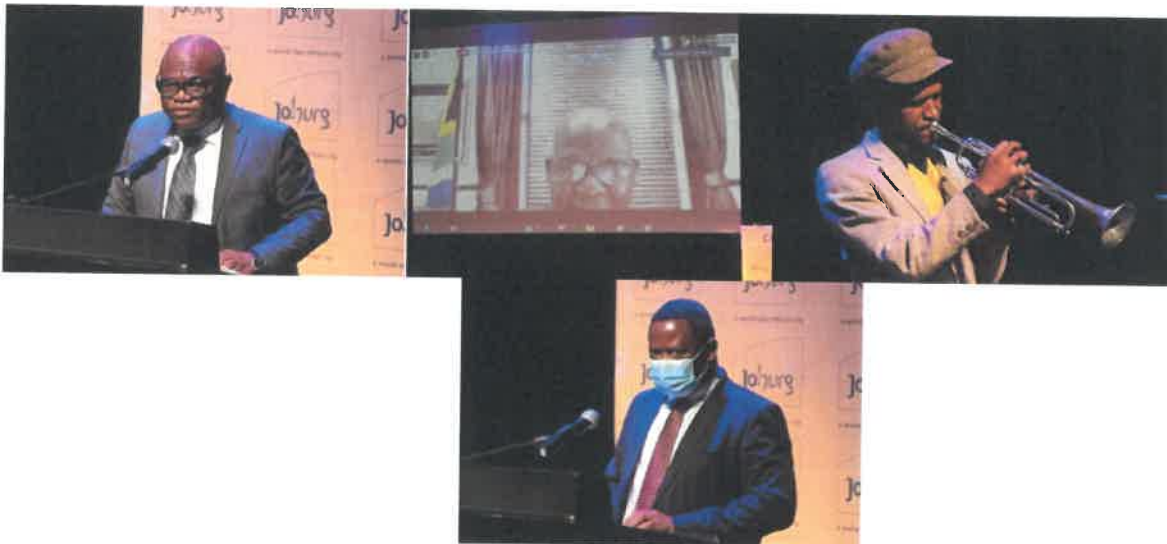
*"Nangomso! Since at arrival was treated well, I think this is a good venue for us as performers, it would be great to have more occasions here."*



Second day it was all about celebrating the African cultures where there were several groups competing against each other for the best cultural group (IsiZulu, Tswana, Tsonga, Pedi and Venda) on this day again Ms. Nthabiseng Sekgoe, Mr. Sekgwe and Mr. Msomi were the judges of the day.



**Bheki Mlangeni Memorial Lecture-** The mayor's office and Bheki Mlangeni Foundation hosted a lecture in memory of Bheki Mlangeni at Soweto red Theatre telling his story. Amongst attendees there was Mayor Makhubo, Mandla Mlangeni including Mlangeni family.



Fiona Ramsey hosted a workshop at the Soweto Red Theatre with a purpose to equip artists with mechanisms; how to cope during this pandemic time as an artist and including vocal exercise / voice work (Breathing & Mental awareness) and acting.



**Lit'somong auditions** - Soweto Theatre Community & Audience Development opened its doors to the youth of Soweto as they hosted auditions for artistic class of 2021.



**Miss Soweto and TOYOTA Soweto** utilized the Soweto Theatre Forecourt to do a hand over of the car that was won by Miss Soweto 2020 (Thobile Steyn). The main pageant took place in last year, December 2020 at Soweto Theatre.



**Thami Tshabalala** made use of the Soweto Blue theatre to record his dance piece called Isenyuso. This was a recording of his dance piece, no audience invited.



**My Vagina was not buried with him**- Joburg City Theatres hosted a heart-rending chore poem-play that explores the self-mutilating circus of trauma which has painted a lot of sister-friends as poster faces of femicide in South Africa. Three out of many of these young women made it into media headlines sparking a huge hashtag movement: #AmINext #MeToo #NotJustAHashtag #MenAreTrash

**Patrons in attendance had the following to say:**

*"I would say I had an interesting day, the show taught me to a lot about how woman and their feelings are neglected throughout Africa. The staff treated us properly."*

*"The treatment of staff was exceptional as for the show, it highlighted very critical issues with a sense of reliability. It evokes emotion and was exceptional. Would have loved for it to be longer but it was indeed on amazing production. Thank you."*

*"The staff treatment and system were very efficient. Everything exceeded my expectations. I am very grateful to have a functional theatre close to home. The play was amazing. It is something that deserves more time. This was an important message that everyone needs to receive. I feel blessed. To more healing! BIG THANKS XO XO XO!"*



**Redeemed** utilised Soweto Theatre to record their come back and celebrate Mr Lindelani Mkhize (Joyous celebration) where they honoured Baba Mkhize with an award. Guest artists that were there were the likes of Lebo Segobela, Dr. Tumi, Omega and others.



**Seven Colour Sundays** - Johannesburg's favorite food market is back. A celebration of life is always on the menu at Seven Colour Sundays. Good Food, Good Music and Great People are what was dished up as per usual in this special edition. With the Lockdown Regulations easing up, Seven Color Sundays also eased into the swing of things at the beautiful Soweto Theatre.



**Kamphoer**– Love of theatre especially during the COVID-19 pandemic has hardly been possible, especially for an industry that is one of the hardest hit by lockdown regulations. With exceptionally limited audiences and even less employment opportunities, the team behind the Roodepoort Theatre has been hard at work to keep the theatre doors open to provide much needed live entertainment in line with COVID-19 regulations.

The demand for tickets and the incredible support by theatre-goers together with the Kamphoer creative and technical team as well as leading actress Sandra Prinsloo in the time of the Coronavirus makes the sold out season of Kamphoer a run-away success and a pilot project that the Roodepoort Theatre is incredibly proud of. The legacy project that is based on a true story where Susan was faced with an unspeakable ordeal during the Anglo- Boer War in the Winburg concentration camp. Directed by international award winning Lara Foot who started her exceptional career at the Market Theatre.



The drama is based on the best-selling and debut novel *Kamphoer* by Francois Smit and the non-fiction publication *The Boer Whore* by Nico Moolman, and has been adapted for the stage by Cecilia du Toit, in collaboration with Sandra Prinsloo and Lara Foot. This powerful solo-production tells a story of a family dealt with devastating loss that is followed by a devastating ordeal that will haunt them forever. Following Susan father's death during the war, she and her mother end up in a concentration camp where she is brutally raped and left for dead by two British officers and joiner. She survives the traumatic experience and qualifies as a psychiatric nurse in the Netherlands. Sixteen years later, she travels to England during the First World War and while serving at a military hospital for shell-shocked soldiers, she recognises a patient as one of her rapists. With this unfortunate reunion, Susan has to relieve the rape trauma once again and is confronted with the pain that comes with humiliation of her past. The play premiered as the flagship production of the 2019 Free State Arts Festival in Bloemfontein. It was awarded Best National Theatre Debut at the festival's Blinker Awards. Sandra won the national 2020 kykNET Fiësta Theatre Award for Best performance in a Solo Production, while the production also received a nomination nod for Best adaption of an Existing Work. It was further nominated for Best performance in a Solo production at the 2020 Fleur du Cap Theatre Awards and nominated for four awards (Best Actress, Best Director, Best performance in a solo production and Best Overall Production) at 2019 Aardklop National Arts Festival. It also enjoyed rave reviews at both the Artscape Women's Festival and the Baxter Theatre in Cape Town. The novel *Kamphoer* was nominated for the Jan Rabie Rapport Award, an ATKV Award and was shortlisted for the 2018 Sunday Times Literary Awards.



**Live On The Lawn** – The Art Revival and Roodepoort theatre always have the youth in mind and came together again to produce a live concert, a treat for all friends and lovers. The show took place outside on the Roodepoort theatre lawn. The friends of the theatre were greatly entertained as the TAR cast performed well known love songs as well as their own original material, the audience were spoiled for choice as there was also poetry and dance on offer. A great production which was well received as the team worked flat out to ensure it kicks off with no glitches. The show opened on 21 March 2021 Human rights day while rehearsals had commenced from 15 – 19 March 2021 in the basement theatre under the guidance of the tech team and the office of the producer.

**Russian School Of Ballet**– The year opening showcase performance performed by the students of the Russian school of ballet entrenched a rich storyline that held audiences spellbound for the entire show. This performance, which had its roots in late 19th century contemporary dance, was full of awe, sublime moves, and a well-choreographed display of talent and diversity. The premise of the dance was built on the role and history of dance in the 21<sup>st</sup> century intertwined with an interpretation of human rights, showcased in regal, soft and unwavering calls for equal human rights to be realised in our lifetime. The dance moves were tweaked and presented in a fresh light without losing touch of the meaning of dance.

**NEA 30** – On the coldest last days of March the theatre hosted the National Eisteddfod Showcase concert which has become a cultural highlight for schools in the area to demonstrate a high standard of performances. The events featured some of the best young performers in drama, music and dance as identified in the various regions of the National Eisteddfod of South Africa. The eisteddfod top achievers were acknowledged and awarded, this was a great show to close off the quarter.

As the theatre looks forward to the next quarter, the team are feeling energized and focused on revenue generation with a huge focus on marketing and public relations. The quarter saw an addition to the team in the office of technical support in the form of the stage manager. The theatre lawns are constantly being rejuvenated in the hope of using outdoor spaces as an extension of programming. Till next quarter!

## **YOUTH AND COMMUNITY DEVELOPMENT**

The arts have emerged as the essential non-essential and while we needed to down tool and keep everyone safe, finding new ways to continue to play our role as a supporter for young artists and for society has been a priority for the youth and community development team.

### **JOBURG THEATRE**

2021 has been a tentative start and testing the boundaries of what we can do in the theatre and exploring ways to engage with the new normal. Though the stages largely remain dark, the creative impulse to create and innovate has continued unhindered by the limitations imposed on our ability to gather. The report is a summary of the events and activities by the youth and community development department between January and March of 2021.

#### **Programs**

**Macbeth-** The Joburg Theatre with the Duma Ndlovu Academy have partnered to bring to life William Shakespeare's Macbeth in a fresh contemporary and African way. The production is a part of the Joburg Theatre school set work program where books and stories are transformed to live on the stage. School learners and lovers of theatre get a multisensory engagement with literature. The program is part of the theatre's performance arts training, working with actors with no experience of Shakespeare and training them using improvisational methods to not only confront the text but do so on their own terms. The DNA group was invited to an open call for any actors with an interest or fear of Shakespeare to take part in the initial workshop process where actors would be trained in the vocabulary of performing Shakespeare. The cast was a shortlist from the workshop process. The cast went from being students of Shakespeare and are now in the process of reimagining Shakespeare on their terms with a beat and feel that is unmistakably South African and a voice that is their own. The cast has been workshopped by several renowned performers and stagecraft specialists in helping them find their voice in Shakespeare.

**Poetry dot slam-** returned after months online as a digital program. The poets and wordsmiths returned. Poetry dot slam programme is a poetry programme targeted at high-school learners who have taken a keen interest in literature, the creative and media industry, and performance arts. The Current State of Poetry team initiated this current project as a long term Solution and contribution to the promotion of literature and performance arts. Participants work with skilled facilitators conducting writing, performance, and business in arts. The program ends with theatre games where words, rhyme and ideas are a thing of play and competition for the young logophiles.

#### **Production**

**The rise and fall of African Gospel-** The Clash Mbongeni Moroke takes the audience on a journey with Tiyo Soga, the first South to be ordained and to have established the Presbyterian church Nonqgawuse. Soga is renowned while Nonqgawuse is known for the mass Cattle-killing in the Xhosa land, where her nation and missionaries blamed her for the fall of the Xhosa nation. Moroke explores alternative African futures based on imagined

uninterrupted African past. The narratives go into African cosmology and indigenous knowledge systems. An extraordinary story about a young woman resilience, a story about the human tendency to ignore catastrophe until it is too late. As the world changes around us, uncertainty pushes human beings to do extreme things to a survivor. Paul Noko stands for a generation of young African men who use stagecraft to speak and raise their voice against gender-based violence and abuse. When so many are ready to say “but not me”, he uses his pen to speak truth into the reality lived by so many women and girls in South Africa. It will take men to stand for the tide of GBV to turn. The Joburg Theatre has created space for productions that help in the fight against GBV and help give victims a voice or ask the right questions to those whose hands do the beating.

### Community engagements

**Young women in Business Forum-** Economic empowerment is a crucial element in ending financial abuse that leads to women’s dependence on spouses and in many cases, gender-based violence and abuse. It is often said that the empowerment of a woman, will lead to the empowerment of a family and the entire community. The Young Women in Business Forum, in partnership with the Department of Social Development and the Joburg Theatre, hosted a series of networking and discussion forums on GBV and women economic empowerment.

Nomantu Ralehoko Nkomo, Gauteng MEC for Finance and e-Government graced the gathering of women sharing not only her department’s projects towards women empowerment but her own powerful story of living with and leaving domestic abuse. When women with education and power can stand up and speak of their own experience of domestic abuse, it communicates to women who are suffering that they are not alone and that GBV can happen to anyone. It takes courage to speak about such painful experiences and shows an understanding of the issues and a willingness to lead the movement to empower women and end GBV from the front.

**Central Dance Auditions-** Despite the Covid-19 regulations, the spirit to dance has not been hampered. The Department of Sports, Arts and Culture invited 18 dance groups from all over the city to a dance off, a chance to show off their skills and connect with each other. The groups took to the stage at space.com and competed for a prize as the best dance crew in the city.

### SOWETO THEATRE

The Soweto Theatre’s youth development department has resumed teaching and learning, facilitating classes physically while observing all COVID-19 and social distancing protocols to prepare its drama and music development programmes learners for their planned showcases and music exams.

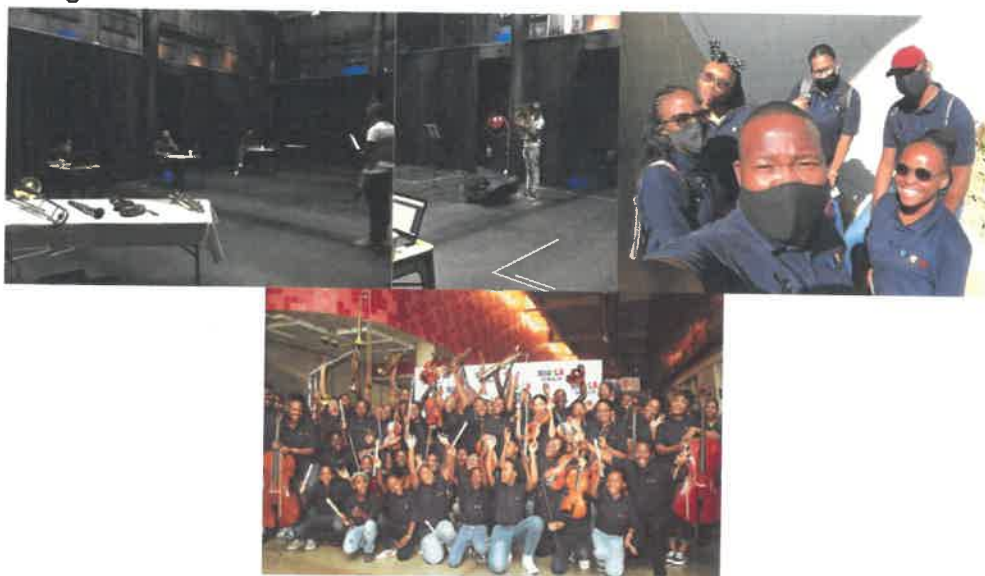
**Lits’omong** is a theatre training program for children and youth from the ages of 7-20 based at Soweto Theatre, and gives children the space to explore their talents for the arts. The program held successful auditions on the 27<sup>th</sup> of February for the 2021 intake of learners. It has partnered with the internationally acclaimed children's theatre organisation ASSITEJ SA to develop a curriculum, coordinate and facilitate lessons and performances for the Lits'omong programme. The organisation will also be responsible for overseeing, designing and mentoring the programmes' facilitators within an after school programme to ensure that the community youth of Soweto engage productively and creatively in the arts. ASSITEJA will ensure every learners' artistic progress and development and will filter into overall wellness and creative personal growth. [www.assitej.org.za](http://www.assitej.org.za)





**Music Tutorial Programme-** When the country went into lockdown in 2020, the programme kept the doors of learning open by conducting lessons through online platforms such as Google Classrooms, Zoom and WhatsApp Video call. This helped ensure that our learners remain prepared for the music exams. The programme held auditions for the 2021 intake of learners on the 20<sup>th</sup> of March.

The Music Tutorial Programme works in partnership with Structuring Society through Music (SSM) to coordinate, facilitate, manage and plan performances for the Soweto Theatre Junior Orchestra. The objective of the programme is to make music theory and practice available to an increasing number of children and youth in and around Soweto. The programme not only develops the learners musically but also supports them to acquire a music qualification through the UNISA Music Foundation. The programme offers training in wind instruments i.e. saxophone, trumpet and trombone; with the recorder as the entry level instrument. String instruments, with particular attention to violin, viola and cello, as well as vocal to children and youth from the age of 10 to 21 years. All this while exposing young musicians to productions, workshops, cultural exchange programmes with professional touring musicians.



## **JOBURG BALLET SCHOOLS**

### **Joburg Ballet School and Satellite Schools**

Following the country being taken back to Adjusted Alert Level 3 on 28 December 2020. Auditions have been postponed to February as centres are not allowed to open for regular classes only funerals due to numbers allowed for gatherings. Audition Dates were as follows:

As far as can be accurate all change of dates were forwarded to all who have applied and confirmed for auditions have been updated regarding the change of date and venue for Braamfontein. Students auditioning were asked to come in at different times in order to adhere to the Covid -9 regulations. Facebook and Instagram have been updated as well.

**Alexandra, San Kopano Resource Centre** – The Turnout was poor in Alexandra on the day of the audition, however the students number were growing we have total of 22 students and Students are still coming in for auditions. Due to Covid regulations there is a limited number of students allowed in the facility at San Kopano, not more than 12 per class including the teachers. Teachers had to set up Covid compliance station for every class students attend and assist the younger students from age 6 years and up as many students arrive unaccompanied to class.



**Kingsway Campus Large Dance Studio-** The turnout was relatively good, due to Covid regulations there is a limited number of students allowed in the studio in Braamfontein (UJ) not more than 14 per class including teacher. Number of current students 44 Grades 1 to 5 are currently being taught and two classes per week at this stage.



#### **Joburg Ballet School**

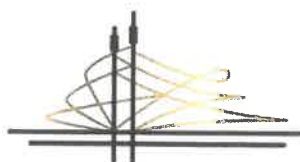
Classes resumed with in person classes 4 times per week, with all classes resuming in person on 12 March 2021. Students in Accelerated have to receive new attire. Total number of students 11 grades from (level 3, 4 & 5).

**Soweto, Uncle Toms Community Hall-** The turnout was poor probably due to date being changed three times, 2 classes per week are being held 28 students with students still coming in for auditions.



#### **Donations received - Attire and costumes**

Teachers are currently cleaning the wardrobe and doing an asset registry and setting attire for the students so as to not incur costs. Working Mondays, Wednesdays and Fridays. Donations have been dressed all students who are in the program currently. However if we are doing exams new ballet shoes, pink stockings and tights will have to be purchased at a later date. Joburg Ballet Masks have been sold during this time.



**JOHANNESBURG  
PHILHARMONIC  
ORCHESTRA**

The international outbreak of the Covid-19 virus has left no sector of society untouched. Many people throughout South Africa and the world at large have faced extremely harsh realities as a result of the disease, with effects of the virus reaching far further than we can know at this time. The Johannesburg Philharmonic Orchestra, together with the rest of the world, has been challenged to approach our work differently at this time. In an effort to remain positive, and actively pursue its role as an organisation responsible for the upliftment of society, the Johannesburg Philharmonic Orchestra has sought ways to remain in contact with its audience, while adhering to the law, maintaining all the necessary health and safety protocols, and using this strange season to advance our work in the best way possible.



Joburg Ballet returned to work on 21 January 2021 and immediately resumed rehearsals for two series of performances planned for March (Joburg Ballet Raw) and April (Ballet and Beyond).

Joburg Ballet Raw was a programme designed to provide a platform for aspiring choreographers in the company to create works on the dancers of Joburg Ballet. Initially six choreographers indicated their interest in the project but only four eventually participate. These were Thabang Mabaso, Ruan Galdino, Tumelo Lekana and Armando Barros. The works were presented under the collective title of Joburg Ballet Raw in the Joburg Ballet Studios on 20 and 21 March with a total of four performance being presented. Due to the COVID-19 regulations, the audience capacity for each performance was reduced to 50 and COVID-19 protocols were observed. Artistic director Iain MacDonald invited three established South African choreographers – Oscar Buthelezi, Dada Masilo and Lulu Mlangeni – to participate as panellists giving feedback and constructive criticism to the choreographers. The learning experience was further enhanced by including the audiences in the discussions after each piece was performed. All available seats for this event were sold out.

With Joburg Ballet's return to the main stage of the Joburg Theatre in April for the first time since the onset of the pandemic, much of the quarter under review has been spent rehearsing the programme, Ballet and Beyond. This will feature four works and will be discussed in more detail in the next report. For this season 100 seats may be sold per performance and social distancing and other COVID-19 regulations will apply.

#### **MARKETING, PUBLICITY AND PUBLIC RELATIONS**

In the 101-day period under review the office generated an Advertising Value Equivalent (AVE) of R 2, 951, 783.11 from 60 media clips.

Publicity, marketing and awareness was generated through a combination of press releases, emailers, direct contact with media outlets and individual journalists, social media and The Friends of the Ballet.

Publicity and Marketing output generated summary:

Press Releases 2  
Electronic Mailers to database 3  
Programmes 1

Stills & video: 3 photographic shoot took place in this time for Nutcracker with a Twist and three in the new year for rehearsals with visiting choreographer Corey Baker's piece GREY, Joburg Ballet RAW and the first season of 2021 Ballet and Beyond.

Interviews & features: None

Key broadcast TV coverage: Artistic Director Iain MacDonald was on The Morning Show on ENCA and Senior Soloist Ruan Galdino performed a solo from Nutcracker with a Twist.

Key magazine coverage: None.

Key print media coverage: Our feature on Nutcracker with a Twist made it into The Sandton Tourism & Business Association and an advert for Made to Move was placed in the Mail & Guardian. An image of Principal Dancer Claudia Monja was published on the front page of The Sunday Times.

Key radio coverage: Artistic Director Iain MacDonald had a live telephonic interview on Classic1027 with Carolyn Steyn and there was a live read of an advert for the Festival of Lights at Joburg Zoo. A pre-recorded interview with Mr MacDonald was broadcast on RSG with presenter Christelle Webb-Joubert.

Key online coverage included coverage on platforms including Netwerk24, Mark Lives for a recent win of a Creative Circle Award for the 2019 campaign with Superbalist. The company also won 2 Loerie Awards and these took place virtually over 3 days, with guests streaming into see the announcement of winners. Joburg Ballet Raw was featured on What's On In Joburg and Joburg In Your Pocket.

Social media coverage: coverage during this period a series of online interviews entitled Joburg Ballet - Off Stage on Instagram Live with our most watched interview being with Nigerian ballet teacher Daniel Owoseni Ajala from the Leap of Dance Academy.

The 14 videos created for Made to Move by Lauge Sorenson featured 4 dancers each and an additional 4 videos featuring the men, ladies, Principal Dancers and the full company respectively.

A video by Mario Gaglione for the fundraising initiative Joburg Ballet Cares headed by Chase Bosch in aid of The Teddy Bear Clinic and Kitty and Puppy Haven was viewed more than 2700 times

Ruan Galdino's piece for JB RAW featured music composed by Leon John and he shared a few of the company's posts, creating a noticeable reaction and additional followers.

The most recent video for Ballet and Beyond featuring some company ladies in Laurencia has been shared 26 times and reached more than 3200 viewers.

Advertising: During this period Joburg Ballet placed 18 mini and maxi posters for BALLETS AND BEYOND on the city's motorway system through Ad Outpost. Two Further sets of five maxi posters were placed for the same production by the Joburg Theatre. An anticipated billboard from the Joburg Theatre for the production did not in the event materialise. The ballet company and the theatre also worked together on advertising and branding for the season in the theatre.

Social Media Stats:

Facebook: 14, 956 (up from 14 894 followers)  
Twitter: 4 693 (up from 4 655 followers)  
Instagram: 2 491 (up from 2 200)  
LinkedIn: 312 (up from 296 followers)



**HOSPITALITY AND CATERING**

During January 2021, the Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) indicated that headline CPI and the food and non-alcoholic beverage price indices had reached 3.2% and 5.4%, respectively. The same indices were 3.1% and 6.0% during December 2020, indicating rapidly rising prices

The current economic uncertainty in the food and beverage industry as well as the increasing prices has placed huge pressure on the industry as a whole, South African eateries have faced a slowdown in traffic, according to reports from research firm Stats SA. Our Joburg City Theatre Hospitality and Catering departmental traffic has unfortunately not been spared and has reflected a decrease in foot fall over the quarter under review.

The hospitality and catering department is trying to strengthening its presents by offering a special pizza menu as well as delivery service in and around Braamfontein, as well as opening Saturdays with beverage promotions in Joburg theatre.



Hospitality and catering banqueting department performed well of the quarter in review and hosted a few noteworthy events for COJ.

Budget Streering Committee- Mid term budget review host by MMC Finance Jolidee Matongo  
22 – 24 January 2021 Venue **Sophiatown**



24<sup>th</sup> February 2021

MTC Public Participation is has the purpose of engaging City of Joburg residents and Solicit their input into the service Level Agreement (SLA ) that will be signerd between MTC and Service provider

MMC Lawrance Khoza for Economic Development



**MMC Lawrence Khoza Launch Joburg Market Opportunity Centre 16 March 2021  
Region F**



**MMC Lawrence Khoza Launch – Region A – Youth Cooperative Development Programme  
@ Lord Khanyile Community Hall**



**Premier David Makhura – hosted the GPG Youth ICT Certification Programme  
@ Joburg City theatre**



**JCT SERVICE STANDARDS**

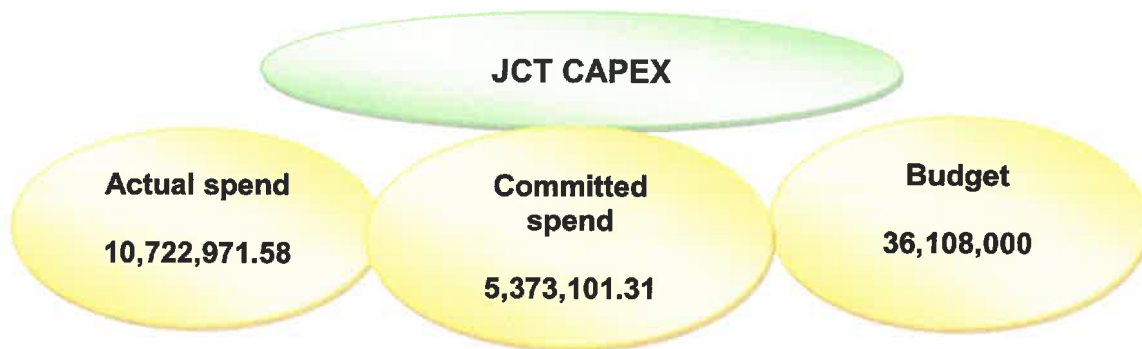
Core Service	Service Level Standard Target	2020			Q3	Evidence	Verified Actual	Variance	Variance explanation	Mitigations
		Jan-20	Feb-20	Mar-20						
Theatres accessible to people with disabilities	100% accessibility	100%	<u>100%</u>	100%	100%	disabled parking bays - site visit / theatre seating plans / disabled bathrooms / information available on theatre websites	site visits	0%	no incidences reported	
Production start times	100% of all In-house Productions commence within 15 mins as per schedule	<u>100,0%</u>	100,00%	100,0%	100,0%	show reports & monthly show schedules	reports	0,0%	There were no late starting performances this quarter	
Safety of patrons	100% compliance to health and safety legislation	100%	<u>100%</u>	100%	100%	incidents reported /newsletter with Covid regulations / screen shot website with Covid regulations / Covid-19 screening register	OH&S	0%	no incidences reported	



#### Section 4: Capital Projects & Expenditure

JCT's capital expenditure for 2020/21 is at 45% as at 31 March 2021, which is below the target. This is due to delay on the tender for backup generator. The tender processes started and toward the adjudication of the tender processes, however internal audit had to conduct a probity on this tender prior to award as per COJ's policy that requires that probity audit is done only on tenders exceeding R10m. The recommendation from the report, which the tender committee implement prior to awarding the tender. Lockdown also delayed the process in as far as this tender is concerned. It was then for this reason that the Bid Committee decided to re-advertise this tender to ensure compliance to the findings issued by internal audit. JCT is committed and working hard to ensure that this project is completed before the 4<sup>th</sup> quarter.

The diagram below depicts the status for JCT capital expenditure.



**JOBURG CITY THEATRE'S CAPEX 2020/21**

	BUDGET	EXPENDITURE	COMMITTED	AVAILABLE BALANCE	TOTAL
BUILDING RENOVATIONS AND UPGRADES OF NEW BUILDING ALTERACTIONS	25,807,000.00	4,313,688.68	845,001.31	19,648,310.01	20%
UPGRADE OF STAGE MACHINERY , RENEWAL PLANT & EQUIPMENT	9,400,000.00	5,528,204.80	4,528,100.00	343,695.20	107%
INFORMATION TECHNOLOGY NEW COMPUTER SOFTWARE	901,000.00	881,078.10	-	19,921.90	98%
	<b>36,108,000.00</b>	<b>10,722,971.58</b>	<b>5,373,101.31</b>	<b>20,011,927.11</b>	<b>45%</b>

Spent to date	10,722,971.58	30%		
Committed Budget	5,373,101.31	15%		
Total	16,096,072.89	45%		

Therefore the total spend to date is R16 096 072.89 representing 45% spend. The 4th quarter should see acceleration of spend as the tender for generators will be concluded.

## Section 5: Performance against game changers

The Executive Mayor has stated his commitment to Government of Local Unity (GLU) priorities that will make a significant contribution to enhanced service delivery. In response, JCT's commitments are informed by, and build upon, the foundation laid by the 2015 JCT "transformation charter" which was aimed at transforming the organisation to be commercially viable and relevant within a changing society. While Joburg City Theatres has traditional audiences, it must be an environment, which is accessible to all members of society; and transformation and relevance must be integral to the organisation's focus.

JCT has identified the following GLU commitments for the period 2020/21 and beyond:

Moral Imperative	Impact	JCT Focus Areas	2019/20 Target	Means of Verification	Unit Responsible for Reporting	2020/21 Performance Targets				Comment
						Reporting Period	Q1 Jul - Sep 2019	Q2 Oct - Dec 2019	Q3 Jan - Mar 2020	
<b>Social - Greater quality of life and dignity for previously marginalised sections of our society</b>	Contribute to rebuilding the Inner City as an apex project. (Ballet)	Outreach programmes to champion and harness a multi-cultural public space. To develop and attract new audiences to the theatre	1 Per annum	Attendance registers / SLA, Quarterly report / Contracts and marketing material	COO	Annually	1 Outreach programme			Annual KPI was measured in the second quarter
	Contribute to rebuilding the Inner City as an apex project (Orchestra)	To champion and harness a multi-cultural public space. To develop and attract new audiences to the theatre	1 Per annum	Attendance registers / SLA, Quarterly report / Contracts and marketing material	COO	Annually	1 programme Contribute to rebuilding the Inner City as an apex project			Annual KPI was measured in the second quarter
	Maximised collaboration with other stakeholders	To champion social cohesion and contribute to building a better society through the arts. To be accessible to communities. To promote diversity in content creation and curatorship.	2 programmes per annum	Attendance registers / SLA, Quarterly report / Contracts and marketing material	COO	Quarterly	1 collaborative programmes		1 collaborative programmes	Annual KPI was measured in the second quarter and to be measured on the fourth quarter

## Section 6: Performance against Institutional SDBIP

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		Means of Verification	2021/21 Performance Targets				2019/20 Budget						
				Baseline 2019/20 Estimate	2021/2021 Target		Reporting Period					Capex Opex					
							Q1 Jul - Sep 2020	Q2 Oct - Dec 2020	Q3 Jan - Mar 2021	Q4 Apr - Jun 2021							
		Unit Responsible for Reporting	Reporting Period	Target	Actual	Target	Actual	Target	Actual	Target	Actual						
<b>Strategic Objective 1: High quality performing arts and entertainment experiences and facilities.</b>																	
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty	Increase work opportunities at JCT	Number of Expanded Public Works programmes (EPWP) work opportunities created at JCT	Job opportunities	270 Expanded Public Works programmes (EPWP) work opportunities created at JCT	170 Expanded Public Works programmes (EPWP) work opportunities created at JCT	Employment contracts / HR/ Payroll Information	COO	Quarterly	Target 10	Actual 12	Target 70	Actual 190	Target 120	Actual 195	Target 170	Actual	Target for Third Quarter was Achieved
	Increase youth development	Number of youths attending arts programmes (Non-Cumulative	Youth development in the art sphere	500 of youths attending arts programmes (Non-Cumulative	600 of youths attending arts programmes (Non-Cumulative	Attendanc e registers Tutor reports on programme content Programme summary	Executive Producer, Artistic Manager	Quarterly	Target 0	Actual 0	Target 0	Actual 153	Target 200	Actual 161	Target 200	Actual	Target for Midyear was Not Achieved
<b>Strategic Objective 2: Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT.</b>																	
COVID-19 Response	Continuation of JCT Services	Number of livestreaming/ Online productions	To make JCT relevant during the Covid-19 Pandemic	NEW	8	Contracts Marketing material Show reports	Executive Producer, Artistic Manager	Quarterly	Target 2	Actual 4	Target 2	Actual 9	Target 2	Actual 5	Target 2	Actual	Target for Third Quarter was Achieved
Create a culture of enhanced service delivery with pride and dignity	Improved service delivery	Percentage achievement on service level standards	Service standards turnaround time improvement <sup>2</sup>	90% achievement standards	90% achievement service level standards	Service Level Standards Report	COO	Quarterly	Target 90%	Actual 100%	Target 90%	Actual 100%	Target 90%	Actual 100%	Target 90%	Actual	Target for Third Quarter was Achieved

### <sup>2</sup>CORE BUSINESS

#### SERVICE LEVEL STANDARD

- Theatres accessible to people with disabilities 100% accessibility
- Production start times 100% of in-house productions commence within 15 minutes as per schedule
- Safety of patrons 100% compliance to health and safety legislation

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		Means of Verification	Unit Responsible for Reporting	2021/21 Performance Targets				2019/20 Budget	
				Baseline 2019/20 Estimate	201/2021 Target			Q1 Jul - Sep 2020	Q2 Oct - Dec 2020	Q3 Jan - Mar 2021	Q4 Apr - Jun 2021		
				Reporting Period	Target			Actual	Target	Actual	Target		Actual
Create a culture of enhanced service delivery with pride and dignity	Improved audience development and accessibility to venues Promote positive social local content	Number of Arts and Culture festivals and themed productions / in-house production	To make venues more accessible Promotion of positive social local content	20 Arts and Culture festivals and themed productions / in-house production	19 Arts and Culture festivals and themed productions / in-house production	Contracts Marketing material Show reports	Executive Producer	Quarterly	Target	Actual	Target	Actual	Target for Third Quarter was Achieved 
				6	4			9	13	18			
				6	6			22	30				
Promote economic development	Number of Ballet seasons	4 ballet seasons	Image building of the Cou by Joburg Ballet	4 ballet seasons	4 ballet seasons	Quarterly report Contracts and marketing material	Executive Producer	Quarterly	Target	Actual	Target	Actual	Target for Third Quarter was Achieved 
				1	1			2	3	4			
				1	1			2	4				
Promote economic development	Number of Philharmonic Orchestra seasons	4 Philharmonic Orchestra seasons	Improved access to professional concerts of classical and choral music	4 Philharmonic Orchestra seasons	4 Philharmonic Orchestra seasons	Quarterly report Contracts and marketing material	Executive Producer	Quarterly	Target	Actual	Target	Actual	Target for Third Quarter was Achieved 
				1	1			2	3	4			
				1	1			3	4				
Create a City that responds to the needs of the citizens, customers, stakeholders and businesses	Improved audience development and accessibility to venues	Number of attendees to theatres	Public access to theatres	255,000 attendees to theatres	250,000 attendees	Ticket reports	COO	Quarterly	Target	Actual	Target	Actual	Target was Not Achieved 
				0	0			40,000	22,500	23,000			
				0	0			22,748	2,844				
<b>Strategic Objective 4: Good governance, financial sustainability and sound management</b>													
Enhance our financial sustainability	Improved financial planning and	Percentage spent on operating budget against approved operating budget	Operating project programme	NEW	≥ 90% spend and not exceeding 2% of approved operating budget	OPEX expenditure report Financial statements	Operating project programme	Quarterly	Target	Actual	Target	Actual	Target was Not Achieved 
								≥ 90% spend and not exceeding 2% of approved operating budget	96%	86%	81%		
								≥ 90% spend and not exceeding 2% of approved operating budget	Actual	Actual			

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		Means of Verification	Unit Responsible for Reporting	2021/21 Performance Targets				2019/20 Budget					
				Baseline 2019/20 Estimate	2012021 Target			Reporting Period	Q1 Jul - Sep 2020	Q2 Oct - Dec 2020	Q3 Jan - Mar 2021		Q4 Apr - Jun 2021				
Enhance our financial sustainability	project management	Percentage of CAPEX budget spent	Capital project programme	100% of R3,443m CAPEX budget spent	95% of total CAPEX budget spent	CAPEX expenditure report Financial statements	CFO	Quarterly	Target 10%	Actual 17%	Target 70%	Actual 45%	Target 95%	Actual 95%	Target was NOT Achieved 	Capex Opex Tender for generators to accelerate spending on capex is awaiting approval from Proby	
				NEW	97%	Expenditure report Financial statements	CFO	Quarterly	Target 10%	Actual 56%	Target 70%	Actual 79%	Target 97%	Actual 97%	Target for Third Quarter was Achieved 	Target for Third Quarter was Achieved 	
				36% / 62% Earn Revenue R67,653m Total revenue R179,097m	38% / 62% Earn Revenue R67,653m Total revenue R179,097m	Financial statements Income reports	CFO	Quarterly	Target 23% / 77% Earn Revenue R12,345m Total revenue R54,740m Actual 16%/64% Earned Revenue R6,858m Total revenue R49,702m	Target 23% / 77% Earn Revenue R24,691m Total revenue R109,481m Actual 20%/80% Earned Revenue R21,150m Total revenue R106,638m	Target 23% / 77% Earn Revenue R37,036m Total revenue R158,584m Actual 17%/63% Earned Revenue R24,780m Total revenue R123,821m	Target 24% / 76% Earn Revenue R49,382m Total revenue R207,688m Actual 24% / 76% Earn Revenue R49,382m Total revenue R207,688m	Target was NOT Achieved 	Target was NOT Achieved 	Target for Third Quarter was Achieved 	Target for Third Quarter was Achieved 	Impacted by lockdown due to Covid - 19
Improved and sound financial management	Percentage of valid invoices paid in 30 days after receipt of invoice or statement <sup>3</sup>	Financial sustainability Improved and sound financial management	NEW	100%	Expenditure report Financial statements	CFO	Quarterly	Target 100%	Actual 100%	Target 100%	Actual 100%	Target 100%	Actual 100%	Target for Third Quarter was Achieved 	Target for Third Quarter was Achieved 		
			Unqualified audit opinion with zero audit report findings	Unqualified without material findings	External audit opinion and report Annual financial statement	CFO	Annually	Target 100%	Actual 100%	Target 100%	Actual 100%	Target 100%	Actual 100%	Target for Third Quarter was Achieved 	Target for Third Quarter was Achieved 	Target was NOT Achieved 	Target was NOT Achieved 
Internal control improvement process	Audit opinion	Clean audit outcome	Unqualified audit opinion with zero audit report findings	Unqualified without material findings	External audit opinion and report Annual financial statement	CFO	Annually	Target 100%	Actual 100%	Target 100%	Actual 100%	Target 100%	Actual 100%	Target for Third Quarter was Achieved 	Target for Third Quarter was Achieved 	Target was NOT Achieved 	Target was NOT Achieved 
			Unqualified audit opinion with zero audit report findings	Unqualified without material findings	External audit opinion and report Annual financial statement	CFO	Annually	Target 100%	Actual 100%	Target 100%	Actual 100%	Target 100%	Actual 100%	Target for Third Quarter was Achieved 	Target for Third Quarter was Achieved 	Target was NOT Achieved 	Target was NOT Achieved 

<sup>3</sup> 100% of valid invoices paid in 30 days from receipt of valid invoices and Statements

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		Means of Verification	Unit Responsible for Reporting	2021/21 Performance Targets				2019/20 Budget	
				Baseline 2019/20 Estimate	2021/21 Target			Reporting Period	Q1 Jul - Sep 2020	Q2 Oct - Dec 2020	Q3 Jan - Mar 2021		Q4 Apr - Jun 2021
Audit mitigation initiatives	Audit mitigation initiatives	Percentage of predetermined objectives achieved	Strategy improvement plans	NEW	85% of pre-determined objectives achieved	Quarter reports / evidence files	COO	Annually	Target	Target	Target	Target	Target for Third Quarter was Achieved
								Actual	Actual	Actual	Actual		
								85% of pre-determined objectives achieved	85% of pre-determined objectives achieved	85% of pre-determined objectives achieved	85% of pre-determined objectives achieved		
								91% of pre-determined objectives achieved	91% of pre-determined objectives achieved	91% of pre-determined objectives achieved	91% of pre-determined objectives achieved		
								100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved		
								100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved		
	Improved financial planning and project management	Percentage of resolution of Internal Audit (IA) findings	Strategy improvement plans	NEW	100%	Quarter reports / evidence files	CFO	Quarterly	Target	Target	Target	Target	Target for Third Quarter was Achieved
								Actual	Actual	Actual	Actual		
								10%	10%	10%	10%		
								100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved		
								100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved		
								100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved	100% of 2018/19 findings were resolved		
Increased entrepreneurship support of small businesses	Percentage of compliance with relevant legislation and policy prescripts	Strategy improvement plans	NEW	100%	Quarter reports / evidence files	CFO	Quarterly	Target	Target	Target	Target	Target for Third Quarter was Achieved	
							Actual	Actual	Actual	Actual			
							100%	100%	100%	100%			
							80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved			
							80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved			
							80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved	80% of 2019/20 findings were resolved			
Increased entrepreneurship support of small businesses	Percentage of the strategic risk management action plans implemented	Strategy improvement plans	NEW	85%	Quarter reports / evidence files	CFO	Quarterly	Target	Target	Target	Target	Target for Third Quarter was Achieved	
							Actual	Actual	Actual	Actual			
							10%	10%	10%	10%			
							96%	96%	96%	96%			
							55%	55%	55%	55%			
							87%	87%	87%	87%			
Increased entrepreneurship support of small businesses	Business Support to SMME's	Percentage of procurement spend on SMME's against total procurement expenditure	Business Support to SMME's	30% of procurement spend on SMME's against total procurement expenditure	Procurement reports	CFO	Quarterly	Target	Target	Target	Target	Target for Third Quarter was Achieved	
							Actual	Actual	Actual	Actual			
							30%	30%	30%	30%			
							49%	49%	49%	49%			
							62%	62%	62%	62%			
							42%	42%	42%	42%			

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		Means of Verification	Unit Responsible for Reporting	2021/21 Performance Targets				2019/20 Budget	
				Baseline 2019/20 Estimate	2012021 Target			Reporting Period	Q1 Jul - Sep 2020	Q2 Oct - Dec 2020	Q3 Jan - Mar 2021		Q4 Apr - Jun 2021
	Increased entrepreneurship support of small businesses	Percentage of procurement spend on BBBEE against total procurement expenditure	Business support to BBBEE's	75% of procurement spend on BBBEE against total procurement expenditure	75% of procurement spend on BBBEE against total procurement expenditure	Procurement reports	CFO	Quarterly	Target 75% Actual 112%	Target 75% Actual 96%	Target 75% Actual 95%	Target 75% Actual	Capex Opex Target for Third Quarter was Achieved
<b>Strategic Objective 5: Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT</b>													
Create a City that responds to the needs of the citizens, customers, stakeholders and businesses	Improved stakeholder mobilisation	Number of strategic partnerships created	Partnerships / Collaborations productions / programmes / events	18 strategic partnerships created	25 Partnerships / Collaborations productions / programmes / events	Signed MoA / MoU / contract	Executive Producer	Quarterly	Target 0 Actual 0	Target 5 Actual 6	Target 8 Actual 9	Target 12 Actual	Target for Third Quarter was Achieved
Enhanced profile of JCT	Improved perception of JCT	Number of travelling productions per annum	Domestic / International travel of productions	NEW	1travelling production per annum	Signed MoA / MoU / contract/IT travel Report	Executive Producer	Quarterly	Target Actual	Target Actual	Target Actual	Target Actual	KPI was not measured due to covid-19 restrictions on international travel

### Summary

Quarterly KPIs	20
Annual KPIs	02
Covid19 – KPIs Not measured	01
Total number of KPIs	23
Total number of KPIs Measured	22
Number of Quarterly KPIs Achieved	16
Number of Quarterly KPIs Not Achieved	06
Total achieved constitutes	73%

## **Section 7: Supply Chain Management and Black Economic Empowerment**

The company adheres to a procurement system which is fair, equitable, transparent, competitive and cost effective in terms of Chapter 11 of the Municipal Finance Management Act, No 56 of 2003, read together with the Municipal Supply Chain Management Regulations.

The company has a supplier database in order to afford all prospective suppliers registered on the database an equal opportunity to submit quotations. Preference will be given to suppliers registered on the database, but it does not necessarily follow that suppliers who are not registered as yet will be totally exempted.

It is however envisaged that this database will contribute to efficient administration and compliance to prescribed policies, procedures and legislations. A Supplier Registration Form was created to assist in updating or obtaining detailed supplier information for the database in accordance with the company's Supply Chain Management Policy and applicable legislations.

The Bid Adjudication Committees were established in terms of the provisions of Local Government Municipal Finance Management Act (MFMA). This Committee consist of officials with delegated authority to recommend bids in accordance with their terms of reference. The Bid Adjudication Committee considers the bids and makes recommendation to the Accounting Officer / CEO to make final awards.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000) and the Preferential Procurement Regulations 2011, published in terms of Government Gazette No 34350, JCT's approved Supply Chain Management (SCM) Policy and also in terms of the criteria set out in the Construction Industry Development Board (Act No 38 of 2000).

In terms of Regulation 6 (1) read with Regulation 6(2) of the MSCMR issued in terms of the Local Government MFMA 56 of 2003, the Board of Directors of the Municipal entity must maintain an oversight role over the implementation of its SCM Policy. This report has been complied in compliance thereto. The CEO in terms of the MSCMR, the company's SCM Policy and delegations within the SCM Policy approves tenders up to R10 000 000.00.

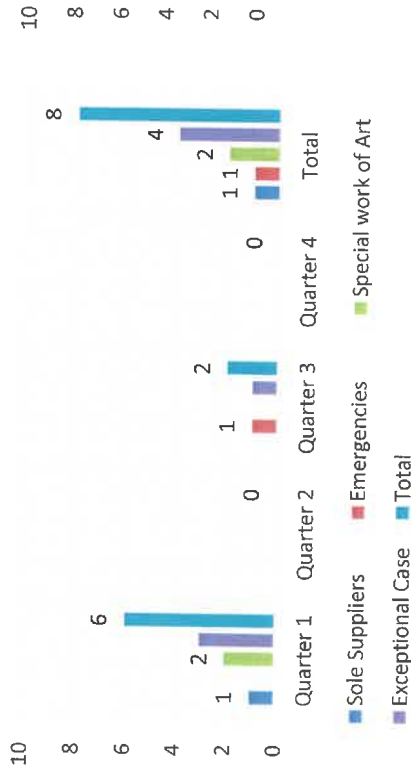
All bids approved by the CEO are in accordance with the approved budget provisions.

### **PROCUREMENT FROM RELATED PARTIES**

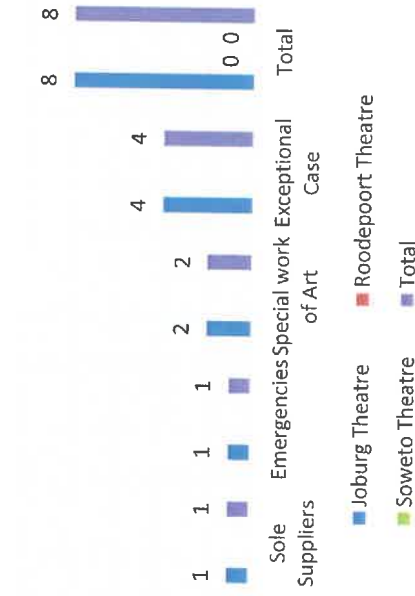
During the period under review, there were no payments processed on procurement from related parties.



Analysis of deviation by quarter



Analysis of deviations by theatre



Category	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Sole Suppliers	1				1
Emergencies			1		1
Special work of Art	2				2
Exceptional Case	3		1		4
<b>Total</b>	<b>6</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>8</b>

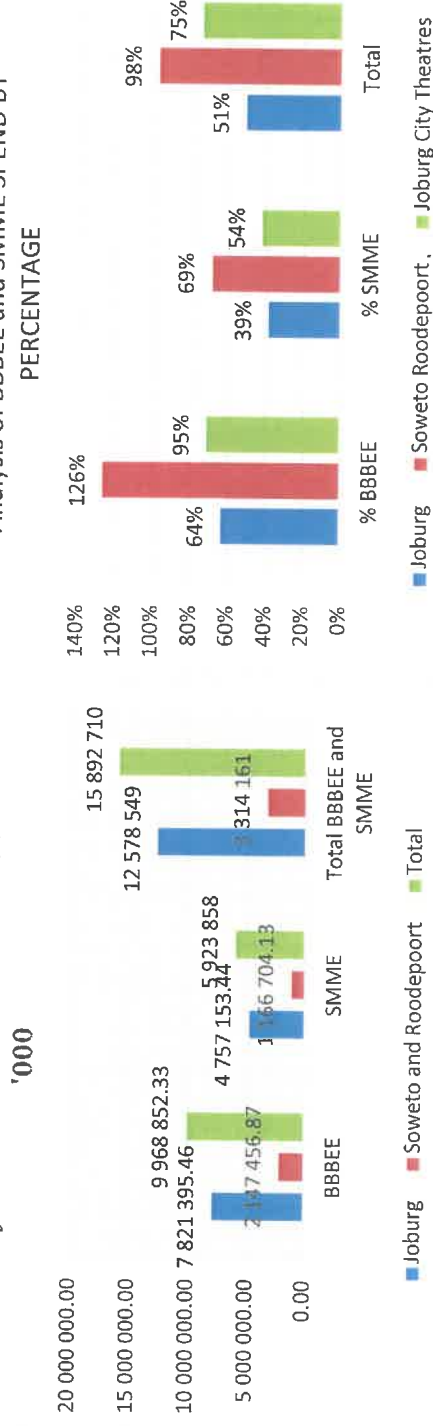
Category	Joburg Theatre	Roodepoort Theatre	Soweto Theatre	Total
Sole Suppliers	1			1
Emergencies	1			1
Special work of Art	2			2
Exceptional Case	4			4
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>

Joburg City Theatres approved a total of 7 deviations and 1 ratification during the 3<sup>rd</sup> quarter ending March 2021. All the deviations raised were classified as Special work of Art, Exceptional case, sole supplier, emergency and ratification where it is impractical to follow a procurement process. The deviations includes goods and services relating to Renewal of licenses, in-house productions, marketing partners or barter arrangements, repairs and maintenance and Sole Suppliers. All details provided on page 5 and 6 of this report.

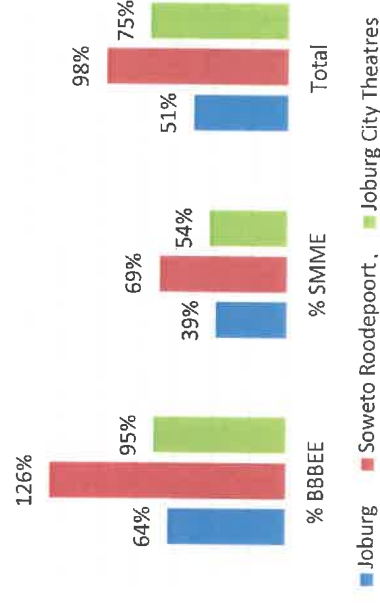
## Tenders and RFQs AWARDED AND THE CONTRIBUTION TO BBBEE AND SMMEs

Joburg City Theatres awarded RFQs amounting to R337 148.53 and no tenders were awarded, during the quarter under review. The expenditure to both BBBEE and SMME has increased exponentially. Both Joburg theatre and its other sister theatres do primarily spend on BBBEE and SMME. The average spend for Joburg City Theatres on -BBBEE is 95% which is 20% better than the scorecard target while spend on SMMEs averages at 54% and this is 34% above the scorecard target of 30%. Joburg City Theatres have supported 105 companies during the 3<sup>rd</sup> quarter of 2020/2021 financial year. This achievement has been consistent throughout the years and maintenance of phenomenon is critical for the advancement of the objectives of South African Constitution, Preferential Procurement Framework Policy Act, MFMA, BBBEE codes. This ultimately translates into the economic transformation of citizens of the city of Johannesburg. This contributes towards job creation and the reduction of poverty as one of the imperatives and priorities of the city of Johannesburg.

Analysis of BBBEE and SMME SPEND



Analysis of BBBEE and SMME SPEND BY PERCENTAGE



Theatres	% BBBEE	% SMME	Total
Joburg	64%	39%	51%
Soweto Roodepoort	126%	69%	98%
Joburg City Theatres	95%	54%	75%

**DEVIATION FROM SCM POLICY FOR THE MID-YEAR ENDING (01 JANUARY - 31 MARCH 2021)**

The CEO in terms of Regulation (36) (1) (a) of the MSCMR and Section 20 of the company's SCM Policy approved dispensing with official procurement processes established by the policy.

Provisions of Section 20 (2) (d) of the company's SCM Policy requires reporting of such deviations to the next meeting of the Board of Directors and their inclusion as a note to the financial statements.

During 3rd quarter of 31 March 2021, Joburg City Theatres had a total of 7 deviations and 1 ratification, reported to the Board of Directors. The total value of the deviations during the 3rd quarter end is R 25 732 935.25 but does not necessarily mean that the total amount has been spent. The deviation for Joburg City Theatres for 3rd quarter 31 March 2021 are as follows:

<b>CATEGORY: SPECIAL WORK OF ART</b>			
<b>JOBURG THEATRE</b>			
<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Joburg City Theatres Productions 2020/21	R20 449 912.00	01 July 2020	<p>The theatres rent its spaces to promoters, entrepreneurs and producers, providing technical and logistical services, but also facilitates in-house and co-productions.</p> <p>The sponsorship facilitation fees, creative personnel fees, acquisition of sets, sound and lighting equipment hire, paintings, props, special effects, specialised souvenir programmes, musical arrangements and costumes for theatre productions are special works of art and standardised specifications are difficult to compile and procure.</p> <p>That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 21(2)(a) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes.</p>

Marketing Partners / Special Barter Arrangements	R4 755 000.00	01 July 2020	<p>Joburg City Theatres promotes many productions in-house, co-productions, external productions (including rentals and door deals), festivals, special events and newspaper advertisements and it is therefore necessary to identify marketing and other partnerships in order to reduce costs. Advertising and such other theatre contribution, including hotel accommodation and travel, publicists' fees and expenses, souvenir programmes and other miscellaneous costs are hugely expensive. Each in-house production(s), co-productions, external productions (including rentals and door deals), festivals, special events and newspaper advertisements is different; selective partnerships offering barter arrangements ('in-kind' sponsorships) are recognised and formed.</p> <p>That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical or impossible to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 20(2)(a) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes i.r.o the acquisition of services from marketing partners / special barter arrangements.</p>
<b>CATEGORY: SOLE SUPPLIER</b>			
<b>JOBURG THEATRE</b>			
<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Sole Suppliers	Varies as per orders placed	01 July 2020	<p>Joburg City Theatres uses various products from Sole Suppliers for operational purposes. These products are produced or available from a single provider only. Sole Supplier letters of the various products required are attached to the deviation in file. The list of sole suppliers are as follows:</p> <p><b>Hospitality and Catering items:</b></p>

<ol style="list-style-type: none"> <li>1. Slo Jo</li> <li>2. The Flavour Lab</li> <li>3. Frozen Drinks</li> <li>4. Ola Cool Runners</li> <li>5. Bottoms Up</li> </ol> <p><b>Theatre items:</b></p> <ol style="list-style-type: none"> <li>1. DWR – specific stage technical equipment <ul style="list-style-type: none"> <li>- Antibacterial solution for DWR 230V Vaporizer W/EU</li> </ul> </li> <li>2. Electrosonic - specific stage technical equipment</li> <li>3. Pan Business Communications (Pty) Ltd – PABX</li> </ol> <p>That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Sections 20(2)(a) of the policy, approves the dispensing with the normal procurement processes in respect of various products provided by Sole Suppliers only.</p>					
<b>CATEGORY: EXPECTATIONAL CASE</b>					
<b>JOBURG THEATRE</b>					
<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>		
Repairs and maintenance	Varies as per orders placed	01 July 2020	Joburg City Theatres owns equipment that needs to be repaired and maintained in order for service delivery not to be hampered. It is not always practical to obtain three quotations for repairs and maintenance because the equipment needs to be taken apart for diagnosis which is charged at ± R500.00 per call out and which also needs to follow the procurement processes. This has disadvantages when suppliers diagnose the equipment and can ultimately damage the equipment if, hypothetically, three suppliers have to do their		

			<p>individual diagnosis to determine what the problem is and quote accordingly. It will also potentially lead to losing the warranty on the product, should anyone other than the original supplier work on the product.</p> <p>The equipment that requires repairs and maintenance are as follows:</p> <ol style="list-style-type: none"> <li>1. IT hardware Equipment (Screens, desktops, Laptops, UPS, Projectors, Servers, Access control system)</li> <li>2. Stage Machinery Stage wagon wheels, Switches, Controllers, Firewalls, NAS Devices</li> <li>3. All pumps (Sump pumps, cooling water pumps and water tanks, hot and cold water chill pumps)</li> <li>4. Plumbing (blockages)</li> <li>5. Air-conditioning (Trane chillers, Hitachi Chillers and Boilers)</li> <li>6. Break down on standby generator and fire engine</li> <li>7. Lifts and Escalators</li> <li>8. Fleet repairs and maintenance (including Mobile Theatre Truck)</li> <li>9. Operating Electronic Systems (inclusive of Building Management System) (Cameras and equipment)</li> <li>10. Soweto Theatre Forecourt Canopy structure and cables</li> <li>11. Roller doors</li> <li>12. Gardening equipment</li> </ol> <p>That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a)(ii) of the Municipal Supply Chain Management Regulations, and Section 20(2)(a)(i) of the Policy, approves the dispensing with the normal procurement processes in respect of the repairs and maintenance of the Theatre equipment.</p>
<p>Renewal of Licenses for Electronic Operating</p>	<p>R486 155.00</p>	<p>01 July 2020</p>	<p>Joburg City Theatres has to annually renew various licenses for utilizing it's operating electronic systems. Many systems which were installed by the manufacturers are impractical to renew through other suppliers. It is imperative that JCT renew its licenses</p>

<p>Systems and Miscellaneous Licenses</p>		<p>for utilizing these very vital Operating Electronic systems and miscellaneous licenses to ensure sound management.</p> <p>Joburg City Theatres cannot procure the annual licenses on its operating electronic systems and miscellaneous licenses from any other companies other than the installers / manufacturers of these respective systems. The license that needs to be renewed on an annual basis are as follow:</p> <ul style="list-style-type: none"> <li>3.1.1 Caseware Licenses</li> <li>3.1.2 Theatre Logo's</li> <li>3.1.3 Driver PDP</li> <li>3.1.4 All Sage Licenses</li> <li>3.1.5 ERS Biometrics Licenses</li> <li>3.1.6 Post Box Licenses – South African Post Office</li> <li>3.1.7 TV Licenses - SABC</li> <li>3.1.8 License for Glider Trailer</li> <li>3.1.9 SAMRO</li> <li>3.1.11 Pilot Software</li> <li>3.1.12 Mobile Theatre Truck License</li> </ul>
<p>That for the reasons set out in the report and on the basis that the procurement in question is regarded as an emergency cases where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 21(2)(a)(ii) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes in respect of renewal of licenses for Joburg City Theatres Electronic Operating Systems and Miscellaneous licenses.</p>		
<p><b>CATEGORY: REGULATION 32</b></p>		
<p><b>JOBURG THEATRE</b></p>		
<p><u>Description</u></p>	<p><u>Value of the Project (Incl Vat)</u></p>	<p><u>Date Approved by Chief Accounting Officer</u></p>
		<p><u>Reasons</u></p>

SAP Implementation and COJ Connectivity Provider (MTC)	Varies as per call out	01 July 2020	<p>Section 36(1)(a)(v) of the supply chain regulations and policy allows for a municipal entity to dispense with the official procurement processes established by the policy and to procure any required goods and services through any convenient process, which may include direct negotiations, but only -</p> <ul style="list-style-type: none"> <li>(i) in an emergency;</li> <li>(ii) if such goods or services are produced or available from a single provider only;</li> <li>(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;</li> <li>(iv) acquisition of animals for zoos, or</li> <li>(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and</li> </ul> <p>Therefore, allows for MTC (Metropolitan Trading Company) to be utilized as the service provider to provide connectivity to the COJ internal network and other related service as set out within this report.</p>
<b>CATEGORY: RATIFICATION</b>			
<b>JOBURG THEATRE</b>			
<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Ratification of services under repairs and maintenance	R41 868.25	01 July 2020	<p>That the accounting officer, in terms of Regulation 36 (1) (b) of the Municipal Supply Chain Management Regulations, ratifies the actions of officials for failure to comply with the procurement processes when procuring goods and services on a repair and maintenance deviation basis for the amount of R41 868.25.</p> <p>That the Chief Executive Officer reports the ratification and deviation referred to in paragraphs (1) and (2) above to the next meeting of the Board of Directors and include as a note to the 2019/2020 annual financial statements.</p>
<b>CATEGORY: EMERGENCY</b>			
<b>JOBURG THEATRE</b>			



<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Emergency Acquisition	Varies as per call out	01 July 2020	<p>Joburg City Theatres often experience events where emergency services and goods are needed to ensure that service delivery and operations runs smoothly. The services and goods will from time to time require legislative compliance from service providers, and also to reduce the risk of loss of life and damages to the company assets and properties. Insurance requires that reputable and compliant service providers be utilized. The safety of individuals / staff / patrons or public are of great importance to Joburg City Theatres.</p> <p>That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Sections 20(2)(a) of the policy, approves the dispensing with the normal procurement processes in respect of various products provided by Sole Suppliers only.</p>

**SOLE SUPPLIERS – HOSPITALITY AND CATERING**

<u>Description</u>	<u>Value of the Project (Incl Vat) (Varies as per call out)</u>	<u>Reasons</u>
Slo Jo - Supply of Slo Jo syrups and powders -Joburg City Theatres	R 0.00	Slo Jo is the Sole supplier of Slo Jo Syrups. The syrups are being used in all cocktails smoothies and milk shakes. The Slo Jo Syrups are a preferred product. Sole supplier letter has been received.
Frozen Drinks Africa	R 69,685.09	Frozen Drinks Africa is the Sole Supplier of the Slush Puppy Syrups. Sole supplier letter has been received.

The Flavor Lab	R 23,592.95	The Flavour Lab sells a unique blend of sauces and spices. These products are used in the recipes of Stage restaurant. Sole supplier letter has been received.
Ola Cool Runners	R 0.00	Ola Ice Cream is the Sole Supplier of Ola Ice Cream. Ola Cool Runners are the sole providers for Magnum ice creams and Cornetto ice creams. Sole supplier letter has been received.

**BIDS (Tender) ADVERTISED**

Department	Contract No.	Description	Contracted Provider(s)	Service	Period	BBBEE LEVEL	Reasons	Value of the project (Vat Inc)
No awards were made during the 3 <sup>rd</sup> quarter of 2020/2021								

**9. REQUEST FOR QUOTATIONS**

Department	Contract No	Description	Contracted Service Provider	Period	BBBEE Level	Reasons	Value of the Contract (Vat Incl)
Soweto Theatre	00769/21	Development Of An Integrated Marketing, Communication And Sales Strategy For Joburg City Theatres (Re-Advert)	Unorthodox PR and Media		Level 1	Evaluated in accordance with the PPPFA and regulations	R198 720.00
Customer service	00771/21	Supply & Delivery Of Ipad and Laptops	Vukani Technologies (PTY) LTD	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R66 468.53
Roodepoort Theatre	00772/21	Waterproofing Of Roof at Roodepoort	Mothokwa ET Trading (PTY) LTD	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R71 960.00

**SPENT REPORT**

The percentage of BBEE and SMME companies respectively, supported during the mid-year end (01 January 2021 - 31 March 2021) are as follow:

<b>JOBURG THEATRE</b>						
<b>TOTAL SPEND</b>	<b>BBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>	
<b>R 12 282 887.14</b>	<b>R 7 821 395.46</b>	<b>R 1 132 183.38</b>	<b>R 4 757 153.44</b>	<b>R 2 237 156.22</b>	<b>R 303 917.52</b>	
84 suppliers	63.68%	14.48%	38.73%	18.21%	2.47%	
<b>ROODEPOORT &amp; SOWETO THEATRE &amp; ZOO</b>						
<b>TOTAL SPEND</b>	<b>BBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>	
<b>R 1 692 309.74</b>	<b>R 2 147 456.87</b>	<b>-R 455 147.13</b>	<b>R 1 166 704.13</b>	<b>R 1 166 704.13</b>	<b>R458 894.44</b>	
40 suppliers	126.90%	-21.19%	68.94%	68.94%	27.12%	
<b>JOBURG CITY THEATRES (CONSOLIDATED)</b>						
<b>TOTAL SPEND</b>	<b>BBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>	
<b>R 13 975 196.88</b>	<b>R 9 968 852.33</b>	<b>R 677 036.25</b>	<b>R 5 293 857.57</b>	<b>R 3 403 860.35</b>	<b>R 762 811.96</b>	
105 suppliers	95.29%	-3.36%	53.84%	43.58%	14.80%	

**Note:**

A total of 105 service providers supplied goods / services for both Joburg Theatre and Roodepoort & Soweto Theatre, and were calculated as such.

**Section 8: Statement on Amounts Owed By and To Government Departments and Public Entities**

The table below depicts Amounts Owed by Government Departments and Public Entities

Name of Department	Amounts owed	Account Status	Comments
City of Johannesburg	11,875,631.12	45% is sitting under 30 days on the debtors age analysis , 11% on 90 days and 22% is sitting over 120 days	100% of this balance is for COJ department and COJ entities The amount relates to catering services provided to COJ, Arts Alive and customer deposit.
Department of arts and culture	1,600,000	This department is sitting on over 120 days on debtors age analysis	This was sponsorship for the Africa Day celebration

The table below depicts Amounts Owed by Joburg City Theatres to Government Departments and Public Entities

Name of Department	Amounts owed	Account Status	Comments
City of Johannesburg	2,186,213.01	100% is sitting under 30 days on the creditors age analysis	The amount relates to water ,electricity and refuse; insourcing

## CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

### Section 1: Human Resources Management

JCT's Human Resource Management function is responsible in creating, delivering and sustaining the value proposition for the organisation's strategic objectives. The department was engaged in recruitment and selection, training and development, implementing the employee wellness programmes, labour relations, and implementation of approved HR policies and procedures.

The entity's overall objective as set out in its employment policy is to ensure that the company's employment practices and remuneration policies motivate and retain talented employees and create an attractive environment for all employees. The employment policy is periodically reviewed to ensure that it remains relevant and practical for the changing needs of current and potential employees. Our vision is to be the employer of choice in our field. Our vision is to stay at the top end of compliance by including such requirements into our working practices.

### Section 2: Employee Remuneration

<b>EMPLOYEE COST BREAKDOWN</b>	<b>2021</b>
Net Salary	66 185 213,62
PAYE & UIF	11 071 229,84
SDL	527 337,49
PENSION & MEDICAL AID	14 734 938,12
THIRD PARTIES	286 108,90
Leave Accruals & Bonus Provisions	3 913 849,49
OTHER	254 322,85
	<b>96 973 000,31</b>

### Section 3: Key Vacancies

All critical vacancies are filled.

The total number of JCT's approved positions still remain at **258** in this quarter. The number of filled positions increased from 233 to **241** in this quarter. The increase was as a result of **9** vacant posts which were filled. One **(1)** termination (permanent employee) were recorded. The number of vacant posts have been reduced to **17** (Table 2 provides a status report on the outstanding vacancies). A detailed staff establishment per department is provided in Table 1 below to indicate occupancy and vacancy percentages as per the approved structure

**Table 1: Detailed analysis on occupancy and vacancy report**

Department	Approved Positions	Occupied Positions	Vacant Positions	Temporary Staff	Interns / Learners	Total
Governance	9	8	1	0	1	9
Human Resources	4	3	1	0	1	4
Stage	28	26	2	0	2	28
Finance and SCM	17	17	0	0	3	20
Building and Security	61	57	4	0	1	58
Customer Services	9	9	0	7	2	18
Client Services (Programming)	9	6	3	1	2	9
Catering and Hospitality	31	30	1	122	0	152
Soweto Theatre	60	56	4	11	2	69
Roodepoort Theatre	30	29	1	9	2	40
<b>Total</b>	<b>258</b>	<b>241</b>	<b>17</b>	<b>150</b>	<b>16</b>	<b>407</b>
<b>Vacancy Occupancy %</b>		<b>93%</b>	<b>7%</b>	<b>58%</b>	<b>6%</b>	

JCT is operating at **93%** occupancy (it was 90% in the previous quarter) against the approved staff establishment with the remaining **7%** recorded as vacancy rate (vacancy rate was **10%** in the previous quarter). In addition to the above staffing, **6%** of human capacity comprises of interns which are placed within various departments and **58%** of temporary/Adhocs staff members.

JCT has **150** temporary/Adhocs employees in this quarter under review. The majority of these temporary employees are working in the Hospitality and Catering department (i.e. **122**). Thirty-five (**35**) temporary terminations were recorded in this quarter under review (**reflected in table 4(b) below**). Eight (**8**) temporary appointments were also recorded (**reflected in table 3(b) below**). The appointment of temporary employees is dictated by the needs of the business. The number of temporary employees fluctuates on monthly basis due to the nature of the business.

The second largest group of temporary employees is found in the Hospitality and Catering department. These groups of employees consist of waiters, scullers, bartenders, commie chefs, kitchen staff, banqueting staff and general assistants, etc. The Department currently utilizes Fixed Term Contract due to the business requirements for the following reasons –

- There is no fixed patron capacity in the theatre bars as the business in this area is determined by the shows that are on the stage at any given time, hence this area is treated as seasonal work based on the seasonal run of any given show.
- The restaurant business is managed on a day to day basis based as per point 1, as well as the daily take up of the restaurant by the surrounding businesses.
- Unfortunately, the department often experiences an extreme fluctuation of business volumes that occur over a period of any one year due to the area of the hospitality it works in, namely, the theatre.

- There are very few foreign nationals in the workforce and their fixed term contracts are based on their current valid work permits.

The number of temporary employees fluctuates on monthly basis due to the nature of the business  
The table below summarises the recruitment activities and progress towards filing of vacant positions.

## 1.1 WORKFORCE PROFILE PER THEATRE

### 1.1.1. Joburg City Theatres

Table 2: Workforce Profile

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	1	0	0	0	0	0	1
Senior Management	8	1	2	2	3	0	0	1	0	0	17
Professionally Qualified / Middle Management	3	0	0	4	5	1	0	0	0	0	13
Skilled Technically and Academically Qualified	17	1	1	6	22	1	0	1	1	0	50
Semi-Skilled	46	1	0	0	25	0	0	0	4	0	76
Unskilled	55	0	0	0	29	0	0	0		0	84
<b>Total</b>	<b>129</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>85</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>241</b>
<b>% of Gender Representation</b>	<b>54%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>5%</b>	<b>35%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>2%</b>	<b>0.0%</b>	

### 1.1.2. Joburg Theatre

Table 3: Workforce Profile

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	1	0	0	0	0	0	1
Senior Management	8	1	0	1	2	0	0	1	0	0	13
Professionally Qualified / Middle Management	3	0	0	4	3	1	0	0	0	0	11
Skilled Technically and Academically Qualified	13	0	1	4	12	0	0	0	0	0	30
Semi-Skilled	27	1	0	0	15	0	0	0	0	0	43
Unskilled	16	0	0	0	12	0	0	0	0	0	28
<b>Total</b>	<b>67</b>	<b>2</b>	<b>1</b>	<b>9</b>	<b>45</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>126</b>
<b>% of Gender Representation</b>	<b>53%</b>	<b>1.6%</b>	<b>0.8%</b>	<b>7%</b>	<b>36%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.0%</b>	

### 1.1.3. Soweto Theatre

Table 4: Workforce Profile

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	0	0	0	0	0	1
Professionally Qualified / Middle Management	1	0	0	0	1	0	0	0	0	0	2
Skilled Technically and Academically	0	0	0	0	5	0	0	0	0	0	5
Semi-Skilled	6	0	0	0	2	0	0	0	0	0	8
Unskilled	29	0	0	0	11	0	0	0	0	0	40
<b>Total</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>
<b>% of Gender Representation</b>	<b>64%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>36%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

#### 1.1.4. Roodepoort Theatre

Table 5: Workforce Profile

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	0	0	0	0	0	0	0	1
Professionally Qualified / Middle Management	0	0	0	0	0	0	0	0	0	0	0
Skilled Technically and Academically Qualified	1	0	0	0	4	1	0	0	0	0	6
Semi-Skilled	5	0	0	0	2	0	0	0	0	0	7
Unskilled	10	0	0	0	5	0	0	0	0	0	15
<b>Total</b>	<b>16</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29</b>
<b>% of Gender Representation</b>	<b>55%</b>	<b>0.0%</b>	<b>3%</b>	<b>0.0%</b>	<b>38%</b>	<b>3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

#### 1.1.4. Hospitality and Catering

Table 6: Workforce Profile

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	1	0	0	0	0	0	0	2
Professionally Qualified /	0	0	0	0	1	0	0	0	0	0	1



Middle Management											
Skilled Technically and Academically Qualified	2	1	0	2	3	0	0	1	1	0	10
Semi-Skilled	8	0	0	0	5	0	0	0	4	0	17
Unskilled	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>30</b>
<b>% of Gender Representation</b>	<b>33%</b>	<b>3%</b>	<b>3%</b>	<b>10%</b>	<b>30%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3%</b>	<b>17%</b>	<b>0.0%</b>	

**Table 3 (a): Recruitment progress report:**

Department	Position	Number of positions	Mode of recruitment	Progress
Governance	Committee Officer	1	External	Recruitment deferred
Building & Security	Building & Facilities Manager	1	Internal & External	Interviews conducted 18 March 2021. No suitable candidates was found. Post to be readvertised.
	SHE Specialist	1	Internal & External	Credibility assessment and verification process is in progress.
	Health & Safety Officer	2	Internal & External	Recruitment is deferred
Stage	Production Manager	1	Internal & External	Recruitment is deferred.
	Stage Technician	1	Internal & External	Recruitment is deferred.
Client Services / Programming	Marketing Executive	1		Recruitment is deferred
	General Manager: Programming	1		Recruitment is deferred
Corporate and Shared Services	Corporate and Shared Services Manager	1		Recruitment is deferred
Soweto Theatre	Stage Technician	1	Internal & External	Appointment in progress.
	Stage Crew	1	Internal	Interviews conducted on 10 March 2021. Reference check in progress.
	Marketing Assistant	1	Internal	Interviews conducted on 17 April 2021. Reference check in progress.
	Building and Facilities Officer	1	External	Recruitment to commence in 4th quarter
Roodepoort Theatre	Maintenance (General worker)	1	Internal & External	Appointment is effective 1 April 2021
Hospitality & Catering	Junior Sous Chef	1	External	Recruitment deferred.

**Table 2 (b): Recruitment progress report: Interns**

Department	Position	Number of positions	Mode of recruitment	Progress
	Admin Intern	1	External	Interview conducted on 19 March 2021. Reference check in progress.
	Building & Maintenance Intern	2	External	Intern x 1 commences 1 April 2021 Credibility assessment of Intern x 1 is in progress

During the term under review **9** new permanent and **8** temporary appointments were made in this quarter. **4** interns were also contracted. The appointment are depicted in the tables below.

**Table 3: Permanent appointments**

Department	Position	Effective Date	Positions
Governance	Committee Officer	01/02/2021	1
Building & Security	Security Officer	01/02/2021	1
	General Worker	01/02/2021	3
Soweto Theatre	General Worker	01/02/2021	3
Roodepoort Theatre	General Worker	01/02/2021	1
Total Number of Appointments			<b>9</b>

**Table 4: Temporary appointments**

Department	Position	Effective Date	Positions
Customer Services (Joburg Theatre)	Theatre attendants / ushers	22/02/2021 & 19/03/2021	7
Soweto Theatre	Theatre attendants / ushers	03/02/2021	1
Total Number of Appointments			<b>8</b>

**Table 4: Internship appointments**

Department	Position	Effective Date	Positions
Customer Services (Joburg Theatre)	Intern	01/02/2021	1
Soweto Theatre	Intern	01/02/2021	1
Roodepoort Theatre	Intern	01/02/2021	2
Total Number of Appointments			<b>4</b>

**Staff turnover**

1 permanent and 35 temporary termination of services were recorded during this term as shown in the table below.

**Table 5 (b): Temporary Staff terminations**

Department	Position	Reason for termination	Years in service	Effective date	Positions
Customer Services – JT	Theatre Attendants ) x 18	expiry of contracts	18 months	31/01/2021	18

Department	Position	Reason for termination	Years in service	Effective date	Positions
Building & Security	Gardeners x 3	expiry of contracts	6 months	31/01/2021	3
Hospitality & Catering	Casuals x 9	expiry of contracts	6 months	31/01/2021	9
Roodepoort Theatre	Gardener x 1	expiry of contracts	6 months	31/01/2021	1
Soweto Theatre	Theatre Attendants (Ushers) x 1			31/01/2021	1
	Gardeners x 3	expiry of contracts	4 months	31/01/2021	3
<b>Total Number of Terminations</b>					<b>35</b>

To balance the Employment Equity within the company, JCT will give preference to designated people, women and persons with disabilities when opportunities arise. These targets will be achieved by way of replacing employees who leave the organization due to natural attrition and reasons related to staff turnover. In order to attract PWDs, adverts will also be pinned in the City's library. We will also request the Department of Labour to send applications as per the inherent requirements of the position, whenever there are vacancies.

The table below summarises JCT's age groups according to race and gender.

**Table 6: Age Analysis profile per race and gender**

Age Groups	Age		Gender		Race			
	Number of staff	% representation	Male	Female	A	C	I	W
18-25	5	2%	2	2	4	0	0	0
26-35	72	30%	43	29	69	2	1	0
36-45	87	36%	57	30	81	2	1	3
46-55	55	23%	32	23	48	0	1	6
56-65	23	9%	17	6	17	1	0	5
<b>Total</b>	<b>233</b>	<b>100%</b>	<b>151</b>	<b>90</b>	<b>219</b>	<b>5</b>	<b>3</b>	<b>14</b>

JCT employees aged between 18-35 years of age (youth) represent 32% of the staff population, 36-55 years (prime working age) represent 59% and 56-65 (mature working age) represent a marginal 10% of staff.

#### Section 4: Employment Equity

Section 20 of the Employment Equity Act, 1998, provides that the employer must prepare and implement an employment equity plan, which will help to reach employment equity in the workplace. The company encourages promotion within the core employment base, with particular attention given to the opportunities of promoting those staff members from historically disadvantaged communities.

All the relevant employment equity reports, return of earnings and work skill plans are submitted to the Department of Labour and Culture, Arts, Tourism, Hospitality and Sport SETA (CATHSSETA). The company receives SETA rebates on a regular, fully monitored basis. The Chief Executive Officer, together with the Chief

Operating Officer, is responsible for the monitoring of the implementation of the employment equity plan. The company is committed to the principles of equity, anti-discrimination and diversity as enshrined in the Constitution and the Employment Equity Act. In this context, Joburg Theatre seeks to create an institution that reflects the diversity of South African society, and which contributes to maximising the human resource potential of its entire people.

The Company has employment policies that it believes are appropriate to the business and the market in which it trades. Equal employment opportunities are offered to all employees. The company firmly endorses the four key areas of employment equity identified by the Employment Equity Act:

- elimination of discrimination in decision-making;
- promotion of employee diversity;
- reduction of barriers to advancement of the disadvantaged; and
- Introduction of measures and procedures for transformation.

The implementation of JCT's three-year employment equity plan is on track. The implementation of the plan is monitored on quarterly and annual basis through the reports submitted to the City and to the Department of Labour to ensure compliance requirements are fully met. The theatre's management team is inclusive and representative of the demographics of the country. The members of the support management team comprise of staff members from a diverse background.

JCT is committed to the principles of equity, anti-discrimination and diversity as enshrined in the Constitution and the Employment Equity Act. In this context, JCT seeks to create an institution that reflects the diversity of South African society, which contributes to maximising the human resource potential of its entire people. JCT is committed to appointing a fair representation of employees in terms of race and gender in order to comply with its employment equity plan. The tables and graphs below are based on the formats prescribed by the Employment Equity Act, 55 of 1998 and the Department of Labour.

### Employment Equity and Affirmative Action plans

JCT's Employment Equity is profiled according to gender, disability, race, and by occupational levels. The employment equity targets are aligned to the country's Economically Active Population (EAP) percentage distribution within the Gauteng region. The EAP includes people from **15 to 64 years of age** who are either employed or unemployed and seeking employment and is used to assist employers in the analysis of their workforce to determine the degree of under-representation of the designated groups. JCT is required to use the EAP as a guide (City's 50/50 gender), to determine the resource allocation and subsequent interventions that are needed to achieve an equitable and representative workforce. It is important to note that the analysis of the section of this report focuses on the EAP as depicted in the tables below:

**Table 7: Employment Equity Profile**

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	1	0	0	0	0	0	1
Senior Management	8	1	2	2	3	0	0	1	0	0	17

Occupational Level	Male				Female				Foreign Nationals		Grand Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally Qualified / Middle Management	3	0	0	4	5	1	0	0	0	0	13
Skilled Technically and Academically Qualified	18	1	1	6	22	1	0	1	1	0	51
Semi-Skilled	46	1	0	0	25	0	0	0	4	0	76
Unskilled	50	0	0	0	25	0	0	0		0	75
<b>Total</b>	<b>125</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>81</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>233</b>
<b>% of Gender Representation</b>	<b>54%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>5%</b>	<b>35%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>2%</b>	<b>0.0%</b>	

**Table 8: Disability Profile**

Occupational levels	Males				Female				Total PWDs
	A	C	I	W	A	C	I	W	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally Qualified / Middle Management	-	-	-	-	-	1	-	-	1
Skilled Technically and Academically Qualified	-	-	-	-	1	-	-	-	1
Semi-Skilled	-	-	-	-	-	-	-	-	-
Unskilled	1	-	-	-	1	-	-	-	2
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>0</b>	<b>4</b>

The target for employment of Persons with disability is 2%. It should be achieved against the institution's entire staff compliment. The employment of the persons with disabilities is currently at 1.7%.

To balance the Employment Equity within the company, JCT will give preference to designated people, women and persons with disabilities when opportunities arise. These targets will be achieved by way of replacing employees who leave the organization due to natural attrition and reasons related to staff turnover.

In order to achieve the equitable representation, Joburg Theatre will ensure that the following strategies are adopted and implemented:

- Where gender and racial underrepresentation exist in the Workforce, targeted recruitment for the EE Targeted candidate shall be enforced unless the suitably qualified candidate from the Targeted Group was not found;
- Identify training which is aimed at addressing the imbalances within the organisation –train individual in order to create a pool of suitably qualified employees from the Targeted Group and give them an opportunity for growth in line with the EE Targets.

**Table 9: Employment Equity and Economically Active Population (EAP) Targets**

Description	Total number of employees	Gauteng EAP EE Target %	JCT EE Actual %	Variance
Africans	219	81.0%	91%	9.4%
Coloureds	5	2.6%	2.1%	-0.5%

Description	Total number of employees	Gauteng EAP EE Target %	JCT EE Actual %	Variance
Indians	3	2.9%	1.2%	-1.7%
Whites	14	13.5%	6%	-7.5%
Persons with disability	4	2.0%	1.7%	-0.3%
Male	151	55.9%	63%	7.1%
Female	86	44.1%	37%	-7.1%

Table 10: Gender representation

Gender	African		Coloured		Indian		White		TOTAL	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Male	45.3%	56%	1.3%	1.3%	1.9%	1.3%	7.4%	5%	55.9%	63%
Female	35.7%	35%	1.3%	0.8%	1.0%	0.0%	6.1%	0.8%	44.1%	36.6%
<b>TOTAL</b>	<b>81.0%</b>	<b>91%</b>	<b>2.6%</b>	<b>2.1%</b>	<b>2.9%</b>	<b>1.3%</b>	<b>13.5%</b>	<b>5.8%</b>		

	Target Achieved
	Requires Improvement

During the reporting period, overall African representation stands at **91%** which is above the set target of **81.0%**, Coloureds at **2.1%** which is also below a target of **2.6%**, Indians at **1.3%** which is below the target of **2.9%**, and the under representation of White employees by **5.8%**, which is below the set target of **13.5%**. Males form **63.6%** of the staff profile and are over represented while women in general are underrepresented at **36.6%**.

### Section 5: Skills Development and Training

Joburg City Theatres is committed to sustaining a continuous programme of training and development for its management and staff to improve either job performance and/or competitiveness for promotion. The company has a policy in respect of paid assistance for skills development courses, which help in enhancing the skills of previously disadvantaged individuals. The policy also includes access to training by members of designated groups, structured training and development programmes. Company retention strategies include the promotion of diverse organisational cultures, interactive communication and feedback and ongoing labour turnover analysis.

This section provides the quarterly reporting on the status of employee's skills development and training initiatives undertaken by employees. In line with Training and Development Policy, JCT is committed to sustaining a continuous programme of training and development for its management and staff to improve either job performance and/or competitiveness for promotion.

The company has a policy in respect of paid assistance for skills development courses, which help in enhancing the skills of previously disadvantaged individuals. Seven (7) employees are studying towards a qualification in different institutions which is summarised in the table below.

A number of employees attended training and development interventions during the quarter as shown in the table below:

**Table 11: Training and Development**

Occupational Levels	Training intervention	Target participants	Number of staff	Costs
Top Management	none	None	0	R 00.00
Senior Management	Accountability & Financial Planning and Budgeting	General Managers & Operational Managers	2	R 8 730.00
Professionally Qualified / Middle Management	Team Leadership; Accountability & Financial Planning and Budgeting	SCM employees, Sales employees, Managers, Operational Managers, Banqueting employees, Chefs, Kitchen Staff & Stage Crew	16	R 54 745.00
Skilled Technically and Academically Qualified	Municipal Accounting; Problem Solving, Decision; Making and Results Orientation; Team Leadership Accountability; Financial Planning and Budgeting	SCM employees, Sales employees, Managers, Banqueting employees, Chefs, Kitchen Staff & Stage Crew	20	R 67 953.85
Semi-skilled	N/A	Banqueting employees, Chefs, Kitchen Staff & Stage Crew	0	R0.00
Unskilled	N/A	General workers; Kitchen staff, Chefs & Banqueting employees	0	R0.00
Temporary employees	Municipal Accounting	Kitchen staff, Chefs & Banqueting employees	0	R 8 411.42
<b>TOTAL</b>			<b>203</b>	<b>R 139 840.27</b>

The company is committed to sustaining a continuous programme of training and development for its management and staff to improve either job performance and/or competitiveness for promotion. The Company has a policy in respect of paid assistance for skills development courses. The policy also intends to include access to training by members of designated groups, structured training and development programmes.

The education assistance scheme ensures that employees are able to improve their educational qualifications with the assistance of the funding from the company. Most of the assistance is provided over two to three years, which is mostly the duration of academic programs. 7 employees received financial study assistance and are studying towards different qualifications as indicated in the table below.

**Table 12: Subsidised Trainings**

TRAINING	NUMBER OF DELEGATES	INSTITUTION
B Com Accounting Sciences	1	UNISA
B Com Information Technology	1	MANCOSA
Post Graduate Diploma in Business Management	1	Regent Business School
B Com in Supply Chain management	1	Regent Business School
Master's in Business Administration	1	Regent Business School
Master's in Business Administration	1	Henleys Business School
B Com Human Resources	1	Regent Business School
<b>TOTAL BENEFICIARIES</b>	<b>7</b>	

## Section 6: Performance Management

JCT has a standardised performance management policy and procedure for setting performance objectives, which is aligned to the Business Plan. Formal performance reviews are conducted bi-annually during December and June. Year-end performance ratings are the determinant of a performance reward for employees on level 1 and 2. An enhanced performance development and coaching approach is being conducted on a continuous basis to ensure that employee performance is consistently and fairly reviewed.

Succession planning within the company has been implemented for all senior management. The succession and retention will be reviewed going forward, depending on funding being available. Retention strategies aimed at discouraging the employees from leaving the company will be developed and discussed.

## Section 7: Leave and Productivity Management

In line with the approved Leave policy, JCT employees are entitled to 24/27 days leave per annum to be taken at a time convenient to JCT and agreed upon by line management. 80 sick leave days in a three (3) year cycle are also provided. The section below provides a detailed overall leave management and analysis per department.

**Table 13: Overall Company Leave Analysis**

Type of leave	Q1 (Jul - Sep)	Q2 (Oct- Dec)	Q3 (Jan - Mar)	Q4 (Apr - Jun)	Total Leave Taken	% Leave days taken
Annual Leave	763	924	413		2100	90
Sick Leave	15	40	1		56	3
Family Responsibility Leave	12	8	0		20	1.06
Study Leave	0	35	0		35	1.86
Unpaid Leave	0	0	0		0	0
Maternity Leave	80	0	43		123	4.26
<b>Total</b>	<b>870</b>	<b>1007</b>	<b>457</b>		<b>2334</b>	<b>100</b>

A total of 457 and 2334 leave days were taken by employees during the period under review and year to date respectively. Employees are encouraged to take time off to rest whenever operations require to enable them to rest and come back being more productive. There were no adverse effects on operations during their absence.



**Figure 1: Leave Analysis**



Annual leave tops the list as per figure 1 above by 90%, Sick Leave at 1%, Study leave at 0% and then Family Responsibility leave at 0% and maternity leave at 9.41% in this quarter. Human resources will continue to monitor the leave and employee attendance to mitigate against the abuse of sick and family responsibility leave.

**Table 14: Joburg Theatre**

Number of Staff	Type of leave	Q1	Q2		Total Leave Taken
129	Annual Leave	682	781	289	1752
	Sick Leave	15	31	0	46
	Family Responsibility Leave	12	5	0	17
	Study Leave	0	35	0	35
	Unpaid Leave	0	0	0	0
	Maternity Leave	42	0	43	85
	<b>Total</b>		<b>751</b>	<b>852</b>	<b>332</b>

**Table 15: Soweto Theatre**

Number of Staff	Type of leave	Q1	Q2	Q3	Total Leave Taken
17	Annual Leave	27	59	41	127
	Sick Leave	0	9	0	9
	Family Responsibility Leave	0	0	0	0
	Study Leave	0	0	0	0
	Unpaid Leave	0	0	0	0
	Maternity Leave	38	0	0	38
	<b>Total</b>		<b>65</b>	<b>68</b>	<b>41</b>

**Table 16: Roodepoort Theatre**

Number of Staff	Type of leave	Q1	Q2		Total Leave Taken
14	Annual Leave	54	84	83	221
	Sick Leave	0	0	1	1
	Family Responsibility Leave	0	3	0	3
	Study Leave	0	0	0	0
	Unpaid Leave	0	0	0	0
	Maternity Leave	0	0	0	0
	<b>Total</b>		<b>54</b>	<b>87</b>	<b>44</b>

Human capital management department will continue to monitor the leave and employee attendance to mitigate against the abuse of sick and family responsibility leave.

### Section 8: Disciplinary Matters and Outcomes

JCT's Human Resources Manager's office deals with employee / employer related issues and thereby maintaining direct lines of communication with employees. All entity's labour disputes are referred to South African Local Government Bargaining Council (SALGBC) for conciliation and/or arbitration. The Human Resources Manager's office deals with employee / employer related issues and thereby maintaining direct lines of communication with employees.

### Union Membership

Three (3) employees joined the labour union in this term, bringing the total of employees belonging to labour unions to **111**. **49** employees subscribe to IMATU while **62** to SAMWU. **127** employees who are not affiliated to any Union pay Agency Shop Fees to the Council. **3** employees do not pay Agency Shop fees.

### Labour Relations matters

Two labour cases were attended in this term as indicated in the table below. One employee resigned in November 2019 and later declared a dispute of constructive dismissal at the CCMA. The Commissioner issued a certificate of non-resolution after conciliation failed. The dispute was referred for arbitration to the South African Bargaining Council (SALGBC). SALGBC Due to COVID-19 the matter was only finalised in this term. The other employee was summarily dismissed after a formal disciplinary hearing. A brief summary of employee cases are reflected in the table below.

**Table 17: Labour Relations Cases**

Despite the challenges, it is clear that majority of JCT staff uphold the policies, procedures and values of the organisation. This conclusion is drawn from the total number of misconduct cases that were conducted within the quarter which resulted in both written warnings. All matters were handled in line with the approved disciplinary code policy of the organisation.

Department	Position	Nature	Progress and/or Outcome
Client Services	Former Marketing Executive	Misconduct	<ul style="list-style-type: none"> <li>Summary Dismissal effective 13 October 2020.</li> <li>The Employee referred an Unfair Dismissal for arbitration to the SALGBC.</li> <li><b>Arbitration Award</b> was issued in favour of JCT - the dismissal of Salvataris Valerie Koloti was <b>both procedurally and substantively fair</b>.</li> </ul>
		Dispute referral : Unfair labour	<ul style="list-style-type: none"> <li>Employer attended the Arbitration on 08 February 2021. Arbitration could not proceed</li> </ul>

Department	Position	Nature	Progress and/or Outcome
		practice Grievance –	<p>due to the applicant shifting the goal post indicating that the dispute is about unfair suspension.</p> <ul style="list-style-type: none"> <li>Parties were instructed to hold a pre-arb to discuss and agree the issues on dispute by 23 March 2021.</li> <li>Pre-arb was held on 24 March 2021. The dispute has now changed to <b>Unfair Suspension</b>.</li> <li>Arbitration date is set for 8 April 2021.</li> </ul>
Soweto Theatre	Building & Facilities Officer	Alleged corruption	<ul style="list-style-type: none"> <li>The employee resigned prior to the sitting of the disciplinary enquiry.</li> </ul>

#### 24: Number of cases

Cases	No. Of Cases	Comments
Death and memorial service.	0	
Bereavement support intervention	0	There was no bereavement support intervention
Study	6	6 employees registered during the term under review.
Miscellaneous cases	0	There was none
<b>GRAND TOTAL</b>	<b>6</b>	

#### Section 9: Employee Wellness

No Wellness Day was conducted this term. Joburg City Theatres has Service Level Agreement with ICAS, the service provider, to develop and implement Employee Assistance Programme (EAP). ICAS has launched its EAP across the three theatres. ICAS provides 24 hours online (internet, website, WhatsApp, call-back, etc.), inbound and outbound telephonic, and face-to-face health and wellness information and counselling to staff members. Number of employees received counselling for the trauma experienced with the untimely passing away of the Production Manager.

As part of the organizations strategy for employee wellness and internal communications:

- Employees are continuously participating in the internal gym.
- The company hosts aerobics sessions three times a week for an hour.
- These classes are good for exercising and promoting staff engagement
- The aerobics class also partake in the external walks/runs and wellness activities.

## Section 10: Employee Benefits

The Company is a participating employer in the various retirement benefit schemes through which the City of Johannesburg Metropolitan Municipality and its associated Municipal Entities (MEs) provide post-employment benefits to their permanent employees.

### Defined Benefit Funds

Joburg City Theatres currently operates three funds and has the following number of employees on each fund:

- Johannesburg Municipal Pension Fund (NMG) has 13 employees.
- E-Joburg Pension Fund has 222 employees.
- Mutual Gratuity Pension Fund (MGF) has 6 employees.

The total number of employees on pension funds is **241**.

### Medical Aid Funds

The company also administers three accredited medical aid schemes and pays a minimum of 60% and 75% monthly premium contribution on behalf of its members. No employee joined medical aid this quarter. Currently 76 employees are members of the schemes as follows:

- Discovery has 77 members, of which 54 receive 60% employer contributions, 18 receives 75%, while 3 employees on total cost to company contribute 100%.
- LA Health has 1 member who receives 60% company contributions
- Key Health has only 1 member who receives 60% company contributions

### Company Allowances

Forty-two (**42**) employees receive homeowners' allowance. Sixty-one (**61**) employees receive Cellphone allowances while twenty-seven (**27**) receive data allowances towards the use for business purposes of their personal cell phones.

## Section 11: Occupational Health & Safety Programmes

The Occupational Health and Safety Manager is a member of the COJ's workplace wellness coordinators forum which deals amongst others with the HIV Counselling and Training outreach campaign to assist employees in screening and the COJ Group SHE Steering committee which ensures the company's compliance to the Occupational Health and Safety Act, (85 of 1993).

Occupational Health and Safety in the workplace is regulated by the Occupational Health and Safety Act, (85 of 1993).

Section (16)1 places the responsibility and liability on the Chief Executive Officer (CEO) to ensure that the duties imposed on the employer are properly discharged. The implication hereof is that the CEO has to ensure that an

occupational health and safety management system is implemented which will give effect to the provisions of this Act.

The City Manager is the section 16(1) responsible person for the COJ and the MD's/CEO's are the section 16(1) responsible persons for the Municipal Entities. The Act makes provision for the CEO's / MD's to appoint person's under their control to assist them in the duties in relation to the provisions of the Act. Joburg City Theatres has appointed Lieb Venter as the Liaison with the COJ Group SHE Directorate as the company's current Occupational Health and Safety Manager. The General Managers of both Soweto Theatre and Roodepoort Theatre were also appointed as the Health and Safety Coordinators at their respective theatres. The Health and Safety committee is functional and meetings are convened regularly as required. Inspections are undertaken and all Health and Safety equipment is up-to-date.

Permanent and part-time staff members are continuously trained in the areas of First Aid, Safety, Fire, and evacuation. A safety committee is being established and will have regular monthly and quarterly meetings.

### **HIV/AIDS on the Workplace**

The management of HIV/AIDS is an important challenge facing every organisation in the country. Joburg City Theatres is committed to maintaining the health and welfare of all its employees as well as providing a safe and hygienic working environment. JCT's policy on HIV/AIDS ensures that no employee, or applicant, is discriminated against based on their HIV status. The company's policy is aligned with the City of Johannesburg's AIDS Strategy.

JCT has adopted the following core principles as a basis for its HIV/AIDS policy:

- Continuously assess the risks posed by HIV/AIDS on the business;
- Limit the number of new infections among employees. In order to ensure that all employees are made aware of the problem and - in the process – hope to reduce the rate of HIV/AIDS, JT supplies free condoms in all washroom areas back stage.
- Distribute pamphlets internally to employees relating to HIV/AIDS and participate in the Voluntary Counselling and Testing in support of World AIDS Day.
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected.
- Provide care and support to employees living with HIV/AIDS within current legislative parameter

## CHAPTER FIVE: FINANCIAL PERFORMANCE AND EXPOSURE

### Section 1: Statement of Financial Position

#### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

#### Statement of Financial Position as at 31 March 2021

Figures in Rand	Note(s)	2020	2020
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	2	4,386,880	1,301,337
Receivables from exchange transactions	3	14,047,354	8,451,867
VAT receivable	4	4,292,847	2,817,898
Cash and cash equivalents	5	36,592,043	8,835,684
		<b>59,298,924</b>	<b>21,406,786</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	12,884,390	14,255,068
Intangible assets	7	334,213	461,884
Heritage assets	8	1,602,700	1,602,700
		<b>14,821,303</b>	<b>16,319,452</b>
<b>Total Assets</b>		<b>74,120,227</b>	<b>37,726,238</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	9	46,879,625	26,810,703
Provisions	10	3,505,188	3,452,257
		<b>50,384,813</b>	<b>30,262,960</b>
<b>Total Liabilities</b>		<b>50,384,813</b>	<b>30,262,960</b>
<b>Net Assets</b>			
Share capital / contributed capital	33	10	10
Reserves			
Investment from Shareholder		1,784,049	1,784,049
Accumulated surplus		21,951,355	5,679,219
<b>Total Net Assets</b>		<b>23,735,414</b>	<b>7,463,278</b>

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## Section 2: Statement of Financial Performance

### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

### Statement of Financial Performance

Figures in Rand	Note(s)	9 months 31 March 2020	12 Months 30 June 2020
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Ticketing Services	13	37,030	779,770
Catering Services	13	12,660,765	27,139,664
Rental of facilities and equipment	13	446,542	5,563,136
Arts Alive	13	7,424,191	8,695,650
In-house ticket sales	13	762,477	7,713,028
Other income	15	704,684	1,156,773
Interest received - investment	16	2,745,094	4,646,967
<b>Total revenue from exchange transactions</b>		<b>24,780,783</b>	<b>55,694,988</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Subsidy	17	123,821,000	128,469,000
<b>Total revenue</b>	13	<b>148,601,783</b>	<b>184,163,988</b>
<b>Expenditure</b>			
Employee related costs	18	(71,475,748)	(91,643,431)
Depreciation and amortisation	19	(1,780,731)	(1,998,391)
Transfers and Subsidies	20	(18,864,500)	(21,086,811)
General Expenses	21	(40,208,672)	(85,401,129)
<b>Total expenditure</b>		<b>(132,329,651)</b>	<b>(200,129,762)</b>
<b>Surplus (deficit) before taxation</b>		<b>16,272,132</b>	<b>(15,965,774)</b>
Taxation	22	-	4,311,317
<b>Surplus (deficit) for the 9 months</b>		<b>16,272,132</b>	<b>(11,654,457)</b>

Draft

## Section 3: Cash Flow Statement

### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

### Cash Flow Statement

Figures in Rand	Note(s)	9 months 31 March 2020	12 Months 30 June 2020
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		19,905,831	47,413,920
Grants		163,454,000	128,469,000
Interest income		2,745,904	4,648,967
		<u>186,105,735</u>	<u>180,529,887</u>
<b>Payments</b>			
Employee costs		(71,378,007)	(90,033,504)
Suppliers		(86,688,788)	(91,395,202)
		<u>(158,066,795)</u>	<u>(181,428,706)</u>
<b>Net cash flows from operating activities</b>	23	<u>28,038,940</u>	<u>(898,819)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(282,580)	(1,318,191)
Proceeds from sale of other intangible assets	7	-	2,320
<b>Net cash flows from investing activities</b>		<u>(282,580)</u>	<u>(1,315,871)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>27,756,360</u>	<u>(2,214,690)</u>
Cash and cash equivalents at the beginning of the year		8,835,684	11,052,694
<b>Cash and cash equivalents at the end of the year</b>	5	<u>36,592,044</u>	<u>8,838,004</u>

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## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand

	2020	2020
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#### 2. INVENTORIES

Work in progress	3,564,497	409,581
Consumable stores	266,341	294,344
Trading Stock - Food and Beverage	535,842	598,412
	<b>4,366,680</b>	<b>1,301,337</b>

#### 3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	7,440,416	2,141,397
Accrued Income	-	2,713
Related Party Debtors	6,606,938	6,307,757
	<b>14,047,354</b>	<b>8,451,867</b>

##### Trade and other receivables

Trade Debtors- represents rent receivable for use of facilities (hospitality and theatre rentals).

Related party debtors - represents the amounts owed to Joburg City Theatres by the City of Johannesburg and Municipal Owned Entities. Included in the related party receivables is other hospitality, rental and catering services rendered to COJ and its MOE's. Joburg City Theatres does not charge interest on related party debtors.

Debtors are measured at fair value.

##### Fair value of trade and other receivables

##### Receivables From Exchange Transactions by Class

Rental of Facilities and Equipment	245,063	244,318
Hospitality and Catering	4,088,422	1,366,237
City of Joburg -CAPEX	4,221,485	3,522,107
City of Joburg Entities	98,197	981,417
Other	5,394,187	2,357,788
	<b>14,047,354</b>	<b>8,451,867</b>

##### Debtors Age Analysis

90 Days +	4,333,485	4,097,159
60 Days	427,391	-
30 Days	4,082,289	139,537
Current	5,204,189	4,215,171
	<b>14,047,354</b>	<b>8,451,867</b>

Accounts receivable in 90+ days relate to Department of Arts and Culture funding of R 1,600,000 and a collection of other small account receivables. The entity believes that these amounts are still collectable and should circumstances change they will be considered for impairment in accordance with company policy.

#### 4. VAT RECEIVABLE

VAT	4,292,547	2,817,898
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*N/B: Only high level notes have been included on the quarterly report per directive from group governance however full notes available on separate set of annual financial statements.*

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand	2020	2020
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	102,078	59,496
Bank balances	36,489,965	8,776,188
	<b>36,592,043</b>	<b>8,835,684</b>
Current assets	36,592,043	8,835,684
Current liabilities	-	-
	<b>36,592,043</b>	<b>8,835,684</b>

Cash and cash equivalent comprise of cash on hand, current accounts and deposits on call accounts that are already convertible into known amounts of cash. The effective interest rates of the cash equivalents investment as at end of the period were between 3.25% and 8,12%.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2021	30 June 2020	30 June 2019	31 March 2021	30 June 2020	30 June 2019
Nedbank-current account-Joburg Theatre	309,274	514,755	331,479	309,274	514,755	331,479
Nedbank-current account-Roodopoot and Soweto	123,002	271,795	193,016	123,002	271,795	193,016
Nedbank-current account-Ticketing	46,159	41,746	92,199	46,159	41,746	92,199
Nedbank-current account-Hospitality and Catering	109,097	306,483	218,243	109,097	306,483	218,243
Nedbank-call account-Joburg Theatre	842,819	1,459,759	1,032,152	842,819	1,459,759	1,032,152
Nedbank-current account-Zoo	1,331	43,640	227,462	1,331	43,640	227,462
Nedbank-current account-Metro	15,965	89,180	121,685	15,965	89,180	121,685
Nedbank-call account-Roodopoot and Soweto	12,031	2,286,760	3,686	12,031	2,286,760	3,686
Nedbank-call account-Ticketing	174,702	3,754,264	566,557	174,702	3,754,264	566,557
Nedbank-call account-Hospitality and Catering	103,213	7,806	453,614	103,213	7,806	453,614
Nedbank-fixed account	34,752,372	-	62,403,731	34,752,372	-	-
Investec-call account	-	-	7,691,854	-	-	7,691,854
<b>Subtotal</b>	<b>36,489,965</b>	<b>8,776,188</b>	<b>73,335,678</b>	<b>36,489,965</b>	<b>8,776,188</b>	<b>10,931,947</b>
Cash on hand	102,078	59,496	120,727	102,078	59,496	120,727
<b>Total</b>	<b>36,592,043</b>	<b>8,835,684</b>	<b>73,456,405</b>	<b>36,592,043</b>	<b>8,835,684</b>	<b>11,052,674</b>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand	2020	2020
<b>13. REVENUE</b>		
Ticketing services	37,030	779,770
Catering services	12,660,765	27,139,664
Rental of facilities and equipment	446,542	5,563,136
Arts Alive	7,424,191	8,695,650
In-house ticket sales	762,477	7,713,028
Other income	704,684	1,156,773
Interest received - investment	2,745,094	4,646,967
Subsidy	123,821,000	128,469,000
	<b>148,601,783</b>	<b>184,163,988</b>

The amount included in revenue arising from exchanges of goods or services are as follows:

Ticketing services	37,030	779,770
Catering services	12,660,765	27,139,664
Rental of facilities and equipment	446,542	5,563,136
Arts Alive	7,424,191	8,695,650
In-house ticket sales	762,477	7,713,028
Other income	704,684	1,156,773
Interest received - investment	2,745,094	4,646,967
	<b>24,760,783</b>	<b>55,694,988</b>

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Subsidy from City of Joburg	123,821,000	128,469,000

#### 14. SERVICE CONCESSION ARRANGEMENTS

#### 15. OTHER INCOME

Other income	704,684	1,156,773
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#### 16. INTEREST RECEIVED - INVESTMENT

Interest revenue		
Bank	2,745,094	4,646,967

Interest income is calculated using the effective interest rate between 3% to 4.25%

The table below shows the interest received from two bank accounts :

Bank	2020	2019
Investec Bank Limited	-	29,472
Nedbank Limited	2,745,094	4,617,495
	<b>2,745,094</b>	<b>4,646,967</b>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Annual Financial Statements for the 9 months ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand

2020

2020

#### 17. SUBSIDY

##### Operating Grants and Subsidies

Joburg Theatre	100,456,921	99,870,868
Roodepoort Theatre	8,044,951	9,847,192
Soweto Theatre	15,319,128	18,750,940
	<b>123,821,000</b>	<b>128,469,000</b>

The subsidy received from the City of Johannesburg Metropolitan Municipality is in terms of the service delivery agreement to provide services in accordance with the agreed obligations for operating Joburg Theatre; Roodepoort Theatre and Soweto Theatre.

#### 18. EMPLOYEE RELATED COSTS

Salaries and Wages	70,461,748	90,523,431
Employee costs included in other expenses	1,014,000	1,120,000
	<b>71,475,748</b>	<b>91,643,431</b>

##### Employee Costs Breakdown

Net Salary	43,873,922	52,548,602
PAYE	10,571,953	13,417,945
SDL	527,337	785,113
UIF	499,276	904,181
Medical Aid	4,242,955	5,234,307
Pension Contribution	10,491,983	13,056,980
Other	254,322	239,744
	-	4,337,559
	<b>70,461,748</b>	<b>90,523,431</b>

##### Committee Fees Breakdown

Fees	1,014,000	1,066,000
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##### Chief Executive Officer

Annual Remuneration	1,758,927	2,221,803
Cell Allowance	7,800	-
Performance Bonuses	311,052	194,712
Contributions to UIF, SDL, Medical Aid and Pension Funds	19,697	22,450
Other	20,571	-
	<b>2,118,047</b>	<b>2,438,965</b>

##### Chief Operating Officer

Annual Remuneration	1,061,517	1,309,232
Cell Allowance	11,700	-
Discretionary Bonuses	111,008	175,111
Contributions to UIF, SDL, Medical Aid and Pension Funds	301,609	406,827
Other	48,642	79,622
	<b>1,534,476</b>	<b>1,970,792</b>

##### Chief Financial Officer

#### 18. EMPLOYEE RELATED COSTS (continued)

Annual Remuneration	1,694,808	1,607,195
Cell Allowance	11,700	-
Performance bonus	229,232	212,566
Contributions to UIF, SDL, Medical Aid and Pension Funds	20,577	439,370
Other	250,668	91,594
	<b>2,206,985</b>	<b>2,350,725</b>

#### Section 4: Ratio Analysis

Financial Ratios	31 Mar 2021	31 Mar 2020	Movement %	Target	Norm	Interpretation
Current Ratio	1.18	0.93	27%	> 1.00	1.5 to 2.1	The current ratio is below the norm of between 1.5 to 2.1, it does not pose any challenge as some of the payables relates to subsidy and future shows.
Solvency Ratio	1.47	1.18	25%	> 2.00	02:01	Solvency Ratio is also below the norm of 2:1 and again this is not a challenge for the entity as more than 90% of the payables relates to deferred income received for future shows and subsidy.
Debt: Revenue	34%	41%	-17%	< 45%	45%	The ratio is above the target as the entity does not raise the its funds from borrowings
Remuneration	54%	42%	28%	At least 30%	25% - 40%	The ratio is above the accepted range and JCT will continue to monitor this ratio and put measures in place to ensure it is within the norm.
Repairs & Maintenance	13%	13%	1%	8%	8%	The ratio is above the norm of 8% , which is great .
Interest: Expenditure	0%	0%	0%	< 7%	<7%	The entity is really not financed by interest bearing borrowings hence a lower ratio on interest hence target was achieved.
Net Operating surplus	11%	-6%	-293%	At least 15%	= or > 0%	The entity is sitting at a position of greater than 0% which implies that the entity is operating at a surplus, which is great .
Cost Coverage Ratio	4	3	31%	> 45 Days	1 - 3 Months	The entity is above the norm of 1 - 3 months which means the entity will be able to meet its obligations to provide basic services

## **Section 5: Report on Irregular, Fruitless and Wasteful Expenditure and Due Process**

### **Irregular Expenditure**

During the audit of 2019/20 financial year auditors identified two tenders and three request for quotations which should have been advertised with a local content requirement in accordance with regulation 8(2) of the preferential procurement regulations of 2017. These were declared as irregular and amounted to R533 274.18

### **Fruitless and wasteful expenditure**

During the quarter and year under review, there was no fruitless and wasteful expenditure that was incurred.

## **Section 6: Pending Litigations and Possible Liabilities**

No litigations during the quarter under review. However the litigation that was reported in the previous quarter is still underway - JCT has received a letter of demand from one law firm, Brugmans Incorporated acting on behalf of Bosch family, the family whose child fell into the pit following a ballet show (Cinderella). They have sent this notice to the City, JCT, JPC and Joburg Ballet.

JCT has engaged Group Legal on the matter since the Group also administers our insurance policy.

## **Section 7: Insurance Claims against/to MOE/Department**

During the quarter under review, there were no insurance claims against/to MOE/Department.

## CHAPTER SIX: INTERNAL & EXTERNAL AUDIT FINDINGS

### Section 1: Results of Internal Audits

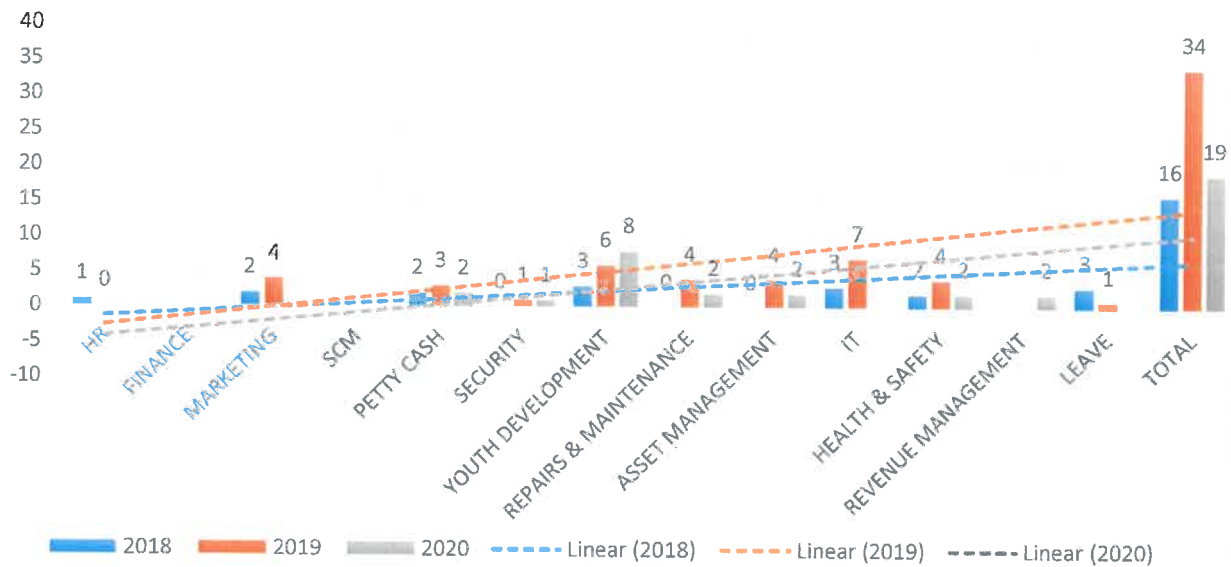
The purpose of this report is to provide status on the internal and external audit findings raised by Group Risk Assurance Services (Internal Auditors) and Auditor General (External Auditors) and progress status of the current financial year (2020/21) coverage plan.

The internal audit for 2019/20 financial year has 19 audit findings been issued, the internal audit for 2020/21 is yet to commence. The external audit for 2019/20 financial year has ended in March 2021 since there was a delay caused by Covid-19 pandemic.

### Section 2: Progress on Resolution of Internal Audit Findings.

Internal auditors raised 19 findings thus far in the 2019/20 financial year. The audit is currently in progress. The graph below depicting findings by department:

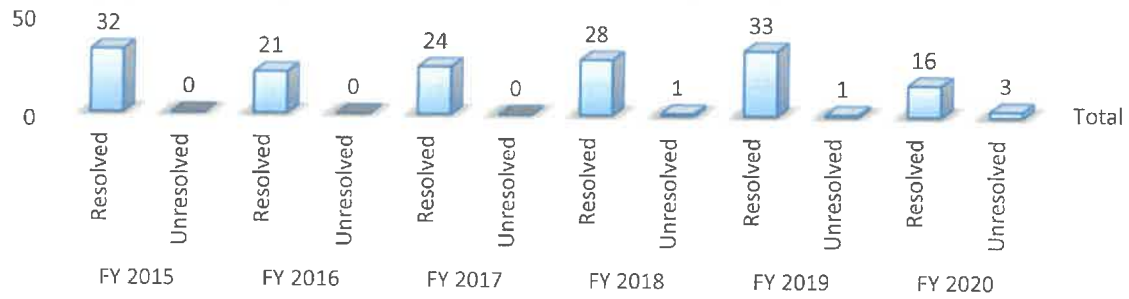
### ANALYSIS OF INTERNAL AUDIT FINDINGS 2019/20



### Progress on resolution of internal audit findings.

Out of the 19 audit finding that was issued thus far for the financial year 19/20, only 16 has been resolved and the remaining were delayed Since covid-19 pandemic but the process to attend to the findings has started and will all be finalised.

## Resolution of Internal Audit Findings



### Action plans for external audit findings

ACTION PLAN FOR INTERNAL AUDIT FINDINGS 2019/20				
Finding	Department	Description	Status	Managements' comment
1	Repairs & Maintenance	Insufficient backup power generator	In progress	The tender had to be re-advertised based on the probity findings on the work done by the BSC. This tender will be finalised in the 4 <sup>th</sup> Quarter of 2021.
2	Repairs & Maintenance	Fire door of Mozart room at Roodepoort Theatre still broken and not repaired	Done	In March 2020, Roodepoort Theatre fixed the Mozart fire door
3	Health & Safety	No designated sick room at Roodepoort Theatre	Done	In August 2020, The designated sick room and oxygen cylinder has been provided
4	Health & Safety	Forklift licences not renewed since expired on the 04th of April 2015	Done	In September 2020, Forklift licences are renewed and HR has sent the certificates to Finance Manager
5	Security Management	Inadequate Security Equipment-Insourced security personnel in Soweto, Roodepoort and Joburg Theatre did not have two way radio, panic buttons, pocket books, torches, handcuffs and uniforms	Done	In August 2020, Uniform and two way radios have been acquired.



**ACTION PLAN FOR INTERNAL AUDIT FINDINGS 2019/20**

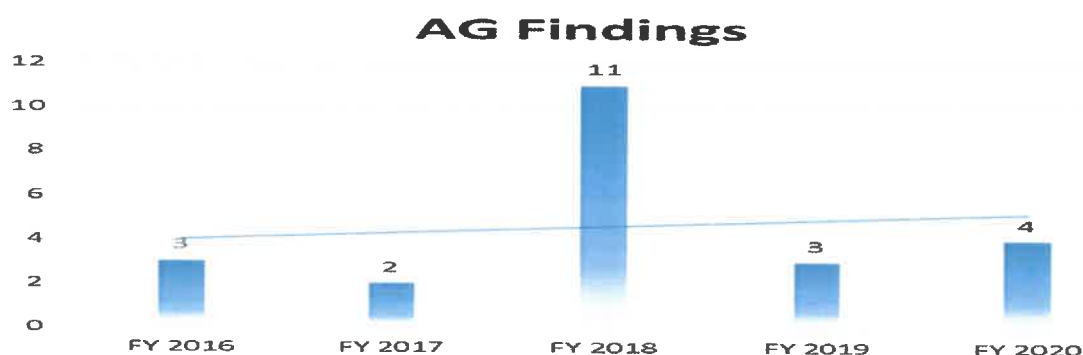
<b>Finding</b>	<b>Department</b>	<b>Description</b>	<b>Status</b>	<b>Managements' comment</b>
6	Petty Cash	No petty cash safe at Soweto Theatre	Done	In September 2020, Fire proof safe is installed in the General Manager's office mounted on the wall. Only GM and finance officer can access it
7	Petty Cash	Petty cash documents not standardized	Done	In August 2020, It was corrected
8	Youth Development	Participants enrolled into programme without attending auditions	Done	In August 2020, Theatres have now placed all the participants into auditions and subsequently enrolled them into youth development programs.
9	Youth Development	Non-submission of monthly lessons plans and progress reports by facilitators	Done	In August 2020, the Report template was created and signed
10	Youth Development	Performance assessment for Lits'omong facilitators not concluded	Done	In August 2020, A template for reporting was created and given to facilitators
11	Youth Development	Registration forms, code of conduct and indemnity forms not completed by learners	Done	In August 2020 ,Parents of the Lits'omong and music orchestra were contacted and submit outstanding registration forms, indemnity forms and code of conduct
12	Youth Development	No youth development office at Roodepoort Theatre	Done	In September 2020, Budget has been approved by Exco
13	Youth Development	No programming for youth development projects	Done	In November 2020, New programming plan has been putted in place and signed For Joburg Theatre Youth development. Roodepoort Theatre have Programming plan for youth development projects and the Producer runs and coordinates as per scorecard since there's no manager
14	Youth Development	No service level agreement between the Joburg Theatre and Duma Ndlovu Productions	Done	In November 2020, Duma Ndlovu has signed the service level agreement contract

ACTION PLAN FOR INTERNAL AUDIT FINDINGS 2019/20				
Finding	Department	Description	Status	Managements' comment
15	Youth Development	Poor student's attendance in the programmes	Done	In March 2020, They've managed to put rules and regulations for the programmes whereby if student doesn't attend the he/she won't be able to graduate at the end of the financial year and students who miss work will be given additional work to submit as a punishment
16	Asset Management	Assets on the floor but not on asset register	Done	In January 2021, The finding was withdrawn. Auditors had made a mistake
17	Asset Management	Assets not barcoded and some incorrectly barcoded	Done	In January 2021, The finding was resolved with the auditor and all information correctly matched the barcodes and description
18	Revenue Management	Late collection of cash by Nedbank	In progress	Late collections were caused by the hard lockdown restrictions and sometimes the theatres were not operating however Management will communicate with the service provider to adhere to the terms and conditions of the contract.
19	Revenue Management	Poor record keeping of revenue documents and unbanked coins	In progress	Management will invest on cash devices that can bank coins to ensure that all the takings for the day are supported by the deposit slips.

### Section 3: Progress on Resolution of Auditor General Audit Findings.

#### Analysis of AG Audit Findings

The year 2019/20 there has been an increase in audit findings with only 4 findings. JCT moved from clean audit (achieved for 7 consecutive years) to unqualified audit opinion.



**Progress on resolution of external audit findings.**

Auditor General raised 3 findings in 2018/19 financial year, all three findings have been resolved.

Finding	Department	Description	Status2	Managements' comment
1	SCM	Local content threshold not specified in the bid specification	In progress	Training with the DTI is arranged for the 7 <sup>th</sup> of April 2021. All acquisition of goods and services are checked against the designated lists of sectors by the DTI. Entity will continue to implement further controls to ensure compliance with requirements of regulation 8(2) of PPR, 2017.
2	Finance	Receivables- disclosure not in line with GRAP 104	In progress	Outstanding receivables to be written off in accordance with policy. However policy will be reviewed to align to the requirements of GRAP 104.
3	SCM	CAATS-Awards to person in service of the state	In progress	The service providers identified will be put on a radar and investigated further.
4	Governance/AOPO	Reported strategic objective not consistent with the business plan	Done	Strategic objectives were aligned and the changes agreed with auditors and finding was closed during the audit in February 2021.

**Section 4: Statement of Internal Control**

The internal Audit of Joburg City Theatres provides the Audit and Risk Committee and management with assurance that the internal controls are adequate and effective; in line with section 165 of the MFMA, the Institute of Internal Auditors (IIA) Standards and the requirements of King IV report on Corporate Governance. This is achieved by means of regular risk based audit assignments, as well as the identification of corrective actions and suggested enhancements to the controls and processes in respect of key risk areas identified.

In line with best practice and Municipal Management Finance Act (MFMA) requirements, Group Risk and Assurance Services (GRAS) compiled a risk-based audit coverage plan for the Joburg City Theatres which was approved by the Audit and Risk Committee in July 2020. This audit coverage plan has taken into consideration areas that are perceived to be of high risk as per the risk registers for the three theatres and areas identified by management. The timelines indicated on the plan were discussed and agreed with management.

Internal Audit provided assurance on high risks identified during risk assessments by prioritising these areas during annual planning. Some of the medium and low risk areas were also audited where possible. The system of internal control was reasonably adequate and effective, for the quarter under review.

The following table depict the current internal control dashboard:

**Section 5: Dashboard Report – Drivers of Internal Control to Achieve Clean Administration**

<b>AUDITEE NAME:</b>	Joburg City Theatres SOC LTD			<b>ASSESSMENT PERFORMED ON:</b>		31 March 2021
<b>ASSESSMENT PERIOD COVERED:</b> (Tick as appropriate)	PFMA	Apr – Jun'20	Jul – Sep'20	Oct – Dec'20	Jan – Mar'21	Apr'20 – Mar'21
	MFMA	Jul – Sep'20	Oct – Dec'20	Jan – Mar'21	Apr – Jun'21	Jul'20 – Jun'21

No.	DRIVERS	<p>↑ Improved</p> <p>↔ Unchanged</p> <p>↓ Regressed</p>	<p>Required controls that are able to prevent, or detect and correct misstatements / control deviations / instances of non-compliance in a timely manner, are currently in place; care is required to maintain the situation for changes in conditions</p> <p>Progress in the implementation of controls that are able to prevent, or detect and correct, misstatements / control deviations / instances of non-compliance in a timely manner is noted, but improvement is still required</p> <p>Required controls that are able to prevent, or detect and correct, misstatements / control deviations / instances of non-compliance in a timely manner, are not in place; intervention is required to design and implement appropriate controls</p>	<p>Good </p> <p>In progress </p> <p>Intervention required </p>	ASSESSMENT		
					Financial	Performance	Compliance

**LEADERSHIP**

Movement from previous assessment:		↔	↓	↓
1.a	Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity			
1.b	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls			
1.c	Implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored			
1.d	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities			
1.e	Develop and monitor the implementation of action plans to address internal control deficiencies			
1.f	Establish an IT governance framework that supports and enables the business, delivers value and improves performance			

**FINANCIAL AND PERFORMANCE MANAGEMENT**

Movement from previous assessment:		↔	↓	↓
2.a	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting			
2.b	Implement controls over daily and monthly processing and reconciling of transactions			
2.c	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information			
2.d	Review and monitor compliance with applicable legislation			
2.e	Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information			

**GOVERNANCE**

Movement from previous assessment:		↔	↔	↔
3.a	Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored			
3.b	Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively			
3.c	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with legislation.			

<b>AUDITEE NAME:</b>	Joburg City Theatres SOC LTD				<b>ASSESSMENT PERFORMED ON:</b>	31 March 2021	
<b>ASSESSMENT PERIOD COVERED:</b> (Tick as appropriate)	<b>PFMA</b>	Apr – Jun'20	Jul – Sep'20	Oct – Dec'20	Jan – Mar'21	Apr'20 – Mar'21	
	<b>MFMA</b>	Jul – Sep'20	Oct – Dec'20	Jan – Mar'21	Apr – Jun'21	Jul'20 – Jun'21	

No.	DRIVERS	COMMITMENTS
<b>LEADERSHIP</b>		
1.a	Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity	Maintain the performance through-out.
1.b	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	Maintain the performance through-out
1.c	Implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Maintain the performance through-out
1.d	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities	Maintain the performance through-out
1.e	Develop and monitor the implementation of action plans to address internal control deficiencies	Maintain the performance-through-out
1.f	Establish an IT governance framework that supports and enables the business, delivers value and improves performance	Maintain the performance-through-out
<b>FINANCIAL AND PERFORMANCE MANAGEMENT</b>		
2.a	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	Audit findings related to supporting documents not submitted or not adequately addressing issues raised.
2.b	Implement controls over daily and monthly processing and reconciling of transactions	Maintain the performance through-out
2.c	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Some audit findings related to supporting documents not being properly kept or submitted
2.d	Review and monitor compliance with applicable legislation	New internal audit findings that include compliance issues.
2.e	Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information	New IT audit findings under general controls audit report yet to be presented
<b>GOVERNANCE</b>		
3.a	Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	Maintain the performance through-out
3.b	Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	Maintain the performance through-out
3.c	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with legislation.	Maintain the performance through-out













Main Account	Sub AccountName	Current Mth			YEAR TO DATE			ANNUAL BUDGET Full Year	ANNUAL BUDGET Remaining	Budget Spent %	FORECAST Annual	FORECAST Remainine	FORECAST'S ANNUAL BUDGET
		Actual	Budget	Var	Actual_YTD	Budget_YTD	YTD Var						
<b>INCOME</b>													
	Rental Of Facilities & Equipment	1 159 324	2 584 620	-1 425 296	12 665 788	20 019 871	-7 354 084	29 887 602	-17 223 814	42.37%	16 885 050	4 221 263	56.29%
	Interest Earned from External Investments	0	0	0	0	0	0	0	0	-	0	0	-
	Operating Grants and Subsidies	78	459	-381	3 023	7 482	-4 460	10 719	-7 696	28.20%	4 031	1 008	37.64%
	Arts Alive	0	0	0	0	0	0	0	0	-	0	0	-
	Joburg Film Office	0	0	0	0	0	0	0	0	-	0	0	-
	Other Revenue	1 159 246	2 584 161	-1 424 915	12 666 765	20 018 869	-7 352 104	29 876 889	-17 216 118	42.38%	16 881 020	4 220 255	56.50%
	In-House Stage Productions	0	0	0	0	0	0	0	0	-	0	0	-
	In House Music Programme	0	0	0	0	0	0	0	0	-	0	0	-
	Sponsorships	0	0	0	0	0	0	0	0	-	0	0	-
	Food Beverage And Retail /Stages	1 157 546	2 583 733	-1 426 186	12 654 976	20 001 796	-7 346 820	29 854 443	-17 209 466	42.37%	16 873 302	4 218 325	56.50%
	Ticketing Services	0	0	0	0	0	0	0	0	-	0	0	-
	Management Fees	0	0	0	0	0	0	0	0	-	0	0	-
	Special Projects and Other Income	1 700	428	1 271	5 788	10 644	-4 855	32 440	-6 652	46.53%	7 718	1 929	62.48%
<b>Expense</b>													
	Employee Related Costs	1 959 293	1 600 476	358 818	17 728 758	22 497 986	-4 769 228	30 064 099	-12 333 341	58.97%	23 638 344	23 638 344	76.63%
	Directors and Committee Members	1 041 375	772 379	268 996	9 259 390	12 440 324	-3 181 534	16 990 944	-7 731 554	54.90%	12 345 853	12 345 853	72.65%
	Depreciation & Asset Impairment	58 832	58 832	0	529 491	529 491	0	705 988	-176 497	75.00%	705 988	705 988	100.00%
	Repairs And Maintenance	545	0	545	90 113	124 351	-34 238	204 828	-114 715	43.89%	120 151	120 151	56.66%
	Contracted Services	0	8 109	8 109	204 269	133 842	-70 427	181 273	42 986	116.65%	272 359	272 359	164.88%
	Insurance	0	0	0	0	0	0	0	0	-	0	0	-
	Joburg Ballet & Orchestra	0	0	0	0	0	0	0	0	-	0	0	-
	Joburg Film Office	0	0	0	0	0	0	0	0	-	0	0	-
	Arts Alive	90 000	0	90 000	90 000	0	-90 000	0	90 000	-	120 000	120 000	0.00%
	General Expenses	748 541	761 256	-12 715	7 555 465	9 269 388	-1 713 923	12 001 066	-4 445 571	62.96%	10 073 993	10 073 993	83.94%
	Consumables	24 644	5 364	19 279	133 658	117 964	-15 694	205 262	-71 604	65.12%	178 211	178 211	86.82%
	Utilities	1 369	1 368	1	42 066	104 380	-62 314	389 245	-147 179	22.23%	56 003	56 008	29.64%
	Audit Fees	0	0	0	0	0	0	0	0	-	0	0	-
	Security	0	0	0	0	0	0	0	0	-	0	0	-
	Telecommunication	0	0	0	19 804	12 748	-7 056	18 907	896	104.74%	26 405	26 405	139.65%
	Business Travel	0	0	0	3 338	22 858	-19 520	23 642	-20 304	14.12%	4 451	4 451	18.83%
	Entertainment	0	0	0	0	0	0	0	0	-	0	0	-
	Transportation	0	0	0	0	0	0	0	0	-	0	0	-
	Youth Development	0	0	0	0	0	0	0	0	-	0	0	-
	Special and Social Awareness Projects	0	0	0	0	0	0	0	0	-	0	0	-
	Advertising, Publicity and Marketing	41 500	849	-40 651	41 500	43 976	-2 476	62 602	-21 102	66.29%	55 339	55 339	88.39%
	In-House Stage Productions	0	0	0	0	0	0	0	0	-	0	0	-
	In-House Music Programs	0	0	0	0	0	0	0	0	-	0	0	-
	Contributions to Tenant Productions	0	0	0	0	0	0	0	0	-	0	0	-
	Ticketing	0	0	0	0	0	0	0	0	-	0	0	-
	Miscellaneous	45 485	15 213	30 271	239 677	227 648	-12 029	307 949	-68 272	77.85%	319 569	319 569	107.77%
	Catering and Hospitality	635 544	738 361	-102 818	7 075 462	8 742 118	-1 666 656	11 199 498	-4 118 006	63.21%	9 433 937	9 433 937	84.28%
	Mobile Theatre Truck	0	0	0	0	0	0	0	0	-	0	0	-
	COVIDA	0	0	0	0	0	0	0	0	-	0	0	-
	EPWP	0	0	0	0	0	0	0	0	-	0	0	-
	New Years Eve	0	0	0	0	0	0	0	0	-	0	0	-
	Finance Costs	0	0	0	0	0	0	0	0	-	0	0	-
	Other	0	0	0	0	0	0	0	0	-	0	0	-
<b>TRADING SURPLUS (/ (SHORTFALL))</b>		<b>-779 963</b>	<b>984 144</b>	<b>-1 764 113</b>	<b>-5 064 070</b>	<b>-2 075 114</b>	<b>-2 988 846</b>	<b>-376 497</b>	<b>-4 888 873</b>	<b>2870%</b>	<b>-6 733 294</b>	<b>-1 638 323</b>	<b>3826%</b>



Main Account	Sub AccountName	Current Mth		YEAR TO DATE		YTD Var%	ANNUAL BUDGET Full Year	ANNUAL BUDGET Remaining	Budget Spent %	FORECAST Annual	FORECAST Remaining	FORECAST Vs ANNUAL BUDGET
		Actual	Budget	Actual YTD	Budget YTD							
<b>INCOME STATEMENT</b>												
<b>INCOME</b>												
	Rental Of Facilities & Equipment	162 349	131 621	30 728	23,35%	-1 500 945	3 916 418	-2 709 998	30,26%	1 608 560	402 140	41,07%
	Interest Earned from External Investments	0	0	0	-	0	0	0	-	0	0	-
	Operating Grants and Subsidies	0	0	0	-	0	0	0	-	0	0	-
	Arts Alive	0	0	0	0	0	0	0	0	0	0	0,00%
	Joburg Film Office	0	0	0	-	0	0	0	-	0	0	-
	Other Revenue	162 349	131 621	30 728	23,35%	-1 500 945	3 916 418	-2 709 998	30,26%	1 608 560	402 140	41,07%
	In-House Stage Productions	0	0	0	-	0	0	0	-	0	0	-
	In-House Music Programme	0	0	0	-	0	0	0	-	0	0	-
	Sponsorships	0	0	0	-	0	0	0	-	0	0	-
	Food Beverage And Retail /Stages	162 349	131 621	30 728	23,35%	-1 500 945	3 916 418	-2 709 998	30,26%	1 608 560	402 140	41,07%
	Ticketing Services	0	0	0	-	0	0	0	-	0	0	-
	Management Fees	0	0	0	-	0	0	0	-	0	0	-
	Special Projects and Other Income	0	0	0	-	0	0	0	-	0	0	-
<b>Expense</b>												
	Employee Related Costs	269 709	97 028	-172 681	-17,97%	882 883	4 166 050	-2 777 596	47,73%	2 651 269	2 651 269	63,64%
	Directors and Committee Members	327 947	90 085	-337 862	-42,03%	556 530	2 353 894	-1 189 517	49,47%	1 552 503	1 552 503	65,95%
	Depreciation & Asset Impairment	0	0	0	-	0	0	0	-	0	0	-
	Repairs And Maintenance	0	0	0	-	44 271	57 468	-13 197	77,04%	59 028	59 028	102,71%
	Contracted Services	0	0	0	-	36 093	12 063	24 029	315,77%	50 790	50 790	421,03%
	Insurance	0	0	0	-	0	0	0	-	0	0	-
	Joburg Ballet & Orchestra	0	0	0	-	0	0	0	-	0	0	-
	Joburg Film Office	0	0	0	-	0	0	0	-	0	0	-
	Arts Alive	0	0	0	-	0	0	0	-	0	0	-
	General Expenses	141 762	6 943	-134 819	-1941,68%	386 969	1 742 624	-1 000 913	42,26%	988 948	988 948	56,75%
	Consumables	9 653	0	-9 653	0,00%	42 495	15 520	273 426	273,42%	56 580	56 580	364,56%
	Utilities	0	0	0	-	8 790	74 330	-65 540	11,83%	11 720	11 720	15,77%
	Audit Fees	0	0	0	-	0	0	0	-	0	0	-
	Security	0	0	0	-	0	0	0	-	0	0	-
	Telecommunication	0	0	0	-	22 957	17 425	5 532	131,75%	30 610	30 610	316,66%
	Business Travel	0	0	0	-	0	0	0	-	0	0	-
	Entertainment	0	0	0	-	0	0	0	-	0	0	-
	Transportation	0	0	0	-	0	0	0	-	0	0	-
	Youth Development	0	0	0	-	0	0	0	-	0	0	-
	Special and Social Awareness Projects	0	0	0	-	0	0	0	-	0	0	-
	Advertising, Publicity and Marketing	30 000	0	-30 000	0,00%	-30 000	4 590	25 410	653,55%	40 000	40 000	871,40%
	In-House Stage Productions	0	0	0	-	0	0	0	-	0	0	-
	In-House Music Programs	0	0	0	-	0	0	0	-	0	0	-
	Contributions to Tenant Productions	0	0	0	-	0	0	0	-	0	0	-
	Ticketing	0	0	0	-	0	0	0	-	0	0	-
	Miscellaneous	0	0	0	-	0	0	0	-	0	0	-
	Catering and Hospitality	102 109	6 943	-95 166	-1370,73%	444 342	1 630 758	-953 230	39,29%	850 038	850 038	52,13%
	Mobile Theatre Truck	0	0	0	-	0	0	0	-	0	0	-
	COIDA	0	0	0	-	0	0	0	-	0	0	-
	EPWP	0	0	0	-	0	0	0	-	0	0	-
	New Years Eve	0	0	0	-	0	0	0	-	0	0	-
	Finance Costs	0	0	0	-	0	0	0	-	0	0	-
	Other	0	0	0	-	0	0	0	-	0	0	-
<b>TRADING SURPLUS (/ SHORTFALL)</b>		-107 359	34 593	-141 953	-430,35%	-67 969	-246 632	-532 399	313%	-1 042 709	-266 677	418%

