

A N N U A L R E P O R T



CIGFARO

Chartered Institute of
Government Finance, Audit & Risk Officers



GOOD BUSINESS LEADERS CREATE A VISION,
ARTICULATE THE VISION, PASSIONATELY OWN THE
VISION, AND RELENTLESSLY DRIVE IT TO COMPLETION.
Quoted by Jack Welch



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VISION

To be the recognised statutory professional body for the development, regulation and promotion of finance and governance practitioners in the public sector.

MISSION

Setting and maintaining professional practice standards of public finance management within the statutory framework, as well as monitoring and controlling compliance to the standards to benefit the public.

OBJECTIVES

- To establish CIGFARO to be a recognised statutory professional body
- To represent and promote the interest in Public Financial Management
- To regulate the registration and continuous professional development of members

ROLE AND ACTIVITIES

1. Further the interests of the Public Sector in the financial and related professions by:
 - Advising institutions, commissions and other bodies and persons;
 - The training and advancing of knowledge of Members of the Institute, and
 - The promotion of the interests of the profession of public finance officers and related professions;
2. To promote the interests of finance and related professionals in the Public Sector and to protect the interests of the public through strict enforcement of the Code of Conduct by embracing the following objectives:
 - Developing and registering appropriate qualifications;
 - Registering qualifying professionals as its Members;
 - Constant renewing of Members' registrations;
 - Assessing and promoting programmes at institutions of higher learning;
 - Regulating activities within the public sector finance profession and related professions via the Code of Conduct and a disciplinary procedure;
 - Monitoring and tracking the continuing professional development of Members;
 - Developing and implementing practical guideline and process enhancements and best practices; and
 - Making submissions pertaining to legislation and/or proposed legislation to sector departments as and when requested;
3. To consider, where necessary research and comment on, existing and proposed pieces of legislation affecting the Public Sector in the Republic;
4. To co-operate with any other professional body that is aimed at improving and enhancing public finance and governance both in the Republic and internationally;
5. To advise the National and Provincial Government, related Institutions and other recognised National Associations on matters affecting the public sector;
6. To provide opportunities and platforms for an exchange of views, knowledge and best practices amongst members; and
7. To undertake research into Public Sector finance and governance in order to promote efficiency and enhance the available core body of knowledge



THE MEANING

Our organisation has revised its identity to ensure we remain recognisable and most importantly, to promote what we do under one name. Its structure incorporates a gold eclipse, a universal symbol representing unity, wholeness and infinity of all our entities. The talbot remains our key focus ensuring the transition is subtle, yet still recognisable.



FOREWORD BY THE PRESIDENT



INTRODUCTION

It gives me great pleasure to present my report for the 2017/2018 year. I will briefly highlight some of the key issues pertaining to CIGFARO in the period under review.

FINANCES

The finances of the Institute remain sound and stable. There was a net profit of R2.39 million at financial year end, mainly due to income from conferences and courses presented. The net value of assets increased by R2 million to R34 million. Revenue increased to R22.1 million for the year, whilst net expenditure increased to R20.6 million. The finances of the Institute continue to be closely monitored to ensure the ongoing financial viability and sustainability of the Institute.

SAQA ACCREDITATION

I am pleased to announce that the South African Qualification Authority (SAQA) has recognized CIGFARO as a professional body with effect from 27 October 2017 for the next 5 years. This includes the standards of professional practice. We had to comply with SAQA's stringent criteria and this is a noteworthy achievement.

SINGLE PROFESSIONAL BODY

There has been a key focus on this issue during 2017/2018. This is being actively pursued. We have written to the Minister of Finance, Minister of COGTA, and the Minister of Higher Education & Training to discuss the role CIGFARO could play in the overall financial management in the public sector and the creation of a single professional body for public financial management professionals. We await this joint meeting being convened. We will keep members updated as this matter progresses.

PROFESSIONAL QUALIFICATION

CIGFARO is providing assistance to the Tshwane University of Technology to develop a diploma (NQF 6), advanced diploma (NQF 7) and postgraduate diploma in public finance (NQF 8), as well as a professional degree in public sector finance (NQF 7) and a Masters degree of business studies in public finance (NQF 9). As soon as the diploma is approved by SAQA and the Department of Higher education, the rest of the qualifications will follow. The qualification will be applicable to students that enroll in 2019. CIGFARO is committed to continuous professional development (CPD).

CODE OF ETHICS

There has been a spate of renowned companies involved in fraud, corruption and unethical behavior in South Africa, such as Steinhoff and KPMG. There has also been a number of state capture issues, especially with regard to parastatals. This has impacted negatively on the image and reputation of the financial, auditing and risk professions. Accordingly, a key focus has been on this and we have produced an enhanced the Code of Ethics & Conduct. All members have to abide by the Code and there will be a zero tolerance approach towards any transgressions. We also held several papers on ethics and values delivered at our seminars, indabas and conferences.

PUBLIC FINANCE MANAGEMENT

The role of CIGFARO has been extended from finance only to also include risk and auditing. This has been successfully achieved for the past two years. Accordingly, CIGFARO now covers all the functional areas of public financial management.

MEMBERSHIP

We currently have 2 411 members. There was a concerted drive to increase membership through marketing at key events such as the annual conference, provincial branch activities, seminars, indabas ; as well as the journal, newsletter and the website. We would like to encourage all public finance management professionals to join CIGFARO. We also urge all existing members to promote CIGFARO to all potential new members.

CORPORATE GOVERNANCE

An unqualified audit report was obtained. The annual financial statements were timeously completed and submitted to the external auditors. The Institute continues to comply with the Companies Act in terms of professional practice and good governance. All policies are also being reviewed regularly to ensure relevance and to improve compliance.

THE BOARD

Meetings were held on a quarterly basis. Attendance is satisfactory. Individual performance plans for Board members were also reviewed.

STANDING COMMITTEES

Audit & Risk Committee

The Audit & Risk Committee played an important oversight role in terms of the annual financial statements, compliance with the Companies Act, appointment of the external auditor, IT governance issues, review of internal controls to minimize fraud and corruption, updating the risk register and mitigation strategies, as well as any changes in respect of policies and practices.

Social and Ethics Standing Committee

The Standing Committee on Social and Ethics has improved compliance and alignment with the Companies Act. The Committee also held a very successful Seminar for Women in the Public Sector Finance in Limpopo with the theme #Press-forChange. The Conference was well attended and addressed issues that affect women in the public sector.

Standing Committee on Professional Conduct and Quality Assurance

The Standing Committee on Professional Conduct and Quality Assurance focused on providing professional development of members. This included the review of all membership levels, professionalizing financial management, canvassing new members, as well as training.

Standing Committee on Remuneration and Nomination

The Standing Committee on Remuneration and Nomination led the performance management, risk management, staff placement and policy review processes.

Standing Committee on Budget & Finance

The Standing Committee on Budget & Finance closely monitored debt collection, project spends, cash flow, and actual versus budget variances. It also reviewed the proposed budget, financial results for the year, as well as all financial risks.

Standing Committee on Communication and Marketing

The Standing Committee on Communication and Marketing was responsible for all marketing, conference functions, and events. The Committee also managed the CIGFARO journal and increased circulation by 17% to 3 500 copies per quarter.

Standing Committee on Knowledge & Development

The Standing Committee on Knowledge & Development undertook several education and training programmes, such as mSCOA budget training, and GRAP standards and updates. The Committee also held a workshop with regard to looking at the practical implications of creating a single professional body for public finance management professionals.

RELATIONSHIP WITH OTHER GOVERNMENT DEPARTMENTS AND STATUTORY BODIES

The Institute continues to maintain strong relationships with bodies such as the South African Local Government Association (SALGA), Cooperative Governance & Traditional Affairs (COGTA), National Treasury, Financial & Fiscal Commission (FFC), Accounting Standards Board, Auditor-general, South African Institute of Chartered Accountants, Accountant-General, ESI Africa, etc. The Institute has also maintained its relationship with relevant international organisations. CIGFARO members and officials attended the 2018 GFOA (Government Finance Officers Association) Conference held in St Louis, USA and the 2017 CIPFA Conference held in Manchester, England. CIPFA members also attended our Conference in Cape Town in 2017.

MAIN CHALLENGES

I have already alluded to most of the challenges above. However, to briefly list the main challenges again:

Membership

An ongoing challenge is to improve the membership of CIGFARO. Each CIGFARO member is an ambassador of the Institute and all members are urged to encourage and attract new members. Marketing of CIGFARO is key.

Economic Climate

Like all organisations and businesses, the current economic climate is a challenge. The Institute will be prudent and conservative with its finances. We will look at how we increase our income streams. Cost cutting and austerity measures will also be implemented. The key to doing this, is financial resilience

Single Professional Body

This is being actively pursued. It will be a major achievement. We are putting a lot of time and effort into this. Obtaining political support is the key step.

Ethics

This is currently a major issue. We have reviewed our Code of Conduct & Ethics following the recent financial scandals. The Code is specific to the public financial management sector. However, such Codes have proven ineffective in the past considering the number irregularities, fraud and corruption we have witnessed recently, and accordingly, we are attempting educate all members with papers on ethics at values at all our events.

CONCLUSION

I am grateful for the opportunity to have served as the President of CIGFARO once again. I want to also thank all CIGFARO members and the officials for their unwavering support, guidance and cooperation. It is sincerely appreciated.

We have achieved a lot. However, we still have a lot of work to do. We need to continue to work together and build on our successes and address the challenges we face. Most importantly, we will strive to add more value to our members and public sector organisations.

KRISH KUMAR
PRESIDENT

PERFORMANCE OVERVIEW BY THE ACCOUNTING OFFICER



1. INTRODUCTION

The synoptic overview of the Institute's overall performance covering the 2017/18 Financial Year is hereby presented with great confidence. There has been a notable improvement. The energy and desire to continue improving performance of the Institute have been demonstrated by commitment from Board Members' level to Management and Staff at the lowest levels.

The Institute has continued to enjoy the warm support from all spheres of Government, the most tangible being from Local Government (Municipalities).

2. SYNOPTIC OVERVIEW

The Institute's Balance Scorecard and the Year Risk Profile, cover the more detailed account of the 2017/18 overall performance.

There is an overall positive improvement of 24% on goals achieved for Scorecards and 5% for Annual Risk Profile. We have registered a total performance of 81% and 72% retrospectively. The summary version in terms of the six Strategic Focus Areas is as follows;

2.1 To establish CIGFARO to be a recognized Statutory Professional Body

We attained an achievement of 50% and a 30% partial achievement and 20% of targets were not achieved. The key highlight is the conclusion and signing of the MOU with SALGA at the annual conference. The MOU with National Treasury and the Auditor General could not be concluded due to protocol issues that have to be complied with. This matter will be pursued more aggressively during 2018/19 financial year as they are now at an advanced stage.

The critical assignment not attained is the development of a Feasibility Study. The outcome of the preliminary consultative process has resulted in an advice from Business Development Experts that recommended a more robust process of a Business Plan development. This process will be concluded during 2018/19 year.

2.2 To represent and promote interest of Practitioners in Public Financial Management (PFM)

We attained 92% of targets and 8% were not reached for the year under review. The highlight is the successful hosting of our Annual Conference, Women Seminar, Public Sector Seminar and Audit & Risk Indaba. There were other training sessions (13) conducted during the year under review.

The signing of MOU with Southern African Institute for Business Accountants (SAIBA) and the initiation of discussions which are now at an advanced stage with Chartered Institute of Management Accountants (CIMA), Black Management Forum (BMF),

Institute of Risk Management South Africa (IRMSA) and Smart Procurement are also worth noting.

We will continue to build bridges without failing to implement, evaluate, monitor and re-negotiate all existing MOUs for more positive output.

2.3 To regulate the registration of members and continuous professional development of members

We registered 82% achievement and 18% non-achievement over this year period. The positive contributing factors being regular engagements with our members and continuous updating through our conference, seminars, workshops and publications.

We have recruited and registered 181 new members. This is an average of 15 new members per month. We had 61 resignations and 4 members passed away. The area of concern is an increased number of suspended members (395) which is resulting in a total net decrease for the number of members in good standing (279). We have embarked upon an effort of encouraging members to renew their membership regularly. Our Membership Recruitment Drive initiative is starting to yield positive results. It will be implemented more vigorously this coming fiscal year.

2.4 To maintain good corporate governance and financial sustainability

An achievement of 70% over the financial year has been registered. 20% of our goals were partially achieved and 10% not achieved. What was not achieved in this focus area is the hosting of two governance workshops due to time and financial constraints. The matter will be fully addressed during 2018/19 financial year.

The company registration challenges were dealt with most effectively and are now over. The new External Auditors were appointed.

2.5 To establish resources and technical capacity for current and future needs of the organization

An achievement of 100% was attained. The key highlights are the review and approval of policies, conclusion of the first phase staff placement process with final resolution of two disputes lodged. The problems relating to ICT were well contained, amidst challenges faced.

Staff morale and working relationship has continued to improve. The Staff Team Building session which was inclusive of bidding farewell to 2017 Calendar year, has made a positive contribution in this regard.

2.6 To develop and implement Communication and Market-

ing Framework

We achieved 100% overall performance. There were some financial constraints but that was not a factor which could derail the efforts of continuing to brand and market the institute through all media platforms especially during the hosting of our mega events. We made effective use of relationships we have established with reputable organisations like the South African Local Government Association (SALGA) and SARPA.

3. CONCLUSION AND ACKNOWLEDGEMENTS

It is worth giving credit to our President, Dr. Krish Kumar, our Presidency and Board Members for the guidance and support they have provided. There were demotivating instances which required special and embracing tender care. Such were availed by the President and his capable team of highly qualified and experienced men and women.

All our Stakeholders have continued to make an indelible mark in our hearts by contributing immensely to the improved performance of our organization.

The newly appointed External Auditors have taken over the baton from their predecessors and demonstrated their capabilities by conducting a more intensive audit without favor or fear. Their valuable contributions are worth acknowledging.

The Management and Staff have, as always, gone an extra mile to ensure that the CIGFARO boat is always afloat even if the environmental waves were stormy during some 2017/18 financial year seasons.

We know, as CIGFARO's committed team that we are operating in a more dynamic economic space. We source our energy and strength from Johann Goethe when he advise us that;

“We must always change, renew, rejuvenate ourselves, otherwise we harden”

We look forward to a New Dawn in the Public Sector – “Thuma Mina!!!”

ABRAM O.M. TLALETSI (ABBEY)
CHIEF EXECUTIVE OFFICER

THE BOARD



K KUMAR
President



LS MOFOKENG
Vice President - General



PN MAROTA (MS)
Vice President - Technical



SJ MASITE (MS)
Past President



ABBIE TLAETSI
Chief Executive Officer



M MEMANI
Branch Chairperson: W-Cape



P PAMBANISO
Branch Chairperson: E-Cape



JJ WAGNER
Branch Chairperson: N-Cape



MM MAKHONGELA (MS)
Branch Chairperson: Limpopo



E NGCOBO
Branch Chairperson: KZN



T MABUZA
Branch Chairperson: Swaziland



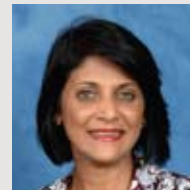
LA MULLER (MS)
Technical Member



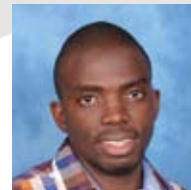
AL VAN SCHALKWYK (MS)
Technical Member



OSD GAREGAE
Technical Member



B RANCHODDAS (MS)
Technical Member



LG DAVHANA
Technical Member



FB KHAN (ADV)
General Member



KN NTLHOLA (MS)
General Member



CX SIKOBI
General Member



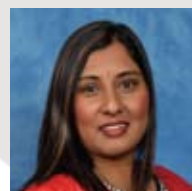
MSN MOSHIDI (MS)
General Member



GD VAN SCHALKWYK
Co-opted Member



PJA DU PLESSIS
Co-opted Member



MC REDDY (MS)
Co-opted Member



MK PHELANE (MS)
Co-opted Member



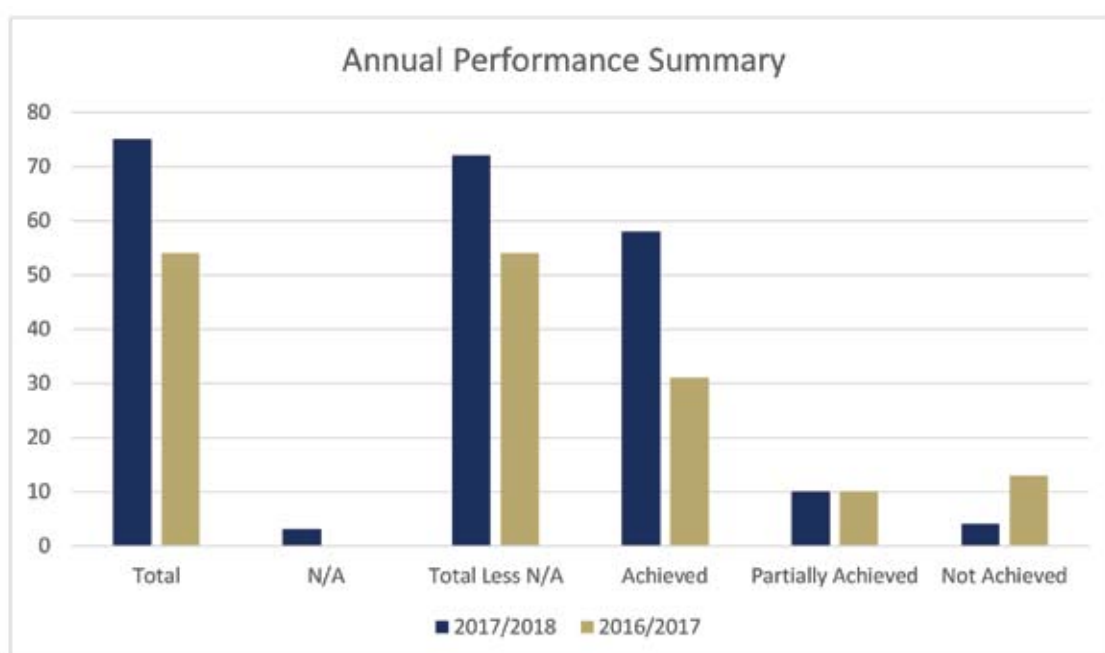
ORGANISATIONAL PERFORMANCE 2017/2018

ORGANISATIONAL PERFORMANCE 2017/2018







PERFORMANCE SUMMARY

STRATEGIC FOCUS	TOTAL	N/A	TOTAL LESS N/A	ACHIEVED	PARTIALLY ACHIEVED	NOT ACHIEVED
				😊	😐	😞
Strategic Focus Area 1: To establish CIGFARO to be a recognised Statutory Professional Body	13	3	10	5	3	2
Strategic Focus Area 2: To represent and promote interest of Practitioners in Public Financial Management (PFM)	12	0	12	11	1	0
Strategic Focus Area 3: To regulate the registration of members and continuous professional development of members	11	0	11	9	2	0
Strategic Focus Area 4: To maintain good corporate governance and financial sustainability	20	0	20	14	4	2
Strategic Focus Area 5: To establish resources and technical capacity for current and future needs of the organisation	11	0	11	11	0	0
Strategic Focus Area 6: To develop and implement Communication and Marketing Framework	8	0	8	8	0	0
TOTAL (2017/18)	75	3	72 (100%)	58 (81%)	10 (14%)	4 (5%)
TOTAL (2016/17)	54	0	54 (100%)	31 (57%)	10 (19%)	13 (24%)




2017/18 ANNUAL PERFORMANCE SUMMARY IN GRAPH



ORGANISATIONAL PERFORMANCE 2017/2018

1. Strategic Objective : To establish CIGFARO to be a recognised Statutory Professional Body						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
1.	1a Develop a Feasibility Study	* Submit a developed Feasibility Study Report to the Board	1a.1. Completed Report (Feasibility Study) considered by the Board	2 nd Quarter (September 2017)	Not Achieved 	Business Advisory Experts recommended the development of a detailed 3 years Business Plan after assessing the initial Feasibility Study proposal. The Board approved the recommendation. The Business Plan will be concluded before the end of March 2019.
			1a2. Implement Board directives (considerations outcome)	4 th Quarter (as per Board directives)		The task has been deferred to the next financial year as it is linked to the finalisation of the 3 years Business Plan.
			1a3. Implementation of plans	4 th Quarter		The task has been deferred to the next financial year as it is linked to the finalisation of the 3 years Business Plan.
			1a4. Quarterly Monitoring & Evaluation	4 th Quarter (and Quarterly)		The task has been deferred to the next financial year as it is linked to the finalisation of the 3 years Business Plan.
			1a5. Acquiring and Procuring appropriate and dedicated technical skills and budget.	4 th Quarter	Not Achieved 	The task has been deferred to the next financial year as it is linked to the finalisation of the 3 years Business Plan.
			1a6. Continuous training and development of existing staff.	Quarterly	Achieved - 	5 employees offered bursaries. 1 employee concluded a special programme with Black Management Forum (BMF)
			1a7. Lobbying for Statutory status	Quarterly	Achieved - 	SALGA MOU signed at Annual Conference.
			1a8. Conduct Feasibility Study	2 nd Quarter (September 2017)	Partially Achieved - 	Draft MOU under NT consideration.
			1a9. Identification of most relevant Board Committee	2 nd Quarter	Partially Achieved - 	Initial phase workshops held. Framework not concluded. (2 workshops)
			1a10. Development of Communication & Marketing Framework.	1 st Quarter	Partially Achieved - 	Draft Framework compiled. Final version will be part of the 3 years Business Plan to be developed.




ORGANISATIONAL PERFORMANCE 2017/2018

1. STRATEGIC OBJECTIVE: To establish CIGFARO to be a recognised Statutory Professional Body						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
1.	1b Engagement meetings with National Treasury, CoGTA, SALGA, LGSETA and PSETA for continuous lobbying	* Submit Engagement Report to the Board	1b1. Board considered Reports	4 th Quarter (One meeting's report per Organisation per annum March 2018)	Achieved - 	Reports compiled and included in CEO's reports to the Board. (5x CEO's reports to Board)
	1c Retain SAQA Recognition Status	* Comply with SAQA Re-requirements for recognition status.	1c1. Receipt of SAQA recognition letter	3 rd Quarter (December 2017)	Achieved - 	Recognition Certificate received and contract signed.
	1d Keep members informed about developments in Public Finance Management environment	• Response rate on e-mail campaigns	1d1. Quarterly Evaluation and Progress Report presented to the Board (Evaluation of overall email campaign statistics - constant contact	Quarterly	Achieved - 	Statistical reports compiled and members kept updated through newsletters and Journals. (4 Journals and 12 Newsletters)












ORGANISATIONAL PERFORMANCE 2017/2018

2. STRATEGIC OBJECTIVE: To represent and promote interest of Practitioners in Public Financial Management (PFM)						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
2.	2a Provide guidance and input on National, Provincial and Local Government Legislation	<ul style="list-style-type: none"> • Number of training interventions • Number of Publications issued to update members on those issues • Number of initiatives to keep members updated on changes in policies/ legislations/ court judgments. • Development of standards and qualification To develop appropriate CPD programmes (Trainings, workshops & Seminars) 	2a1. 4 Trainings sessions to be provided	3 rd Quarter	Partially Achieved - 😞	Workshop and Training sessions held. (13 sessions)
			2a2. Newsletters & 4 journals (One Journal Publication per quarter)	Quarterly	Achieved - 😊	Publications released as planned. (4 Journals and 12 Newsletters)
			2a3. Newsletters & Journals emailed to Members	Quarterly (Monthly Newsletters)	Achieved - 😊	Publications released as planned. (4 Journals and 12 Newsletters emailed)
			2a4. Hosted Annual Conference	3 rd Quarter (October 2017)	Achieved - 😊	Successful Conference hosted. (1 Annual Conference)
			2a5. Hosted Women In Leadership Seminar	4 th Quarter (March 2018)	Achieved - 😊	Successful Seminar hosted. (1 Annual Seminar)
			2a6. Hosted Audit & Risk Indaba	1 st Quarter (April 2017)	Achieved - 😊	Successful Indaba hosted. (2 Annual Indabas)
			2a7. Hosted Branch Interactive sessions (One Session per Branch)	4 th Quarter (Before end of Financial Year)	Achieved - 😊	Sessions held at KZN and Limpopo Branches, successfully. (2 Sessions)
	2b Sign MOU's, MOA and MoCs with other Professional Bodies and Higher Education Institutions	<ul style="list-style-type: none"> * Sign 1 MOU with Professional bodies and * Sign 1 MOC or MOA with Higher Education * Sign 1 MOA with the QCTA * Number of programmes implemented 	2b1. Signed MOU's with National Treasury, SALGA, LGSETA, CoGTA and PSeta	2 nd Quarter (September 2017)	Achieved - 😊	SALGA MOU signed at Annual Conference. (1 MOU)
			2b2. Signed MoC with SETAs 1 with SETA and 1 with Professional bodies	4 th Quarter (March 2018)	Achieved - 😊	SAIBA MOU signed. LGSeta and Quality Counsel for Trades (QCTO) and Occupations appointed CIGFARO as Assessment Quality Partner (AQP). (1 MOU)

ORGANISATIONAL PERFORMANCE 2017/2018

2. STRATEGIC OBJECTIVE: To represent and promote interest of Practitioners in Public Financial Management (PFM)						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
2.	2c Using technology platform	• Relevant statistics measuring the activity on web	2c1. Quarterly Report presented to the Board	Quarterly	Achieved - 	Statistics compiled and reported as required. (4 CEO's reports)
			2c2. (Implementation of google analytics for CIGFARO website)	3 rd Quarter	Achieved - 	Statistics compiled and reported as required. (4 CEO's reports)
			2c3. KPI to Branches – Breakfast seminar – benefits of being cifaro member + one speaker on program)	1 Branch per Quarter	Achieved - 	Sessions held with NC DG, HODs, MEC COGHSTA and Mayors. (2 Sessions)










ORGANISATIONAL PERFORMANCE 2017/2018

3. STRATEGIC OBJECTIVE: To regulate the registration of members and continuous professional development of members						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
3.	3a Issue guidelines for membership registration Host Seminars and workshops CPD Compliance	<ul style="list-style-type: none"> Number of seminars and work-shops presented quarterly Number of initiatives per active branches 	3a1. National Workshops hosted by end of Financial Year	1 st Quarter (One National Workshop by end of May 2017)	Achieved - 	Workshops Conducted as planned. (8 Sessions)
			3a2. Non-Accredited Training Sessions hosted by the end of the Financial Year	Quarterly (Eight non-accredited Training sessions by end of Financial Year)	Achieved - 	Training sessions conducted. (5 Sessions)
			3a3. Annual Conference hosted	2 nd Quarter October 2017 (One National Workshop by end of September 2017)	Achieved - 	Conference was hosted successfully. (1 Annual conference)
			3a4. Women seminar hosted	4 th Quarter (March 2018)	Achieved - 	Seminar hosted successfully. (1 Annual Seminar)
			3a5. Risk & Audit Indaba hosted	1 st Quarter (April 2017)	Achieved - 	Indaba held successfully. (2 Annual Indabas)
			3a6. E-learning (Knowledge-ment Framework)	4 th Quarter (According to the year plan)	Partially Achieved - 	1 Workshop and 1 planning meeting held. Framework not concluded. All to be finalised before end of March 2019.
			3a7. Breakfast Seminars	1 Branch per Quarter	Achieved - 	One session held in Limpopo. (1 Seminar)
	3b Defining membership categories and their standards	<ul style="list-style-type: none"> Granted Approval by the Board for defined membership categories and their standards by the end of quarter three. 	3b1. Board approved, Board Exam, Logbook, & Handbook in place/ Framework	3 rd Quarter (August 2017 and March 2018)	Partially Achieved - 	Draft proposal compiled for inclusion in the Knowledge and Development framework to be concluded before the end of March 2019.
	3c	<ul style="list-style-type: none"> Accurate statistics on CPD points of members maintained. 	3c1. Accurate capturing of all CPD points.	Quarterly	Achieved - 	Capturing done regularly and members duly informed. (4 Quarterly letters)
			Maintenance of CPD System	Quarterly	Achieved - 	Captured on daily basis. (4 reports)
			3c3. Quarterly Statistical Analysis Report submitted to the Board	Quarterly	Achieved - 	Statistics compiled and reported as required. (4 CEO's reports)












ORGANISATIONAL PERFORMANCE 2017/2018

4. STRATEGIC OBJECTIVE: To maintain good corporate governance and financial sustainability						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
4.	4a Compliance and financial viability with relevant legislation and clean report	<ul style="list-style-type: none">• Development of Compliance register• Maintenance of Unqualified audit with no matters of emphasis.• 100% compliance with CIGFARO MOI• 100% compliance with the Board Charter• Review PMS Framework• Achievement of targets	4a1. Compliance Register	2 nd Quarter (September 2017)	Achieved - 😊	AGM resolutions sourced electronically. MOI reviewed.
			4a2. Review of all policies.	2 nd Quarter (July 2017)	Achieved - 😊	All Policies were reviewed and approved by the Board.
			4a3. AFS Completion	2 nd Quarter (September 2017)	Achieved - 😊	New External Auditors appointed and contract signed.
			4a4. MOI Checklist	2 nd Quarter (September 2017)	Achieved - 😊	MOI reviewed and approved.
			4a5. Board Charter Checklist	2 nd Quarter (September 2017)	Partially Achieved - 😐	Draft concluded. To be finalised before end March 2019.
			4a6. Governance workshop hosted.- One Workshop for Staff Members	4 th Quarter (March 2018)	Not Achieved - 😞	Time and budgetary constraints were a challenge. Matter to be actioned before end March 2019.
			4a7. Train staff and Board Members on governance in terms of the Companies Act, Board Charter, CIGFARO strategic operational requirements and King III & IV principles	4 th Quarter (One workshop for Board members by end of Financial Year)	Not Achieved - 😞	Time and budgetary constraints were a challenge. Matter to be actioned before end March 2019.
	4b Implementation of strategy		4b1. Monthly Meetings held.	Quarterly (Monthly)	Achieved - 😊	Staff General meetings held, as required and planned. (6 Management and 7 General meetings)
			4b2. Quarterly Staff Performance Evaluation Workshops held.	2 nd Quarterly (Quarterly)	Achieved - 😊	Staff Performance Evaluation concluded. (1 Final report submitted and approved)
			4b3. Quarterly Performance Report presented to the Board.	Quarterly (Every Board Meeting)	Achieved - 😊	Done and submitted at Board meetings (4 CEO's reports)
			4b4. 2 nd Phase of reviewed Organisation designed implemented.	2 nd Quarter (By September 2017)	Achieved - 😊	Placement process fully concluded and now implemented. (1 Final report submitted and endorsed)









ORGANISATIONAL PERFORMANCE 2017/2018

4. STRATEGIC OBJECTIVE: To maintain good corporate governance and financial sustainability						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
4.	4c Development and implementation of a long term financial plan	<ul style="list-style-type: none"> Preparing a multi-year budget Long term budget 	4c1. A multi-year budget (3 years), approved by the Board	4 th Quarter (March 2018)	Achieved - 	Budget approved and now implemented.
			4c2. Approving Long term financial Plan	2 nd Quarter (End September 2017)	Partially Achieved - 	Plan will be included in the 3 years Business Plan to be compiled and finalised before end of March 2019.
	4d Maintain of a Strategic Operational Register	• 100% implementation of the risk mitigation strategies	4d1. Quarterly Risk Registers and annually	Quarterly (end of June 2017)	Achieved - 	Implemented and assessed. (1 Final report submitted and approved)
			4d2. The risks CIGFARO faces identified and Risk Register developed.	1 st Quarter (end of June 2017)	Achieved - 	Implemented, evaluated and reviewed. (1 Final report submitted and approved)
			4d3. Strategies for Managing those risks, Implementing and Monitoring the risk management plan developed.	2 nd Quarter (end of September 2017)	Partially Achieved - 	Draft report compiled and will serve at relevant committees and Board before end of September 2019.
			4d4. Developed Strategies approved by the Board.	2 nd Quarter (September 2017)	Partially Achieved - 	Draft report compiled and will serve at relevant committees and Board before end of September 2019.
	4e Development of a Disaster Recovery Plan	• Approval by the Board of the Disaster Recovery Plan and Business Continuity Plan by a certain date	4e1. Disaster Recovery Plan developed.	2 nd Quarter (September 2017)	Achieved - 	Plan concluded and now under implementation.
			4e2. Disaster Recovery and Business Continuity Policies developed.	3 rd Quarter (end of December 2017)	Achieved - 	Plan concluded and now under implementation.
			4e3. Plans and Policies approved by the Board.	4 th Quarter (end of Financial Year)	Achieved - 	All Policies reviewed and approved, now under implementation.

ORGANISATIONAL PERFORMANCE 2017/2018

5. STRATEGIC OBJECTIVE: To establish resources and technical capacity for current and future needs of the organisation						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
5.	5a Recruitment, development and retention of skills required by CIGFARO	Develop a retention strategy	5a1. Personal Development Plans (PDP) developed for each staff member - 13	1 st Quarter (June 2017)	Achieved - 	Reviews concluded and now implemented. (13 PDP's)
			5a2. Staff Training and Development Budget approved	1 st Quarter	Achieved - 	Budget approved and now implemented.
			5a3. One Staff Team Building Session arranged	2 nd Quarter (September 2017)	Achieved - 	Session successfully held as planned. (1 Session)
			5a4. Formal Quarterly Staff meetings held	Quarterly	Achieved - 	Meetings held regularly with records of minutes kept. (7 meetings)
			5a5. 2 nd Phase of reviewed Organisational Structure implemented	1 st Quarter (By June 2017)	Achieved - 	Placement process fully concluded.
	5b Development and maintenance of ICT	<ul style="list-style-type: none"> • Minimum (3hours per month) Percentage reduction on downtime • Development of an ICT Operational Plan • Response time on user queries or complaints 	5b1. ICT systems functional with no downtime. Submitted Quarterly reports.	Quarterly	Achieved - 	Old server damaged and replaced without negative impact.
			5b2. Measures to protect Institute against cyber-crime and viruses developed and implemented	Quarterly (Continuous)	Achieved - 	The system is continuously being monitored through email alerts for both emails and computers
			5b3. 100% implementation of Developed ICT plan	2 nd Quarter (September 2017)	Achieved - 	Concluded and now implemented.
			5b4. User queries resolved within a day.	Quarterly (Daily)	Achieved - 	Done on daily basis as required. (10 monthly reports submitted)
			5b5. Monthly Evaluation Reports compiled.(as indicated by the ICT plan)	Quarterly (Monthly)	Achieved - 	Done regularly as required. (10 monthly reports submitted)
			5b6. Quarterly Performance Review/ Update Report submitted to the Board	Quarterly	Achieved - 	Plan concluded and now implemented. (4 CEO's reports submitted)

ORGANISATIONAL PERFORMANCE 2017/2018

6. STRATEGIC OBJECTIVE: To develop and implement Communication and Marketing Framework						
NO	Key Performance Area (Measurable Objectives)	Key Performance Indicator/s	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2017/18 Final Outcome	Comment
6.			6a1. Completed Communication & Marketing Framework approved by the Board.	1 st Quarter (By end of June 2017)	Achieved - 	Framework concluded and now implemented.
			6a2. Brand Awareness Process Plan approved by the Board.	1 st Quarter (By end of June 2017)	Achieved - 	Plan concluded and now implemented.
			6a3. Board approved Strategy and Plan under implementation	2 nd Quarter (By end of September 2017)	Achieved - 	Strategy concluded and now implemented.
	6b Create awareness of CIGFARO in the industry	Four media releases • Number of publications on internet • Four contacts with media houses	6b1. Implementation Plan approved by the Board (Comm & Marketing 6b1. = R80 000)	2 nd Quarter (Quarterly)	Achieved - 	Publications and contact with Media Houses done successfully. (4 publications issued)
			6b1a) Four media releases	Quarterly	Achieved - 	Media statements released for all events. (7 releases issued)
			6b1b) Number of publications on internet	Quarterly	Achieved - 	Publications released on regular basis as required. (4 publications issued)
			6b1c) Four contacts with media houses	Quarterly	Achieved - 	Media Houses engaged as planned. (4 contacts made)
	6c Internal communication with staff	Number of communications with staff	6c1. Implementation Plan approved by the Board	2 nd Quarter (By end of June 2017)	Achieved - 	Effected through regular staff meetings and newsletters releases.

OUR STAFF



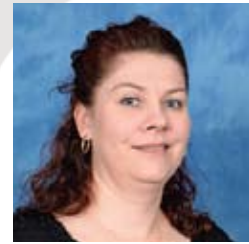
ABBEY TLAETSI
Chief Executive Officer



NONHLANHLA SHONGWE (MS)
Company Secretary



LYDIA MAKOPO (MS)
Administrative Assistant



IRA KOTZE (MS)
Chief Finance Officer



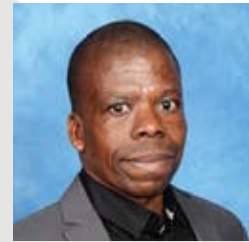
THULANI OLIFANT (MS)
Finance Support



ARCHFORD RWAZEMBA
ICT Support



LINDI NOLTE (MS)
Membership & Quality Assurance



MESHACK MOSHIDI
Continuing Professional
Development



SEBA NGWANA (MS)
Training Delivery



GETRUDE NKHOMA (MS)
Training & Development



OCEAN MAKALIMA (MS)
Communication & Marketing



ESTHER GUMATA (MS)
Communications Coordinator



LEHLOHONOLO TSEKE
Marketing Coordinator



TRACEY HOFFMAN (MS)
Administrative & Facilities
Supervisor



ALINAH MOTLOUNG (MS)
Office Support



DAPHNEY KGOOHO (MS)
General Assistant



STANDING COMMITTEE ON BUDGET & FINANCE (SCBF)

STANDING COMMITTEE ON BUDGET & FINANCE (SCBF)

1. MEMBERS



Chairperson
Vice Chairperson

David Garegae
George Van Schalkwyk
(Retired September 2017)

President
Past President
Vice Presidents (Technical)
Vice Presidents (General)

Krish Kumar
Jane Masite (Ms.)
Paledi Marota (Ms.)
Sidwell Mofokeng

Secretariat:
Abbey Tlaetsi
Ira Kotze (Ms)
Nonhlanhla Shongwe (Ms)

2. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- Assist the Presidency in overseeing the financial planning of CIGFARO and ensuring full integration with the long-term planning and mission of CIGFARO;
- Assist the Presidency with monitoring the quarterly budget and spending patterns;
- Review the quarterly financial reports before being presented to the Audit and Risk Committee and subsequent approval by the Board;
- Assist the Presidency with monitoring revenue management of CIGFARO;
- Review the Adjustment Budget for consideration by the Board;
- Quality assurance on the Annual Financial Statement before review by the Audit and Risk Committee.
- Quality assurance on the review of the CIGFARO Financial Policies annually;
- Review fees, tariffs and charges to be levied by CIGFARO and its Provincial Branches for all its events such as training and development.
- Monitor and report on the financial risks quarterly.

3. MEETINGS AND ACTIVITIES:

The Standing Committee meetings were held and attended as follows:

COMMITTEE MEMBER	MEETING DATES		
	SCBF		
	4 August 2017	18 Jan 2018	20 March 2018
David Garegae	P	P	P
Krish Kumar	P	P	P
Paledi Marota (Ms)	P	P	P
Sidwell Mofokeng	P	P	P
Jane Masite (Ms)	A	A	P

P/A= P means "Present" and A means "Apologized"

Standing Committee Budget & Finance:

- 04 August 2017
- 18 Jan 2018
- 20 March 2018

STANDING COMMITTEE ON BUDGET & FINANCE (SCBF)

3.1 Financial Review and Financial Planning

During these meetings the committee members:

- Monitored debtor collection and project budgets
- Monitored cash flow forecasts for the next 3 years, taking into account the cash flow of building the new office and proposed organogram and performance bonuses for staff.
- Monitored the quarterly spending patterns of the institute against the approved budget for the 2016/17 financial year. No material problems were experienced.
- Reviewed the proposed budget for the 2017/18 financial year and recommended a tariff structure for the 2017/18 financial year.
- Reviewed the risks related to the financial sustainability of CIGFARO and related revenue sources.

The financial results for the year ending 31 March 2018 shows that CIGFARO is in a reasonably stable financial position and this reflects favourably on the work performed during the year by the Board and Administration.

The Committee reviewed the following financial policies during the financial year:

- Accounting Policy (review)
- Investment and Loan Redemption Policy (review)
- Credit Control Policy (review)
- Bad Debt Writing off Policy (review)
- Conference and Events Cancellation Policy (review)
- Financial Policy for Provincial Branches (review)
- Assets Disposal Policy (review)
- Supply Chain Policy (review)
- Draft Budget policy

4. REPORT OF THE CHIEF FINANCE OFFICER

These financial statements (2018/19) have been prepared in accordance with International Financial Reporting Standards. The financial statements are further prepared on the going-concern basis, since the Institute Board has every reason to believe that the Institute has adequate resources in place to continue operations for the foreseeable future.

5. REVIEW OF OPERATING RESULTS

The financial year under review has been successfully closed off with a net profit of R2 388 295 (2017: net profit R3 229 742). The main source of the profit is from Income generated from Conferences and courses that CIGFARO presented and the mSCOA Project rollout, together with National Treasury.

Schedule reflecting profits/(deficit) of Conferences, Seminars and CPD courses.

	31 March 2018			31 March 2017
Detail	Income	Expenditure	Profit	Profit
Annual Conference & CPD Courses	R 12 848 324	R 4 863 549	R 7.9 mil	R 8.8 mil
Audit Risk Indaba	R 3 424 971	R 2 597 529	R 827 442	R 972 643
Provincial Branch Activities	R 363 626	R 456 477	(R 92 851)	(R 28 683)
Public Sector Accounting (2017 NT Mscoa was the main theme) (mSCOA staff ctc)	R 232 270	R 174 430	R 57 840	R 1 668 163
				(R 703 535)
				R 964 628
NT mSCOA training & CPD courses	R 4 243 086.42	R 2 315 972.83	R 1 927 113.59	R 2 574 760
Women in Government Leadership	R 396 083	R 319 131	R 76 953	R 71 708
			R 10 687 613	R 13 191 928

STANDING COMMITTEE ON BUDGET & FINANCE (SCBF)

Assets

Net value of Assets increased by R 2 million to R 34 million (2017: R 32 million). All additional Cash resources were invested to ensure maximum interests earnings.

Liabilities

Current Liabilities decreased by R 509 310 to R2.1 million (2017: R2.6 million). This includes R419 000 received from LG-SETA for Internal Audit Bursaries that needs to be paid over to various universities. A finance lease was encumbered for the lease of a photo copier with a remainder long term obligation of R 32 917.

Income

Revenue (excluding finance income) for the year is R22.1 million (2017: R21.6 million) which does not reflect a material increase. The main income stream is from the annual conference, the mSCOA(NT) Project and courses conducted during the year which jointly comprises 96%, with membership fees and other income contributing 4%. The income derived from conferences and courses is seen as extensions of the services provided to members and other persons working in the Public Sector, to strengthen the profession.

Expenditure

The actual net expenditure (excluding finance costs) reflects an increase of 18% amounting to R20.6 million (2016: R19.6 million), an increase of R 1.1 million.

Highlighting extra ordinary increases in expenditure: (10% or >R 100 000)

Item	% increase	Value	Reasons
Depreciation & Amortisation increased to R669 566	50%	R 225 277	Depreciation on new increased property value
Conference, seminar & training (*) increased to R 10.5mil	15%	R 1.5 mil	Explanation schedule below:
		R3 256 492	

(*) Included in the R 20.1 million expenditure is R 10.5 million expenditure, directly related to the Conference, mSCOA Project, seminar and CPD training. (2017: 9 mil), an increase of R 1.5 million.



STANDING COMMITTEE ON
REMUNERATION & NOMINATION (SCRN)

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

1. MEMBERS



Chairperson
Vice President
President
Vice President

Jane Masite (Ms)
Sidwell Mofokeng
Krish Kumar
Paledi Marota (Ms)

Secretariat:
Abbey Tlaetsi
Ira Kotze (Ms)
Nonhlanhla Shongwe (Ms)

2. DUTIES AND RESPONSIBILITIES

2.1 Committee Responsibilities - Nominations and Elections

The committee is mandated to carry out the duties below for the Institute, as appropriate.
The committee shall:

- 2.1.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board including any relevant changes to the Company's Memorandum of Incorporation (the MOI);
- 2.1.2 Be responsible for identifying and nominating for the approval of the Board, candidates to fill the Board's Standing Committees' vacancies, as and when they arise;
- 2.1.3 Before any co-option to committees is made by the Board, evaluate the balance of skills, knowledge, experience and diversity of recommended appointees. In light of this evaluation, prepare a description of the role and capabilities required for a particular co-option. In identifying suitable candidates, the committee shall:
 - a) Use open advertising or the services of external advisers to facilitate the search;
 - b) Consider candidates from a wide range of backgrounds; and
 - c) Consider candidates on merit against objective criteria and with due regard to the benefits of diversity, including gender, taking care that appointees have enough time available to devote to the position;
- 2.1.4 Oversee the election process per the Board Approved Nomination and Election Framework

2.2 Remuneration and Performance

The committee shall:

- 2.2.1 Annually review the remuneration and performance of the Chief Executive Officer's and Senior Management's remuneration;
- 2.2.2 Annually review the basis of calculation of staff remuneration to ensure that it appears reasonable;
- 2.2.3 Annually review the current industry practice on staff remuneration;
- 2.2.4 Annually review the different methods of remunerating the Chief Executive Officer and Senior Management
- 2.2.5 Investigate whether or not it's in the interest of CIGFARO to establish pension fund scheme and medical aid benefits to its employees;
- 2.2.6 Annually review existing (if any) and proposed fringe benefits;
- 2.2.7 Review retirement and termination payments;
- 2.2.8 Review related party transactions and disclosure, if any;

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

- 2.2.9 Make recommendations to the Board on remuneration packages and policies applicable to management and staff of the Institute; and
- 2.2.10 Ensure that the formal systems of succession planning for the Chief Executive Officer and Senior Management
- 2.2.11 Oversee the process of staff placement
- 2.2.12 Ensure that the Institute has the Human Resource Development (HRD) Framework and policy in place. Structural and HRD framework that is applicable / in compliance.

3. GOVERNANCE: Performance Management and Risk Management;

3.1 Performance Management

- 3.1.1 To monitor and evaluate the performance of the organisation
- 3.1.2 To monitor and review performance of the CEO and staff

3.2 Risk Management

- 3.2.1 To monitor and evaluate the Risk Management processes of the organisation

3.3 Other Responsibilities

- 3.3.1 Review terms of reference of other Board committees in terms of its alignment to the company's strategy
- 3.3.2 Annually review all staff policies e.g. Leave, Study, Recruitment, Travelling and Substance, Employee Private Work and Financial Interest, Records Management, Performance Management Framework and policy, Sexual Harassment, Risk Management Strategy and Policy, Communication protocol policy and any other policies relating to staff.

4. AUTHORITY

- 4.1 The Board supports and endorses this Committee to operate independently of Management and is free of any organisational impairment
- 4.2 The Committee has unrestricted access to all information, including records, property and personnel of the Institute, and must be provided with adequate resources in order to fulfil its responsibilities
- 4.3 The Committee is delegated to:
 - a) Investigate any activities within its terms of reference,
 - b) Seek outside legal or other independent professional advice,
 - c) Secure the attendance of outsiders with the relevant experience where necessary at the Institutes' expense, and
 - d) Seek any information it requires from any employee. All employees are directed to co-operate with any requests made by the Remuneration Committee

The Standing Committee meetings were held and attended as follows:

COMMITTEE MEMBER	MEETING DATES		
	SCRN		
	27 January 2018	08 March 2018	25 March 2018
Jane Masite (Ms)	P	P	P
Krish Kumar	P	P	P
Paledi Marota (Ms)	P	P	P
Sidwell Mofokeng	A	P	P

P/A= P means "Present" and A means "Apologized"

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

- 27 January 2018
- 08 March 2018
- 25 March 2018

5. STAFF PLACEMENT

The process of staff placement and the drafting of the new organogram started in 2014. The new organogram was developed in order to support the Institutes Strategic objectives. The Placement Policy was also developed to ensure a fair placement process. The placement process was expected to be finalised on 25 March 2018.

6. CIGFARO POLICIES

Policies were reviewed and changes effected where necessary. The MOI was also amended. The full overhaul of MOI is planned for AGM in October 2018.

7. CIGFARO SECRETARIAT

Appointments and resignations

During the 2017/18 Financial year there were no changes within the Secretariat. The Secretariat during the year was structured as follows:

Chief Executive Officer	A. Tlaetsi
Chief Finance Officer	I. Kotze (Ms)
Manager Membership Services	L. Nolte (Ms)
Manager Marketing and Communication	O. Makalima (Ms)
Company Secretary	N. Shongwe (Ms)
Training Delivery Specialist	S. Ngwana (Ms)
Payroll & Finance Administrator	T. Olifant (Ms)
Training & Development Admin	G. Nkhoma (Ms)
Administrative & Facilities Supervisor	T. Hoffman (Ms)
Communication Officer	E. Gumata (Ms)
Marketing Officer	H. Tseke
CPD Officer	M Moshidi
Administration Support	L. Makopo (Ms)
Receptionist	A. Motloung (Ms)
Marketing Intern	O. Pelane
Communication Intern	T. Tshabangu (Ms)
Registration Intern	R. Sephala (Ms)
Training Intern	P. Masindi
Cleaning Assistant	D. Kgohoo (Ms)



SOCIAL AND ETHICS COMMITTEE (SEC)

SOCIAL AND ETHICS COMMITTEE (SEC)

1. MEMBERS



Chairperson:	Paledi Marota (Ms)	Ekurhuleni Metropolitan Municipality
Members	Nelisiwe Ntlhola (Ms) Sidwell Mofokeng Bharthi Ranchoddas (Ms) Jane Masite (Ms) Sizani Moshidi (Ms) Cheryl Reddy (Ms) Louise Muller (Ms)	COGTA-GP Emfuleni Local Municipality eThekweni Municipality Emfuleni Local Municipality Department of Water and Sanitation King Cetshwayo Municipality City of Cape Town
Secretariat:	Seba Ngwana (Ms) Lindi Nolte (Ms)	

TERMS OF REFERENCE

1. RESPONSIBILITIES OF THE SOCIAL AND ETHICS COMMITTEE

The Committee is a legislated Committee and shall perform all the functions as necessary to fulfil its roles, as stated in legislation and further outlined in paragraphs 6 - 9 of the Committee Charter, repeated below for ease of reference:

- 1.1 The Committee shall have an independent role as contemplated in terms of the Companies Act and the Regulations, with accountability to the Board.
- 1.2 The Committee does not assume the functions of management, which remains the responsibility of the CEO, and other members of senior management.
- 1.3 The role of the Committee shall be to assist the Board with the oversight on social and ethical matters relating to the Institute, including taking up the responsibility of the CIGFARO Disciplinary Committee.
- 1.4 The Roles Of Disciplinary Committee require that:
 - 1.4.1 The Committee Chairperson shall report to the Board of Directors on the proceedings of the Committee since the previous meeting.
 - 1.4.2 The Committee shall make whatever recommendations to the Board of Directors it deems appropriate on any area within its remit where action or improvement is needed.
 - 1.4.3 The Committee shall make a statement in the annual report about its activities.

2. ACTIVITIES

The following matters were dealt with:

- a) The committee will continue to ensure that equity is visible on all CIGFARO programmes;
- b) Committee members were active contributors to the CIGFARO Journal;
- c) Committee members gave clear input into programmes for CIGFARO Workshops, Seminars and the Conference.
- d) Committee members remained alert to the legislative requirements for CIGFARO, actively encouraging compliance;
- e) Committee members actively identified potential risk areas of ethical and disciplinary breeches and started alerting the administration to simple corporate social investment opportunities.

SOCIAL AND ETHICS COMMITTEE (SEC)

3. ACHIEVEMENTS

- The Committee has Social and Ethics Charter and aligned the Terms of Reference to the requirements outlined in the Companies Act.
- The Standing Committee successfully held its 5th Seminar for Women in Public Sector Finance on 1-2 March 2018 in Limpopo at Polokwane, Peter Mokaba Stadium.
- The Seminar was attended by 130 delegates, amongst them being Councillors, CFO's, Municipal Managers Accountants; Risk Officers, Lectures & Interns. Women addressed issues that affected them in the municipality and below is the declaration coming from the discussion

4. SEMINAR DECLARATION

CIGFARO Women in the Public Sector Seminar: 1-2 March 2018: "Women in Public Sector Effectively Utilising Government process to ensure gender inclusiveness"

"We, the delegates of the CIGFARO Women in Leadership Seminar see the greater participation of women as one of the necessary conditions for Effectively Utilising Government process to ensure gender inclusiveness Management acknowledge:

- That as leaders, we tend to focus on work done by the Auditor General and forget that social issues have a huge impact on clean administration. E.g. Corruption sometimes is not only the result of greediness but due to social issues such as stress)
- That not enough has been done to develop and implement consequence management policies hence there is often repetition of wrong doings.
- That all officials should be informed about their roles on consequence management and as women leaders we commit to lead in implementation.
- That we will encourage fellow women to report unethical conducts, irrespective of our position and those in leadership will enforce accountability and responsiveness (Enforce full implementation of Anti-fraud and Corruption prevention strategy)
- That we will become transformation and change leaders to ensure sustainable service delivery because we are the voice of the women and vulnerable groups in our country;
- That we are going to create women dialogue groups to talk about issues that create the fear which often makes us think men are smarter than us as employees and eventually do not get to achieve our full potential
- That we are going to leave our comfort zones and make sure we inform all the policies review processes to ensure gender sensitivity.
- That we will avail capacity in our organizations to cater for gender responsive budgeting and we will have champions as requested by Department of Women in the Presidency
- That we are going to be ambassadors of change in eradicating the perception that says women cannot work well together. (Pull her down syndrome mentality will be erased permanently in our environment)

In supporting the International Women's Day theme "#PressforChange "The attendees commit to take home the following issues for implementation:

- Participating in the revisions of Equity Plan and ensure that we review the reports received from our HRM departments for accuracy.
- We will ensure that we are well represented in interview panels to enforce proper implementation of equity plans and promote gender representation.
- In our organizations as female leaders, we will voluntarily become gender based budgeting champions
- We commit to develop mentorship frameworks in our organizations which will encourage gender equality and development of women employees
- We will develop a business case to promote workplaces that cater female employees' overall needs
- Engage SALGA to lobby for flexi time with the bargaining council to accommodate women and incorporation in the regulation governing the employment of section 56 managers.
- Form strategic partnerships with NGOs, religious bodies and other institutions that provide support and safety for women in distress.

SOCIAL AND ETHICS COMMITTEE (SEC)

- Encourage formations of men's forums in our organizations to ensure that men are also educated on their role in creating a conducive work environment for women colleagues.

What emerged from presentations and discussion was that women;

- Facing challenges from all angles of life (Mother/Employee/Supervisor/Entrepreneur/Leader) – Need for balancing all roles)
- Have to move from Kitchen to Boardrooms (High echelons)
- Need to Revive/Resuscitate old survival support structures, eg : STOKVELS (Financial Planning)
- Need more empowerment sessions (without attendance restriction at lower levels)
- Take ownership of mistakes = Deterrent for development & Growth “ Take criticism seriously and not personally”
- Should manage risks on a regular basis against all odd eg Manage Boardroom & threats.

5. STRATEGIES FOR FINANCIAL PLANNING

- Understand your current financial situation
 - Country's economy
 - Set up financial goals
 - Roadmap for achieving the goals
 - Annual review of long term plan (Monthly review of short term plans)
 - Financial action plan Long term vs Short term
 - Evaluate available options i.e. Investment
- “Is there any role the Department of Women can play to ensure fair representation of women during elections?”
Tamara Mathebula – Commissioner: Gender Equality

6. KEY ISSUES NOTED AS CRITICAL FOR WAY FORWARD

- Mobilisation of women to reshape our democracy;
- Reflection on gender and governance
- Decentralisation and gender equality

Concrete measures should be put in place to ensure the adequate addressing of the above points, the clear implementation with relevant timeframes, where the results are evaluated over time.”

“Our focus will always be on adding value to the communities we serve and healthy women are the best resources to achieve that”



STANDING COMMITTEE ON
COMMUNICATION & MARKETING (SCCM)

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

1. MEMBERS



Chairperson
Vice Chairperson
Vice President
Past President

Bharthie Ranchoddas (Ms)

Sidwell Mofokeng
Jane Masite (Ms)

Board Members

Louise Muller (Ms)
David Garegae
Mbulelo Memani
Sizani Moshidi (Ms)
Cheryl Reddy (Ms)

Secretariat:

Abbey Tlaletsi
Ocean Makalima (Ms)
Lindi Nolte (Ms)
Esther Gumata (Ms)
Hloni Tseke
Archford Rwazemba
Lydia Makopo (Ms)

2. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- 2.1 To develop, implement and maintain a policy for Communication and Marketing.
- 2.2 To communicate/disseminate documentation and information relevant to the activities of CIGFARO to the:
 - Board
 - Standing Committees
 - Institute Members
 - Relevant National and international Institutes
 - Stakeholders'
- 2.3 To develop and maintain internal and external communication channels for the institute to convey a positive message by means of:
 - Television
 - Radio
 - Press
 - Written Material
 - Liaison
 - Journal
 - Web
 - Newsletter
 - Relevant Social Media
- 2.4 To communicate and market Public Sector and related professions content (on academic, legal, general matters)
- 2.5 To promote the image and objectives of the Institute through the communication and Marketing of information.
- 2.6 To manage and maintain the publication of the CIGFARO's Journal
- 2.7 To compile an operating budget related to the needs of the Committee
- 2.8 To co-ordinate the administrative matters for the efficient operation of the Institute's Annual Conference and all other conferences including Women, Audit and Risk INDABA.

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

3. MEETINGS AND ACTIVITIES

The Standing committee meetings on Communication and Marketing (SCC&M) were held and attended as follows:

COMMITTEE MEMBER	MEETING DATES
	25 April 2017
Bharthie Ranchoddas	P
David Garegae	P
Sidwell Mofokeng	P
Jane Masite	A
Louise Muller	A
Mbulelo Memani	A
Cheryl Reddy	A
Sizani Moshidi	P

P/A= P means "Present" and A means "Apologized"

SCCM has been enabled to function as an independent committee to include marketing and all conference functions and other CIGFARO events.

The following matters were dealt with:

Journal

- The committee continues to strive towards ensuring that the journal is self-sustainable by looking at innovative ways of dealing with production and distribution costs and promoting advertising in the journal.
- There was an increase from 3000 to 3500 copies of the journal being printed quarterly and distributed to CIGFARO members, subscribers, libraries, every Municipality and Government Department in the country, and to all other stakeholders.
- The Journal for subscribers remained at an affordable price of R30.00 during the year.
- The Journal is indexed by Sabinet
- The CIGFARO Journal was published quarterly during the year.
- The committee continues to strive towards ensuring that the Journal publishes relevant current news and informative articles inspiring excellence in service delivery.
- The Committee looks forward to publishing articles in the Journal that have been prepared by the Research Committee or academic papers from members and potential members.

The CIGFARO Journal is aimed at Government practitioners and it seeks to reflect a broad spectrum of thought and practice in the finance, Audit and Risk sphere. Numerous articles are published on various different relevant topics that affect the Government Finance, Audit & Risk management and Performance Management practitioners.

The CIGFARO Journal serves as a means of sharing all CIGFARO branch activities, and gives our advertisers an opportunity to expose practitioners to the new developments and service standards offered by government service providers.

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

The Committee has had challenges with the distribution of the journals and publishing relevant themes and articles for the CIGFARO Journal. The aim of the distribution is to ensure that the CIGFARO brand is found in all areas where Government Finance, Risk management and Internal Audit issues are discussed. There has been less submission of articles by members in contributing relevant articles for the Journal.

The quarterly journal has been supplemented by a monthly newsletter which is distributed to all CIGFARO members and those on the database. The CIGFARO monthly newsletter serves as a communications channel between the office, Provincial branches and the CIGFARO members, stakeholders, universities and public sector service providers.

The editorial committee, who not only review all submissions to the Journal but also review internal records of meetings, consists of the following members:

- David Garegae
- Fathima Khan (Adv)
- Jane Masite (Ms)
- Bharthie Ranchoddas (Ms)
- Louise Muller (Ms)

88th CIGFARO/IMFO Conference

The committee was responsible for the following:

- Compile and print the Conference program for the 2017 Annual Conference held 09-11 October 2016 at Cape Town ICC
- Distribution of Conference program
- Marketing and advertising of the 88th Annual Conference 2017 on different platforms
- Selecting the topics, obtaining the speakers and liaison with speakers
- Arranging logistics for speakers and all the participants of the program
- Compile, print and distribute a daily newspaper at the Conference
- Compile, print and distribute the Information Booklet which comprise of the Final Conference Programme, Speakers Profile, Exhibitor Directory and the Delegates list.
- Media participation

The Institute's Annual Conference was held from 09 October -11 October 2017 at the Cape Town ICC. The 2017 Annual Conference. The speakers from both the public and private sectors made valuable contributions to the enhancement of the conference theme: **Sustaining Service Delivery amidst the Challenging Economic Climate.**

The participants in the breakaway sessions continued to benefit extensively as each session had the practical expertise on a related topic. All breakaway sessions received maximum attendance with delegates earning 2 extra CPD points per session attended. The Institute Board members played a major role in facilitating the breakaway sessions which helped with the smooth running of the sessions. Scanners were utilised to assist with the electronic capturing of attendance of

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

delegates in the various different breakaway sessions, so as to ensure that the relevant CPD points are allocated to delegates. Delegates could thereafter contact the office at the end of conference to collect or request for their Certificate of attendance electronically.

Master classes and Student Conference were also launched at the 88th Annual Conference. The Master Classes were held on the last day of the conference, 11th October 2017, with less participants as than anticipated. Delegates who attended the Master Classes were impressed with the sessions and the presenters.

The Student Conference was a huge success with over 150 students attending the full day session. Most participants were students from the Tshwane University of Technology including some lecturers. The feedback received from students was positive with a request to the institute to continue with the initiative.

PricewaterhouseCoopers (PwC) assisted the institute with the Conference Summary Booklet for the entire 2017 Conference. The institute appreciates all the efforts made in arranging scribes to summarise all presentations and we hope that we can still work together in the future.

Conference Exhibition

The 2017 conference exhibition had 58 organizations, which was a slight drop from the 2016 conference, however the annual target was met. These organisations took up 107 (one hundred and seven) exhibition stands that were sold, out of 126 (one hundred and twenty-six) that were available.

Cigfaro Awards

The Institute presents CIGFARO Clean Audit Awards annually to deserving municipalities in recognition of their hardwork. At this conference however, the institute awarded

CLEAN ADMINISTRATION AWARDS to municipalities and deserving entities in recognition of their hard work.

The following municipalities and entities were recognized at the 2017 conference: CLEAN ADMINISTRATION AWARDS

Clean Administration 2017 Award Winner

Clean Administration Recipients

1. Engcobo Local Municipality
2. Nyandeni Local Municipality
3. Umzimvubu Local Municipality
4. Chris Hani Development Agency
5. Ntinga OR Tambo Dev Agency
6. Fezile Dabi District Municipality
7. EMnambithi /Lady Smith Local Municipality
8. Endunemi Local Municipality
9. South Coast Dev. Agency
10. Steve Tshwete Local Municipality
11. Bergrivier Local Municipality
12. Central Karoo District Municipality

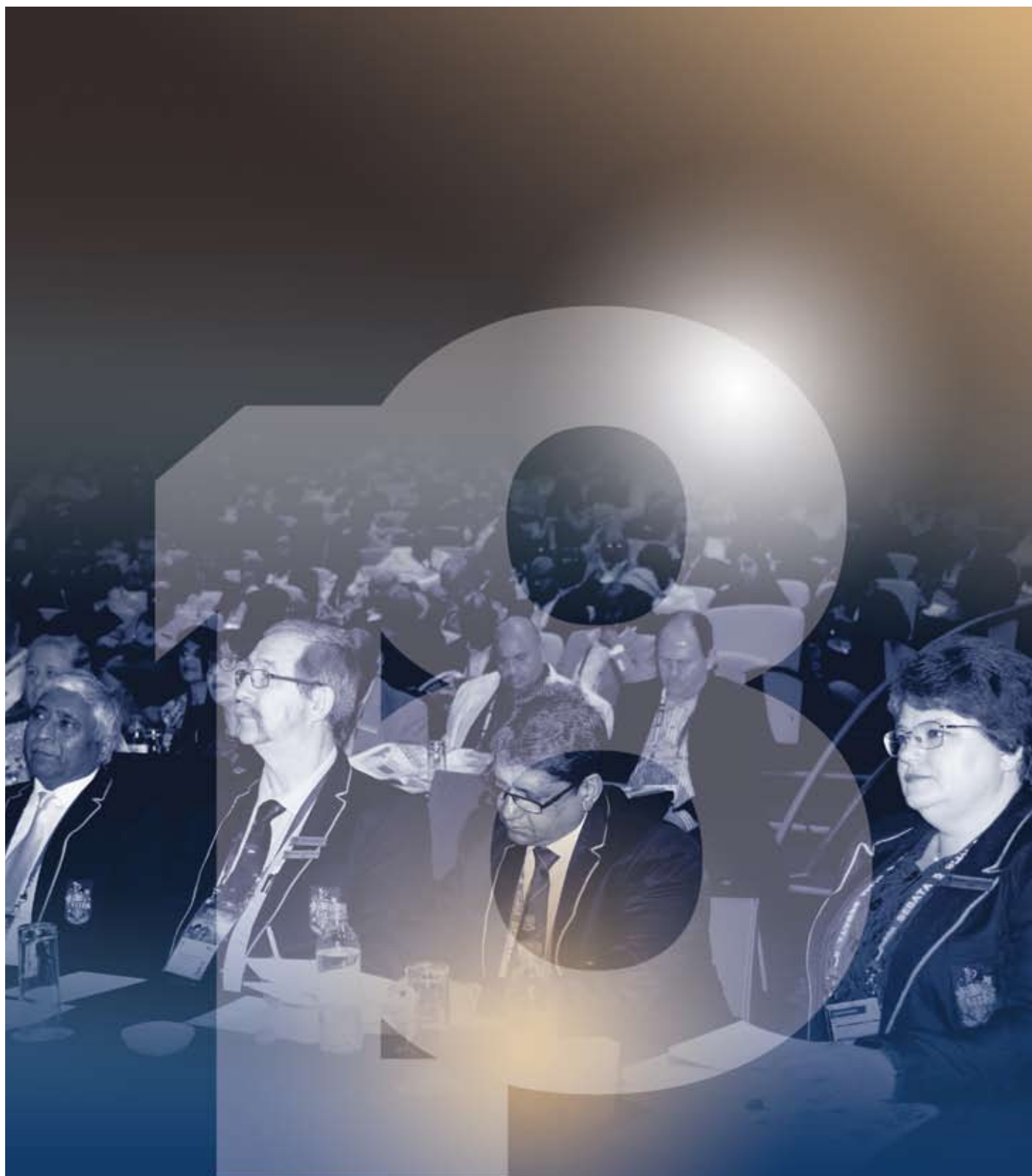
Improved Clean Administration Recipients

1. Great Kei Local Municipality
2. Mbashe Local Municipality
3. Mbizana Local Municipality
4. Mhlontlo Local Municipality
5. Mnquma Local Municipality
6. Amathole Economic Development Agency
7. Xhariep District Municipality
8. Kopanong Local Municipality
9. Moqhaka Local Municipality
10. Randfontein Local Municipality
11. Westanaria Local Municipality
12. uThukela District Municipality
13. Jozini Local Municipality
14. New Castle Local Municipality
15. Vulametlo Local Municipality
16. Fetakgomo Local Municipality

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

17. Greater Tzaneen Local Municipality
18. Maruleng Local Municipality
19. Sekhukhune Local Municipality
20. Buchbuckridge Local Municipality
21. Dr Ruth S Mompoti Local Municipality
22. Kagisano Molopo Local Municipality
23. Kgetlengrivier Local Municipality
24. Port St Johns Local Municipality
25. Alfred Nzo Dev Agency Local Municipality
26. Ephraim Mogale Local Municipality
27. Tubatse Local Municipality
28. Emakhazeni Local Municipality
29. Msukalingwa Local Municipality
30. Kgatelopele Local Municipality
31. Ditsobotla Local Municipality
32. Tswaing Local Municipality
33. Oudstroom Local Municipality

CIGFARO would like to extend gratitude to the City of Cape Town Municipality for availing staff and resources towards the success of the conference and especially for the Mayoral function held on 09th of October 2017. It is important to acknowledge and to express gratitude to the members of the Standing Committee on Communication and Marketing, the Conference Secretary, the breakaway convenors, panel members, stakeholders and any other parties that were involved in making the conference a success. Thank you once again to the secretariat for the excellent planning and arrangements in organizing the Conference.



STANDING COMMITTEE ON
KNOWLEDGE & DEVELOPMENT (SCKD)

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

1. MEMBERS



Chairperson	Sidwell Mofokeng	CIGFARO Vice-President General
Board Members	Cheryl Reddy (Ms) Emmanuel Ngcobo Khomotso Phelane (Ms) Maria Makhongela (Ms) Krish Kumar (Dr) Peet du Plessis	
Secretariat	Seba Ngwana (Ms)	

2. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- 1.1 Development and monitoring of capacity building programmes in all professional disciplines catered for in CIGFARO MOI
- 1.2 To develop maintain and Monitor all pertinent aspects of education and training requirements of the Institutes members
- 1.3 To recommend training programs for board approval for Finance and related professions
- 1.4 To participate in the SAQA and HET qualifications and training standards development
- 1.5 To screen and approve all training providers facilitating training under the auspices of CIGFARO and recommend appropriate standards of facilitation and assessment
- 1.6 To recommend training tariffs and fees for CIGFARO training and seminars in consultation with SCRNI
- 1.7 To liaise with Supply Chain Management, Assets Management, Internal Audit, Risk Management, Revenue Management & Value's and Rating and Accounting Practice Streams on Norms, Standards, Curriculum, Assessment, QA and best practices guidelines
- 1.8 To liaise with educational institutions and other institutions in collaboration with SCPCQA
- 1.9 To assist with the coordination of mentor and assessor programmes including the maintenance of a database of assessors and moderators in the public sector finance and related professions
- 1.10 To compile an operating budget related to the needs of the Committee annually
- 1.11 To consider any matters referred to the Committee by the Board
- 1.12 To consider any matters referred to the Committee by the Board

THE COMMITTEE'S STRATEGIC OBJECTIVES

Strategic objective: Providing appropriate education and training programmes for the development of public sector finance and related professions.

Measurable Objectives:

1. To identify the public sector's finance and governance's skills gaps;
2. To provide training responsive to the identified skills gap in the public sector's finance and governance areas;
3. To monitor and track the continuing professional development of Members;
4. To participate in the Universities' curriculum development and provide advice on public finance and governance qualifications and training programmes; and
5. To act as Project Manager for the skills development programmes initiated by other stakeholders such as the LGSETA.

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

Workshop held 11 August 2017

Main topics discussed

The purpose of a single professional Body to serve Public Finance Management (PFM) Professionals

- What is the role of professional Bodies?
- Does SA need a single recognised professional body for PFM?
- What functional public finance areas should be included in the Professional Body?
- Does CIGFARO have the recognition and influence to initiate a Single PB
- How will the project be initiated, bearing in mind that NT has the legal mandate over these matters?
- Does CIGFARO have the necessary personnel, ICT and financial resources to form the foundation of the new body?
- How will the committee that will oversee the project be structured and who (bodies/departments) will be the members?
- How will the interim Board be structured?
- Will the new Professional Body be constituted in terms of a legislated framework that will guide its powers and functions?
- What will the membership requirements be for the different spheres of government?
- In the absence of legislation how do we proceed?
- CIGFARO, in its current form, ready to guide the process of PFM outside the SPB

SKILLS DEVELOPMENT TRAINING INITIATIVES

It is the objective of the Institute to keep its members up to date with developments in the profession. The following training programmes and workshops that were offered:

mSCOA BUDGETING TRAINING

TRAINING CONTENT

The objectives of the training are to enable participants to:

- Comply with the budget related legislation and regulations
- Comply with mSCOA regulations

- Adhere to the budget time table
- Manage the budget process
- Evaluate the budget and make amendments
- Prepare and submit all documentation relating to budgets

mSCOA BASIC ACCOUNTING TRAINING

TRAINING CONTENT

Introduction

The purpose of this training is to provide Municipal Officials with a basic understanding of all aspects of accounting and the impact on their responsibilities in their relevant departments.

Overview of the training

The training programme is aimed at giving officials exposure to the fundamental accounting principles, processes and systems, as well as terminology to prepare and support them in their various roles in the municipal environment. The training will: -

- Provide the background on what accounting is;
- Explain the accounting cycle;
- Introduce the fundamental rules of accounting, the double-entry principle and how the resulting information is used to produce the financial statements;
- Develop an understanding of the relationship between the accounting equation and double-entry bookkeeping;
- Explain the purpose of Accounting / Financial Systems and where Sub-systems fit in;
- Clarify different types of accounts (asset, liability, net assets, income and expense) and accounting systems; including payroll, fixed assets, procurement and many more;
- Provide an understanding of mSCOA and selecting the correct segment.
- Guide the participants to record transactions in the appropriate ledger accounts using the double-entry bookkeeping system;
- Teach participants how to balance off ledger accounts at the end of an accounting period; and
- Teach participants how to transfer the information

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

from the ledger accounts to prepare a trial balance, and from the trial balance to prepare a Statement of Financial Position (balance sheet) and a Statement of Financial Performance (income statement).

GRAP STANDARDS AND UPDATES

TRAINING CONTENT

Introduction

All municipalities have adopted GRAP standards on the budgeting, accounting and preparation of financial statements. Application of GRAP is an integral process in the municipality accountability in broad public financial management.

The aim of this training was to provide participants, the Budget and Treasury Office staff an overview of GRAP standards including the process and fundamental principles underlying the evolution of GRAP standards in public finance management including an overview and analysis of the existing and current GRAP updates applicable to the municipalities.

The following focus areas will be covered during the training: -

KFA	Description
Introduction to GRAP standards.	An introduction, background and process of developing GRAP
GRAP Compliance framework	The legal framework and GRAP statutory provisions
Fundamental principles	Overview of Framework for Preparation and Presentation of Financial Statements underpinning the GRAP standards.
GRAP 1	Preparation and Presentation of financial statements
GRAP updates	GRAP Reporting Framework for 2016/17 and discussion on Exposure Drafts issued on new standards.

Training objectives

The objectives of the workshop are to enable participants to: -

- Understand the background and process of developing GRAP
- Understand the GRAP compliance framework in public finance management;
- Understand the accounting framework applicable for the 2016/17 financial year;
- Understand the new GRAP updates and new standards;
- Understanding the contents of GRAP Annual Financial Statements and disclosure requirements in terms of GRAP.

DEVELOPMENT OF A PROFESSIONAL QUALIFICATION

The Minister of Higher Education and Training (DHET), Dr Blade Nzimande, requested that there should be a single Professional Public Sector Finance Qualification. The CIGFARO secretariat is providing assistance to Academics from the Tshwane University of Technology (TUT) to develop a Diploma, Advance Diploma and

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

Postgraduate Diploma in Public Finance and a Professional Degree in Public Sector Finance as well as the Masters of Business studies in Public Finance. The focus of the initiative is to develop the curriculum of both the Diploma and Professional degree in Public Sector finance to comply with the proposed new General and Further Education and Training Qualifications Framework. The Diploma is pitched on an NQF 6, Advance Diploma on NQF Level 7, Postgraduate Diploma on NQF Level 8 and Masters on NQF Level 9. The new Professional Degree Qualification will be pitched at an NQF 7 level. The development process is still underway and once finalised it will be followed up with a Professional Bachelor's Degree in Public Sector Finance.

TUT is finalizing the syllabi of the qualifications: Diploma, Advanced Diploma, Post Graduate Diploma, Masters and Professional Degree. The advisory committee met in September 2015 to discuss and approve the draft programmes before TUT submitted the qualification for final approval by DHED and SAQA. The Diploma in Public Finance was submitted in March 2016 and clearance was given by DHED to continue with the development of the qualification. As soon as the Diploma is approved by SAQA and DHED, the rest of the qualifications will follow. The qualification will be applicable to students that enrol in 2019.

SCPP – SUB COMMITTEE

MEMBERS AS DURING THE YEAR 1 APRIL 2017 - 31 MARCH 2018

THE FOLLOWING SUB COMMITTEES FORM PART OF THE CFO FORUM

- CFO METRO & SECONDARY CITY MUNICIPALITIES
- REVENUE WORKING GROUP
- PROPERTY RATES WORKING GROUP
- SUPPLY CHAIN WORKING GROUP
- STANDING COMMITTEE ON PROFESSIONAL PRACTICES



STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD) SUB-COMMITTEE

1. MEMBERS



Chairperson	Krish Kumar	CFO Forum
Board Members	Annette Van Schalkwyk (Ms) Peet du Plessis Cheryl Reddy (Ms) Louise Muller (Ms) Bharthi Ranchoddas (Ms) Fathima Khan (Adv) Kgomotso Phelane (Ms) Annalene Marais (Ms)	SC Professional Practices Revenue working group Supply Chain working group SC Research
Secretariat	Ira Kotze (Ms)	

2. DUTIES AND RESPONSIBILITIES

- To participate in all initiatives and programmes of the National & Provincial Treasury, the Accounting Standards Board and the Office of the Auditor-General on any matters affecting public finance proactively and when so requested.
- To promote technical comments and to fulfil the foregoing role in a meaningful manner, to keep abreast of professional developments locally and abroad,
 - Public Finance Accounting (GRAP, mSCOA, SCOA)
 - Revenue Enhancement
 - Supply Chain management
 - Legislation that impacts the financial management of local and or provincial and National government spheres.
- Promoting programs that contribute towards the improved of the above outcomes in government
- To provide advice and guidance to members of the Institute, Municipal Managers and Chief Financial Officers on the application of prescribed accounting standards and accounting best practices
- Contributing in legislative efforts that seek to strengthen the Accounting Profession by providing input in the compilation of the MFMA & PFMA as amended and all related legislation. Keeping members informed and up to date with changes as required by National Treasury.
- Promoting programs that contribute towards enhancing the effectiveness of the Finance and Accounting Management practices in Public Finance.
- To consider any matter referred to the committee by members and the Board of the Institute.
- To compile an operating budget based on the annual plan of action to meet the needs of the Standing Committee.
- Liaise with SCET, SCAR, and SCOR on norms, standards, curriculum, assessment, FAQs, and best practises guidelines.

3. MEETINGS:

The Standing Committee met and /or held workshops on the following dates:

30 May 2017	CFO Revenue & SCM
19/ 20 July 2017	Committee hosted Public Sector Finance and Accounting Seminar (Focusing on GRAP, SCM and reporting mSCOA)
18 January 2018	CFO Forum
18 January 2018	CFO SCM Forum
18 January 2018	CFO Revenue

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD) SUB-COMMITTEE

Committee Member	30/5/17 CFO R	30/5/18 CFO SCM	19&20/7/ 17 PSAF	18/01/18 CFO	18/01/18 CFO R	18/01//18 CFO SCM
Krish Kumar						
Peet du Plessis	P		P	P	P	
Cheryl Reddy	P		P			P
Fathima Khan				P	P	P
Buffalo City	P	P		P	P	P
City of Cape Town	P	P		P	P	P
City of JHB	P		P	P	P	P
City of Tshwane	P		P	P	P	P
Ekurhuleni			P	P	P	P
Ethekwini	P		P	P	P	P
Mangaung	P		P	P	P	P
Nelson Mandela	P		P	P	P	P
SALGA/ COGTA	P	P	P	P	P	P
NT/ SARS	P		P	P	P	P

Standing Committee members attended the Accounting Standards Board meetings on GRAP Exposure Drafts and interpretations.

Improvements to Standards of GRAP

GRAP 12 – Inventories, GRAP 16 – Investment Property, GRAP 17 – Property, Plant and Equipment, GRAP 18 – Segment Reporting, GRAP 21 – Impairment of Non-cash-generating Assets, GRAP 26 – Impairment of Cash-generating Assets, GRAP 27 – Agriculture, GRAP 31 – Intangible Assets, GRAP 103 – Heritage Assets, GRAP 106 – Transfer of Functions Between Entities Not Under Common Control, GRAP 110 – Living and Non-living Resources:

In addition, Standing Committee members attended the Public Sector Committee meetings: Technical Forum, hosted by the Accounting Standards Board, once a month. Discussions and information sharing concerning the Public Sector Accounting are shared and the topics discussed includes the following:

- Recent accounting developments locally and internationally

GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investments in Associates and Joint Ventures
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interests in Other Entities
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD) SUB-COMMITTEE

- Development of illustrative guidance on calculation of the provision for rehabilitation of landfill sites
 - National Treasury - GRAP Implementation Manuals
 - Guidelines dealing with Unauthorised, Irregular, Fruitless and Wasteful Expenditure (PFMA)
 - Modified Cash Standard (PFMA)
 - Immovable Asset Guide (PFMA)
 - **mSCOA** - NT Standard Chart of Accounts, Benchmarking and Budget Reforms
- CIGFARO is represented at IRBA and the Public Sector Working group on Audit Committee Members,

Quarterly meetings where discussions and information sharing concerning the Public Sector 's Audit reports, compliance to new reforms, legislation and performance reports are discussed. Where improvements are possible it is investigated to improve audit results

National Treasury Vendor Forums are attended to ensure that CIGFARO remains informed by the Changes and Challenges posed by mSCOA

The Standing Committee members and other Board members also officially represent SALGA on several committees concerned with local government.

30 May 2017 (Rhodesfield – CIGFARO)

CFO SCM

Main topics discussed

Challenges with Centralised Database and Transversal Tenders

SARS – Central database

Contracts S117

SCM Regulation 32

Cessions S116

Standard for Infrastructure Procurement and Delivery Management AARTO Presentation

30 May 2017 (Rhodesfield – CIGFARO)

CFO Revenue

KEY JUDGEMENTS

- Liebenberg NO and 86 Others v Berqrivier Municipality (737/11) [2012] ZASCA
- Beaufort-Wes Landelike Belastingbetalersvereniging v Beaufort -West Municipality (20650/11) [2012] ZAWCHC
- South African Property Owners Association v Council of the City of Johannesburg Metropolitan Municipality and Others (648/2011)
- The City of Johannesburg Metropolitan Municipality v The Chairman of the Valuation Appeal Board for the City of Johannesburg (282/2013) [2014] ZASCA
- Breakers Share Block Limited v Ethekewini Municipality (804/2015) [2016] ZASCA 117 (14 September 2016)
- Blair Atholl Homeowners Association v The City of Tshwane Metropolitan Municipality (20634/2014) [2015] ZASCA

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD) SUB-COMMITTEE

POWER TO IMPOSE RATES

Section 226 Constitution provide Power

- Due Processes to be followed when policy is adopted
- Public Participation essential
- Cannot change rates tariff after public consultation without further consultation
- Policy definitions on categories very important
- Municipality has the right to determine how Exemption, Rebates and reductions will be applied
- Promotion of Administrative Justice Act is applicable

PSAF Seminar Programme: GRAP, SCM, Reporting
19& 20 July 2017

Public Sector Accounting Seminar 2017

The 5th Annual Public Sector Finance Seminar was held at St Georges Hotel and Conference Centre, on 19 & 20 July 2017. There were approximately 127 delegates.

The Seminar focussed on GRAP, SCM and Reporting to Improve Municipal Audit Outcomes. Officials contributed to the success of the Seminar by actively engaging with the speakers on the issues that was presented. Speakers were well prepared and brought clear guidance to the attendees.

Our Board members Cheryl Reddy and David Garagae were the Programme Directors and the closing remarks was done by our Past President Jane Masite.

The programme was as follows:

Opening and Welcome to the Workshop	Cheryl Reddy
UPDATE on new applicable GRAP standards for compilation of 2017 Annual Financial Statements Changes to GRAP 16 & 17	Accounting Standards Board & CQS
E – learning portal – Introduction and success stories	National Treasury
Report on improvements/ regressions on Financial Results – GRAP and SCM	AGSA
Interactive session on GRAP	CIGFARO, NT, ASB,
The introduction of the e-portal and Central Supplier Database	National Treasury
Introduction of contracts management at municipalities	National Treasury
Revised PPPFA	National Treasury

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD) SUB-COMMITTEE

18 January 2018 (CIGFARO Office)

CFO Forum & Revenue

Main topics discussed

- Budget Tariff increase
- Budget challenges
- Metro OBI
- Draft amendments to MFMA and related legislation
- Revenue workshops
- Legislative changes with regards to Magistrate Court Act and High Court rulings
- Appeals Boards
- Credit Control and Debt Collection through Prepaid services
- Potential Changes to MFMA and MSA
- SCM- Current Challenges
- mSCOA budgeting / reporting/ datastrings
- Research

SARS – meeting: 18 January 2018

Discussion points:

- What information can assist Municipalities in collecting outstanding debt and determine indigent status eg Pension pay outs after waiting period.
- Information that can be provided to SARS to enable follow up on Lifestyle audits, Transfer of properties and dubious transactions that raises flags at Clearance requests
- Vat & Capital gains TAX



STANDING COMMITTEE ON PROFESSIONAL
CONDUCT AND QUALITY ASSURANCE (SCPCQA)

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

1. MEMBERS



Chairperson	Paledi Marota (Ms)	CIGFARO Vice-President Technical
Board Members	Krish Kumar (Dr) Cheryl Reddy (Ms) Khomotso Phelane (Ms) Maria Makhongela (Ms) Peet du Plessis Oubaas Wagner Mbulelo Memani Nelisiwe Ntlhola (Ms) Lufuno Davhana Sizani Moshidi (Ms)	
Secretariat	Lindi Nolte (Ms)	

RESPONSIBILITIES OF THE STANDING COMMITTEE EDUCATION & TRAINING

2. MEMBERSHIP

- 2.1 The Committee shall consist of non-executive directors, as recommended by the Presidency to the Board
- 2.2 Members will be proposed by the Remuneration and Nomination Committee and approved by the Board. Membership shall be reviewed annually based on the performance of the committee circumstances dictate
- 2.3 Meetings of the committee shall be chaired by the Chairperson and in the absence of the Chairperson; the Deputy Chairperson shall chair the meeting

3. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- 3.1 To register special designations for Finance and related professional with SAQA and National Treasury
- 3.2 To liaise with SCKD on norms, standards, curriculum, assessment, QA and best practices guidelines
- 3.3 To review and maintain the policy on Continuous Professional Development for municipal finance officers and related professions
- 3.4 To liaise with educational institutions and other institutions in collaboration with SCKD
- 3.5 To develop standards and requirements/Framework for the different levels of membership and align them with relevant legislation
- 3.6 To consider and deal with all matters affecting the professional integrity of Institute members
- 3.7 Administer all disciplinary matters affecting members in terms of the Institute's disciplinary code where delegated by the board
- 3.8 To ensure that the Institute renders an efficient service to its members i.e. information on developments in the Institute
- 3.9 To ensure that CIGFARO as a Professional body benefits its members
- 3.10 To assist with the coordination of mentor and assessor programmes, including the maintenance of a database of assessors and moderators in the Public Sector finance and related professions

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

- 3.11 To provide guidance to members and students
- 3.12 To develop strategy on the recruitment of new members and retention of existing members
- 3.13 Ensure continuous maintenance and updating the membership database
- 3.14 To compile an operating budget related to the needs of the Committee annually
- 3.15 To consider any matters referred to the Committee by the Board
- 3.16 To develop an operational framework for all Branches
- 3.17 To monitor and assist in the co-ordination of all branch activities
- 3.18 To identify and obtain solutions for problems affecting branches
- 3.19 To consider any matters referred to the Committee by the Board.

4. THE COMMITTEE'S ACTIVITIES DURING THE PAST YEAR

There were no meetings held during the year.

5. THE COMMITTEE'S STRATEGIC OBJECTIVES

Strategic objective: Providing professional development of members within the public sector finance and related professions.

6. MEMBERSHIP

6.1 Vision for the future

- Mandatory professional registration for CFO, CAE & CRO
- Review of all membership levels and designations
- Promotion of the interests of Profession for Finance, Risk, Audit and Performance Managers
- New Chartered designation and enhance Code of Ethics
- Professionalising Finance management for greater impact on service quality delivery
- Continue to canvass members by visiting Universities and Municipalities;
- Increase membership number with 8% by recruiting new members;
- Training and advancing knowledge of members

6.2 Membership marketing

Membership was marketed by means of the following:

- All branch activities held during the year by Kwa-Zulu Natal, Western Cape and Gauteng
- Women in Public Sector Seminar held in Polokwane 1-2 March 2018
- Public Sector Audit & Risk Indaba held in Cape Town on 19-21 June 2017 & 26-28 March 2018
- The CIGFARO Annual Conference 2017 held in Cape Town
- The CIGFARO Journal and Newsletter
- CIGFARO Website

6.3 Membership distribution 2017/18

Previous total members 2690
Membership distribution currently 2411 total members:

Membership gains

Elevated to Honorary Life Members	0
Elevated to Fellows	0
Admitted as Senior Associates	21
Admitted as Associates	54
Admitted as Licentiates	68
Admitted as Junior	64
Admitted as Students	18
Admitted as General	8

<i>Membership Loss</i>	460
Deceased	4
Resigned	61
Suspended	395

6.4 Implementing organisational values

Organisational values are a lever for change, as they underpin the culture needed to enable organisations to achieve key goals. Members can play a pivotal role by demonstrating these values:

- CIGFARO members were given the opportunity to submit articles for the journal and we still encourage them to do so

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

- Members have to abide by Code of Ethics & Conduct
- CIGFARO will not tolerate, accommodate or be reasonable toward unethical conduct, behaviour or unethical practices by its members, either in elected or appointed capacity
- Members have the opportunity to submit skills gap training for inclusion in the CIGFARO training schedule
- Municipality has an opportunity to advertise vacancy posts on our website for FREE!

CIGFARO members have an opportunity to exchange ideas, knowledge, best practices for service excellence and maximum financial performance.

REMINDER: Members are reminded to update their details by means of the following:

Internet interface

- Go on CIGFARO's website www.cigfaro.co.za,
- Click on Membership tab
- Membership login. (Members will be required to type in their email address and ID number in order to log in) Update the details and click submit. When updating membership, members need to submit (scan and email, fax or post) a certified copy of that qualification otherwise it will not be updated without proof.
- Complete the form in the journal and forward it to the office. Sending your new details to membership@cigfaro.co.za

7. BRANCHES

Members:

Chairperson Mbulelo Memani:

Chairperson: Western Cape Branch

Emmanuel Ngcobo

Chairperson: KwaZulu-Natal Branch

Thozama Busakwe (Ms)(Interim)

Chairperson: Gauteng Branch

Piti Pambaniso

Chairperson: Eastern Cape Branch

Vacant

Chairperson: Free State Branch

Maria Makhongela (Ms)

Chairperson: Limpopo Branch

Andreas Ngcobo (Interim)

Chairperson: Mpumalanga

Oubaas Wagner

Chairperson: Northern Cape Branch

Attie Jansen (Interim)

Chairperson: North West Branch

Mandla Ngwenya

Chairperson: Swaziland Chapter

Supporting Officer

Lindi Nolte (Ms)

7.1 Branch Activities

The Eastern Cape Province

No activities took place during 2017/2018

The Free State Province

No activities took place during 2017/2018

The Gauteng Province

The branch hosted the following training workshops for capacity building:

Date	Purpose
23 February 2018	Budget Speech Breakfast Seminar (Co-Hosted by SALGA)

The Kwa-Zulu Natal Province

The branch hosted the following training workshops for capacity building:

Date	Purpose
18 May 2017	mSCOA Implementation Workshop
26 June 2017	AFS Readiness Workshop
12 July 2017	KZN Municipal Business Breakfast
1 September 2017	The CFO Event (Public Sector)
8 November 2017	Asset Management Workshop
30 November 2018	Finance Interns workshop

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

The Limpopo Province

Date	Purpose
28 July 2017	Breakfast seminar

The Mpumalanga Province

No activities took place during 2017/2018

The Northern Cape Province

No activities took place during 2017/2018

The North West Province

No activities took place during 2017/2018

The Western Cape Province

Date	Purpose
5-6 June 2017	Annual General Meeting and workshop

Swaziland

No activities took place during 2017/2018

7.2 Marketing and Publication

Branches have played a role in assisting with the publication of the journal. It is evident from the informative articles in our journal that branches contributed to a great extent.

8. PROFESSIONALISATION OF THE PUBLIC SECTOR

8.1 Recognition as Professional Body

The South African Qualification Authority (SAQA) recognises statutory and non-statutory professional bodies for the purposes of the NQF Act (Act 67 of 2008), as well as the manner in which professional designations from recognised professional bodies are registered on the NQF by SAQA. A body constituted to represent and/or regulate a recognised community of expert practitioners shall be recognised by SAQA as a professional body on fulfilment of the criteria for recognition as a professional body.

Criteria to be a professional body:

- Be a legally constituted entity with the necessary human and financial resources to undertake its functions,

governed either by a statute, charter or a constitution and be compliant with and adhere to good corporate governance practices;

- Protect the public interest in relation to services provided by its members and the associated risks;
- Develop, award, monitor and revoke its professional designations in terms of its own rules, legislation and/or international conventions;
- Submit a list of members in a form acceptable to SAQA;
- Set criteria for, promote and monitor CPD for its members to meet the relevant professional designation requirements;
- Publish a code of conduct and operate a mechanism for the reporting and investigating of members who are alleged to have contravened the code;
- Not apply unfair exclusionary practices in terms of membership admission to the body or when recognising education or training providers; and
- Make career advice related information available to SAQA.

The Institute was re-recognised on the 27th of October 2017 for the next 5-years.

9. CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

Continued Professional Development is an internationally accepted practice for professional bodies to have a policy on Continuous Professional Development (CPD) which aims to ensure that its members' skills and knowledge are relevant to the changing environment that they function in. CPD is an important aspect of serving the public interest and fosters values of continuous learning and greater professional competence to better meet the public, client and employer needs.

The policy is applicable to active members registered as Fellows, Senior Associates, Associates, Licentiates and Junior members of the Institute. The policy is not applicable to retired members of the Institute.

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

The policy's implementation date was on 1 June 2012. The committee did review the policy and resolved that the Compulsory Ethics credits of 5 would be changed to Voluntary. The 2nd three-year cycle ended 30 March 2018.

Members are required to complete credits as per table below, of relevant CPD activity in a three-year rolling period.

Membership Level	Credits per 3-year Cycle	Minimum Credits per year	Voluntary Credits to be earned per year
Senior Associate	100	25	5 credits towards ethics
Associate	100	25	5 credits towards ethics
Licentiate	100	25	5 credits towards ethics
Junior	50	15	5 credits towards ethics



REPORT OF THE AUDIT & RISK COMMITTEE (ARC)

REPORT OF THE AUDIT & RISK COMMITTEE (ARC)

1. MEMBERS OF THE AUDIT COMMITTEE



Chairperson

Louise Muller (Ms)
Maria Makhongela (Ms)
Xolani Sikobi

In accordance with the requirements of the Companies Act and King Code, the three audit committee members, being the minimum required by law, are independent non-executive directors; have the necessary level of financial literacy; and the chairman is an independent non-executive director and not the chairman of the board.

2. MEETINGS AND ACTIVITIES

The Audit & Risk Committee meetings were held and attended as follows:

COMMITTEE MEMBER	MEETING DATES		
	SCAR		
	18 Jun 2017	27 September 2017 (round robin)	8 October 2017
Louise Muller	P	P	P
Xolani Sikobi	P	P	P
Maria Makhongela	P	P	P

P means "Present" or "Participated" in the Round Robin Meeting or A means "Apologized"

3. AUDIT COMMITTEE RESPONSIBILITY

The audit committee has complied with its responsibilities arising from the Companies Act. The audit committee has adopted appropriate formal terms of reference as its audit committee charter, is regulating its affairs in compliance with the charter and will discharge its responsibilities as contained therein.

The Committee accepts that it fulfils a vital role in corporate governance and acknowledge the critical responsibility undertaken by the Committee, in conjunction with the Board, in ensuring the integrity of reporting and the maintenance of effective financial controls, the proper identification and management of financial and operational risks that may have some impact on the finances or financial sustainability and/or the integrity of the reporting practices.

The Committee accepts that every director has:

- a duty to exercise a degree of care, skill and diligence that would be exercised by a reasonably diligent individual who has both:

REPORT OF THE AUDIT & RISK COMMITTEE (ARC)

- the general knowledge, skill and experience that may reasonably be expected of an individual carrying out the same functions as are carried out by a director in relation to the company; and
- the general knowledge, skill and experience of that director; and
- a fiduciary duty to act in good faith and in a manner that the director reasonably believes to be in the best interests of the company.

It is based on this premise, and together with the fact that failure to properly perform these duties may render a director personally liable to pay monetary damages, whereas the failure to perform certain statutory duties may result in a director facing criminal liability, that the Audit Committee presents this report to the Board in the first instance for Board approval of the Annual Financial Statements and the Annual Report. Further, this report is submitted to the Members at the Annual General Meeting with the support of all Board Members, regarding the financial position of the Institute as at 31 March 2018.

4. APPOINTMENT OF THE EXTERNAL AUDITOR

The Audit Committee welcomed the appointment of Rakoma and Associates Inc that occurred in accordance with the authority provided at the Annual General Meeting of the Institute that took place in October 2017. Appreciation is expressed for the role that the previous External Auditor, PWC, played in assuring the financial position of the Institute in the past, and their cooperation with the sharing of previous audit information.

As far as possible, the Audit Committee has reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process.

5. INTERNAL AUDITING FUNCTION

The Institute currently has no internal auditing function.

Considering this missing element of combined assurance, the committee requested management to report on IT governance issues, compliance with CIPC requirements and reviewed management reports on measures taken to ensure internal controls were effective, measures are in place to minimise any fraud or corruption and overall the strategic direction and objects of the company and any related risks identified are effectively managed through mitigation strategies in order to ensure the longer term financial viability and sustainability of the Institute.

6. OVERSIGHT OF THE AUDIT & RISK COMMITTEE ON THE ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

The Audit committee had sight of the External Audit programme and Engagement Letter and stipulated that the external auditing firm should ensure that the audit programme was risk based with emphasis on internal controls, taking into consideration the risks identified by the Board of the Institute, as there was no internal audit function in operation.

To complete the evaluation of the Annual Financial Statements for the 2017/18 financial year, the audit committee will:

REPORT OF THE AUDIT & RISK COMMITTEE (ARC)

- review and discuss the draft annual financial statements;
- review the final annual financial statements, to be included in the annual report, with the independent auditor and management;
- review the independent auditor's management report and management's response thereto;
- review any changes in accounting policies and practices;
- review the entities' compliance with legal and regulatory provisions;
- review any significant adjustments resulting from the audit.

The audit committee concurs with and accepts the independent auditor's report on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent auditor.

Special gratitude must be expressed to the CFO and her assistants who timeously completed the financial statements for submission to the external auditors and has managed to sustain the unqualified (clean audit) for 2017/2018.



AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

62	Directors' Responsibilities and Approval
63	Directors' Report
65	Independent Auditor's Report
67	Statement of Financial Position
68	Statement of Profit or Loss and Other Comprehensive Income
69	Statement of Changes in Equity
70	Statement of Cash Flows
71	Accounting Policies
78	Notes to the Financial Statements
	The following supplementary information does not form part of the financial statements and is unaudited:
87	Detailed Income Statement

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2019 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 65 to 66.

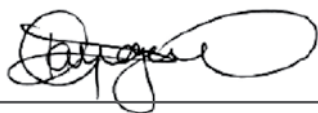
The financial statements set out on pages 67 to 87, which have been prepared on the going concern basis, were approved by the board on 3 August 2018 and were signed on their behalf by the President, as authorized by the board.



President



Chief Executive Officer



Chairperson SCBF

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company for the year ended 31 March 2018.

1. Nature of business

The business of the Institute is primarily to protect and enhance the status of the professional Government Finance, Audit and Risk officers by inter alia the extension of professional knowledge. The company was incorporated in South Africa and only operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Results of Operations

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net surplus for the year ended 31 March 2018 of R 2 388 296 (2017: R 3 229 742)

3. Share capital

The Institute is registered as a non profit organisation; the liability of the members is limited by guarantee. The income and property of the Institute are applied solely towards the promotion of its objectives. No part of the income and property may be transcended or paid to members by way of bonus, dividend or otherwise.

4. Accumulated Funds

The Accumulated funds include the financial information of all provincial branches.

5. Events after the reporting period

Through media reports the Institute has been made aware of the potential non-payment that may occur due to the current financial status of VBS Mutual Bank. An amount of R 68 310 has been accounted for as Income Receivable and no bad debt provision was made for it at year-end. At this time this is being treated as a non-adjusting event as the payment of the debt by this Creditor will be pursued by the Institute. If this amount has to be written off in the future it is not expected to have an effect on the determination of the going concern status of the Institute.

6. Auditors

At the AGM, the members were requested to appoint Rakoma & Associates Inc. as the independent external auditors of the company in accordance with S90 of the Companies Act of South Africa.

7. Directorate

The directors in office at the date of this report are as follows:

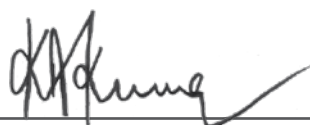
Directors	Designation	Nationality	Changes
Kumar KA	Non executive	South African citizen	
Muller LA	Non executive	South African citizen	
Mofokeng LS	Non executive	South African citizen	
Masite SJ	Non executive	South African citizen	
Reddy MC	Non executive	South African citizen	
Ntlhola KN	Non executive	South African citizen	
Khan FB	Non executive	South African citizen	
Ranchoddas B	Non executive	South African citizen	
Wagner JJ	Non executive	South African citizen	
Garagae OSD	Non executive	South African citizen	
Memani M	Non executive	South African citizen	

DIRECTORS' REPORT

Directors	Designation	Nationality	Changes
Pambaniso PT	Non executive	South African citizen	
Marota PN	Non executive	South African citizen	
Phelane MK	Non executive	South African citizen	
Sikobi CX	Non executive	South African citizen	
Davhana LG	Non executive	South African citizen	
Moshidi MSN	Non executive	South African citizen	
Ngcobo EN	Non executive	South African citizen	
Makhongela MM	Non executive	South African citizen	
Du Plessis PJA	Non executive	South African citizen	
Van Schalkwyk AL	Non executive	South African citizen	<i>Resigned Monday, 16 October 2017</i>
Van Schalkwyk GD	Non executive	South African citizen	<i>Resigned Thursday, 26 October 2017</i>

All the directors have been registered on CIPC as Directors of CIGFARO

The financial statements set out on pages 67 to 87, which have been prepared on the going concern basis, were approved by the board on 3 August 2018, and were signed on its behalf by:



Kumar KA
President
Friday, 03 August 2018

TO THE MEMBERS OF CHARTERED INSTITUTE OF GOVERNMENT FINANCE, AUDIT AND RISK OFFICERS

We have audited the annual financial statements of Chartered Institute of Government Finance, Audit and Risk Officers set out on Page 67 To 86, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Chartered Institute of Government Finance, Audit and Risk Officers as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises of Vision, Mission, Objectives, Role and Activities on page 4. The CIGFARO logo – The Meaning on page 5. Foreword by the President on page 6, Performance Overview by the Accounting Officer on page 8, The Board on page 10, Organisational Performance 2017/2018 on page 12, Our Staff on page 22, Standing Committee on Budget and Finance (SCBF) on page 24, Standing Committee on Remuneration & Nomination (SCRN) on page 28, Social and Ethics Committee (SEC) on page 32, Standing Committee on Communication & Marketing (SCCM) on page 36, Standing Committee on Knowledge & Development (SCKD) on page 42, Standing Committee on Professional Conduct & Quality Assurance (SCPCQA) on page 52, Report of the Audit and Risk Committee (ARC) on page 58, Directors' Responsibilities and Approval on page 62, the Directors' Report on page 63 and 64 and Detailed Income Statement on page 87. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Rakoma and Associates Inc.', is written over a horizontal line.

Registered Auditor
Rakoma & Associates Inc.

Collins Malunga
Partner
Registered Auditor

03 August 2018
Ground Floor Building B, Monte Circle Office Park
178 Monte Casino Boulevard
Fourways
Johannesburg
2191

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018 R	2017 R
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	16 108 901	16 586 770
Intangible assets	5	24 619	39 786
		16 133 520	16 626 556
Current Assets			
Trade and other receivables	6	3 069 036	3 011 895
Investments	7	8 228 115	11 159 369
Cash and cash equivalents	8	6 209 504	974 287
		17 506 655	15 145 551
Total Assets		33 640 175	31 772 107
EQUITY AND LIABILITIES			
Equity			
Reserves		313 381	313 381
Retained income		31 199 311	28 811 015
		31 512 692	29 124 396
LIABILITIES			
Non-Current Liabilities			
Finance lease liabilities	9		43 834
Current Liabilities			
Trade and other payables	10	1 497 867	1 570 004
Finance lease liabilities	9	32 917	39 500
Income received in advance		596 699	994 373
		2 094 566	2 603 877
Total Liabilities		2 127 483	2 647 711
Total Equity and Liabilities		33 640 175	31 772 107

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R	2017 R
Revenue	12	22 067 560	21 687 477
Other operating gains	13	(80)	245 146
Expenses		(20 668 546)	(19 557 991)
Operating surplus		1 398 934	2 374 632
Investment income	14	992 522	938 711
Finance costs	15	(3 160)	(83 601)
Surplus for the year		2 388 296	3 229 742
Total comprehensive surplus for the year		2 388 296	3 229 742

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Other NDR R	Retained income R	Total equity R
Balance at 01 April 2016	313 381	25 581 273	25 894 654
Surplus for the year	-	3 229 742	3 229 742
Total comprehensive surplus for the year	-	3 229 742	3 229 742
Balance at 01 April 2017	313 381	28 811 015	29 124 742
Surplus for the year	-	2 388 296	2 388 296
Total comprehensive surplus for the year	-	2 388 296	2 388 296
Balance at 31 March 2018	313 381	31 199 311	31 512 692

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

Cash flows from operating activities

Notes	2018 R	2017 R
	22 168 952	21 293 847
	(28 705 439)	(19 542 018)
17	(6 536 487)	1 751 829
	992 522	938 711
	(3 160)	(83 601)
Net cash from operating activities	(5 547 125)	2 606 939

Cash flows from investing activities

4	(173 395)	(9 528 551)
4	-	1 495 601
5	(3 215)	(39 505)
5	-	100
7	11 009 369	5 174 903
Net cash from investing activities	10 832 759	(2 897 452)

Cash flows from financing activities

	(50 417)	(28 583)
Total cash movement for the year	5 235 217	(319 159)
	974 287	1 293 383
Total cash at end of the year	6 209 504	974 287

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

GENERAL INFORMATION

Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company's business is to protect the status of the professional finance officer. The company is incorporated and domiciled in South Africa.

1. BASIS OF PREPARATION

Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company's business is to protect the status of the professional finance Audit and Risk Officer in the Public Service. The company is incorporated and domiciled in South Africa.

1.1 Basis of preparation

The annual financial statements are prepared in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act 71 of 2008 of South Africa, as amended.

The financial statements have been prepared on the historic cost basis as modified for certain financial assets which are carried at amortised cost.

The financial statements incorporate the accounting policies set out below. They are presented in Rand, which is the company's functional currency.

These accounting policies are consistent with the previous period, unless otherwise stated. The financial statements are prepared on the going concern basis.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and sources of estimation and uncertainty

In the application of the entities' accounting policies, the Board are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

The following are key assumptions and judgements concerning the future and other key sources of estimation uncertainty at the end of the reporting period:

Trade receivables

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value in use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions are included in the notes to the annual financial statements.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

All items of property, plant and equipment (except for land which is stated at cost) are stated at original cost less accumulated depreciation and any impairment losses. Depreciation and impairment losses are charged to profit or loss. Depreciation is to be charged so as to write off the cost of assets over their estimated useful lives to their residual values, using the straight line method. Depreciation commences when the assets are ready for their intended use.

Repairs and maintenance are charged to expenses during the financial year in which it is incurred

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	2.5%
Furniture and fixtures	Straight line	20%
Office equipment	Straight line	20%
IT equipment	Straight line	33,3%
Computer software	Straight line	33,3%

A gain or loss that arises on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. Loose tool replacements are written off as an expense in the year in which the expense is incurred, and are shown at a nominal value in the statement of financial position.

Repairs and maintenance are generally charged to expenses during the financial year in which it is incurred. Major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Institute. Major renovations are depreciated over the remaining useful life of the related asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the surplus from operating activities.

Useful lives and residual values of Assets

The board of directors shall review annually the useful lives and carrying amount of its property, plant and equipment to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. All assets will be purchased with the intention to be used for its entire lifespan, therefore all assets residual values will be zero.

Impairment

The carrying value of the company's assets must be reviewed at each reporting date to determine whether there is an indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount will be the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows from the asset are to be discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

For an asset that does not generate cash inflows that are largely independent of those from other assets the recoverable amount is determined for the cash generating unit to which the asset belongs. an impairment loss is recognised in the statement of profit or loss and other comprehensive income whenever the carrying amount of the cash generating unit exceeds its recoverable amount

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 years

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss held for trading
- Held to maturity investment
- Loans and receivables
- Available for sale financial assets
- Financial liabilities at fair value through profit or loss held for trading

Classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Financial instruments are measured initially at fair value.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held to maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available for sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available for sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available for sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. If the company neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available for sale.

Impairment losses are also not subsequently reversed for available for sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are to be classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Amounts due to the lessor under the finance leases are to be recorded as liabilities at the present value of the future minimum lease payments. Finance costs must be allocated to accounting periods according to the effective interest rate method.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation taking into account the risks and uncertainties surrounding the obligation.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2018

1.9 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

1.10 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Major revenue streams include revenue from membership fees and revenue from conferences and courses. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and value added tax.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018
R

2017
R

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Early adoption of Standards

The were no standards or interpretations which were early adopted in the current financial year.

Standard/ Interpretation:

Effective date:
Years beginning on
or after

Expected impact:

2.2 International Financial Reporting Standards

The International Financial Reporting Standards and amendments effective for the first time for 31 March 2017 year-end.

Standard/ Interpretation:

Effective date:
Years beginning on
or after

Expected impact:

- | | | |
|--|-----------------|--|
| • IFRS 16 Leases | 01 January 2019 | Unlikely there will be a material impact |
| • IFRS 9 Financial Instruments | 01 January 2018 | Unlikely there will be a material impact |
| • IFRS 15 Revenue from Contracts with Customers | 01 January 2018 | Not expected to impact results but may result in additional disclosure |
| • Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers | 01 January 2018 | Not expected to impact results but may result in additional disclosure |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018 R	2017 R
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3. FINANCIAL RISK MANAGEMENT

Capital risk management

The objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure. In order to maintain the capital structure, strict budget management is applied.

Loans and receivables

Trade and other receivables	3 069 036	3 011 897
Cash and cash equivalents	6 209 504	974 287
	9 278 540	3 986 184

Financial assets at amortised cost

Held to maturity investments	8 193 397	11 159 369
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Financial liabilities at amortised cost

Trade and other payables	1 510 706	1 570 003
Finance leases	32 917	83 334
	1 543 623	1 653 337

Liquidity risk

Sufficient cash is maintained to manage the company's liquidity risk. The table above analyses the company's financial liabilities into maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest rate risk

Variable rate instruments

The Institute's income and operating cash flows are independent of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments was as follows:]

Cash and cash equivalents	6 209 504	974 287
Held to maturity investment	8 193 397	11 159 368
	14 402 901	12 133 655

Credit Risk

Credit risk arises from cash and equivalents, deposits with banks and financial institutions and outstanding receivables. The company only deals with reputable financial institutions and the maximum exposure amounts to:
Concentration of credit risk with respect to trade receivables are limited due to the fact that the Institute is mainly dealing with local government and with its members

Financial instrument

ABSA	8 193 397	12 133 652
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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R

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R

4. PROPERTY, PLANT AND EQUIPMENT

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	120 000	-	120 000	120 000	-	120 000
Buildings	15 790 195	(592 132)	15 198 195	15 790 195	(197 377)	15 592 818
Furniture and fixtures	783 031	(277 682)	505 349	744 266	(142 635)	601 631
Office Equipment	702 254	(598 241)	104 013	702 254	(542 119)	160 135
IT Equipment	479 026	(297 551)	181 475	411 587	(299 402)	112 185
Other Assets	13 198	(13 197)	1	13 198	(13 197)	1
Total	17 887 704	(1 778 803)	16 108 901	17 781 500	(1 194 730)	16 586 770

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Land	120 000	-	-	-	120 000
Buildings	15 592 818	-	-	(394 755)	15 198 063
Furniture and fixtures	601 631	38 765	-	(135 047)	505 349
Office Equipment	160 135	-	-	(56 122)	104 013
IT Equipment	112 185	134 630	(20)	(65 320)	181 475
Other Assets	1	-	-	-	1
	16 586 770	173 395	(20)	(651 244)	16 108 901

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land	120 000	-	-	-	-	120 000
Buildings	1 268 750	15 790 195	(1 492 749)	261 894	(235 272)	15 592 818
Furniture and fixtures	5 351	665 933	(2 305)	-	(67 348)	601 631
Office Equipment	190 905	58 655	(466)	-	(88 959)	160 135
IT Equipment	75 646	89 320	(81)	-	(52 700)	112 185
Other Assets	11	-	-	-	(10)	1
Capital - Work in progress	7 075 552	(7 075 552)	-	-	-	-
	8 736 215	9 528 551	(1 495 601)	261 894	(444 289)	16 586 770

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018
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R

5. INTANGIBLE ASSETS

	2018			2017		
	Cost / Valuation	Accumulated amortisation	Carrying Value	Cost / Valuation	Accumulated amortisation	Carrying Value
Computer software, other	113 476	(88 857)	24 619	156 744	(116 958)	39 786

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	39 786	3 215	(60)	(18 322)	24 619

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	17 129	39 505	(100)	(16 748)	39 786

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018 R	2017 R
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6. TRADE AND OTHER RECEIVABLES

Trade receivables	1 342 854	1 131 127
Prepayments	1 698 144	1 842 083
Deposits	28 038	14 513
SARS - VAT	-	24 172
	3 069 036	3 011 895

Split between non current and current portions

Current Assets	3 069 036	3 011 897
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Trade and other receivables past due

Trade receivables	242 438	554 323
Income receivable	1 342 854	803 067
Less provision for bad debts	(242 438)	(226 263)
	1 342 854	1 131 127

Fair value of trade and other receivables

Trade and other receivables	1 342 854	1 131 128
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Trade and other receivables past due but not impaired

In determining the recoverability of trade receivables the Institute considers any changes in the credit quality of the trade receivables from the date the credit was initially granted up to the end of the reporting period. The concentration of risk is limited due to the fact that the customer base is large.

Not past due	393 763	404 769
Past due by more than 60 days	-	15 000
Past due by more than 120 days	949 091	937 622

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of were impaired and provided for.

The amount of the provision was R 242 439 as of 31 March 2018 (2017: R 226 263).

The ageing of trade debtors at the reporting date is as follows:

3 to 6 months	-	404 768
Past due by more than 60 days	-	15 000
Past due by more than 120 days	-	711 359
	-	1 131 127

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018 R	2017 R
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7. INVESTMENTS

Investments with ABSA

ABSA 12 month investment	8 078 115	-
Deposit Plus	150 000	11 159 369
	8 2287 115	11 159 369

Investments are held in interest bearing call accounts

The weighted average interest rate on these investments is:	6.00 %	6.60 %
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8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	5 648	7 018
Bank balances	314 879	730 903
Short-term deposits	5 863 511	176 009
Credit card	25 466	60 357
	6 209 504	974 287

9. FINANCE LEASE LIABILITIES

Minimum lease payments due

- within one year	39 500	39 500
- in second to fifth year inclusive	-	43 834
Present value of minimum lease payments	39 500	83 334

Present value of minimum lease payments due

- within one year	32 917	39 500
Non current liabilities	-	43 834
Current liabilities	32 917	39 500
	32 917	83 334

No contingent rent recognised as an expense

No future minimum sublease income under non-cancellable subleases applicable to this lease

No contingent rent provisions, renewal or purchase options, and the restrictions imposed on dividends, borrowings, or further leasing, is applicable to this lease

Office equipment with a book value of R32 917(2017:R83 334) serve as security for the finance lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

10. TRADE AND OTHER PAYABLES

	2018 R	2017 R
Trade payables	617 440	832 165
VAT	20 663	-
Trust creditor - LGSETA	419 153	419 153
Accrued leave pay	440 611	318 686
	1 497 867	1 570 004

11. RETIREMENT BENEFITS

The Institute has no obligation to provide retirement benefits to its staff members.

12. REVENUE

Conference and Courses	12 848 324	13 606 372
Membership Fees	758 113	1 121 632
Sundry income	106 959	27 670
Audit & Risk Indaba	3 424 971	1 874 100
Women in Leadership	396 083	372 054
Public Sector Accounting Forum	232 270	671 639
mSCOA Projects	3 937 214	3 758 823
Branch Activities	363 626	255 187
	22 067 560	21 687 477

13. OTHER OPERATING GAINS (LOSSES)

Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	(20)	-
Intangible assets	(60)	-
Non current assets held for sale and disposal groups	-	245 146
	(80)	245 146

14. INVESTMENT INCOME

Interest income

From investments in financial assets:

Bank and other cash	992 522	938 711
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018 R	2017 R
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15. FINANCE COSTS

Finance Leases	3 160	83 601
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16. TAXATION

No provision for taxation has been made as the Institute is exempt from income taxation in terms of section 10(1)(d)(iv) (bb) of the Income Tax Act, 1962.

17. CASH (USED IN)/GENERATED FROM OPERATIONS

Profit before taxation	2 388 296	3 229 742
Adjustments for:		
Depreciation and amortisation	669 566	444 289
Gain on disposals	80	(245 146)
Interest income	(992 522)	(938 711)
Finance costs	3 160	83 601
Changes in working capital:		
Trade and other receivables	(57 141)	(638 776)
Investments	(8 078 115)	-
Trade and other payables	(72 137)	854 336
Income received in advance	(397 674)	(1 037 506)
	(6 536 487)	1 751 829

18. RELATED PARTY TRANSACTIONS

Members of key management: **CEO , CFO**

Remuneration of Key Management

Chief Executive Officer	1 234 067	676 157
Chief Financial Officer	558 655	657 090

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2018 R	2017 R
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19. EMPLOYEE COST

Employee costs

Basic	5 983 958	5 396 107
Bonus	262 326	638 939
UIF	30 541	29 037
SDL	62 244	59 429
Leave pay provision charge	177 811	176 070
Cell phone allowances	74 144	59 564
	6 591 024	6 359 146

20. POST BALANCE SHEET EVENT

Through media reports the Institute has been made aware of the potential non-payment that may occur due to the current financial status of VBS Mutual Bank. An amount of R 68 310 has been accounted for as Income Receivable and no bad debt provision was made for it at year-end. At this time this is being treated as a non-adjusting event as the payment of the debt by this Creditor will be pursued by the Institute. If this amount has to be written off in the future it is not expected to have an effect on the determination of the going concern status of the Institute.

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R	2018 R
Revenue			
Income from conferences and courses		12 848 324	13 606 372
Membership fees		758 113	1 121 632
Sundry income		106 959	27 670
Audit & Risk Indaba		3 424 971	1 874 100
Women in Leadership		396 083	372 054
Public Sector Accounting Forum		232 270	671 639
mSCOA Projects		3 937 214	3 758 823
Branch Activities		363 626	255 187
	12	22 067 560	21 687 477
Operating gains (losses)			
(Losses) gains on disposal of assets or settlement of liabilities		(80)	245 146
Expenses		(20 668 546)	(19 557 991)
Surplus from Operating Activities		1 398 934	2 374 632
Investment income	14	992 522	938 711
Finance costs	15	(3 160)	(83 601)
Surplus for the year		2 388 296	3 229 742
Other operating expenses			
Amortisation		(18 322)	-
Reversal of/(Increase in) provision for impairment		(473 868)	(129 916)
Bank charges		(45 220)	(24 640)
Cleaning		(23 940)	(36 662)
Auditing Fees		(379 844)	(357 429)
Consulting and professional fees		(20 457)	(188 755)
Depreciation		(651 244)	(444 289)
Employee costs		(6 591 024)	(6 359 146)
Conference and Course Expenditure		(6 967 510)	(5 420 590)
Audit and Risk Indaba		(2 597 529)	(901 457)
Women in Leadership in Government		(319 131)	(300 346)
Public Sector Accounting Forum		(174 430)	(653 476)
Branches Expense		(456 477)	(283 870)
Project mSCOA		-	(1 184 063)
Insurance		(124 113)	(129 647)
Municipal expenses		(12 817)	(152 632)
Other operating expenses		(770 315)	(1 224 631)
Printing and stationery		(138 255)	(155 090)
Repairs and maintenance		(100 321)	(82 560)
Security		(248 526)	(307 375)
Postage and communication		(228 886)	(289 002)
Meeting and travelling expenses		(326 317)	(932 415)
		(20 668 546)	(19 557 991)

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CIGFARO

Chartered Institute of
Government Finance, Audit & Risk Officers

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