CIGFARO

Chartered Institute of Government Finance, Audit and Risk Officers

90 YEARS

OF TRANSFORMATION

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ANNUAL REPORT 2018/19

OUR JOURNEY

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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 & 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

FOREWORD BY THE PRESIDENT

INTRODUCTION
It gives me great pleasure to present my report for the 2018/2019 year. I will briefly highlight some of the key issues pertaining to CIGFARO in the period under review and against the backdrop of current affairs in the public sector in general. In this calendar year we celebrate the 90th anniversary of CIGFARO. The Institute has also celebrated 10 years Anniversary of Audit & Risk INDABA (ARI).

FINANCES
The finances of the Institute remain sound and stable. There was a net surplus of R1.28 million at financial year end, slightly less than the previous financial year. This is mainly due to less income from conferences and courses. The Institute also managed to curb expenditure and realised a saving of R5.3 million. The Institute managed to increase the value of its total assets to R35 million. The institute's membership in the public sector and revenue decreased by R6.5 million as a result of austerity measures implemented by National Treasury. The board will continue to monitor the finances of the Institute closely to ensure its on-going financial viability and sustainability.

FINANCIAL AND OTHER RISKS
The board has identified certain risks for the Institute. One of these risks is the high dependence on conference income. We operate in the midst of an economic downturn, slow economic growth and the implementation of austerity measures across the public sector and government. All of these pose a serious threat to the financial sustainability of the Institute. We are working hard to ensure that revenue dependence is spread across the broader functionality of the Institute, which includes membership fees, mini and main conferences, branch workshops and exhibitor contributions.

SINGLE PROFESSIONAL BODY
A single professional body is the most important activity of the Institute and therefore we continuously engage with National Treasury and the department of Cooperative Governance and Traditional Affairs (CoGTA). We have written to the Ministers of Finance and Cooperative Governance and Traditional Affairs to discuss the introduction of a bill that would require the registration of all middle, senior and top management in the public service. They would have to obtain certification to practice in the public sector. CIGFARO could play a significant role, if not as the only role player, in the overall financial management in the public sector through the creation of a single professional body for public financial management professionals. Members will be kept up to date on progress with this matter.

CODE OF ETHICS
South Africa is currently in the world news for its judicial commission of inquiry, headed by deputy chief justice Raymond Zondo, into allegations of state capture, which will also look into corruption and fraud in the public sector. This inquiry and its work have highlighted the extent of fraud and corruption in the public sector. There is a need to bring all public servants back to ethical behaviour and leadership and this is where CIGFARO will play a significant role through a single professional body. The revelations at the inquiry have impacted negatively on the image and reputation of the public sector and especially its financial, auditing and risk professions. It is also concerning that, while some of these professions are at the core of the unravelled fraud and corruption, the internal audit profession is not providing evidence to what could be regarded as the most complex fraud that was committed in South African history. Accordingly, the institute will focus on ethics and have produced an enhanced Code of Ethics and Conduct. All members have to abide by the Code and there will be a zero tolerance approach towards any transgressions.

MEMBERSHIP
We currently have 2 535 members and our membership is growing at a very slow pace. There is a concerted drive to increase membership through marketing at key events, such as the annual conference, provincial branch activities, seminars and indabas, as well as the journal, newsletter and 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
We received an unqualified audit report. 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 reviewed regularly to ensure relevance and improve compliance.

THE BOARD
Meetings were held quarterly, with satisfactory attendance. Individual performance plans for board members were also reviewed.

STANDING COMMITTEES
Audit and Risk Committee
The Audit and 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.

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, professionalising financial management and 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 and Finance
The Standing Committee on Budget and Finance closely monitored debt collection, project spends, cash flow and actual versus budget variances. It also reviewed the proposed budget and 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 and Development
The Standing Committee on Knowledge and Development undertook several education and training programmes, such as Municipal Standard Chart of Accounts (mSCOA) budget training and Generally Recognised Accounting Practice (GRAP) standards and updates. The committee also held a workshop to consider the practical implications of creating a single professional body for public finance management professionals. A new training program for revenue enhancement is underway in collaboration with CoGTA and National Treasury. The Annual General meeting has approved the new designations. The implementation will be accelerated in a new financial year.

Standing committee on Research
This standing committee has created a database that will assist members who need to do research and/or obtain knowledge in certain areas. The institute has partnered with tertiary institutions, SA Cities network and the Financial and Fiscal Commission to publish some of the research papers on this database.

Importance of Branches
The institute has repositioned the branches in its overall approach and more emphasis are now placed on branch activities and the interaction of members through mini conferences, breakfast shows and workshops on topical issues. Branches are also required to improve their relationships with key stakeholders such as South African Local Government Association (SALGA), the provincial offices of CoGTA and National Treasury.

RELATIONSHIP WITH OTHER GOVERNMENT DEPARTMENTS AND STATUTORY BODIES

The Institute values its strong relationships with bodies such as the South African Local Government Association (SALGA), Cooperative Governance & Traditional Affairs (COGTA), National Treasury, Financial and Fiscal Commission (FFC), Accounting Standards Board, Auditor-General, South African Institute of Chartered Accountants, Accountant-General and ESI Africa.

The Institute has also maintained its relationship with relevant international organisations. CIGFARO members and officials attended the 2019 Government Finance Officers Association (GFOA) Conference held in Los Angeles, USA, where the memorandum of understanding (MOU) between the organisations was renewed for another 5 years until 2024. The Institute also attended the 2019 Chartered Institute of Public Finance and Accountancy (CIPFA) Conference held in Birmingham, England. The MOU between CIGFARO and CIPFA was also discussed at the conference and dual membership for CIGFARO members are on the table going forward. Developments regarding this exciting process will be communicated to members in the monthly newsletter.

MAIN CHALLENGES

I have already alluded to some of the risks and challenges above. However, let me briefly list the main challenges again:

Membership
An ongoing challenge is to improve the membership figures of CIGFARO. Each CIGFARO member is an ambassador of the Institute and all members are urged to encourage and attract new members. Members are also requested to get involved in branch activities. Marketing of CIGFARO is important.

Economic Climate
As for 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 can increase our income streams. Cost-cutting and austerity measures will also be implemented. The key to doing this is financial resilience.

Single Professional Body
We are actively pursuing this initiative. It will be a major achievement and we are putting a lot of time and effort into this. Obtaining political support is the key step.

Ethics
Ethics is currently a major issue. We need ethical and transversal leadership in the public sector and our Code of Conduct and Ethics will certainly have a direct impact on improving the overall conduct of public servants, following the revelations in the judicial commission headed by Judge Zondo. The Code is specific to the public financial management sector. However, the Code has proven ineffective until now, considering the audit outcomes by the Auditor-General in the public sector. We are attempting to educate all members with papers on ethics and values at all events to highlight the number irregularities, fraud and corruption.

CONCLUSION

I am grateful for the opportunity to serve as the President of CIGFARO in this exciting period of history in South Africa. I also want to thank the CEO, office staff and all CIGFARO members for their continuous support, guidance and cooperation. It is sincerely appreciated. CIGFARO has come a long way and has achieved a lot. However, there is still a lot to do and as public servants we need to work in collaboration with our stakeholders to create a better live for all. Most importantly, we will strive to add more value to our members. We need to continue to work together and build on our successes and address the challenges we face.

PEET DU PLESSIS
PRESIDENT

PERFORMANCE OVERVIEW BY THE ACCOUNTING OFFICER

1. **INTRODUCTION**

The economic situation in South Africa has not been impressive over the years. The National Treasury, in its presentation of the 2019 Medium Term Budget Policy Statement (MTBPS), indicated that;

"GDP growth has been revised down since the 2018 Medium Term Budget Policy Statement (MTBPS) due to a fragile recovery in employment and investment, and a less supportive global trade environment…

Following a decade of economic weakness, there are positive signs that the economy has begun to gain lost ground. The policy inertia and uncertainly that have constrained investment and confidence has begun to lift…"

CIGFARO, as a membership-based Institute operating in the public sector space, mainly municipalities, has been subjected to the same economic conditions.

The public sector has introduced stringent cost-cutting measures which had an adverse financial bearing on the Institute. It was unavoidable for the private sector to adopt the same precautionary measures to sustain themselves.

The year under review, 2018/2019, was not "a walk in the park" for CIGFARO. The Institute had to do more with less financial and human resources.

The performance assessment of the institute for the fiscal year under review takes due cognisance of the internal and external environmental factors that prevailed.

2. **SYNOPTIC OVERVIEW**

2.1 Scorecard

59(100%) Performance targets that were set was a reduction from 72(100%) for the previous year. The reduction was the result of a strategic review informed by the conclusion of more targets during the previous year (2017/18). 49(83%) of these targets were fully achieved, 9(15%) partially while 1(2%) could not be achieved due to a pending review of the mSCOA processes. The matter has now been concluded and will be actioned during the 2019/20 fiscal year.

2.2 Risk Management

18(100%) Key risk performance areas were identified as was done during the 2017/18 fiscal year. However, these were not a carry-over from the previous year. 12(67%) targets were addressed fully and 6(33%) partially, due to pending resubmission of initial remedial proposals. All of them will be concluded during the 2019/20 year. None was not dealt with.

2.3 Strategic Focus Areas - Highlights

The highlights for each Strategic Focus Area are, among others:

2.3.1 To establish CIGFARO as a recognised Statutory Professional Body

The Institute's relationship with National Treasury, CoGTA, SALGA and the Auditor-General of South Africa has been maintained successfully and continues to grow. Several sessions were hosted in collaboration with National Treasury, SALGA and AGSA at national and provincial levels. CoGTA has officially included the Institute in its national data base for organisations recognised to assist municipalities on a wide spectrum of corporate governance and service delivery issues. This has put the Institute in a better position to lobby more strategically for the status of a recognised Statutory Professional Body. The 2019/20 fiscal year will offer more opportunity to pursue this strategic focus area more aggressively, as the dynamics of the national elections would have settled down.

2.3.2 To represent and promote the interests of Practitioners in Public Financial Management (PFM)

The Institute has managed to host a total of 46 sessions, which included an annual conference, workshops, seminars and training courses with 2 698 attendees at national and provincial level. There was full collaboration with the national and provincial offices of SALGA and Treasury. The continuous engagement and involvement of other relevant professional bodies, private training institutes, universities, such as;

- Chartered Institute of Management (CIMA),
- Institute of Ethics (IoE),
- Commerce Edge of SA (CESA),
- Milpark College,
- Tshwane University of Technology (TUT), and the
- University of Pretoria (UP),

was taken to greater heights. Proposals considered covered a Memorandum of Understanding/Collaboration/Cooperation in areas of training. The 2019/20 fiscal year has been earmarked for finalising formal processes. New attempts were made to start a relationship with an independent organisation, Good Governance Africa (GGA), to promote better governance in 16 Southern African Development Community (SADC) countries. This matter will be pursued more seriously during the next fiscal year.

2.3.3 To regulate the registration of members and their continuous professional development

The October 2018 CIGFARO Annual General Meeting (AGM) approved the new designations for members. The second draft of the Knowledge and Development Framework was presented to the board where it was subjected to a final stage of including the training and development roll-out aspects. The full-blown roll-out plan will be implemented during the 2019/20 fiscal year.

The election of all nine regional (branch/provincial) chairpersons was concluded. This was and continues to be critical for attraction, growth and retention of members in various provinces. Positive benefits are being realised as previously stagnant regions/branches are now shaping up.

The Institute has succeeded in recruiting and successfully registering 163 new members. This translates to an average of 13 new members per month. There were 37 resignations, 4 deaths and 47 suspensions. There was a decline in resignations, deaths and suspensions during this year under review compared to the previous fiscal year.

2.3.4 To maintain good corporate governance and financial sustainability

The policies of the institute were subjected to an annual review and fourteen (14) were amended with minor changes, inclusive of the Board Committees' Terms of Reference (TOR). The Memorandum of Incorporation (MOI) was also amended to accommodate new approved designations.

The Institute has obtained an unqualified audit opinion without matters of emphasis (clean audit). This status has been retained for more than 3 successive years. The first draft of the proposed Institute's Income Generation and Cost Saving Plan was presented to the board, which required the inclusion of new innovative ideas and measures covering the increase of income streams as a source of revenue enhancement.

2.3.5 To establish resources and technical capacity for current and future needs of the organisation

The annual team building session was hosted with an industrial psychologist from WorkDynamics, who conducted diagnostic testing to improve and maintain good interpersonal relationships among staff members. Staff morale has been maintained at acceptable level. Incidents of staff misunderstanding have been reduced to unavoidable minimal level. Annual Team Building session was arranged and more sessions are being planned for the next fiscal year. More follow-up sessions are planned for the 2019/20 fiscal year to retain the 100% status.

The Institute's organisational structure will be reviewed pending the finalisation of the Knowledge and Development Framework during the 2019/20 fiscal year. Bursaries were offered to qualifying staff members and some are nearing the completion of their post-matric studies as part of self-development in their Personal Development Plans (PDP's).

2.3.6 To develop and implement a Communication and Marketing Framework

The marketing of the Institute on both print and electronic media platforms has reached greater heights judging from the increase in publications and website hit rates compared to the previous year. This was achieved under strenuous financial constraints through bartering agreements with our media partners.

The introduction of a new category for exhibitions at our annual conference has created an interest from the micro, small and emerging consultancy businesses. The increase will be realised from the 2019/20 events and activities. This category is aiming at creating future big scale exhibitors for the Institute as a revenue generation initiative.

3. WAY FORWARD – 2019/20 FOCUS

The Institute has observed and experienced the negative effect of the current economic conditions. The adverse effect has been exacerbated by the mushrooming of new competitors in different forms. To mitigate this, the focus for the next financial year will include:

- Full capacitation of regional/branch executive members
- Aggressive penetration of the public sector at national and provincial level through increased appropriate activities in all provinces
- Finalisation of migration process from old to new designations
- Creation of new Income streams and adherence to belt-tightening measures
- Continuous engagements and relationship building with all our stakeholders and above all
- Capacitation of the human resources to deal more effectively with the pressure of delivering extra for less.

4. ACKNOWLEDGEMENTS

The end of the 2018/19 fiscal journey brings memories of the most unbearable, unpredictable and sometimes exciting situations. The CIGFARO staff, with the support of the board under the able leadership of President Peet Du Plessis, has stood the test of time. They all deserve special words of appreciation for the contributions made to attain the results registered in this Annual Report.

The guidance of the board has kept all staff on their toes. The contributions of all board members shed valuable and helpful light on issues during difficult times.

Stakeholders have made it their business to support the noble course of focussing on the professionalisation of the public service. We express our heartfelt appreciation for all efforts, financially and otherwise.

The Audit Team from the Institute's external auditors, Rakoma Consulting, has executed crucial duties with dedication and commitment. The numerous engagements on issues raised have made a positive contribution towards adherence and full compliance to good corporate governance.

5. CONCLUDING REMARKS

As an Institute, CIGFARO has travelled a journey of 89 years. The 2019/20 fiscal year will be the 90th anniversary that will necessitate a reflection on the good and bad memories.

As we enter this 90th anniversary year, given the testing economic climate, we move forward, oozing confidence drawn from Dale Carnegie's words of encouragement; **"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no HOPE at all"**

Phambili CIGFARO!!!

ABBEY TLALETSI
CIGFARO CEO

THE BOARD

PJA DU PLESSIS
President

LS MOFOKENG
Vice President - General

MC REDDY (MS)
Vice President - Technical

K KUMAR (DR)
Past President

A TLALETSI
Chief Executive Officer

LA MULLER (MS)
Technical Member

SJ MASITE (MS)
Technical Member

BN RANCHODDAS (MS)
Technical Member

NC DLADLA (MS)
Technical Member

A MARAIS (MS)
Technical Member

ZP MALAZA (MS)
Technical Member

FB KHAN (ADV)
General Member

A BAM-SMITH (ADV)
General Member

MJ TSHILWANE
General Member

SF MNDEBELE
General Member

B BROWN
Branch Chairperson: W-Cape

J NGCELWANE
Branch Chairperson: E-Cape

JJ WAGNER
Branch Chairperson: N-Cape

A JANSEN
Branch Chairperson: North West

T LENGWATE (MS)
Branch Chairperson: Mpumalanga

MM MAKHONGELA (MS)
Branch Chairperson: Limpopo

EN NGCOBO
Branch Chairperson: KZN

A SHEIK (MS)
Branch Chairperson: Gauteng

T MARUMO
Branch Chairperson: Free State

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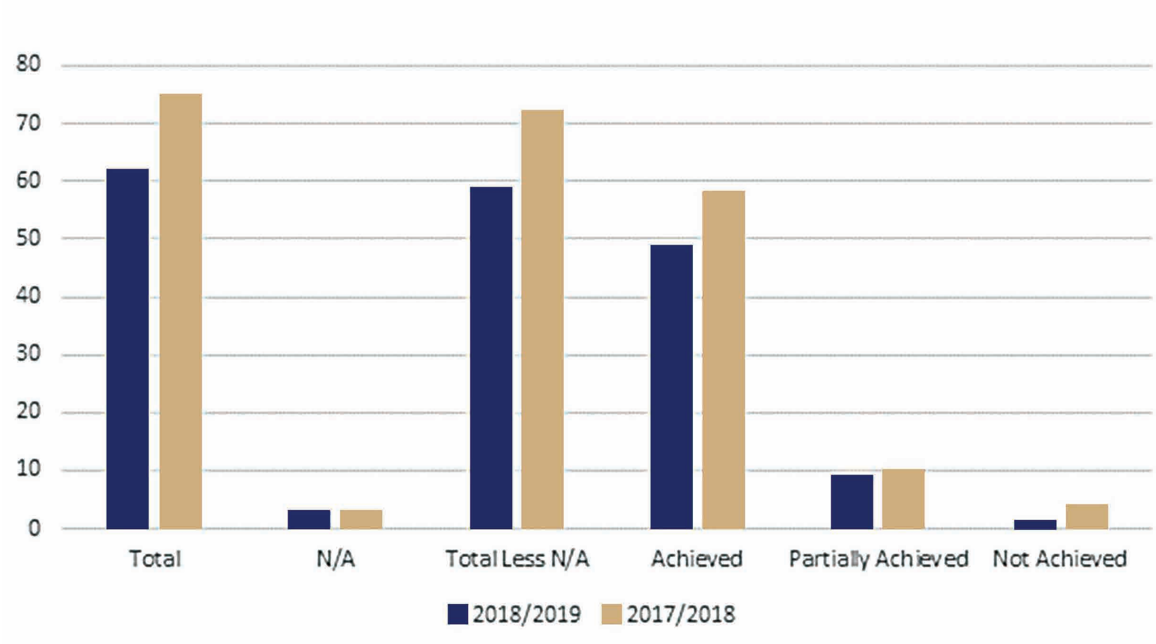
ORGANISATIONAL PERFORMANCE 2018•2019

ORGANISATIONAL PERFORMANCE 2018•2019

PERFOMANCE SUMMARY

Strategic focus	Total (Next reporting)	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	6	1	5	4	1	0
Strategic Focus Area 2: To represent and promote interest of Practitioners in Public Financial Management (PFM)	11	1	10	6	4	0
Strategic Focus Area 3: To regulate the registration of members and continuous professional development of members	10	1	9	6	2	1
Strategic Focus Area 4: To maintain good corporate governance and financial sustainability	19	0	19	17	2	0
Strategic Focus Area 5: To establish resources and technical capacity for current and future needs of the organisation	10	0	10	10	0	0
Strategic Focus Area 6: To develop and implement Communication and Marketing Framework	6	0	6	6	0	0
TOTAL 2018/19 Annual	**62**	**3**	**59 (100%)**	**49 (83%)**	**9 (15%)**	**1 (2%)**
TOTAL 2017/18 Annual	**75**	**3**	**72 (100%)**	**58 (81%)**	**10 (14%)**	**4 (5%)**

GRAPH: 2018/2019 ANNUAL PERFORMANCE SUMMARY - FULL REVIEW



ORGANISATIONAL PERFORMANCE 2018•2019

1. Strategic Objective: To establish CIGFARO to be a recognised statutory professional body						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
1.	1a Develop a Business Plan	* Submit a developed Business Plan * Report to the Board	1a.1. Completed Plan considered by the Board	March 2019 One meeting's report per Organisation per annum March 2019 Quarterly	Achieved	Done. Executive Summary submitted to the Board for finalisation and implementation during the next financial year.
			1a2. Acquiring and Procuring appropriate and dedicated technical skills and budget		N/A	Board resolved to suspend appointments until Institute is financially stable.
			1a3. Continuous training and development of existing staff		Achieved	6 staff members attended courses. 5 staff members' membership fees to another Professional Body were paid. 1 staff member has received a bursary. All staff have attended Behavioural teambuilding and security training sessions.
			1a4. Lobbing for Statutory status		Partially Achieved	Ministers offices advised for a follow-up after 8 May 2019 elections.
	1b Engagement meetings National Treasury, CoGTA, SALGA, LGSETA and PSETA for continuous lobbying	* Submit Engagement Report to the Board	1b1. Board considered Reports		Achieved	Done. Included in the quarterly CEO's report to the Board.
	1c Keep members informed about developments in Public Finance Management environment	• Response rate on e-mail campaigns	1c1 Quarterly Evaluation and Progress Report presented to the Board (Evaluation of overall email campaign statistics - constant contact		Achieved	Done through Monthly Newsletters. Bi-Monthly membership invoices.

2. Strategic Objective To represent and promote the interest of Practitioners in Public Financial Management						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
2.	2a Provide guidance and input on National, Provincial and Local Government Legislation	• 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 judgements. • Development of standards and qualification • To develop appropriate CPD programmes (Trainings, workshops & Seminars)	2a1. Monthly Training sessions provided		Achieved	21 Sessions held with a total of 277 attendees. CIGFARO Members accumulated CPD points.
			2a2. Monthly Newsletters & 4 journals issued	One Journal Publication per quarter	Partially Achieved	3 Journal issues published. The 3rd & 4th Edition were combined to make a Bumper issue distributed at conference.
			2a3.Newsletters & Journals emailed to Members	Monthly Newsletters	Achieved	12 Newsletters emailed to members.
			2a4. Hosted Annual Conference	October 2018	Achieved	Successfully hosted on 09 – 11 October 2018 with 1118 delegates and 217 Exhibitors' Representatives participating.
			2a5. Hosted Audit & Risk Seminar	March 2019	N/A	2 events were hosted in the previous financial year (2017/2018) covering the 2018/2019 event. It was reported in the 2017/2018 Annual Report.
			2a6. Hosted Branch Interactive sessions (One Session per Branch)	Before end of Financial Year	Partially Achieved	The following Regions hosted events: GP – 1 session with 39 attendees KZN – 9 sessions with 830 attendees LP – 1 session with 65 attendees WC – 2 sessions with 84 attendees
	2b Sign MOU's, MOA and MoCs with other Professional Bodies and Higher Education Institutions	* Sign 1 MOU with Professional bodies and * Sign 1 MOC or MOA with Higher Education institution * Sign 1 MOA with the QCTA * Number of programmes implemented	2b1. Signed MOU's with National Treasury, LGSETA, CoGTA and PSeta	March 2019	Partially Achieved	A MOU with National Treasury is under Management consideration. An Agreement is still in force and is to be reviewed in the next financial year. Meetings have been held with LGSeta and PSeta to start the process of developing a MOU. It will be finalised during the next financial year.
			2b2. Signed MoC with SETAs 1 with SETA and 1 with Professional bodies 1 Higher Education Institution	March 2019	Partially Achieved	Meetings were held with: • Chartered Institute of Management Accounting (CIMA) • Institute of Ethics (IoE) • Commerce Edge of SA (CESA) • Milpark College • Tshwane University of Technology (TUT) • University of Pretoria (UP) to start a process of developing MOCs.

ORGANISATIONAL PERFORMANCE 2018•2019

2. Strategic Objective To represent and promote the interest of Practitioners in Public Financial Management						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
2	2c Using technology platform –	• Relevant statistics measuring the activity on web	2c1. Quarterly Report presented to the Board	Quarterly	Achieved	
			2c2. (Implementation of google analytics for CIGFARO website)	Achieved	Monitoring of google analytics for CIGFARO website done on continuous basis.	
			2c3. KPI to Branches – Breakfast seminar – benefits of being CIGFARO member + one speaker on program)	Partially Achieved	1 Session was held in Gauteng with 38 Attendees. Other branches were undergoing recitation process. Others (KZN, WC, LP) opted for full day events.	

3. Strategic Objective: To regulate the registration of members and continuous professional development of member						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
3	3a Issue guidelines for membership registration Host Seminars and workshops CPD Compliance	• Number of seminars and workshops presented quarterly • Number of initiatives per active branches	3a1. One National Workshop hosted this year	One National Workshop by end of May 2019	Not Achieved	National Treasury put session on hold whilst reviewing mSCOA processes. An agreement has been reached in principle for the workshop to be hosted in the 2019/2020 financial year.
			3a2. Non-Accredited Training Sessions hosted by the end of the Financial Year	Eight non-accredited Training sessions by end of Financial Year	Achieved	10 mSCOA training sessions held with a total of 247 attendees. CIGFARO Members accumulated CPD points.
			3a3. Annual Conference hosted	October 2019 One National Workshop by end of September 2019	Achieved	Successfully hosted on 09 – 11 October 2018 with 1118 delegates attended. CIGFARO Members accumulated CPD points.
			3a4. Risk & Audit Workshop hosted	March 2019	N/A	2 events were hosted in the previous financial year (2017/2018) covering the 2018/2019 event. It was reported in the 2017/2018 Annual Report.
			3a5. E-learning (Knowledge management framework)	According to the year plan	Partially Achieved	Engagements with Service Providers and Institutions of Higher Learning have started. Investigated options will be presented for implementation. The SCKD Framework draft has been presented to the Board for consideration. Matter to be concluded during the 2019/2020 Financial Year.
			3a6. Breakfast Seminars hosted		Partially Achieved	1 Session was held in Gauteng with 38 Attendees. Other branches were undergoing recitation process. Others (KZN, WC, LP) opted for full day events. Members accumulated CPD points
	3b Defining membership categories and their standards	• 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	March 2019	Achieved	• AGM approved new designations • Members notified of changes to designations • Implementation Plan presented to Board for consideration • Board granted approval for submission to SAQA
	3c Maintenance of CPD System	• Accurate statistics on CPD points of members maintained.	3c1. Accurate capturing of all CPD points.	Quarterly	Achieved	Done, quarterly reports submitted.
			3c2. Continuous maintenance of data in place.	Quarterly	Achieved	Maintenance of data being updated on a continuous basis.
			3c3. Quarterly Statistical Analysis Report submitted to the Board	Quarterly	Achieved	Done, quarterly reports submitted.

ORGANISATIONAL PERFORMANCE 2018•2019

4. Strategic Objective: To maintain good corporate governance and financial sustainability						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
4	4aCompliance and financial viability with relevant legislation and clean report	• 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	4a1. Compliance Register in use.	September 2017	Achieved	Finance keep a register of login for compliance (Finance related).
			4a2. Annual Review of all policies.	**March 2019**	Achieved	Policies were presented to the Board for annual review and approval was granted.
			4a3. AFS compiled and approved.	**September 2018**	Achieved	Compiled and to be concluded by audit in September 2019.
			4a4. MOI Checklist in place and used.	**March 2019**	Achieved	The MOI is regularly checked to ensure compliance.
			4a5. Board Charter Checklist Review MOI & Elections Framework	**March 2019**	Achieved	MOI has been reviewed. The Election framework will be reviewed during the next financial year for 2020 Board Elections.
			4a6. Governance workshop hosted. - One Workshop for Staff Members	**March 2019**	Achieved	Governance workshop was presented by Deloitte on 29 March 2019.
			4a7. Train staff and Board Members on governance in terms of the Companies Act, Board Charter, CIGFARO strategic operational requirements and King principles	**One workshop for Board members by end of Financial Year (Annual Strategic Plan) Monthly**	Achieved	Governance workshop was presented by Deloitte on 29 March 2019.
	4b Implementa-tion of strategy		4b1. Monthly Meetings held.	**Monthly**	Achieved	The Board held 6 meetings during 2018/29 financial year to ensure and monitor the implementation of the strategy.
			4b2. Quarterly Staff Performance Evaluation Workshops held	**Quarterly**	Achieved	Staff meetings were held after every Board meeting to prepare for implementation of Board resolutions and for ensuring that the implementation of the strategy is done.
			4b3. Quarterly Performance Report presented to the Board.	**Every Board Meeting**	Achieved	Done. Reports presented regularly to Board meetings.
	4c Develop-ment and implementa-tion of a long term financial plan (Business Plan)	• Preparing a multi-year budget • Long term budget	4c1. A multi-year budget (3 years), approved by the Board	**March 2018**	Achieved	Done and approved.
			4c2. Approving Long term financial Plan/ Business Plan (1a Develop a Business Plan)	**March 2019**	Achieved	Presented to the Board and conditionally approved.

4. Strategic Objective: To maintain good corporate governance and financial sustainability						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
	4d Maintain of a Strategic Operational Register	• 100% implementation of the risk mitigation strategies	4d1. Quarterly Risk Registers and annually	**March 2019**	Achieved	Done. Report presented to Board.
			4d2. The annual review of risks CIGFARO faces identified and Risk Register updated	**October 2018**	Achieved	Done. Report presented to Board.
			4d3. Strategies for Managing those risks, Implementing and Monitoring the risk management plan developed	**October 2018**	Achieved	Done. Report presented to Board.
			4d4. Developed Strategies approved by the Board	**March 2019**	Achieved	Done. Income Generation and Cost Recovery Plan approved by Board.
	4e Development of a Disaster Recovery Plan as part of the Business Plan	• Approval by the Board of the Disaster Recovery Plan and Business Continuity Plan included in the Business Plan	4e1. Disaster Recovery Plan developed	**March 2019**	Partially Achieved	• ICT Disaster Recovery Plan was reviewed and approved on 29 March 2019. A consolidated Plan is still at a draft stage.
			4e2. Disaster Recovery and Business Continuity Policies developed	**March 2019**	Partially Achieved	• ICT Disaster Recovery Plan was reviewed and approved on 29 March 2019. A consolidated Plan is still at a draft stage.
			4e3. Plans and Policies approved by the Board	**March 2019**	Achieved	Policies were presented to the Board for annual review and approval was granted.

ORGANISATIONAL PERFORMANCE 2018•2019

5. Strategic Objective: To establish resources and technical capacity for current and future needs of the organization						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
	5a Recruitment, development and retention of skills required by CIGFARO	Develop a staff retention strategy (Business Plan)	5.a1 Staff retention plan approved by Board	**March 2019**	Achieved	Done, under implementation.
			5a2. Staff Training and Development Budget approved	By the end of the second Quarter (October 2018)	Achieved	Staff members provided with study bursaries and underwent training courses as well as attending other conferences.
			5a3. One Staff Team Building Session arranged	**December 2019**	Achieved	Workshop held on 5 December 2018.
			5a4. Formal Quarterly Staff meetings held	**Quarterly**	Achieved	Meetings held as planned.
	5b Development and maintenance of ICT (DRP – BACKUPS USER COMPLAINTS RESPONSE TIME – 5 Hours?)	• 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	**Monthly**	Achieved	No system downtime occurred.
			5b2. Measures to protect Institute against cyber-crime and viruses developed and implemented	**Monthly**	Achieved	Implemented a new antivirus system.
			5b3. 100% implementation of Developed ICT plan	**Monthly**	Achieved	Done monthly.
			5b4. User queries resolved within a day.	**Monthly**	Achieved	Done daily.
			5b5. Monthly Evaluation Reports compiled. (as indicated by the ICT plan)	**Monthly**	Achieved	Done, monthly, report submitted.
			5b6. Quarterly Performance Review/ Update Report submitted to the Board	**Quarterly**	Achieved	Part of CEO report.

6. Strategic Objective: To develop and implement Communication and Marketing Framework						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	End Year 2019	
					Performance	Comments
	6a Implementation of corporate identity	Complete implementation by Q1	Comm & Marketing 6a1 = R10 000	**At all events**	Achieved	Done monthly at all CIGFARO and external events.
	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)	**Quarterly**	Achieved	Done. Approved by the Board.
			6b1a) Four media releases	**Quarterly**	Achieved	Done. Media statements released.
			6b1b) Number of publications on internet	**Quarterly**	Achieved	Done. Publications placed.
			6b1c) Four contacts with media houses	**Quarterly**	Achieved	Done. Singed MOU's with EBSCO Publishing and Yes Media.
	6c Internal communication with staff	Number of communications with staff	6c1. Implementation Plan approved by the Board	**Quarterly**	Achieved	Done through newsletters and staff meetings.

OUR STAFF

A. TLALETSI
Chief Executive Officer

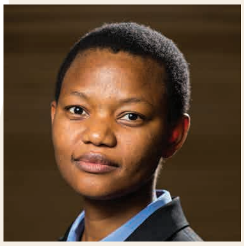
I. KOTZE (MS)
Chief Finance Officer

N. SHONGWE (MS)
Company Secretary

L. NOLTE (MS)
Manager:
Members Services

O. MAKALIMA (MS)
Manager:
Marketing and Communication

S. NGWANA (MS)
Training Delivery Specialist



T. OLIFANT (MS)
Payroll and Finance Administrator

A. RWAZEMBA
ICT Support

G. NKHOMA (MS)
Training and Development Admin

T. HOFFMAN (MS)
Administrative and Facilities
Supervisor

E. GUMATA (MS)
Communication Co-ordinator

H. TSEKE
Marketing Co-ordinator

A. MOTLOUNG (MS)
CPD Administrator

L. MAKOPO (MS)
Administrative Assistant

D. KGOHOO (MS)
Receptionist

O. PILANE
Marketing Intern

T. TSHABANGU (MS)
Communication Intern

P. MASINDI
Training Intern

R. SEPHALA (MS)
Registration Intern

STANDING COMMITTEE REPORTS

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STANDING COMMITTEE ON BUDGET AND FINANCE (SCBF)

STANDING COMMITTEE ON BUDGET AND FINANCE (SCBF)

1. MEMBERS

Chairperson	Zanele Malaza (Ms)
Deputy Chairperson	Cheryl Reddy (Ms)
President	Peet du Plessis
Past President	Krish Kumar (Dr)
Vice Presidents (General)	Sidwell Mofokeng

Secretariat:

Chief Executive Officer	Abbey Tlaletsi
Chief Finance Officer	Ira Kotze (Ms)
Company Secretary	Nonhlanhla Shongwe (Ms)

2. DUTIES AND RESPONSIBILITIES

The committee has the following duties and responsibilities:

- Assisting the presidency in overseeing the financial planning of CIGFARO and ensuring full integration with the long term planning and mission of CIGFARO
- Assisting the Presidency with monitoring the quarterly budget and spending patterns
- Reviewing the quarterly financial reports before being presented to the Audit and Risk Committee and subsequent approval by the board
- Assisting the Presidency with monitoring revenue management of CIGFARO;
- Reviewing the adjustment budget for consideration by the board
- Quality assurance of the Annual Financial Statement before review by the Audit and Risk Committee
- Quality assurance for the review of the CIGFARO Financial Policies annually
- Reviewing fees, tariffs and charges to be levied by CIGFARO and its provincial branches for all its events, such as training and development
- Monitoring and reporting on the financial risks quarterly.

3. MEETINGS AND ACTIVITIES:

The Standing Committee meetings were held and attended as follows:

Committee Member	MEETING DATES		
	SCBF		
	1 July 2018	5 Feb 2019	28 March 2019
Zanele Malaza (Ms)	N/A	P	P
Cheryl Reddy	N/A	P	P
Peet du Plessis	N/A	P	P
Krish Kumar	A	P	P
Sidwell Mofokeng	P	P	P
Jane Masite (Ms)	P	N/A	N/A
David Garegae	P	N/A	N/A
Paledi Marota (Ms)	P	N/A	N/A

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

Standing Committee Budget and Finance:

- 1 July 2018
- 5 February 2019
- 28 March 2019

STANDING COMMITTEE ON BUDGET AND 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 three years, considering the cash flow of building the new office and new proposed organogram and performance bonuses for staff
- Monitored the quarterly spending patterns of the Institute against the approved budget for the 2018/19 financial year and no material problems were experienced
- Reviewed the proposed budget for the 2019/20 financial year and recommended a tariff structure for the 2019/20 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 2019 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)
- 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 board has every reason to believe that the Institute has adequate resources in place to continue operating for the foreseeable future.

REVIEW OF OPERATING RESULTS

The financial year under review has been successfully closed off with a net profit of R1 281 773 (2018: net profit R2 388 296). The main reason for the profit is income from conferences, seminars and courses that CIGFARO presented and the mSCOA Project roll-out with National Treasury.

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

	31 March 2019			31 March 2018
Detail	**Income**	**Expenditure**	**Surplus**	**Surplus**
Annual Conference	R11 150 583	R4 819 495	**R6.3 mil**	**R7.9 mil**
CPD Courses	R595 838	R361 284	**R234 555**	**R199 551**
Audit Risk Indaba				**R827 442**
Provincial Branch Activities	R1 702 362	R1 513 087	**R189 276**	**(R92 851)**
Public Sector Accounting				
(2017 NT Mscoa was the main theme) (mSCOA staff ctc)	R799 739	R367 461	**R432 278**	**R57 840**
NT mSCOA training & CPD courses	R720 263	R533 391	**R186 871**	R1 927 114
Women in Government Leadership				**R76 953**
			R10 687 613	**R7 374 069**

STANDING COMMITTEE ON BUDGET AND FINANCE (SCBF)

Assets

The net value of assets increased by R1 million to R35.6 million (2018: R 33.6 million). All additional cash resources were invested in corporate banks to ensure maximum interest earnings.

Liabilities

Liabilities increased by R684 974 to R2.8 million (2018: R2.1 million). This includes R1 562 943 received in advance from delegates and sponsors for conferences and the indaba happening after the financial year end. A finance lease was entered into for the lease of a photo copier, with a remainder long-term obligation of R109 020.

Income

Revenue (excluding finance income) for the year is R15.5 million (2018: R22 million) which reflects a **material decrease of R6.6 million.** This is mainly related to the Institute changing the structure of delegate and sponsorship packages to accommodate the requirements set by National Treasury for cost containment purposes. The main income stream is from the annual conference, the mSCOA(NT) Project and courses conducted during the year which jointly comprises 95%. Membership fees and other income contributed 4.6%. The income derived from conferences and courses are extensions of the services provided to members and other people working in the public sector to strengthen the profession.

Expenditure

The actual net expenditure (excluding finance costs) also reflects a **decrease** of 25%, amounting to R15.4 million (2018: R20.6 million), a decrease of R 5.2 million.

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

Item	% increase	Value	Reasons
Other Operating expenses increased to R1 mil	40%	R 315 652	Mainly increase in licencing fees and internet connection stabilisation expenses and continuous rebranding the new name of the Institute.

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

1. MEMBERS

Chairperson	Krish Kumar (Dr)
President	Peet Du Plessis
Vice Presidents	Cheryl Reddy (Ms)
	Sidwell Mofokeng
Secretariat:	
Chief Executive Officer	Abbey Tlaletsi
Chief Finance Officer	Ira Kotze (Ms)
Company Secretary	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 has the responsibility to:

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 Identify and nominate candidates to fill the board's standing committees' vacancies, as and when they arise for the approval of the board

2.1.3 Evaluate the balance of skills, knowledge, experience and diversity of recommended appointees before anyone is co-opted to committees by the Board. Regarding this evaluation, the committee must 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 and Senior Management

2.2.2 Annually review the basis of calculation for 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 it is in the interest of CIGFARO to establish a pension fund scheme and medical aid benefits for 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

2.2.9 Make recommendations to the board on remuneration packages and policies applicable to management and staff of the Institute

2.2.10 Ensure that the formal systems of succession planning for the Chief Executive Officer and Senior Management

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

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. The Structural and HRD framework that is applicable / in compliance must also be in place.

3. GOVERNANCE: Performance Management and Risk Management;

3.1 Performance Management

Performance management should be done to:

3.1.1 Monitor and evaluate the performance of the organisation

3.1.2 Monitor and review performance of the CEO and staff.

3.2. Risk Management

Risk management should be done to monitor and evaluate the risk management processes of the organisation.

3.3 Other Responsibilites

Other responsibilities are to:

3.3.1 Review the terms of reference of other board committees regarding its alignment to the company's strategy

3.3.2 Annually review all staff policies, such as 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 adequate resources must be provided 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		
	10 August 2018	25 January 2019	27 March 2019
Krish Kumar	P	P	P
Peet Du Plessis	n/a	P	P
Cheryl Reddy	n/a	P	P
Sidwell Mofokeng	P	P	P
Paledi Marota (Ms)	P	Resigned	Resigned
Jane Masite (Ms)	P	Resigned	Resigned

P/A= P means "Present" and A means "Apologized" n/a "not a member"

Standing Committee Budget and Finance:

- 10 August 2018
- 25 January 2019
- 27 March 2019

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

5. CIGFARO POLICIES

Policies were reviewed and changes made where necessary. The MOI was also amended. New designations were added in the MOI and were approved at the October 2018 AGM.

6. CIGFARO SECRETARIAT

Appointments and resignations

During the 2018/19 Financial year there were few changes within the Secretariat.
The movement of staff during this financial year was as follows;
Mr Meshack Moshidi (CPD Administrator) resigned on 1 September 2018. The Position of CPD Administrator was filled internally by Ms Alinah Motloung, who was in a position of receptionist. The position of the receptionist was filled by Ms Daphney Kgohoo, who was a cleaner.

Communication Intern	T. Tshabangu (Ms) – Resigned on 15 October 2018
Registration Intern	R. Sephala (Ms) – Contract ended on 31 March 2019
Training Intern	P. Masindi - Contract ended on 31 March 2019

The Secretariat during the year was structured as follows:

Chief Executive Officer	A. Tlaletsi
Chief Finance Officer	I. Kotze (Ms)
Company Secretary	N. Shongwe (Ms)
Manager: Membership Services	L. Nolte (Ms)
Manager: Marketing and Communication	O. Makalima (Ms)
Training Delivery Specialist	S. Ngwana (Ms)
ICT Support Officer	A. Rwazemba
Payroll and Finance Administrator	T. Olifant (Ms)
Training and Development Admin	G. Nkhoma (Ms)
Administrative and Facilities Supervisor	T. Hoffman (Ms)
Communication Co-ordinator	E. Gumata (Ms)
Marketing Co-ordinator	H. Tseke
CPD Administrator	A. Motloung (Ms)
Administrative Assistant	L. Makopo (Ms)
Receptionist	D. Kgohoo (Ms)
Marketing Intern	O. Pilane
Cleaning Assistant	Outsourced Company

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STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

1. MEMBERS

Chairperson	Louise Muller (Ms)
Vice Chairperson	Attie Jansen
Members	Emmanuel Ngcobo Nosipho Dladla (Ms) Jackson Ngcelwane
Secretariat:	
Chief Executive Officer	Abbey Tlaletsi
Communication and Marketing Manager	Ocean Makalima (Ms)
Membership Services Manager	Lindi Nolte (Ms)
Communication Officer	Esther Gumata (Ms)
Marketing Officer	Hloni Tseke
ICT Support Officer	Archford Rwazemba
Admin Assistant	Lydia Makopo

2. DUTIES AND RESPONSIBILITIES

The committee is responsible for the:

1.1 Development, implementation and maintenance of a policy for communication and marketing.

1.2 Communication/dissemination of documentation and information about the activities of CIGFARO to the:

- Board
- Standing Committees
- Institute Members
- Relevant National and international Institutes
- Stakeholders.

1.3 Development and maintenance of 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.

1.4 Communication and marketing of public sector and related professions content (on academic, legal and general matters)

1.5 Promotion of the image and objectives of the Institute through communication and marketing of information.

1.6 Management and maintenance of the publication of the CIGFARO Journal

1.7 Compilation of an operating budget related to the needs of the committee

1.8 Coordination of 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			
	01/ 07/ 18	19 / 09/ 18 Teleconference	24/ 01/ 19 Teleconference	22/03/19 Teleconference
Louise Muller (Ms)	P	A	P	P
Attie Jansen	n/a	n/a	A	P
Emmanuel Ngcobo	n/a	n/a	P	P
Nosipho Dladla (Ms)	n/a	n/a	P	P
Jackson Ngcelwane	n/a	n/a	A	A
David Garegae	P	P	Resigned	Resigned
Sidwell Mofokeng	P	P	Resigned	Resigned
Bharthie Ranchoddas	P	P	Resigned	Resigned
Jane Masite	P	A	Resigned	Resigned
Mbulelo Memani	A	A	Resigned	Resigned
Cheryl Reddy	P	A	Resigned	Resigned
Sizani Moshidi	P	A	Resigned	Resigned

P/A= P means "Present" and A means "Apologized" n/a "not a member"

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

a) 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.
b) There was a 6% price increase on the journal sold to CIGFARO non-members, subscribers and all other stakeholders.
c) The Journal is indexed by Sabinet.
d) The CIGFARO Journal was published quarterly.
e) The committee continues to strive towards ensuring that the Journal publishes relevant current news and informative articles inspiring excellence in service delivery.
f) 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 seeks to reflect a broad spectrum of thought and practice in the finance and audit and risk sphere. Articles cover various relevant topics that affect government practitioners. The Journal shares 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.

The committee aims to distribute the journal to a much wider audience and seeks to engage stakeholders to publish topical thought leadership articles in the Journal. The aim is to distribute the Journal in a way that ensures that the CIGFARO brand is found in all areas where government finance, risk management and internal audit issues are discussed. Members have contributed less relevant articles for the Journal.

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

The editorial committee, that not only reviews all submissions for the Journal, but also reviews internal records of meetings, consists of these members:

- Fathima Khan
- Louise Muller
- Nosipho Dladla
- Emmanuel Ngcobo

89TH CIGFARO CONFERENCE

The committee was responsible for:

- Compiling and printing of the conference programme for the Annual Conference
- Distribution of the conference programme
- Marketing and advertising of the 89th Annual Conference on different platforms

STANDING COMMITTEE ON COMMUNICATION & MARKETING (SCCM)

- Selecting the topics, obtaining the speakers and liaison with speakers
- Arranging logistics for speakers and all participants
- Compilation, printing and distribution of a daily newspaper at the Conference
- Compilation, printing and distribution of the Information Booklet, which comprised of the Final Conference Programme, Speakers' Profile, Exhibitor Directory and Delegates List.
- Media participation including social media and a Mobile App.

The Institute's Annual Conference was held from 8 October to 10 October 2018 at Emperor's Palace, Ekurhuleni. The speakers from both the public and private sectors made valuable contributions based on the conference theme: "RECLAIMING GOVERNANCE & ACCOUNTABILITY IN THE PUBLIC SECTOR – A NEW DAWN FOR PUBLIC SECTOR".

The participants in the breakaway sessions benefitted from the practical expertise provided at each session. All breakaway sessions received maximum attendance, with delegates earning 2 extra CPD points per session attended. The Institute's board members played a major part in facilitating the breakaway sessions, which helped with running them smoothly. Scanners were used to capture attendance of the various breakaway sessions to ensure that the relevant CPD points were allocated to delegates. Delegates could contact the office afterwards to collect or request their certificates of attendance electronically.

PricewaterhouseCoopers (PwC) assisted the Institute with the Conference Summary Booklet for the entire 2018 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 2018 conference exhibition had 53 organisations exhibiting, which was slightly less than the 2017 conference. These organisations bought space in 85 exhibition stands. The Institute has realised that there is a slight change in spending from exhibitors due to the tough economic climate in the country. The deepening recession has eroded the financial standing and optimism of a broad swathe of South Africans. In the exhibition industry, we have felt the impact of that economic uncertainty with all our annual shows seeing attendance shrink anywhere from 20 to 30 percent. It is therefore not surprising that many companies are cutting back when it comes to their trade show budgets. Exhibition managers are now focusing on doing more with less. We therefore remain optimistic about our ability to maintain or improve our programmes' results in the face of economic uncertainty.

CIGFARO would like to extend its gratitude to the Ekurhuleni Municipality for availing staff and resources towards the success of the conference and especially for the mayoral function held on 8 October 2018. It is important to acknowledge and 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 involved in making the conference a success. Thank you once again to the secretariat for the excellent planning and arrangements in organising the conference. Last, but not least, we would like to acknowledge our Platinum Sponsor, CCG Systems, who partnered with CIGFARO for three years in achieving greater heights and delivering better service each year in hosting our annual conference between 2016 and 2018.

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STANDING COMMITTEE ON RESEARCH (SCR)

STANDING COMMITTEE ON RESEARCH (SCR)

1. MEMBERS

Chairpersons	Fathima Khan (Adv.)
	Louise Muller (Ms)
	Bradley Brown
	Thandiwe Lengwate (Ms)
	Jameson Tshilwane
Secretariat:	
Chief Executive Officer	Abbey Tlaletsi
Chief Finance Officer	Ira Kotze (Ms)
Company Secretary	Nonhlanhla Shongwe (Ms)
Admin Assistant	Lydia Makopo (Ms)

2. DUTIES AND RESPONSIBILITIES

The committee is responsible for:

1.1. Developing and upholding a Code of Ethics for Research.

1.2. Liaising with higher education and research institutions, as well as individual researchers and the Standing Committees of CIGFARO, about research topics.

1.3. Identifying research topics and assess, approve and oversee the implementation of research projects that could enhance the achievement of the Institute's objectives.

1.4. Identifying research institutions and researchers that can conduct research on behalf of CIGFARO.

1.5. Commissioning the writing of scientific articles based on the research findings and directing their publication in scientific journals.

1.6. Overseeing the identification of funding opportunities for research and ensuring that the requisite applications and proposals are submitted to relevant funders.

1.7. Encouraging CIGFARO members, as municipal finance practitioners and related professions, to be involved in research projects and the writing of scientific articles to enhance the research capability of CIGFARO members

1.8. Compiling an annual plan of action for the Standing Committee based on CIGFARO's strategic plan.

1.9. Compiling an operating budget based on the annual plan of action to meet the needs of the Standing Committee.

1.10. Submitting all research initiatives for approval to the board.

1.11. Ensuring that research funded by CIGFARO becomes the intellectual property of CIGFARO.

1.12. Identifying relevant topical research undertaken by academics and/or public officials for publication in the CIGFARO Journal and/or presentation at appropriate forums.

The Standing Committee meetings were held and attended as follows:

Committee Member	MEETING DATES
	SCR
	31 January 2019
Fathima Khan	P
Louise Muller	A
Bradley Brown	A
Thandiwe Lengwate	A
Jameson Tshilwane	P

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

Standing Committee on Remuneration and Nomination:

- 31 January 2019

3. THE 2018/19 COMMITTEE REPORTING

The Standing Committee on Research has made great strides in the last year. The partnership with SA Cities Network and SALGA enabled CIGFARO to host a number of topical research papers on its website. The research papers have provided our members with an insight into the state of our cities, the political administrative interface in relation to the built environment, the finances, urban safety, infrastructure dialogues and the annual expanded public works programme report. The formal meetings of the committee helped to set the stage for the plan of action for the coming year. The Terms of Reference were revised with the duties and responsibilities added. The large number of informal meetings was the driving force for the committee. The attendance at the SALGA research symposium strengthened ties and gave us an insight into the topics that were relevant.

A key objective was to identify research topics and our members have sent us burning issues that require research. We have been liaising with higher education and research institutions with the aid of eThekwini's learning, exchange and knowledge programme that have partnered with academic institutions. The topics have also been passed on to Masters' and PHD students, as well as postgrads, for their research. Our next step is to publish this material.

9

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

1. MEMBERS

Chairperson	Sidwell Mofokeng	CIGFARO Vice-President General
Members	Emmanuel Ngcobo Jackson Ngcelwane Thandi Lengwate (Ms) Thuso Marumo Maria Makhongela (Ms) Jameson Tshilwane	
Secretariat	Seba Ngwana (Ms)	

2. DUTIES AND RESPONSIBILITIES

The committee is responsible for:

1.1 Developing and monitoring capacity building programmes in all professional disciplines catered for in CIGFARO MoI.

1.2 Developing, maintaining and monitoring all pertinent aspects of education and training requirements of the Institute's members.

1.3 Recommending training programmes for board approval for finance and related professions.

1.4 Participation in the SAQA and HET qualifications and training standards development.

1.5 Screening and approving all training providers facilitating training under the auspices of CIGFARO and recommending appropriate standards of facilitation and assessment.

1.6 Recommending training tariffs and fees for CIGFARO training and seminars in consultation with SCRN.

1.7 Liaising with supply chain management, assets management, internal audit, risk management, revenue management and values and rating and accounting practice streams on norms, standards, curriculum, assessment, QA and best practices guidelines.

1.8 Liaising with educational and other institutions in collaboration with SCPCQA.

1.9 Assisting 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 Compiling an operating budget related to the needs of the committee annually.

1.11 Considering any matters referred to the committee by the board.

1.12 Considering 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 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 act as project manager for the skills development programmes initiated by other stakeholders, such as the LGSETA.

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

SKILLS DEVELOPMENT TRAINING INITIATIVES

Objective: Keep members up to date with developments in the profession.

The Committee identified the following skills gaps in the Public Sector:

1. mSCOA Budgeting
2. mSCOA Basic Accounting
3. GRAP Standards and Updates
4. Value Added Tax
5. Performance Management
6. Fundamentals of the mSCOA: Reform Module 1 and A Practical Guide to Reporting in mSCOA Module 2
7. Revenue Master Class Workshop
8. Audit and Risk Indaba
9. Public Sector GRAP Seminar

The sessions responded to the identified skills gap needs by providing attendees with the following contents or objectives on each topic:

mSCOA BUDGETING TRAINING

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 timetable
- Manage the budget process
- Evaluate the budget and make amendments
- Prepare and submit all documentation relating to budgets.

mSCOA BASIC ACCOUNTING

The objectives of the training are to enable participants to:

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 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 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).

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

GRAP Standards and Updates

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

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

Value Added Tax

The objectives of the workshop are to enable participants to reach these desirable outcomes:

- Desired learning outcomes – Output tax
    1. Understand the concept of a VAT enterprise (inclusions and exclusions)
    2. Understand the concept of suppliers:
        - Standard rated
        - Zero rated
        - Exempt
        - Non-suppliers
    3. Apply these categories to Emfuleni's specific suppliers
    4. Understand the concept of accounting for output tax on the invoice payment basis.

- Desired learning outcomes – Input tax
    1. Understand the concept of input tax
    2. Identify deductible and non-deductible input tax
    3. Distinguish between invoices/tax invoices
    4. Understand and apply the concept of apportionment.

- Desired learning outcomes – General
    1. Obtain a broad understanding of the relevant VAT compliance requirements

Performance Management

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

- Provide an overview of the Regulatory Framework
- Explain the Performance Management Process in Local Government
- Explore the Barriers to Implementing Performance Management
- Explain the various Performance Management Role Players, their Responsibilities and Accountabilities
- Explore what makes a Great IDP
- Provide an opportunity to Build an IDP (including: Strategic Objectives, Projects and Targets)
- Explore the Impact of mSCOA on the IDP
- Explore what makes a great SDBIP
- Explore what is a good KPI
- Explain the various Calculation Types that can be used for performance measurement
- Provide an opportunity to Build a SDBIP KPI
- Explain how to build a good KPI
- Explain how to Update a KPI and gather POE
- Explain how to add assurance to a KPI
- Provide an opportunity to generate SDBIP Reports
- Explain what makes a great Individual Scorecard
- Provide an opportunity to Build an Individual Performance Scorecard
- Provide an opportunity to Complete a Self-Evaluation
- Provide an opportunity to Moderate an Evaluation
- Provide an opportunity to Review and Finalise an Evaluation
- Explain what makes a great Personal Development Plan PDP
- Provide an opportunity to Build a PDP
- Provide an opportunity to Build a Personal Action Plan

The committee acted as project manager for the skills development programme initiated by National Treasury by arranging the following training session for the mSCOA Preferred trainers:

mSCOA Preferred Trainer Refresher Training (Fundamentals of the mSCOA Reform Module 1)

The objectives of the workshop are to enable participants to provide an overview of the:

- Local government reform agenda
- mSCOA regulations and chart
- 7 mSCOA segments
- Key focus areas for mSCOA phase 5 and challenges with implementation
- Key chart changes from version 6.2 to 6.3

mSCOA Preferred Trainer Refresher Training (A Practical Guide to Reporting in mSCOA Module 2)

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

- Background and context
- Legislative framework for reporting
- The Local Government Database and Reporting System (LGDRS)
- Submission registration and method
- Municipal financial year reporting cycle
- Compliance and controls
- Support to municipalities

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

REVENUE MASTER CLASS WORKSHOP

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

- REVENUE VALUE CHAIN:
  Property as driver for billing
- PROTECT REVENUE:
  Legislative framework
  Important judgements
  Institutional readiness
- CUSTOMER:
  Care
  Registration
  Management
- REVENUE COLLECTION STRATEGIES
  Putting together various options during the collection processes
- CLEARANCE CERTIFICATE
  The impact of S118 of the MSA should be discussed
- JUDGEMENTS
  Judgements should form an integral part of credit policy formulation and all the major judgements impacting on credit control will be discussed.

Total Sessions held and attendance

21 Sessions held, with a total of 277 attendees.

Continuous Professional Development of members

CIGFARO Members accumulated 6 CPD points for a 2-day session & 3 CPD points for 1-day session attended.

AUDIT & RISK INDABA

Held from 26-28 March 2018 in Cape Town, CTICC 2, attended by 321 delegates.

The program included:

- Accountability in the public sector
- Consequence management in the public sector
- Public Audit Amendment Act – Is it positive or negative for enhanced accountability and consequence management
- The role and importance of the compliance officer
- Different approaches to capacitate internal audit in the public sector
- Leadership and governance challenges faced by the public sector
- Compliance and integrity in the New Dawn
- Performance, risk and sustainability – Enhancing service delivery through integrating performance, risk and sustainability
- Role of internal auditing activities on Mscoa
- Relevance and attitude on King IV in the public sector
- Geared up for New Dawn, new environment
- How to conduct preliminary investigations
- Effective governance in the New Dawn – (Possible Pillars of the New Dawn)
- Audit of performance management system
- Risk management universe.

PUBLIC SECTOR GRAP SEMINAR

Held from 2-3 July 2018 in Gauteng, Emperors' Palace, attended by 279 delegetes.

The program included the following topics:

- Update on new applicable GRAP standards for compilation of the 2018 Annual Financial Statements
- mSCOA Implementation in terms of 2018 Annual Financial Statements compilation
- Pilot Site Experience on compilation of mSCOA Financial Statements
- Revenue – Recent court cases outcomes and how it affects changes in your revenue policies
- External Audit Perspective on the auditing of AFS on the mSCOA Framework
- Audit Readiness / MFMA Checklist
- Impact of mSCOA on Integrated Asset Management
- SCM internal controls to ensure effective management of unauthorised, Irregular, fruitless and wasteful expenditure
- Draft Public Audit Amendment Bill – Impact on municipalities
- Report on improvements / regressions on Financial Results – for 2016/2017
- Internal Control Environment and ISO standards
- In relation to Asset Management
- mSCOA updates for 2018/19

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

The following sub committees form part of the CFO Forum

- CFO metro and 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

Chairpersons	Krish Kumar (Dr) Peet du Plessis Cheryl Reddy	CFO Forum Revenue Working Group Supply Chain Working Group
Members	Louise Muller (Ms) Bharthie Ranchoddas (Ms) Fathima Khan (Adv) Annalene Marais (Ms)	
Other Representatives	Accounting Standards Board SALGA National Treasury – OAG NERSA FFC	COGTA SA CITIES Network Provincial Treasuries SA Property Valuers SARS
Secretariat	Ira Kotze (Ms)	

2. DUTIES AND RESPONSIBILITIES

The committee is responsible for:

a) Participation in all initiatives and programmes of the National and Provincial Treasury, Accounting Standards Board and the Office of the Auditor-General on any matters affecting public finance proactively and when requested

b) Promoting technical comments and fulfilling the foregoing role in a meaningful manner and 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

c) Promoting programmes that contribute to the improvement of the above outcomes in government

d) 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

e) 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.

f) Promoting programs that contribute towards enhancing the effectiveness of the Finance and Accounting Management practices in Public Finance.

g) To consider any matter referred to the committee by members and the Board of the Institute.

h) To compile an operating budget based on the annual plan of action to meet the needs of the Standing Committee.

i) 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:

29 August 2018 — CFO Forum/Revenue & SCM

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

SUB-COMMITTEE

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:

- Improvements to Standards of GRAP
- Draft Directive on Use of GRAPs by Public Entities
- Proposed Amendments to GRAP 1
- Proposed Directive on The Use of Standards of GRAP by Entities That Apply IFRS® Standards
- Proposed Invitation to Comment (ITC) on the Directive on The Use of Standards of GRAP by Entities That Apply IFRS® Standards.
- Conflict between the GRAP and IFRS Conceptual Framework
- Draft ED - consultation on work programme for 2021 to 2023
- GRAP Reporting Framework for 201920
- Monitoring convergence with IPSASB (August 2018)
- Combined Financial Statements
- Use of Cash Flow Statement
- Review of GRAP 25 on Employee benefits
- Review of Directive 12 and Prefaces
- GRAP 103 Post Implementation Review
- Proposed revision of the Standard on Financial Instruments (ED 167)
- Proposed Guideline on the Application of Materiality to Financial Statements (ED 168 and ED 169)
- Proposed Guideline on Accounting for Landfill Sites (ED 166)
- ASB comment letter on ED 65 Improvements to IPSAS 2018 (13 July 2018)
- Summary of written comment ED 164 and ED 165 - The Standards of GRAP on Adjustments to Revenue
  IGRAP on Accounting for Adjustments to Revenue
  IGRAP 1 Applying the Probability Test on Initial Recognition of Revenue
- Proposed Exposure draft:
  Adoption of GRAP by Community Education and Training (CET) Colleges
  Transitional Provisions for the Adoption of Standards of GRAP by CET Colleges
- Review of Amendments made to GRAP 16 and GRAP 17
  Investment Property (GRAP 16)
  Property, Plant and Equipment (GRAP 17)

- EMERGING ISSUES:
  Consolidation of entities held for sale
  - Reporting Framework for Tribal Authorities
  - Heritage Assets
  - Accounting by principals and agents
  - Application of IFRS Standards by public entities

In addition, Standing Committee members attended:
The **mSCOA** - NT Standard Chart of Accounts, Benchmarking and Budget Reforms, Specimen Financial Statements.
CIGFARO is also a member of the NT/COGTA Steering Committee on Revenue

CIGFARO is represented at IRBA and the Public Sector Working Group on Audit Committee Members.
The standing committee members and other board members also officially represent SALGA on several committees concerned with local government.

STANDING COMMITTEE ON KNOWLEDGE & DEVELOPMENT (SCKD)

SUB-COMMITTEE

29 August 2018 (Rhodesfield – CIGFARO)
CFO Forum (Budgeting / SCM / Revenue / General)

Main topics discussed:

- Cost of protests
- Multi-year Price Determination (MYPD) Eskom
- Electricity Restructuring and the SDA and Constitutional Powers of Local Government (water tariff from Water Boards)
- Electric buses
- Metro OBI (The SA Metro Open Budget Index)
- Draft amendments to MFMA and related legislation
- Municipal comments on the FFC recommendations of the 2019/20 DORB
- Funding sanitation services / VAT implications of different processes
- Revenue: provision for bad debts
- Supplementary Valuation and Supplementary Valuation Roll
- Claiming back taxes and closing rolls
- Raising a contingent liability against S50 and S54 of the MPRA
- MFMA – Supply Chain S116
- Reporting Framework – Accountability
- Variation Orders
- Clarification Requests
- Emerging Contractors Forum by location

9

STANDING COMMITTEE ON PROFESSIONAL CONDUCT & QUALITY ASSURANCE (SCPCQA)

STANDING COMMITTEE ON PROFESSIONAL CONDUCT & QUALITY ASSURANCE (SCPCQA)

1. MEMBERS

Chairperson	Peet Du Plessis
Board members	Emmanuel Ngcobo – Chair of Chairs Forum Bharthie Ranchoddas (Ms) – Membership Forum VACANT – Public Finance Management Forum Jackson Ngcelwane Bradley Brown Thuso Marumo Annalene Marais (Ms)
Secretariat	Lindi Nolte (Ms)

RESPONSIBILITIES OF THE STANDING COMMITTEE

2. PURPOSE

The purpose of these terms of reference is to set out the composition, roles and responsibilities of the Standing Committee on Professional Conduct and Quality Assurance.

The role of the Standing Committee on Professional Conduct and Quality Assurance is to support the board regarding development and monitoring of capacity building programmes in all professional discipline matters outlined in the CIGFARO Memorandum of Incorporation and advise the board on matters of education and training.

The role of the Standing Committee on Professional Conduct and Quality Assurance is also to provide advice and guidance to practitioners on the application of prescribed public and municipal legislation, accounting standards, auditing standards risk and performance management best practices in general.

3. MEMBERSHIP

3.1. The committee consists of non-executive directors as recommended by the presidency
3.2. Members are proposed by the Remuneration and Nomination Committee and approved by the board. Membership is re viewed annually based on the performance of the committee as circumstances dictate
3.3. Meetings of the committee are chaired by the chairperson and in the absence of the chairperson by the deputy chairperson
3.4 The chairperson of the committee is always represented by the Institute's president.

4. DUTIES AND RESPONSIBILITIES

The committee recommends to the board:
4.1 To register special designations for finance and related professionals with SAQA and National Treasury
4.2 To liaise with SCKD on norms, standards, curriculum, assessment, QA and best practices guidelines
4.3 To review and maintain the policy on Continuous Professional Development for municipal finance officers and related professions
4.4 To liaise with educational and other institutions in collaboration with SCPCQA
4.5 To develop standards and requirements/framework for the different levels of membership and align them with relevant legislation

STANDING COMMITTEE ON PROFESSIONAL CONDUCT & QUALITY ASSURANCE (SCPCQA)

4.6 To consider and deal with all matters affecting the professional integrity of Institute members

4.7 Administer all disciplinary matters affecting members in terms of the Institute's disciplinary code where delegated by the board

4.8 To ensure that the Institute renders an efficient service to its members, such as disseminating information on developments at the Institute

4.9 To ensure that CIGFARO benefits its members as a professional body

4.10 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

4.11 To provide guidance to members and students

4.12 To development strategy on the recruitment of new members and retention of existing members

4.13 Ensure continuous maintenance and updating the membership database

4.14 To compile an operating budget related to the needs of the committee annually

4.15 To consider any matters referred to the committee by the board

4.16 To develop an operational framework for all branches

4.17 To monitor and assist in the coordination of all branch activities

4.18 To identify and obtain solutions for problems affecting branches.

5. OTHER MATTERS

The committee:

5.1 Considers laws and regulations, the provisions of the Companies Act and CIGFARO's Memorandum of Incorporation

5.2 Arranges for periodic reviews of its own performance and at least annually reviews its Terms of Reference to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the board for approval and

5.3 Performs any other function that may be delegated to it by the board or requested by the president.

6. MEMBERSHIP

6.1 Vision for the future

- Mandatory professional registration for CFOs, CAEs and CROs
- Finalising the professionalism for membership designations
- Promotion of the interests of profession for finance, risk, audit and performance managers
- Professionalising finance management for greater impact on service quality delivery
- Continuing to canvass members by visiting universities and municipalities
- Increasing membership numbers with 5% by recruiting new members
- Training and advancing knowledge of members.

6.2 Membership marketing

Membership was marketed at:

- All branch activities held during the year in Limpopo, Kwa-Zulu Natal, Western Cape and Gauteng
- The CIGFARO Annual Conference 2018 held at Emperors' Palace, Kempton Park
- The CIGFARO Journal and Newsletter
- The CIGFARO Website.

6.3 Membership Statistics

2017/2018 total members 2411

2018/2019 total members 2522

Membership gains	
Elevated to Honorary Life Members	1
Elevated to Fellows	1
Admitted as Senior Associates	23
Admitted as Associates	40
Admitted as Licentiates	30
Admitted as Junior	39
Admitted as Students	25
Admitted as General	3
Members Loss	30
Deceased	5
Resigned	12
Suspended	13

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:

- CIGFARO members were given the opportunity to submit articles for the journal and we still encourage them to do so
- Members have to abide by the Code of Ethics and Conduct
- CIGFARO will not tolerate, nor accommodate or be reasonable toward unethical conduct or behaviour or any unethical practices by its members, either in elected or appointed capacity

STANDING COMMITTEE ON PROFESSIONAL CONDUCT & QUALITY ASSURANCE (SCPCQA)

- Members have the opportunity to submit skills gap training for inclusion in the CIGFARO training schedule
- Municipalities have 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 to CIGFARO's website at www.cigfaro.co.za
- Click on the Membership tab
- Membership login. (Members will be required to type in their email address and ID number 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 the qualification, otherwise it will not be updated.
- Completing the form in the journal and forwarding it to the office or sending your new details to membership@cigfaro.co.za.

7. BRANCHES

MEMBERS:

Chairperson	Emmanuel Ngcobo	Chairperson: KwaZulu-Natal Branch
	Jackson Ngcelwane	Chairperson: Eastern Cape Branch
	Thuso Marumo	Chairperson: Free State Branch
	Asma Sheik (Ms)	Chairperson: Gauteng Branch
	Maria Makongela (Ms)	Chairperson: Limpopo Branch
	Thandiwe Lengwate	Chairperson: Mpumalanga Branch
	Oubaas Wagner	Chairperson: Northern Cape Branch
	Attie Jansen	Chairperson: North West Branch
	Bradley Brown	Chairperson: Western Cape Branch

7.1 Branch Activities

The Eastern Cape Province

No activities took place during 2018/2019

The Free State Province

No activities took place during 2018/2019

The Gauteng Province

The branch hosted the following workshop for capacity building:

Date	Purpose
22 February 2019	Budget Speech Breakfast Seminar (Co-Hosted by SALGA/NexTec)

The Kwa-Zulu Natal Province

The branch hosted the following training workshops for capacity building:

STANDING COMMITTEE ON PROFESSIONAL CONDUCT & QUALITY ASSURANCE (SCPCQA)

Date	Purpose
13 April 2018	Revenue Management Seminar
25-26 April 2018	Finance Interns Summit
3-4 May 2018	Local Government Asset Management Indaba
13 June 2018	Readiness for MSCOA Annual Financial Statements Workshop
28-29 June 2018	Revenue Enhancement Workshop – ILembe District Municipality
6-7 September 2018	The CFO Event (Public Sector)
26 September 2018	Supply Chain Management Seminar
29-30 November 2018	Revenue Solutions Summit
14-15 February 2019	Asset Management Training – Ethekwini Municipality
18-19 March 2019	Local Government Asset Management Indaba
20 March 2019	International Master Class – Municipal Asset Management

The Limpopo Province
The branch hosted the following training workshops for capacity building:

Date	Purpose
14-15 June 2018	Effective credit control and debt collection

The Mpumalanga Province
No activities took place during 2018/2019

The Northern Cape Province
No activities took place during 2018/2019

The North West Province
No activities took place during 2018/2019

The Western Cape Province
The branch hosted the following training workshops for capacity building:

Date	Purpose
23-24 April 2018	Interns Summit
4-5 June 2018	Annual Seminar and AGM

7.2 Marketing and Publication

Branches have played a role in assisting with the publication of the journal. It is indeed 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 Institute is a recognised Professional Body with the South African Qualification Authority (SAQA) (NQF Act 67 of 2008) from 26 October 2017 to 25 October 2022. CIGFARO has the following designations registered on the National Qualifications Framework (NQF) overseen by SAQA:

STANDING COMMITTEE ON PROFESSIONAL CONDUCT & QUALITY ASSURANCE (SCPCQA)

- Senior Associate
- Associate
- Licentiate
- Junior.

These designations are awarded once a person has obtained underlying minimum academic qualifications as well as relevant experience.

At the CIGFARO Annual General Meeting (AGM) on Monday 8 October 2018, the members present noted and approved the following new professional designations of the Institute:

- Senior Associate – Chartered
- Associate – Professional
- Licentiate – Technical
- Junior – Registered
- General – Affiliate

Fellows and Honorary members will stay the same.

Further updates and developments will be sent to all members to ensure that the full migration process takes place within the stipulated timeframes.

9. CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

Continued Professional Development is an internationally accepted practice for professional bodies. This means that we must have a policy on Continuous Professional Development (CPD), which aims to ensure that its members' skills and knowledge are relevant to the changing environment where they operate. 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.

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	75	25	5 credits towards ethics
Associate	75	25	5 credits towards ethics
Licentiate	75	25	5 credits towards ethics
Junior	45	15	5 credits towards ethics

9 SOCIAL AND ETHICS COMMITTEE (SEC)

SOCIAL AND ETHICS COMMITTEE (SEC)

1. MEMBERS

Chairperson	Cheryl Reddy (Ms)	
Deputy Chairpersons	Bharthie Ranchoddas (Ms)	
	Nosipho Dladla (Ms)	
	Maria Makhongela (Ms)	
Secretariat	Chief Executive Officer	Abbey Tlaletsi
	Chief Finance Officer	Ira Kotze (Ms)
	Company Secretary	Nonhlanhla Shongwe (Ms)
	Training Specialist	Seba Ngwana (Ms)
	Admin Assistant	Lydia Makopo (Ms)

1. Composition of the Committee

1.1 The Committee must comprise (as contemplated in terms of section 72 of the Act as read with Regulation 43) not less than three board members at least one of whom must be independent and must not have been involved in the operations of the institute within the previous three financial years.

1.2 The Committee shall be appointed by the board in accordance with section 72(1) of the Companies Act. Committee Members must be CIGFARO Members in good standing and can be either Associate or General CIGFARO Members.

1.3 The members of the Committee must collectively have sufficient skills to fulfil their duties. The skills set can be complimented by advisors from professional bodies. Advisors need not be members of CIGFARO and will not formally be part of the Committee or board of CIGFARO. Advisors carry no decision-making powers.

1.4 The Committee shall be chaired by a non-executive board member, who is not the chairperson of the board (president of the Institute). The board shall elect the committee chairperson from its members.

1.5 The chairperson, or another designated member of the Committee, shall account to the board at board meetings.

1.6 The Committee members shall be required to keep up to date with developments affecting the purpose of the Committee and the requisite skills to achieve this. Committee members should endeavour to attend one ethics training session or workshop per annum.

2. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the members of the Committee, as set out in this Charter, are in addition to their duties and responsibilities as members of the board. The deliberations of the Committee do not reduce the individual and collective responsibilities of board members regarding their fiduciary duties and responsibilities. They must continue to exercise due care and judgment in accordance with their legal obligations.

3. ROLE OF THE SOCIAL AND ETHICS COMMITTEE

3.1 The Committee shall have an independent role as contemplated in terms of the Act and the Regulations, with accountability to the board.

3.2 The Committee does not assume the functions of management, which remains the responsibility of the CEO and other members of senior management.

3.3 The role of the Committee shall be to assist the board with the oversight on social and ethical matters relating to the Institute.

4. RESPONSIBILITIES OF THE SOCIAL AND ETHICS COMMITTEE

The Committee shall perform all the necessary functions to fulfil its roles, as stated in paragraphs 6-8 above, including the following statutory duties as outlined in Regulation 43 of the Companies Regulations, 2011:

4.1. Monitoring the Institute's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, regarding matters relating to:

SOCIAL AND ETHICS COMMITTEE (SEC)

4.1.1 social and economic development, including the Institute's standing in terms of the goals and purposes of:

4.1.1.1 the 10 principles set out in the United Global Compact Principles;

4.1.1.2 the Organisation for Economic Co-operation and Development recommendations regarding corruption;

4.1.1.3 the Employment Equity Act 55 of 1998, as amended; and

4.1.1.4 the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended;

4.1.2 good corporate citizenship, including the Institute's:

4.1.2.1 promotion of equality, prevention of unfair discrimination and reduction of corruption;

4.1.2.2 contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and

4.1.2.3 record of sponsorship, donations and charitable donations;

4.1.3 the environment, health and public safety, including the impact of CIGFARO's activities and its products and services;

4.1.4 member relationships, including the Institute's advertising, public relations and compliance with applicable laws; and

4.1.5 labour and employment, including:

4.1.5.1 the Institute's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and

4.1.5.2 the Institute's employment relationships and its contribution towards the educational development of its employees;

4.2 drawing matters within its mandate to the attention of the board as occasion requires; and

4.3 reporting, through the Committee Chairman or one of its other members, to the board at its meetings and at the Institute's annual general meeting, on the matters within its mandate.

4.4 In addition, the Committee shall perform any additional duties, delegated by the board relating to social and ethical matters.

5. SPECIFIC FUNCTIONS REGARDING TRANSFORMATION

5.1 The Committee is to assist the Institute to discharge its business responsibility with respect to the implementation of transformation practices that are consistent with good corporate governance and relevant legislation.

5.2 The Committee's scope of focus will be guided by the following:

5.2.1 Broad-based Black Economic Empowerment (B-BBEE) requirements as described in the Department of Trade and Industry's Codes of Good Practice as published in the Government Gazette in February 2007, as amended or replaced from time to time;

5.2.2 transformation legislation as set out in the Employment Equity and Skills Development Acts and any amended or replacement, re-enacted additional legislation in respect thereof;

5.2.3 any other legislation which may from time to time be applicable to the transformation practices of the institute or the fulfilment by the Committee of its role in terms hereof;

5.2.4 the institute's transformation commitments and requirements.

5.3 The Committee is responsible for performing all the necessary functions to fulfil its responsibilities in respect of transformation, including the following:

5.3.1 to review and monitor the Institute's progress towards the achievement of the desired employment equity, skills development and B-BBEE scorecard targets and transformation objectives;

5.3.2 to review and monitor the Institute's management of transformation and B-BBEE principles in a manner that ensures sustainability of the business and the good reputation of the Institute;

5.3.3 to review and monitor the goals and plans of the Institute regarding transformation.

6. SPECIFIC FUNCTIONS REGARDING SUSTAINABILITY

The Committee is to assist the Board with its sustainability responsibilities by:

6.1 Recommending relevant policies for approval;

6.2 Monitoring the implementation of the policies;

6.3 Reviewing reports covering all substantive matters relating to sustainability issues;

6.4 Considering the reporting of sustainable development issues; and

6.5 Considering all material and relevant issues that have a significant impact on the members and stakeholders.

SOCIAL AND ETHICS COMMITTEE (SEC)

7. AUTHORITY

7.1 The Committee acts in accordance with the delegated authority of the board, as recorded in this Charter.

7.2 The Committee shall have the power to investigate any activity within the scope of its terms of reference.

7.3 The Committee may consult with or receive advice from any person, subject to any board approved process being followed.

7.4 The Committee, in the performance and fulfilment of its duties, is entitled in terms of section 72(8) of the Act to:

7.4.1 require from any member of the Institute any information or explanation necessary for the performance of the committee's functions;

7.4.2 request from any employee of the Institute any information or explanation necessary for the performance of the committee's functions;

7.4.3 attend any CIGFARO meetings they are invited to;

7.4.4 receive all notices of and other communications relating to board meetings which impacts on their mandate; and

7.4.5 be heard at meetings which discuss the issues concerning the committee's functions.

7.5 The Institute is obliged, in terms of section 72(9) of the Act, to pay all the expenses reasonably incurred by the Committee.

7.6 The Committee shall have reasonable access to the board, the chairpersons of any other board committees and the Institute's records, facilities and employees necessary to discharge its duties and responsibilities, subject to a board approved process. To avoid any doubt in the event of any conflict between this paragraph and section 72(8) of the Act, the provisions of the Act shall prevail.

8. REVIEWS

8.1 The Committee shall perform a self-evaluation of its effectiveness every year and report the results thereof to the board.

8.2 The Committee shall review its Charter from time to time and recommend any amendments arising to the board for approval.

9. MEETINGS

The Standing Committee meetings were held and attended as follows:

Committee Member	MEETING DATES
	SEC
	05 February 2019
Cheryl Reddy	P
Bharthie Ranchoddas	P
Nosipho Dladla	P
Maria Makhongela	P
Anneme Bam- Smith	A

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

- **05 February 2019**
  The process of reviewing the committees and their Charters resulted in more planning sessions and one formal meeting held.

10. ACTIVITIES & ACHIEVEMENTS

The following efforts were made during the year under review;

- The Committee ensured that all CIGFARO programmes continue to embrace equity. This matter is being given top priority on an annual basis.
- The Quarterly Journal contributions in areas of transformation and leadership were made and outsourced in some instances.
- The programmes of our workshops, seminars and the annual conference were utilised as platforms of delivering on our transformation agenda aspects.
- A Code of Ethics and Conduct for both staff and board members were reviewed and will be presented to the board for approval during the new financial year (2019/20).
- The Institute's Supply Chain Policy was revisited to ensure that it responds to the basic requirements of obtaining the B-BBBEE status. An independent assessment was conducted as required. The South African Qualifications Authority (SAQA) also conducted the bi-annual assessment and the outcomes were satisfactory.
- The health and safety matters of staff and the new office building were brought to the required standard. A Certificate of Occupation was issued after evaluation of our office building by the relevant municipal officials.

10. PLANS FOR 2019/20

The goals of the Committee are to:

- conclude the updating of the Code of Conduct for board members, staff and members.
- embark on corporate social investment initiatives at all regions/branches.
- increase visibility of the institute at government departments through workshops and seminars.
- take the transformation agenda to greater heights by hosting women empowerment events at regional/branch level and
- ensure that at least 4 formal meetings are held as per requirements.
- Including a standard H&S report at all meetings
- Receive reports from meetings on BBBEE, Employment equity, workspace skills plan etc
- Recognise Woman Leader at the institutes major conferences like Audit & Risk Indaba and the Annual Conference

9

REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)

REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)

1. MEMBERS

Chairperson Ms. Annalene Marais
Ms. Maria Makhongela
Mr. Thuso Marumo

Audit committee responsibility
The audit committee is pleased to report that it has complied with its responsibilities in accordance with the Companies Act. The 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 all its responsibilities accordingly.

It should be noted that the current committee has been in place since 8 October 2018, when the new Board was elected. For the first part of the financial year, the Audit and Risk Committee members were Ms. Louise Muller (chairperson), Ms. Maria Makhongela and Mr Xolani Sikobi.

Oversight of the Audit & Risk Committee on the Annual Financial Statements for the period 1 April 2018 to 31 March 2019

The Audit Committee provided oversight for the annual audit process and External Audit programme and Engagement Letter.

To complete the evaluation of annual financial statements, the Audit Committee:

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

The committee and other members, who assisted the committee, concurs with and accepts the independent auditor's report on the annual financial statements and advises that the audited annual financial statements should be accepted and read together with the report of the independent auditor.

A special word of gratitude to the CFO and her team, who completed the financial statements for submission to the external auditors timeously and has managed to sustain the clean audit for 2018/19.

2. MEETINGS AND ACTIVITIES:

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

Committee Member	MEETING DATES			
	12 July 2018 (round robin)	3 August 2018	25 September 2018 (round robin)	6 February 2019
Louise Muller	P	P	P	n/a
Xolani Sikobi	P	A	P	n/a
Maria Makhongela	P	A	P	P
Annalene Marais	n/a	n/a	n/a	P
Thuso Marumo	n/a	n/a	n/a	P

P/A= P means "Present" and A means "Apologized" n/a "not a member"

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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The following supplementary information does not form part of the financial statements and is unaudited:

93 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 judgements 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 2020 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 59 to 60.

The financial statements set out on pages 57 to 93, which have been prepared on the going concern basis, were approved by the board on 13 September 2019 and were signed on their behalf by:

Du Plessis PJA
President
Friday, 13 September 2019

Marais A
Chairperson: Audit and Risk Committee

INDEPENDENT AUDITOR'S REPORT

To the Members of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company Opinion

Opinion

We have audited the financial statements of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company (the company) set out on pages 57 to 93, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company as at 31 March 2019, 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 financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together with the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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 the information included in the document titled Chartered Institute of Government Finance, Audit and Risk Officers Non-Profit Company Financial statements for the year ended 31 March 2019 which includes Vision, mission, objectives on page 4, Role and activities 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 2018/2019 on page 12, Our staff on page 21, Standing committee reports on page 22, the Directors' Report on page 61 and 62 and detailed income statement on page 93. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

In preparing the 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 Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Rakoma and Associates Inc

Rakoma & Associates Inc.
Collins Malunga
Partner

Registered Auditor
13 September 2019

Fourways
Ground Floor , Building B, Monte Circle Office Park
178 Monte Casino Boulevard
Fourways
2191

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 2019.

1. **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 after tax for the year ended 31 March 2019 of R 1 281 773. This represented a decrease from the net profit after tax of the prior 2018 of R2 388 296.

2. **Share capital**
   There have been no changes to the authorised or issued share capital during the year under review.

3. **Accumulated Funds**
   The Accumulated funds includes the financial information of all CIGFARO Regional branches.

4. **Events after the reporting period**
   The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that can affect these financial statements.

5. **Auditors**
   Rakoma & Associates Inc. continued in office as auditors for the company for 2019.
   At the AGM, the members will be requested to reappoint Rakoma & Associates Inc. as the independent external auditors of the company and to confirm Collins Malunga as the designated lead audit partner for the 2020 financial year.

6. **Directorate**

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

Directors	Office	Designation	Nationality	Changes
Du Plessis PJA	Chairperson	Non executive	South African citizen	
Kumar KA	Other	Non executive	South African citizen	
Muller LA	Other	Non executive	South African citizen	
Mofokeng LS	Other	Non executive	South African citizen	
Masite SJ	Other	Non executive	South African citizen	
Reddy MC	Other	Non executive	South African citizen	
Khan FB	Other	Non executive	South African citizen	
Ranchoddas B	Other	Non executive	South African citizen	
Tshilwane MJ	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018
Ntlhola KN	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Garagae OSD	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Memani M	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Pambaniso PT	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Marota PN	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Phelane MK	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Sikobi CX	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Moshidi MSN	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018

DIRECTORS' REPORT

Directors	Office	Designation	Nationality	Changes
Ngcobo EN	Other	Non executive	South African citizen	
Davhana LG	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Makhongela MM	Other	Non executive	South African citizen	Resigned Monday, October 8, 2018
Dladla NC	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018
Marais A	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018
Malaza ZP	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018
Smith A	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018
Mndebele SF	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018
Wagner JJ	Other	Non executive	South African citizen	Appointed Monday, October 8, 2018

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

7. Date of authorisation for issue of financial statements

The financial statements set out on pages 57 - 93, which have been prepared on the going concern basis, were approved by the board on 13 September 2019, and were signed on its behalf by:

Du Plessis PJA
President

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 R	2018 R
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	15 463 324	16 108 901
Right-of-use assets	5	160 837	-
Intangible assets	6	9 757	24 619
		15 633 918	**16 133 520**
Current Assets			
Trade and other receivables	7	3 065 321	3 069 036
Cash and cash equivalents	8	16 907 681	14 437 619
		19 973 002	**17 506 655**
Total Assets		**35 606 920**	**33 640 175**
EQUITY AND LIABILITIES			
Equity			
Reserves		313 381	313 381
Retained income		32 481 082	31 199 311
		32 794 463	**31 512 692**
LIABILITIES			
Non-Current Liabilities			
Finance lease liabilities	5&9	109 020	-
Current Liabilities			
Trade and other payables	10	1 085 984	1 497 867
Finance lease liabilities	5&9	54 510	32 917
Income received in advance		1 562 943	596 699
		2 703 437	2 127 483
Total Liabilities		2 812 457	2 127 483
Total Equity and Liabilities		35 606 920	33 640 175

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 R	2018 R
Revenue	11	15 514 250	22 067 560
Other operating gains (losses)	12	(41 625)	(80)
Other operating expenses		(15 399 530)	(20 668 546)
Operating profit	13	**73 095**	**1 398 934**
Investment income	15	1 218 964	992 522
Finance costs	16	(10 286)	(3 160)
Profit for the year		**1 281 773**	**2 388 296**
Other comprehensive income		-	-
Total comprehensive income for the year		**1 281 773**	**2 388 296**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Other NDR R	Accumulated surplus R	Total equity R
Balance at 01 April 2017	**313 381**	**28 811 015**	**29 124 396**
Profit for the year	-	2 388 296	2 388 296
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**2 388 296**	**2 388 296**
Balance at 01 April 2018	**313 381**	**31 199 309**	**31 512 690**
Profit for the year	-	1 281 773	1 281 773
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	**1 281 773**	**1 281 773**
Balance at 31 March 2018	**313 381**	**32 481 082**	**32 794 463**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 R	2018 R
Cash flows from operating activities			
Cash receipts from customers		15 561 745	22 168 952
Cash paid to suppliers and employees		(14 218 050)	(20 627 324)
Cash generated from operations	18	1 343 695	1 541 628
Interest income		1 218 964	992 522
Finance costs		(10 286)	(3 160)
Net cash from/(used in) operating activities		**2 552 373**	**2 530 990**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(49 394)	(173 395)
Purchase of other intangible assets	6	-	(3 215)
Net cash from/(used in) investing activities		**(49 394)**	**(176 610)**
Cash flows from financing activities			
Payment on lease liabilities		(32 917)	(50 417)
Total cash movement for the year		**2 470 062**	**2 303 963**
Cash at the beginning of the year		14 437 619	12 133 656
Total cash at end of the year	8	**16 907 681**	**14 437 619**

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019

GENERAL INFORMATION

Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company is a public company incorporated and domiciled in South Africa.

1. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

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

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Trade receivables

The entity assesses its trade receivables and loans and receivables 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 measureable decrease in the estimated future cash flows from a financial asset.

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.

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.
Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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	Depreciation method	Average useful life
Computer software, other	Straight line	3 years

1.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note: Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and Other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and Other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.
In order to assess whether to apply lifetime ECL or 12 month ECL to trade and other receivables which do have a significant financing component, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk
In assessing whether the credit risk on a receivable or group of receivables has increased significantly since initial recognition, the company compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default
For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the company considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition. Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note).

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 16).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers 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.

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Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Financial instruments: IAS 39 comparatives

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 purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

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

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

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

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.

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.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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.

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.

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 are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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.

1.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right of use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 13) on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand alone prices of the lease components and the aggregate stand alone price of the non lease components (where non lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non lease components for leases of land and buildings.

Details of leasing arrangements where the company is a lessee are presented in note 5 Leases (company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right of use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 16).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Right of use assets

Right of use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the company expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right of use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right of use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 Leases (Comparatives under IAS 17)

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

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the .

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.9 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.

1.10 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.11 Employee benefits

Short term employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.12 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.
If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

1.13 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.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

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Repayment of a grant related to income is applied first against any un amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.14 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Major revenue streams include revenue from membership fees and revenue from conferencesand courses.

1.15 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

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2. CHANGES IN ACCOUNTING POLICY

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) in advance of its effective date which is for years beginning on or after 1 January 2019. The date of initial application is 01 April 2018. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right of use asset and a lease liability at the lease commencement for all leases, except for short term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the company's financial statements is described below.

The company has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.
IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 01 April 2018.

Leases where company is lessee

Leases previously classified as finance leases

For leases that were classified as finance leases applying IAS 17, the company measured the carrying amount of the right of use asset and the lease liability at the date of initial application as the carrying amount of the leased asset and lease liability immediately before that date measured applying IAS 17. For those leases, the company accounts for the right of use asset and the lease liability applying IFRS 16 from the date of initial application.

Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the company's financial statements are described below.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 01 April 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 01 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 01 April 2018. Comparatives in relation to instruments that have not been derecognised as at 01 April 2018 have been restated where appropriate.

	2019 R	2018 R

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:
Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.
All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.

The company may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.

The company may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset.

	2019 R	2018 R

On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at 01 April 2018, the directors reviewed and assessed the company's existing financial assets, amounts due from customers and financial guarantee contracts for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 01 April 2017 and 01 April 2018.

Management do not have sufficient records relating to interest capitalised on plant and equipment to enable retrospective expensing of borrowing cost. For this reason the change in accounting policy is applied prospectively.
The entity has not applied the new [name the standard or interpretation] issued, and effective for periods commencing . (Describe the new required treatment and the current treatment.) The estimated impact of the implementation of the new standard on the 2019 financial statements is as follows:

3. NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	01 January 2018	The impact of the standard is not material.
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	The impact of the standard is not material.

3.2 Standards and Interpretations early adopted

The company has chosen to early adopt the following standards and interpretations:

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

2019 R	2018 R

Company as lessee:

- Lessees are required to recognise a right of use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right of use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right of use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re measurement of the lease liability. However, right of use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right of use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right of use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re measured for reassessments or modifications.
- Re measurements of lease liabilities are affected against right of use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re measures the lease liability by making a corresponding adjustment to the right of use asset.
- Right of use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right of use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Company as lessor:

Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.

- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

	2019 R	2018 R

Sale and leaseback transactions:

In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.

- If the transfer meets the requirements to be recognised as a sale, the seller lessee must measure the new right of use asset at the proportion of the previous carrying amount of the asset that relates to the right of use retained. The buyer lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 01 January 2019.

The company has early adopted the standard for the first time in the 2019 financial statements.

The impact of the standard is not material.

4. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	120 000	-	120 000	120 000	-	120 000
Buildings	15 824 037	(987 245)	14 836 792	15 790 195	(592 132)	15 198 063
Furniture and fixtures	766 403	(402 631)	363 772	783 031	(277 682)	505 349
Office equipment	316 408	(287 356)	29 052	702 254	(598 241)	104 013
IT equipment	465 171	(351 464)	113 707	49 026	(297 551)	181 475
Heritage assets	13 198	(13 197)	1	13 198	(13 197)	1
Total	**17 505 217**	**(2 041 893)**	**15 463 324**	**17 887 704**	**(1 778 805)**	**16 108 901**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Land	120 000	-	-	-	120 000
Buildings	15 198 063	33 842	-	(395 113)	14 836 792
Furniture and fixtures	505 349	-	(70)	(141 507)	363 772
Office equipment	104 013	-	(41 505)	(33 456)	29 052
IT equipment	181 475	15 552	(40)	(83 280)	113 707
Heritage assets	1	-	-	-	1
	16 108 901	**49 394**	**(41 615)**	**(653 356)**	**15 463 324**

	2019 R	2018 R

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
Heritage assets	1	-	-	-	1
	16 586 770	**173 395**	**(20)**	**(651 244)**	**16 108 901**

5. LEASES (COMPANY AS LESSEE)

The company leases office equipment which is the office printers. The average lease term is 3 years.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

The company adopted IFRS 16 for the first time in the current financial period. Comparative figures have been accounted for in accordance with IAS 17 and accordingly, any assets recognised under finance leases in accordance with IAS 17 for the comparative have been recognised as part of property, plant and equipment. The information presented in this note for right of use assets therefore only includes the current period.

Net carrying amounts of right of use assets

The carrying amounts of right of use assets are as follows:

	2019 R	2018 R
Office equipment	160 837	-

Additions to right of use assets

	2019 R	2018 R
Office equipment	163 530	-

Depreciation recognised on right of use assets

Depreciation recognised on each class of right of use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 13), as well as depreciation which has been capitalised to the cost of other assets.

	2019 R	2018 R
Office equipment	2 693	-

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

	2019 R	2018 R
Within one year	54 510	32 917
Two to five years	109 020	-
	163 530	**32 917**

	2019 R	2018 R
Non current liabilities	109 020	-
Current liabilities	54 510	32 917
	163 530	**32 917**

Comparative information for lease liabilities under IAS 17

The information presented for lease liabilities for the comparative period has been prepared on the basis of IAS 17, and therefore only represents the liability as at that date for finance leases and not for operating leases. In addition to the information presented in the table above, IAS 17 required an entity to present a reconciliation of the present value of lease payments for finance leases. This information is presented in the table which follows:

Present value of minimum lease payments due		
- within 1 year		32 917

6. INTANGIBLE ASSETS

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost or revaluation	Accumulated amortisation	Carrying value
Computer software	112 286	(102 529)	9 757	113 476	(88 857)	24 619

Reconciliation of intangible assets - 2019	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	39 786	3 215	(60)	(18 322)	24 619

7. TRADE AND OTHER RECEIVABLES

	2019 R	2018 R
Financial instruments:		
Trade receivables	385 819	1 585 293
Loss allowance	(254 791)	(242 439)
Trade receivables at amortised cost	131 028	1 342 854
Deposits	28 038	28 038
Non financial instruments:		
Prepayments (if immaterial)	2 906 255	1 698 144
Total trade and other receivables	**3 065 321**	**3 069 036**

Financial instrument and non financial instrument components of trade and other receivables

	2019 R	2018 R
At amortised cost	159 066	1 370 892
Non-financial instruments	2 906 255	1 698 144
	3 065 321	**3 069 036**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 R	2018 R

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2019 R	2018 R
Cash on hand	8 715	5 648
Bank balances	701 066	314 879
Short term deposits	16 205 268	14 091 626
Credit cards	(7 368)	25 466
	16 907 681	**14 437 619**

9. LEASE LIABILITIES

	2019 R	2018 R
Minimum lease payments due		
- within one year	47 400	39 500
- in second to fifth year inclusive	116 130	-
Present value of minimum lease payments	**163 530**	**39 500**
Present value of minimum lease payments due		
- within one year	54 510	32 917
- in second to fifth year inclusive	109 020	-
	163 530	**32 917**
Non current liabilities	109 020	-
Current liabilities	54 510	32 917
	163 530	**32 917**

It is company policy to lease certain equipment under finance leases.

The average lease term was 3 years.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The company's obligations under finance leases are secured by the lessor's charge over the leased assets.

10. TRADE AND OTHER PAYABLES

	2019 R	2018 R
Financial instruments:		
Trade payables	466 563	617 440
Trust creditor - LGSETA	-	419 153
Vat Accrual	(26 002)	(69 381)
Accrued leavepay	425 250	440 611
Non financial instruments:		
VAT	220 173	90 044
	1 085 984	**1 497 867**

11. REVENUE

	Note	2019 R	2018 R
Conference and Courses		11 590 125	12 848 324
Membership Fees		713 985	758 113
Sundry income		56 568	106 959
Audit & Risk Indaba		-	3 424 971
Women in Leadership		-	396 083
Public Sector Accounting Forum		799 739	232 270
mSCOA Projects		651 471	3 937 214
Branch Activities		1 702 362	363 626
		15 514 250	**22 067 560**

12. OTHER OPERATING LOSSES

	Note	2019 R	2018 R
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	4	(41 625)	(20)
Intangible assets	6	-	(60)
		(41 625)	**(80)**

13. OPERATING PROFIT (LOSS)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	2019 R	2018 R
Remuneration, other than to employees		
Consulting and professional services	258 871	400 301
Employee costs		
Salaries, wages, bonuses and other benefits	6 349 420	6 516 880
Short term benefit 1	61 044	74 144
Total employee costs	**6 410 464**	**6 591 024**
Depreciation and amortisation		
Depreciation of property, plant and equipment	653 356	651 244
Depreciation of right of use assets	2 693	-
Amortisation of intangible assets	14 852	18 322
Total depreciation and amortisation	**670 901**	**669 566**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 R	2018 R
14. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES		
Depreciation		
Property, plant and equipment	14 852	651 244
Right of use assets	2 693	-
	656 049	**651 244**
Amortisation		
Intangible assets	14 852	18 322
Total depreciation, amortisation and impairment		
Depreciation	656 049	651 244
Amortisation	14 852	18 322
	670 901	**669 566**
15. INVESTMENT INCOME		
Interest income		
Investments in financial assets:		
Bank and other cash	1 218 964	992 522
16. FINANCE COSTS		
Finance Leases	10 286	3 160

17. TAXATION

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

18. CASH GENERATED FROM OPERATIONS

	2019 R	2018 R
Profit before taxation	1 281 773	2 388 296
Adjustments for:		
Depreciation and amortisation	670 901	669 566
Gain on disposals	41 625	80
Interest income	(1 218 964)	(992 522)
Finance costs	10 286	3 160
Changes in working capital:		
Trade and Other receivables	3 715	(57 141)
Trade and other payables	(411 885)	(72 137)
Income received in advance	966 244	(397 674)
	1 343 695	**1 541 628**

19. RELATED PARTY TRANSACTIONS

Remuneration of Key Management

	2019 R	2018 R
Members of key management: CEO, CFO		
Chief Executive Officer	1 315 838	1 234 067
Chief Financial Officer	619 245	558 655
Board members / Directors do not receive any remuneration.	-	-

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

	2019 R	2018 R
Statement of Financial Position		
Investment	-	(8 228 115)
Cash and Cash Equivalent	-	8 228 115

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 R	2018 R
Revenue			
Income from conferences and courses		11 590 125	12 848 324
Membership fees		713 985	758 113
Sundry income		56 568	106 959
Audit & Risk Indaba		-	3 424 971
Women in Leadership		-	396 083
Public Sector Accounting Forum		799 739	232 270
mSCOA Projects		651 471	3 937 214
Branch Activities		1 702 362	363 626
	11	**15 514 250**	**22 067 560**
Operating losses			
Losses on disposal of assets or settlement of liabilities		(41 625)	(80)
Expenses		(15 399 530)	(20 668 546)
Surplus from Operating Activities	13	**73 095**	**1 398 934**
Investment income	15	1 218 964	992 522
Finance costs	16	(10 286)	(3 160)
Surplus for the year		**1 281 773**	**2 388 296**
Other operating expenses			
Amortisation		(14 852)	(18 322)
Reversal of/(Increase in) provision for impairment		(72 273)	(473 868)
Bank charges		(26 180)	(45 220)
Cleaning		(28 767)	(23 940)
Auditing Fees		(207 733)	(379 844)
Consulting and professional fees		(51 138)	(20 457)
Depreciation		(656 049)	(651 244)
Employee costs		(6 410 464)	(6 591 024)
Conference and Course Expenditure		(3 739 500)	(6 967 510)
Audit and Risk Indaba		-	(2 597 529)
Women in Leadership in Government		-	(319 131)
Public Sector Accounting Forum		(367 461)	(174 430)
Branches Expense		(1 513 087)	(456 477)
Project mSCOA		(32 025)	-
Workmen's compensation		(12 380)	1
Insurance		(133 118)	(124 114)
Municipal expenses		-	(12 817)
Other operating expenses		(1 085 967)	(770 315)
Printing and stationery		(116 570)	(138 255)
Repairs and maintenance		(84 319)	(100 321)
Security		(315 057)	(248 526)
Postage and communication		(237 560)	(228 886)
Meeting and travelling expenses		(295 030)	(326 317)
		(15 399 530)	**(20 668 546)**

NOTES

CIGFARO

Chartered Institute of
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1929 - 2019

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90 YEARS