

2016 | ANNUAL REPORT INSTITUTE OF MUNICIPAL FINANCE OFFICERS







CONTENTS

4	INTRODUCTION TO IMFO
5	FOREWORD BY THE IMFO PRESIDENT
8	FOREWORD BY THE IMFO ACTING CHIEF EXECUTIVE OFFICER
10	THE BOARD - STRUCTURE OF THE COUNCIL
10	Presidency
11	Branch Chairpersons
12	Technical Members
12	General Members
13	Co-opted Members
16	PERFORMANCE 2015/2016
26	STANDING COMMITTEES OF THE BOARD
26	- Standing Committee on Finance & Remuneration (SCRN)
30	- Standing Committee on Budget and Finance (SCBF)
34	- (SEC) Social and Ethics Committee
38	- Standing Committee on Education & Training (SCET)
46	- Standing Committee on Communication & Marketing (SCCN
52	- Standing Committee on Professional Practices (SCPP)
58	- Standing Committee on Audit & Risk (SCAR)
62	- Standing Committee on Provincial Branches (SCPB)
66	REPORT OF THE AUDIT AND RISK COMMITTEE
68	ANNIIAI FINANCIAI STATEMENT & AUDITORS' REPORT



INTRODUCTION

The Institute of Municipal Finance Officers (IMFO) is a professional body that was established in 1929.

The Institute is registered as a Non- profit Company in terms of the Company laws.

VISION STATEMENT

To be recognised as a professional body for the development and promotion of Municipal Finance Officers, Local Government Finance and Governance.

MISSION STATEMENT

Providing within the statutory framework, effective financial accounting advice, as well as setting and maintaining high financial standards and control in the area of Local Government Finance and Governance, to all levels of government and stakeholders, to benefit the community.

RECOGNITION

The Institute of Municipal Finance Officers is recognised by the South African Qualifications Authority as a Professional Body in terms of the National Qualifications Framework Act, Act No. 67 of 2008. The Institute's professionalism enjoys the recognition of various government departments, including the Office of the Auditor General, the Department of Cooperative Governance & Traditional Affairs, and National Treasury. Provincial Governments, Municipal Association and other Municipal Institutes. It also has a status of educational institute and many private firms, including professional auditors, banks and computer companies.

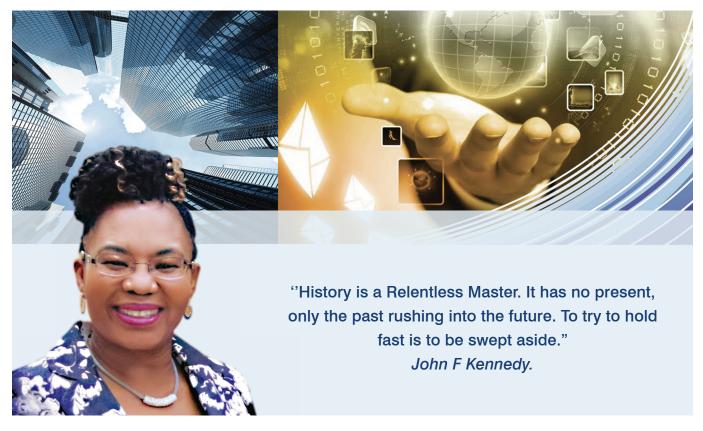
OBJECTS AND ACTIVITIES OF THE INSTITUTE

THE OBJECTS OF THE INSTITUTE ARE TO:

- 1.1 further the interests of the Public Sector in the financial and related professions by:
 - 1.1.1 advising institutions, commissions and other bodies and persons;
 - 1.1.2 the training and advancing of knowledge of Members of the Institute, and
 - 1.1.3 the promotion of the interests of the profession of public finance officers and related professions;
- 1.2 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:
 - 1.2.1 developing and registering appropriate qualifications;
 - 1.2.2 registering qualifying professionals as its Members;
 - 1.2.3 constant renewing of Members' registrations;
 - 1.2.4 assessing and promoting programmes at institutions of higher learning:
 - 1.2.5 regulating activities within the public sector finance profession and related professions via the Code of Conduct and a disciplinary procedure;
 - 1.2.6 monitoring and tracking the continuing professional development of Members;
 - 1.2.7 developing and implementing practical guideline and process enhancements and best practices; and
 - 1.2.8 making submissions pertaining to legislation and/or proposed legislation to sector departments as and when requested;
- 1.3 to consider, where necessary research and comment on, existing and proposed pieces of legislation affecting the Public Sector in the Republic;
- 1.4 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:
- 1.5 to advise the National and Provincial Government, related Institutions and other recognised National Associations on matters affecting the public sector;
- 1.6 to provide opportunities and platforms for an exchange of views, knowledge and best practices amongst members; and
- 1.7 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 IMFO PRESIDENT





INTRODUCTION

As we reflect on our journey of 87 years we continue to record our success as an institute for the work done by more than 4000 persons who are IMFO members, stakeholders, our prestige board members and dedicated employees. Our growth is driven by our ability to leverage on their technical skills, loyal support, dedication, innovation and creativity from the foundation of the competitive strengths found in our strategy.

Our mission, vision and short, medium and long term strategic aimed at fully advancing the public finance management towards our centenarian (100) in the next thirteen years (13) and beyond. All our efforts as an institute in setting and maintaining high financial standards and control in as far as the area of local government finance and governance at all levels of government is aimed at the benefit of our professional communities. It thus gives me great pleasure to present my report for the 2015/16 term of Office.

As we proudly prepare to celebrate 87-years of the Institute, being recognised as a professional body served as the foundation to the development and promotion of Municipal Government Finance and Governance. This term of Office marks the exciting and significant moments of celebrating

important milestones in the history of IMFO. In this Annual Report, I am inviting you to take a first-hand look at IMFO's business development in 2016 and to learn more about the developments and drivers of our business. I will begin with our revenue strategies and governance and take you through our branch activities and future endeavours.

One thing that is certain in life is change and this a natural phenomenon we cannot prevent, however we can influence it accordingly whenever local government is evolving and the future is being reshaped the institute assure itself to be at the forefront of financial and governance innovation with the broader public finance management arena but specifically within Local Government. In this term of Office the board undertook a bold step, although challenging, initiatives to reposition and position IMFO to assume its rightful position amongst its peers.

FINANCIAL SUSTAINABILITY

I am pleased to report that IMFO has obtained a Clean Audit Report for 2015/16 financial year for the second time and it is with great honour that I inform you that the institute's finances are in good standing. This was all possible with the support of the Standing Committee on Budget Finance which continued to assist in monitoring the institute's finances with a hawk's eye.

FOREWORD BY THE IMFO PRESIDENT

CORPORATE GOVERNANCE

The institute continued to comply with the Companies Act in implementing professional practice and good governance. The alignment of the Memorandum of Incorporation (MoI) to the Companies Act and Board Charter are positive strategies that have since strengthened the institute in the manner in which everyday business is conducted. Continuous implementations of the Standing Orders for the Board will surely advance the professional status of the institute.

THE BOARD

Though each Board member plays a pivotal role in their respective place of employment I am humbled that they were able to find time in their busy schedules to attend the Board meetings. Board meetings were held on a quarterly basis. Directors have further served on standing committees of the institute and have thus played crucial roles in carrying out the strategic objectives. The role of being a board member is not prestige driven but a commitment to serve selflessly with sacrifice, it requires dedication and to contribute in formulation of ideas, strategies and providing considered technical advice based on individual research practice knowledge. In this light it is fitting to acknowledge the role by board members in this regard. The experience and knowledge brought by the members who have served the institute is invaluable and highly commended.

STANDING COMMITTEES

Our committees are chaired by experienced men and women at IMFO, as the most technical matters are dealt with in detail and recommendations are taken to the board for approval. It is thus important to acknowledge the outstanding work done by our committees as they have continued to deliver exceptional work in the year under review. In this regard the institute going forward is intenting to draw in more expertise into the committees from amongst its members, research experts and the academia.

The standing committees that have facilitated and organised seminars have successfully run profession events that have continued to raise the number of participants thus demonstrating that IMFO provides support to its members in the finance and related professions. The involvement of National Treasury in entrusting the institute to facilitate the roll out of the mSCOA training is further evidence that the institute is moving in the right direction. In this regard as president I have heavily relied on my Vice Presidents to ensure that IMFO engage at the coal face with both the

mSCOA and Public Finance Management (PFM) projects and initiatives working with the relevant committees of the Board.

THE PUBLIC SECTOR

As the entire public sector is now moving closer towards full accrual accounting and the iminent professionalisation of the Public Finance Management (PFM), the board resolved to strategically position the Institute, owing its good standing, to be part of the greater public sector transformation processes.

RISK PROFILE

The institute's strategic assessment produced highlighted key areas which require the attention of the board to advance the interest of both IMFO and its members, if it has to remain relevant to its members and stakeholders alike. The area that need immediate attention is increasing the administrative and technicial capacity of its staff. To mitigate this additional technical capacity need will be developed and sourced through various options that the Board would consider. Additional revenue sources will have to be explored to finance the strategies and action proposed. The external risks are adequately managed through stakeholder engagement processes.

RELATIONS WITH VARIOUS STAKEHOLDERS, GOVERNMENT DEPARTMENTS AND OTHER STATUTORY BODIES

During this term the institute fostered improved relations with a host of stakeholders, some new and old. For the first time the Institute President and Vice Presidents were invited to engage with the IRBA board with a view of concluding a memorandum of cooperation. This is a significant milestone to bring the disciplines of internal and external audits in the public sector closer together. The Memorandum of understanding signed between ISAMAO and IMASA will provide the institute with its peer professional bodies to collectively lobby for the statutory recognition of the various bodies.

The institute wishes to thank the National Treasury for confidence bestowed in IMFO to spearhead the process of facilitating mSCOA workshops which are aimed at empowering municipal employees specifically the Chief Executive Officers, Municipal Managers, Managers, Directors, Finance Officers to name a few.



IMFO also signed a MOU with CIPFA at the CIPFA annual conference in Manchestor Central, UK. Both institutes are independent professional bodies sharing a common interest in enhancing the quality of public financial management, through enhancing the skills of professional accountants and public sector internal auditors through contributing to the improvement of capacity in municipal finance and municipal internal auditors in South Africa through a range of collaborative activities specified in the MOU. In this respect both parties recognise the critical importance of training in public sector financial management and audit. The collaboration with CIPFA also provides a window of opportunity for the institute to be involved in the international Federation of Accountants (IFAC) The collaboration between IMFO and Government Finance Officers of Canada and the USA is continuing and remains strong.

In 2016 the institute will be participating in the Municipal Australian Challenge albeit on an observer status to assess future consideration of collaboration.

CHALLENGES AND OPPORTUNITIES

Notwithstanding the institute's 87 years history, my interactions largely with the public has revealed that it remain relatively unknown. As the institute positions itself to in the medium term attract membership from amongst members of the public service. This requires a dedicated marketing comparable to that of our competitors in the market place as we advance PFM.

The institute is also in the process of a name change, championed by the Board. The Board has evaluated all proposals received and approved a name which was unveiled at the Extraordinary General Meeting (EGM) held in September 2016. Whilst this herald a new era for IMFO, this remains our vision for continuity and change. IMFO is continuing to break new ground and the process of the name change was aligned to the official opening of our new state of the art building.

We are pleased to have finally completed the process of appointing our new CEO; Mr Abbey Tlaletsi. We welcome him to IMFO and I believe that he will be an asset to the institute. He arrives at a significant time where the Institute is celebrating important milestones in the history of IMFO. His background and leadership will enable the organisation to better deliver on its mandate. The Presidency reviewed the capacitating of the office with additional staff as reported in my last report. We are pleased that this process is at its final stages and with the help of the new CEO this process will soon be finalised.

IMFO's TRANSFORMATION

I am delighted to record the mechanism of electronic voting by members for purposes of facilitating participation in the board elections. This process has brought in greater transparency in our internal board elections including provincial branch elections. Based on the number of nominations received this year, I am truly inspired by the interest shown by members in this process and I am keenly waiting to see the new board together with the new CEO, taking the institute to greater heights.

CONCLUSION

As I prepare for the presidential hand over, I am delighted to see the extraordinary accomplishments the institute has achieved in just a short space of time. Our Past Presidents and board members have to be acknowledged for laying excellent foundations on which IMFO can keep building and transforming in the public sector!

My wish is that in the next decade, IMFO will continue to build on the successes of the previous 10 years and create the intellectual resources to meet new challenges in the development of Municipal Finance, Audit, Risk and Performance Management in the Public Sector.

"History is a Relentless Master. It has no present, only the past rushing into the future. To try to hold fast is to be swept aside" John F Kennedy.

We cherish our past history, we value our journey from the past to transformation. We have now set a course for the future to see our own growth and transformation towards a better future. The new name process is an indication of commitment to take up the challenge to our future.



S.J. MASITE, QIAL, CIA CMIIA, CFE. IMFO PRESIDENT

FOREWORD BY THE IMFO ACTING CEO



The institute has in the year under review (2015 -2016) achieved significant milestones for all Municipalities. The implementation of the board's strategic plan and setting of key performance indicator and monitoring thereof on a regular basis by the board produced excellent results. The highlight was the interaction improvement in stakeholder relations championed through the office the President and culminating to the signing MOU with National Treasury for the roll-out of Municipal Standard Chart of Accounts (MsCoA) to facilitate the training for municipalities.

The institute also signed other memorandum of understanding with ISAMAO and IMASA.

In my acting capacity as CEO post the resignation of the CEO in August 2015, I was privileged to administratively steer the organisation for the remainder of the year shadowed by the Vice President General Mr Sidwell Mofokeng an experienced CEO. IMFO managed to continue the processes and projects of the Institute with the support of all board and staff members.

The Board has ensured greater compliance with corporate governance and appropriate governance structures with regards to the changes effected in the Memorandum of Incorporation (MoI) in 2014. New committee structures were established to align to the Institute's Strategic Goals as reviewed in December 2015. In pursuit of the reviewed vision and realignment of the institute broader objectives, IMFO also embarked on a journey, of continuity and change by resolving too early in 2016 to change the name of the Institute to align with the broader mandate spectrum of membership composition to include public sector Audit and Risk professions.

To give effect, the Institute re-aligned its objectives to incorporating the broader Public Sector Finance, Risk and Audit officers. A process to incorporate this change as approved at the annual general meeting in 2015 was initiated by inviting suggestions for a Name change from members. IMFO is implementing its refined strategic objectives and the impact of it is starting to be visible in our membership representation.



The board decision to embark on an ambitious yet visionary project of building the new state of the art building for IMFO is another historic milestone that demonstrated the commitment of the board to advance the interest of both the sector and the profession that IMFO represents.

IMFO Annual Conference also showed some growth in terms of attendance and the programming. Hosted by Ekurhuleni Metropolitan Municipality at Emperors Palace, the Conference continued to receive positive comments from delegates, Sector Departments and the business community that participated in the exhibition and the breakaway panel session.

The IMFO Audit and Risk Indaba, Public Sector Finance Seminar and Women in Government Seminar has all been well attended and showed some significant growth and popularity in the sector. Many other capacity building programmes are also well received by our members. IMFO is excited that we are not only continuing to add value to our members but playing our part in transforming the Public Sector in Accounting, Audit and Risk.

The MOU to roll out the training of mSCOA, signed by IMFO and National Treasury show the trust that IMFO have built over the years.

The 2103 IMFO Annual General Meeting approved the Boards request to build IMFO Offices in Kempton Park. The process started in earnest with the appointment of the Project Manager in December 2014. The actual construction started in August 2015 and the building should be occupied in the 2016-2017 financial year.

IMFO still strives to obtain statutory recognition but strategically, supported by the Board, managed to become a partner of the National Treasury in facilitating and supporting the implementation of mSCOA– Municipal Standard Chart of Accounts for the country. The past year has been focused on improving relations with National Treasury and a project called mSCOA was embarked on. A Memorandum of Understanding was signed with National

Treasury where IMFO has been chosen to facilitate the roll-out of Accredited Training for members.

IMFO always maintain a strict code of conduct that should be upheld by its members, enforcement of the code and the ability of IMFO to discipline and correct unacceptable conduct by its members remains limited. The sector's quest to realign itself for better service delivery plays a vital role in the professionalisation process which may see IMFO as one of the statutory professional bodies should that be viewed as one of the solutions to some of the current challenges faced by the sector.

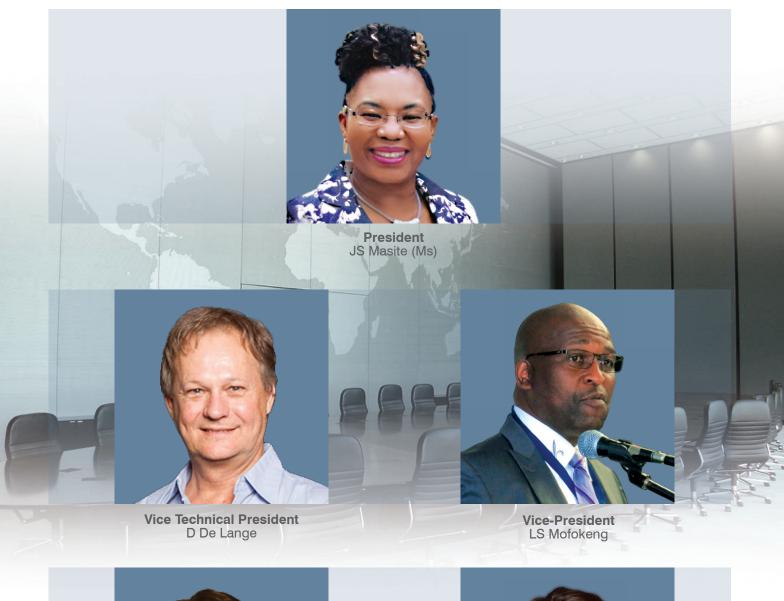
We continue to engage with our members, our stakeholders and related professional bodies in conducting our business.

As the ACEO, I would like to thank the President and IMFO Board of Directors for their continued support and leadership and also complement the staff and thank them for their hard work and always remaining supportive and professional in their conduct. A special word of appreciation to the Vice President General for shadowing me and assisting with stakeholder relations fund raising for the institute and the project management responsibilities of the IMFO new offices.

Jetze.

IRA KOTZE ACTING CHIEF EXECUTIVE OFFICER THE BOARD

THE BOARD PRESIDENCY





Past President LA Muller (Ms)



Acting Chief Executive Officer I Kotze (Ms)

* Vice-President - Vacant

THE BOARD BRANCH CHAIRPERSONS





Gauteng OSD Garegae



Western Cape M Memani



Limpopo T Nephawe



Mpumalanga M Sibanyoni



Kwa Zulu Natal BN Ranchoddas (Ms)



Eastern Cape PT Pambaniso



Free State P Khiba



Swaziland R Dube – Maziya (Ms)

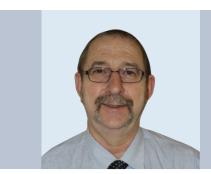


Northern Cape JJ Wagner

THE BOARD TECHNICAL MEMBERS







GD Van Schalkwyk



C Reddy (Ms)



ZP Malaza (Ms)



XHB Ndlovana

THE BOARD GENERAL MEMBERS



J Badenhorst



J Mettler



KN Ntlhola (Ms)



F Khan (Ms)

THE BOARD CO-OPTED MEMBERS









K Kumar F Manuel T Morabane







N Marobane P Marota (Ms) K Phelane (Ms)







J Geyer (Ms) C Pillay PJA du Plessis

BOARD MEETINGS

The Board met 6 times in the year under review as per the table below:

DATE	VENUE
19 June 2015	Kempton Park Golf Club
14 August 2015	ERWAT, Kempton Park
04 October 2015	Emperors Palace, Kempton Park
07 October 2015	Emperors Palace, Kempton Park
07 November 2015	Birchwood Conference Centre, Boksburg
18 March 2016	Kempton Park Golf Club



LEADERSHIP IS LIFTING A PERSON'S VISION TO HIGH SIGHTS,
THE RAISING OF A PERSON'S PERFORMANCE TO A HIGHER
STANDARD, THE BUILDING OF A PERSONALITY BEYOND ITS
NORMAL LIMITATIONS.







STRATEGIC PLAN PERFORMANCE 2015/2016

BALANCE SCORE CARD

STRATEGIC OBJECTIVE		PERFORMANCE OUTCOME (PERFORMANCE TARGET)						
		Achieved	legend	Partially Achieved	legend	Not Achieved	legend	
Strategic objective: Developing motivation and lobby Government to statutorily recognize IMFO as a Public Sector Professional Body	10	4		5		1	7	
Promotion of the interests of the profession of public finance officers and related professions	4	2	4	1		1	7	
Providing an appropriate education and training programmes for the development of public sector finance and governance practitioners	11	8	4	2	1	1		
Developing and maintaining stakeholder relationship with government, business and professional bodies.	3	3		0		0		
Good Corporate governance and sustainable financial management	11	11		0		0		
Increase IMFO membership and Brand awareness	5	4		1		0		

Out of 44 performance targets, 32 performance targets were achieved, 9 performance targets were partially achieved and 3 performance targets were not achieved. Overall performance is satisfactory and there is room for improvement.

ANNUAL PERFORMANCE RESULTS 10 4 2 Strategic objective: Number Strategic objective:



Strategic objective: Developing motivation and lobby Government to statutorily recognize IMFO as a Public Sector Professional Body To remain as the recognized professional body for Municipal finance and related professions.

1. 10 remain as the rect	ognized professional bod	y for municipal final	ice and related profe	255IUII5.	
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)
To identify and approach at least 3 (three) statutory Professional Bodies to establish the nature and essentials of creating a statutory Professional Body	Pursue statutory recognition not regulatory recognition for all IMFO Focus areas requiring compulsory membership (licence to practice), with all related requirements such as fidelity insurance – progress reported quarterly in CEO's Report Discussion with SAIPA on the shared space in which we operate	Engagement report highlighting the lessons learnt and essentials of creating a statutory Professional Body	Concluded discussion with at-least 3 (three) existing Statutory Professional Bodies	4th quarter of 2015/16	Achieved
To obtain support from the SALGA and National Treasury for statutory recognition	Motivate for declaration of support from the SALGA and National Treasury for IMFO to be a statutory	Issued declaration of support by the SALGA and National Treasury	Finalise MoC's - NT MoC to include the representation of IMFO on ASB	4 th quarter of 2015/16	Achieved
	professional body		Lobby NT to extend the NT Competency requirements (or related developed competency requirements) to cover related professions		Achieved
			Strengthen ties with SALGA & investigate / implement process for determining best practice guides		Achieved
			Obtain Treasury support for COGTA development of Statutory Legislation		Partially Achieved
			Develop a qualifying exam for IMFO membership levels		Not Achieved: Reason: SCET to develop a Framework.
			"IMFO as regulator" implementation plan to be developed		Partially Achieved: Reason: SCET to develop a Framework.
			Strengthen the admin capacity of IMFO and the technical expertise		Partially Achieved: Organograms needed to be revised.
To develop motivation to the DPSA, COGTA and relevant Parliamentary PC on importance of professionalizing the Public sector finance and governance	Investigate the impact of PAM Act IMFO position shared in a workshop environment with the Parliamentary Portfolio Committee to consider alignment to LG requirements within the PAMS Act	IMFO becomes a Statutory Professional Body	One motivation per annum presented to all identified Departments and Institutions		Partly Achieved: Document created and sent to COGTA Minister and NTOGTA Minister in Dec 2014. Reason: Follow up documents have not been produced due to lack of capacity. The capacity issue is being addressed

STRATEGIC PLAN PERFORMANCE 2015/2016

Strategic Focus Area 2: Further the interests of the Public Sector in the financial and related professions

Strategic objective: promotion of the interests of the profession of public finance officers and related professions
2. To obtain statutory recognition for municipal finance management within the broad ambit of the public sector

Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)
To develop research capacity to contribute to the professionalization of the public sector	Provide the public sector with research material on identified area of financial management and governance	Issued research material on identified area of financial management and governance	Investigate the impact of the PAMS Act on local government in context of MFMA MC and COGTA employment requirements, LRA, role of SAIPA, etc	4 th quarter of 2015/16	Not Achieved: Still to be done. Reason: Research capacity remains a challenge
To advise institutions, commissions and other bodies and persons	Capacity of office to respond to legislation and queries – considering a realignment of staff or increase in capacity, as well as the use of municipal experts Presentation of technical advice to identified relevant bodies on matters relating to public sector finance and governance	Issued advisory documents to identified relevant bodies on matters of public finance and related governance focus areas	Advised all identified relevant bodies on matters relating to public sector finance and governance	Quarterly	Partly Achieved: Advice goes out in different forms ie journal articles, written comments etc. Reason: Technical capacity still a challenge
To provide opportunities and platforms for an exchange of views, knowledge and best practices amongst members	Organize Annual Conference, Indaba and Provincial workshops	Annual Conference, Indaba and 9 Provincial workshops held	Annual Conference Indaba 1 Annual Conference 1 Audit and Risk Indaba 9 Provincial workshops Women in Local Government Seminar		Achieved
To advise the National, Provincial, Local Government, related Institutions and other recognised National Associations on matters affecting the public sector	Creation of structured response plan and provision of timeous advice to the National, Provincial, Local Government, related Institutions and other recognised National Associations on matters affecting the public sector	Constant quality advice to the National , Provincial, Local Government, related Institutions and other recognised National Associations on matters affecting the public sector	Compliment the COGTA Operation Clean Audit Assistance – again considering the capacity of the office and the possibility of contract positions paid by COGTA	End of 2015/16 financial year	Achieved



Strategic Focus Area 3: Education, Training and Professional Development

Strategic objective: Providing an appropriate education and training programmes for the development of public sector finance and governance practitioners							
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)		
To identify the public sector's finance and governance's skills gap	Establish the public sector's finance and governance skills gap	Issued skills gap in the public sector's finance and governance to determine the training needs and research requirements	Issued skills gap in the public sector's finance and governance to determine the training needs and research requirements, prioritising governance issues and training requirements	First publications of gaps within 6 months, with on-going additions identified by Board members	Achieved		
			Duplication of training areas identified in all the provinces, with specific focus on first 6 months of the calendar year		Achieved		
To provide training responsive to the identified skills gap in the public sector's finance and governance areas	Provide number of training programmes to the public sector's finance and governance practitioners	Number of agreed training programmes provided to the public sector's finance and governance areas.	All planned training programmes conducted by the end of the financial year	Quarterly	Partly Achieved: Not all planned training programmes are conducted. Reason: There are training programmes cancelled due to a low number of attendees		
To monitor and track the continuing professional development of Members	Create effective and efficient system of continuing professional development (CPD) points	Constant and continuous professional development in the public sector finance and governance professions	Identification of the Ethics Workshop/ Training sessions Consideration of e-learning Provide feedback to the members timeously to ensure the CPD requirements are met Evaluate the timeframes for obtaining CPD points or level of CPD points that should be obtained and relevance of the mandatory portion of the CPD points. Set up a partnership with related ethics institution to allow members the opportunity for online achievement of ethics points	Quarterly	Achieved		
To participate in the Universities' curriculum development fora and provide advice on public finance and governance qualifications and training programmes	Approach all Universities providing training on public finance and governance to seek IMFO representation in their curriculum development fora.	IMFO participate in the University curriculum development fora.	Investigate the opportunity offered by Janet Channing for the development of a qualification for the implementation of the valuation roll for people working in municipal rates (not the valuation field)	4 th quarter of 2015/6	Achieved		

STRATEGIC PLAN PERFORMANCE 2015/2016

Strategic Focus Area 3: Education, Training and Professional Development

	Strategic objective: Providing an appropriate education and training programmes for the development of public sector finance and governance practitioners							
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)			
			Potential to develop a qualification which any university can present	4 th quarter 2015/16	Partially Achieved Reason: No capacity to deal with the process			
			Identify the short learning programmes where IMFO has been involved	1 st quarter 2015/6	Achieved			
			Facilitate the working relationships between interested universities	3 rd quarter 2015/16	Achieved			
			Pursue the opportunity for the Chartered Internal Auditor qualification to be offered in SA (CIPFA) within internships counting towards articles	4th quarter 2015/6	Achieved			
To act as Project Manager for the skills development programmes initiated by other stakeholders such as the SETA.	Present a successful business plan that will result in IMFO being a preferred Professional body to manage skills	IMFO appointed to manage skills development programmes initiated by other stakeholders	Pursue the opportunities with the newly created public sector school, etc	3 rd quarter 2015/16	Achieved			
	development programmes initiated by other stakeholders		Develop a business case for an internship programme for qualified students with funding from external agencies (LTA, COGTA, Skills Fund, etc)	1 st quarter 2015/16	Not achieved: LGSITA has no funds for the projects			



Strategic Focus Area 4: Stakeholder Relations

Strategic objective: Developing and maintaining stakeholder relationship with government, business and professional bodies.							
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)		
To create a credible Stakeholders' relationship strategy	Full Implementation of the Stakeholders relationship strategy	Formal relations created with identified stakeholder	Created and fully implementing the Stakeholders' relationship strategy	2 nd quarter 2015/16	Achieved		
To establish appropriate partnerships agreements with strategic stakeholders	Signing Memoranda of co- operations with identified stakeholders	Memoranda of cooperations with identified stakeholders	MOC's with identified stakeholders – NT, SALGA, COGTA, others – like universities.	Quarterly	Achieved		
To collaborate with other Professional bodies in the public sector's finance and governance management	Conduct agreed number of collaborative public sector governance and finance management programmes	Successful Collaboration with identified Professional bodies	Investigate the synergies with other professional bodies such as the institute for Asset Management, Collaboration with COGTA on clean audit	2 nd quarter 2015/6	Achieved		



STRATEGIC PLAN PERFORMANCE 2015/2016

Strategic Focus Area 5: Corporate Governance and Operational Effectivenes

Strategic objective: Goo	d Corporate governance	and sustainable fina	ancial management		
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)
To comply with the relevant provisions of the Companies Act and King III	Establish compliance framework and monitor implementation	Approved and implemented compliance framework	Approved reviewed rules that relate to the MOI (Election of the Board)	1 st quarter 2015/6	Achieved
To develop an institutional strategy for achieving the long term vision of the board	Develop the long-term institutional strategy and capacity requirements to achieve long term vision, together with timeframes	Approved longterm institutional strategy and capacity requirement document	Three year strategic plan approved	1 st quarter 2015/6	Achieved
To develop and review relevant operational policies	Develop policies and monitor compliance	Approved and implemented policies	New and revised policies as well as an up to date register of policies and review dates	2 nd quarter 2015/16	Achieved
To develop and implement ICT system responsive to IMFO needs as a Professional body	Develop ICT system with an ability to respond to all IMFO needs	Approved and implemented ITC system	Report to SCFR on the Conference software Staffing structure to take into consideration an IT specialist that will also be the Webmaster, facilitate the implementation of the elearning opportunities, etc	1st quarter 2015/16	Achieved
To develop and implement the Financial and Accounting Framework	Develop and monitor implementation of the Financial and Accounting Policy	Approved and implemented Financial and Accounting Policy	Branch accounting processes to be clearly facilitated All branch accounts to move to ABSA bank Review the opportunity for a Fund-raising committee vs the option of H/O arranging a "Exhibitor's Golf Day", and other fund raising activities	1 st quarter 2015/16	Achieved
			Investigate the possibility of making training affordable through "bulk discounts" to encourage municipalities to send multiple participants in the workshops, training courses and annual conference (facilitate CPD points)		Achieved
			Staff capacity to be present at branch functions each time these are offered in order to keep up the IMFO image	Quarterly	Achieved
			IMFO to market the municipal specific training offered by IMFO (showing minimum numbers)	Quarterly	Achieved



Strategic objective: Go	Strategic objective: Good Corporate governance and sustainable financial management								
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)				
			Board to set the tone, direction and priorities for the future training needs, with flexibility for local requirements and new legislation coming in	Quarterly	Achieved				
			Investigate the relevance of training programmes to our "overseas" branches and neighbouring countries – focussing on commonalities, such a property rates, revenue collection strategies and processes, etc (increase footprint in Africa)	2 nd quarter 2015/16	Achieved				
			Consider the value add of the training programmes	Quarterly	Achieved				



STRATEGIC PLAN PERFORMANCE 2015/2016

Strategic Focus Area 6: Membership growth

Strategic objective: Good Corporate governance and sustainable financial management							
Measurable objective	Performance Indicator	Output	Performance target	Date	Achieved/not achieved (reasons)		
To develop and implement the IMFO Growth Strategy	Development of IMFO Growth strategy	Approved and implemented Growth strategy	Growth strategy to be holistic by identifying the capacity of the office to support the membership growth	1 st quarter 2015/6	Partially Achieved: Strategy drafted but not yet presented pending staff placement process Reason: Growth strategy not yet presented for approval.		
To develop and implement IMFO Communication and Marketing strategy	Development and implementation of IMFO Communication and Marketing strategy	Approved and implemented IMFO Communication and Marketing strategy	Facilitate the process for changing the name to reflect the objective of the institute – together with the marketing strategy for the launch of the new name Strategy to deal with all communication mechanisms (Facebook, Twitter, etc), widening the footprint to the students and all IMFO members and the creation of the Chatrooms Investigate an breakfast show discussion	1st quarter 2015/6	Achieved		
To conduct Provincial road shows marketing IMFO to all relevant stakeholders	Conduct monthly road shows to market IMFO	Monthly road shows conducted	8 roadshows to be achieved, with a report back on the activity taking place – such report in the CEO's quarterly report Any travel to a specific area should incorporate an element of the roadshow within it	Quarterly	Achieved		
To create IMFO new brand identity in line with its strategic direction	Development of IMFO new brand identity	IMFO has new brand identity reflecting its strategy	Branding strategy to be brought into the overall prioritisation programme to correctly set the timing of the brand launch	2 nd quarter 2015/16	Achieved		
			Development of (a new name), new brand, new image and creation of a brand awareness	AGM October 2015	Achieved		



ALL HUMAN DEVELOPMENT, NO MATTER WHAT FORM IT TAKES,

MUST BE OUTSIDE THE RULES; OTHERWISE WE WOULD NEVER

HAVE ANYTHING NEW.



STANDING COMMITTEE ON REMUNERATION and NOMINATION (SCRN)

SIDWELL MOFOKENG

1. MEMBERS

Chairperson President Past President Vice President Board Member

IMFO Secretariat

Sidwell Mofokeng Jane Masite (Ms) Louise Muller (Ms) Danie de Lange – *till March 2016* George van Schalkwyk

Ira Kotze (Ms) Nonhlanhla Shongwe (Ms)

2. DUTIES AND RESPONSIBILITIES

2.1 Committee Responsibilities - Nominations

The committee should carry out the duties below for the Institute, as appropriate. The committee shall:

- 2.1.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes in the Company's Memorandum of Incorporation (the MOI);
- 2.1.2 be responsible for identifying and nominating for the approval of the board, candidates to fill the Board's Standing Committees' vacancies as and when they arise;
- 2.1.3 before any co-option to committees is made by the Board, evaluate the balance of skills, knowledge, experience and diversity of recommended appointees, in the light of this evaluation, prepare a description of the role and capabilities required for a particular co-option.

 In identifying suitable candidates the committee shall:
 - a) use open advertising or the services of external advisers to facilitate the search;
 - b) consider candidates from a wide range of backgrounds; and
 - c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity, including gender, taking care that appointees have enough time available to devote to the position;

3. COMMITTEE RESPONSIBILITIES - REMUNERATION

The committee shall:

- 3.1.1 Annually review the remuneration of the Chief Executive Officer's and Senior Management's remuneration;
- 3.1.2 Annually review the basis of calculation of remuneration to ensure that it appears reasonable;
- 3.1.3 Annually review the current industry practice on remuneration;
- 3.1.4 Annually review the different methods of remunerating the Chief Executive Officer and Senior Management;
- 3.1.5 Investigate whether or not it's in the interest of IMFO to establish pension fund scheme and medical aid benefits to its employees;
- 3.1.6 Annually review of existing (if any) and proposed fringe benefits;
- 3.1.7 Review of retirement and termination payments;
- 3.1.8 Review of related party transactions and disclosure, if any;
- 3.1.9 Make recommendations to the Board on remuneration packages and policies applicable to the management and staff of the Institute; and



3.1.10 Ensuring that formal systems of succession planning for the Chief Executive Officer and Senior Management
3.1.11 HRD training – ensuring that the Institute has the HRD and policy in place. Structural and HRD framework that is applicable / in compliance.

4. MEETINGS AND ACTIVITIES:

The Standing Committee meetings were held and attended as follows:

	MEETING DATES						
		Standing Com	mittee Remune	eration & Nom	ination (SCRN)		
Committee Member	22/05/2015	18/06/2015	29/07/2015	12/08/2015	04/10/2015	01/03/2016	
Sidwell Mofokeng	Р	Р	Р	Р	Р	Р	
Jane Masite (Ms)	Р	Р	Р	Р	Р	Р	
Louise Muller (Ms)	Р	Р	Р	Р	Р	Р	
Danie de Lange	А	Р	А	Р	Р	А	
George Van Schalkwyk	Р	Р	Р	Р	Р	А	

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

This committee was established by the Board at the annual strategic planning session on 2 December 2014 in terms of the Companies Act. The Committee held the following meetings:

- 22 May 2015
- 18 June 2015
- 29 July 2015
- 04 October 2015
- 01 March 2016

5. NAME CHANGE PROCESS

During the year under review the Committee embarked on implementing the process of Name Change as per the AGM mandate. There was an Ad-hoc Committee established to assist with the process. The invitation to suggest a Name was sent to members and all the names received by the office were listed and given to the committee to come up with one best Name for the Institute. The Name has been reserved at CIPC awaiting for final approval and other processes before it can be finalised.

6. BOARD ELECTION

The 2016/18 Board election process was dealt with. The election framework was amended to allow the process to run electronic as approved by the Board in June 2015. The final date for the release of election results was 12 August 2016. The new Board will be announced to members at the conference.

7. APPOINTMENT OF THE CEO

The Committee was delegated by the Board to assist with the process of appointment of the CEO. All the HR processes were followed. At the time of writing of this report the status was that the CEO was appointed to start reporting on duty on 10 August 2016.

8. STAFF PLACEMENT

The process of staff placement and the drafting of the new organogram started in 2014 where the new organogram was developed. The HR expects who deals with placement processes was sough and appointed to assist with the process. The new organogram was developed in order to support the Institutes Strategic objectives. The Committee revisited the Strategic document of the Institute and realising that there are certain objectives that needed to be revised to take the Institute forward and the committee continued with the process of placement. The placement process is expected to be finalised end of August 2016.

STANDING COMMITTEE ON REMUNERATION and NOMINATION (SCRN)

9. POLICY REVIEW AND DEVELOPMENT

During the year under review the following policies were reviewed by the standing committee and recommended to the Board for approval:

	FINANCE POLICIES	Final Approval			
1.	Supply Chain Management Policy	2015 Reviewed		14 August 2015	
2.	Accounting Policy	2015	June 2015	14 August 2015	
3.	Investment & Loan redemption Policy	2015	Reviewed	14 August 2015	
4.	Provincial Branch Finance Policy		June 2015	14 August 2015	
5.	Movable Assets Disposal Policy	2015	Reviewed	14 August 2015	
6.	Write Off and Bad Debt & Provision for Bad debt calculation Policy	2015	June 2015	14 August 2015	
7.	Conference cancellation Policy	2015	Reviewed	14 August 2015	
8.	Credit Control Policy	2015	June 2015	14 August 2015	
	HR POLICIES	Final Approval			
9.	Leave Policy	2015	June 2015	14 August 2015	
10.	Travel and subsistence Policy	2015	June 2015	14 August 2015	
11.	Employee private work and financial interest policy	2015	June 2015	14 August 2015	
12.	Records Management Policy manual	2015	Reviewed	14 August 2015	
13.	Recruitment & Selection Policy	2015	Reviewed	14 August 2015	
14.	Study assistance Policy	2015	Reviewed	14 August 2015	
15.	Sexual Harassment Policy	2015	Reviewed	14 August 2015	
16.	Communication & Marketing Policy	2015	1st draft July 2014	14 August 2015	
17.	Communication Protocol Framework	2015	1st draft July 2014	14 August 2015	
18.	Performance Management Framework	2015	1st draft February 2015	14 August 2015	
19.	Memorandum of Incorporation	2015	Reviewed Nov 2015	07 November 2015	
20.	Board members Nomination and Election Framework	2016	Reviewed 18 March	18 March 2016	
21.	Standing Orders	2016	1st draft March 2016	18 March 2016	
22.	Criteria Elevation to Fellow Membership	2016	Reviewed March 2016	18 March 2016	

10. IMFO SECRETARIAT

Appointments and resignations

During the 2015/16 Financial year there were some changes within the Secretariat. The position of the CEO was filled. The Manager Marketing and Sponsorships resigned in January 2016 but the position is not yet filled until the placement process is finalised.

The Secretariat during the year was structured as follows:

The Secretariat during the year was structured as follows:									
Acting Chief Executive Officer &	I. Kotze	ira@imfo.co.za							
Chief Finance Officer									
Manager Marketing and Sponsorships	T. Mwase -till Jan 2016	terrence@imfo.co.za							
Manager Education and Training	L. Nolte	lindi@imfo.co.za							
Manager Communication	O. Makalima	oceanm@imfo.co.za							
Board Secretary	N. Shongwe	nonhlanhla@imfo.co.za							
IT Support	A Rwazemba	archie@imfo.co.za							
Finance and Admin Officer	T. Olifant	thulani@imfo.co.za							
Membership Officer	S. Ngwana	seban@imfo.co.za							
Project Admin Officer	G. Nkhoma	Getrude@imfo.co.za							
Special Project Officer	T. Hoffman	tracey@imfo.co.za							
CPD Officer	M Moshidi	meshack@imfo.co.za							
Receptionist/PA	L. Makopo	lydiat@imfo.co.za							
Communication Clerk (contract)	E. Gumata	Communication@imfo.co.za							
Marketing Clerk (contract)	H. Tseke	Exhibition@imfo.co.za							
Admin Assistant (contract)	A. Motloung	admin@imfo.co.za							
Registration Intern (12 Months)	X. Ngwebelele	registration@imfo.co.za							
Cleaning Assistant	D. Kgohoo								



AN INVESTMENT IN KNOWLEDGE PAYS THE BEST INTEREST.



STANDING COMMITTEE ON BUDGET and FINANCE (SCBF)



GEORGE VAN SCHALKWYK

1. MEMBERS

Chairperson
Vice-Chairperson
President
Past President
Vice Presidents

Institute Board Members

IMFO Secretariat

George Van Schalkwyk Amos Twala (04/10/2015)

Jane Masite (Ms.) Louise Muller (Ms) Sidwell Mofokeng

Danie de Lange (18/03/2016)

Chris Nagooroo (18/03/2016)

Ira Kotze (Ms)

Nonhlanhla Shongwe (Ms)

2. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- Assisting the Presidency in overseeing the financial planning of IMFO and ensuring full integration with the long term planning and mission of IMFO;
- 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 IMFO;
- Reviewing the Adjustment Budget for consideration by the Board;
- Quality assuring the Annual Financial Statement before review by the Audit and Risk Committee.
- Quality assuring the review of the IMFO Financial Policies annually;
- Reviewing fees, tariffs and charges to be levied by IMFO 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:

	MEETING DATES								
	Standing Committee on Budget and Finance (SCBF)								
Committee Member	22/05/2015	18/06/2015	29/07/2015	13/08/2015	04/10/2015	08/03/2016			
Sidwell Mofokeng	Р	Р	Р	Р	Р	Р			
Jane Masite (Ms.)	Р	Р	Р	Р	Р	Р			
Louise Muller (Ms)	Р	Р	Р	Р	Р	Р			
Danie de Lange	А	Р	А	Р	А	n/a			
George Van Schalkwyk	Р	Р	Р	Р	Р	Р			
Chris Nagooroo	Р	Р	Р	Р	А	n/a			
Amos Twala	А	А	А	Р	n/a	n/a			

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



Standing Committee Budget & Finance:

- 22 May 2015
- 18 June 2015
- 29 July 2015
- 12 August 2015
- 4 October 2015
- 7 March 2016

3.1 Financial Review and Financial Planning

During these meetings the committee members:

- Monitored debtor collection and project budgets
- Monitored cash flow forecasts for the next 3 years, taking into account the cash flow of building the new office and new proposed organogram and performance bonuses for staff.
- Monitored the quarterly spending patterns of the institute against the approved budget for the 2015/16 financial year and no material problems were experienced.
- Reviewed the proposed budget for the 2016/17 financial year and recommended a tariff structure for the 2016/17 financial year.
- Reviewed the risks related to the financial sustainability of IMFO and related revenue sources.
- Advertised the Thistle street property to be sold.

The financial results for the year ended 31 March 2016 shows that IMFO 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)

3.2 Capital projects during the year:

IMFO Office Building Project

After the presentation and approval of the building project for IMFO Head Office in Kempton Park, the Board appointed an Ad-Hoc Building Committee (The BC) Chaired by the General Vice President. The BC's main role was to facilitate the logistical process and make recommendation to Board on various processes of the project whilst the SCBF reviewed the budget and cash flow implications of the building project. The construction project resumed during the 2015/16 financial year and will be completed within the space of twelve months.

4. REPORT OF THE CHIEF FINANCE OFFICER

These financial statements (2015/16) have been prepared in accordance with International Financial Reporting Standards. The financial statements are further prepared on the going-concern basis, since the Institute Board has every reason to believe that the Institute has adequate resources in place to continue in operation for the foreseeable future.

REVIEW OF OPERATING RESULTS

The financial year under review has been successfully closed off with a net profit of R5 652 048 (2015: net profit R4 838 907). The main reason for the profit is from Income from Conferences and courses that IMFO presented and the stringent management of the building project cash flow.

Assets

Net value of Assets increased by R 5.2 million to R 28 million (2015: R 23 million). All additional Cash resources was invested to ensure maximum interests earnings and to possibly finance the Building project with the Institutes own resources, saving the costs of raising a bond.

Liabilities

Current Liabilities decreased by R 543 347 to R2.7 million

STANDING COMMITTEE ON BUDGET and FINANCE (SCBF)

(2015: R3.3 million). This includes R419 153 received from LGSETA for Internal Audit Bursaries that needs to be paid over to various universities. A finance lease was encumbered for the lease of a photo copier with a remainder long term obligation of R 72 417.

Income

Revenue (excluding finance income,) for the year is R20.6 million (2015: R20.5 million) which do not reflect a material increase. The main income stream is from the annual conference and courses conducted during the year which jointly comprises 95% whilst membership fees and sundry income contribute 5%. The income derived from conferences and courses are seen as extensions of the services provided to members and other persons working in the Public Sector, to strengthen the profession.

Expenditure

The actual net expenditure (excluding finance costs) reflects a reduction of 2.6% amounting to R16.1 million (2015: R16.6 million).



"THE SPEED OF YOUR SUCCESS IS LIMITED ONLY BY YOUR DEDICATION AND WHAT YOU'RE WILLING TO SACRIFICE"



ETHICS IS KNOWING THE DIFFERENCE BETWEEN WHAT YOU HAVE A RIGHT TO DO AND WHAT IS RIGHT TO DO.



(SEC) SOCIAL and ETHICS COMMITTEE



LOUISE MULLER

1. MEMBERS

Chairperson

Members

IMFO Secretariat

Louise Muller (Ms)

Nelisiwe Ntlhola (Ms) Annette van Schalkwyk Bharthie Ranchoddas (Ms) Jane Masite (Ms) Paledi Marota (Ms)

S Ngwana L Nolte (Ms) Archie Rwazemba

2. RESPONSIBILITIES OF THE SOCIAL AND ETHICS COMMITTEE

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

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

3. ACTIVITIES

The following matters were dealt with:

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

4. ACHIEVEMENTS

- The Committee has a Board approved Social and Ethics Charter and aligned the Terms of Reference to the requirements outlined in the Companies Act.
- The Standing Committee successfully held its 4th Seminar for Women in Public Sector Finance on 6-7 March 2016 in Durban at the Umhlanga Hotel.

The Seminar was attended by 203 delegates, amongst them being Councillors, CFO's, Accountants; Risk Officers and Interns. Women addressed issues that affected them in the municipality and below is the declaration coming from the discussion



5. SEMINAR DECLARATION

IMFO Women Leadership Seminar: 7 – 8 March 2016: Sustaining Quality Service Deliver through Prudent Financial Management

We, the delegates of the IMFO Women in Leadership Seminar, on International Women's Day, reiterate the greater participation of women as one of the necessary conditions for Sustaining Quality Service Delivery through Prudent Financial Management.

We, noting the Economic challenges faced by South Africa at the moment, acknowledge that:

- Women make up a large percentage of the poor, particularly in rural areas;
- Women can make a difference in Sustaining Quality Service Delivery by implementing prudent and frugal methods of managing the Public purse;
- Exceptional managers apply the bulk of available resources to the critical success factors and divert resources from less valuable areas;
- Women need to become quality and change leaders in order to sustain quality service delivery;
- We believe that improving gender equity across the local government sphere in particular and in the public sector in general, in both elected and appointed roles, will provide positive results in sustaining service delivery;
- Each one of us is needed—in our countries, communities, organizations, governments and in the United Nations—to ensure decisive, visible and measurable actions are taken under the banner:

Planet 50-50: Step It Up for Gender Equality:

- To arrive at the future we want, we cannot leave anyone behind. We have to start with those who are the least regarded. These are largely women and girls, even those in poor and troubled areas;
- IMFO is uniquely positioned to provide, within the statutory framework, effective financial accounting advice, as well as setting and maintaining high financial standards and controls in public finance and governance, to all levels of government and stakeholders, to benefit the community.

While we acknowledge progress made by the South African Government, we remain concerned about the low representation of women:

- in Parliament and Provincial Cabinets in South Africa:
- in Municipal and District Councils, MPACs, ARC's and other significant oversight committees within the local government sphere;
- in senior administrative positions in local government;
- on the Boards of the Municipal Entities and other SOC's; and
- in senior administrative positions in municipal entities and other SOC's.

In honour of International Women's Day and the related theme "#PledgeforParity", the delegates of the IMFO Women Leadership Seminar for 2016 therefore address this declaration to government, statutory bodies within the local government sphere and organisations and individuals who are responsible for ensuring equity within the public sector.

In specific we call on:

IMFO to heed the call for empowerment from delegates, who are eager to provide service excellence, with specific emphasis on:

- Spearheading the implementation of mSCOA through the recently signed MOU with National Treasury on the mSCOA project in all the municipalities;
- All aspects of Supply Chain Management Process within the local government sphere;
- All aspects of Risk Management;
- All aspects of Integrated reporting; and
- The Training, mentoring and coaching of both women and men –to create awareness of gender equity.

COGTA

- to promote the concept of equity targets within the political and administrative sectors of the public sector and to monitor progress towards gender equity in the public sector;
- to monitor and support effective service delivery for all marginalized communities in the country.

SALGA

 to promote the importance of equity at senior leadership levels within both the political and administrative spheres of local government and to monitor progress towards gender equity in the local government sphere as a whole;

(SEC) SOCIAL and ETHICS COMMITTEE

- to remain accountable and to report through all structures on the progress made to ensure the following on behalf of municipalities:
 - o the conclusion of service level agreements (SLA) between the relevant department and the municipality for all Mandates currently being performed within the local government sphere but allocated to another sphere;
 - o the evaluation of capacity and devolution of functions only in instances where municipalities have sufficient capacity to undertake the service responsibility;
 - o the equitable allocation of funds where functions that are competencies of provincial and national departments legislatively are carried out by local government.

All Delegates in their respective areas of influence to advance the following:

- o The expansion of public employment to provide work for the unemployed, with a specific focus on youth and women:
- o The transformation of the economy involving the active participation and empowerment of women.
- o The active support of the role of women as leaders in all sectors of society;
- o The elimination of social, cultural, religious and educational barriers to women entering the job market.

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

"The focus is on adding lasting value to the communities we serve"

6. VISION FOR THE FUTURE

The Committee plan to:

- continue holding the seminar on annual basis in March to align with International Women's day.
- ensure that issues coming out of the discussion at the seminar are directed to the relevant Government Departments.
- equip itself with the latest views on the roles and responsibilities of the Social and Ethics Committee by attending the Director Development workshop for Social & Ethics Committees.
- ensure that the annual workplan covers the following focus areas:
 - Anti-fraud and -Corruption Strategy for the organization Statutory compliance issues Consumer Protection Act with respect to the marketing of IMFO & the management of competitions
 - Administrative compliance with the requirements of the Occupational Health & Safety Act
 - Finalizing of PAIA Framework, submission and implementation
 - POPI Act Procedures for protecting personal information
 - Corporate Social Investment by IMFO and the maintenance of a list of donations
 - The accurate management of CPD points for partial attendance at seminars, conferences and IMFO training sessions.
 - Website management and Access to older information on the website.



TODAY KNOWLEDGE HAS POWER. IT CONTROLS ACCESS TO OPPORTUNITY AND ADVANCEMENT.



STANDING COMMITTEE ON EDUCATION and TRAINING (SCET)



JOEY GEYER (MS)

1. MEMBERS

Chairperson Joey Geyer (Ms)

Vice-Chairperson Ntheng Marobane

Board Members Sidwell Mofokeng

Ruth Dube-Maziya (Ms) Fathima Khan (Adv) Khomotso Phelane (Ms)

IMFO Secretariat Lindi Nolte (Ms)

2. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- a. To develop maintain and monitor all pertinent aspects of education and training requirements of the Institutes members
- b. To recommend capacity building programs for board approval for Finance and related professions
- c. To participate in the SAQA and HET qualifications and training standards development
- d. To register special designations for Finance and related professions with SAQA and National Treasury
- e. To screen and approve all service providers facilitating capacity building programmes under the auspices of IMFO and recommend appropriate standards of facilitation and assessment
- f. To recommend capacity building programmes' tariffs and fees for IMFO programmes and seminars in consultation with Standing Committee on Finance and Budget
- g. To liaise with SCAR, SCPP and SCOR on norms, standards, curriculum, assessment, QA and best practises guidelines.
- h. To develop review and implement a policy of Continuous Professional Development for municipal finance officers and related professions
- i. To liaise with educational institutions and other institutions.
- j. To develop standards and requirements for the different levels of membership and align them with relevant legislation.
- k. To consider and deal with all matters affecting the professional integrity of Institute members.
- I. To ensure that the Institute renders an efficient service to its members i.e. information on developments in the Institute.
- m. To ensure that IMFO as a Professional body benefits its members.
- n. To assist with the coordination of mentor and assessor programmes including the maintenance of a database of assessors and moderators in the local government finance and related professions.
- o. To provide guidance to members and students.
- p. To development strategy on the recruitment of new members and retention of existing members.
- q. Ensure continuous maintenance and updating the membership database.
- r. To compile an operating budget related to the needs of the Committee annually.

To consider any matters referred to the Committee by the Board.



3. THE COMMITTEE'S ACTIVITIES DURING THE PAST YEAR

The Standing Committee meetings were held and attended as follows:

Committee Member	Meeting date	P/A	Meeting date	P/A
Joey Geyer	18/06/2015	Р	02/03/2016	Р
Sidwell Mofokeng	18/06/2015	Р	02/03/2016	Р
Ntheng Marobane	18/06/2015	А	02/03/2016	А
Ruth Dube-Maziya	18/06/2015	А	02/03/2016	А
Khomotso Phelane	18/06/2015	А	02/03/2016	А
Fathima Khan	18/06/2015	А	02/03/2016	Р

P/A= P - "present" and A - "Apologized"

The committee discussed relevant matters such as:

- a. Aligning the Committee's Strategic Objectives with the Board's Objectives for 2016
- b. Reviewing the IMFO Logbook
- c. Training programmes
- d. Proposal for the Chartered Municipal Auditor Qualification
- e. mSCOA Training

4. THE COMMITTEE'S STRATEGIC OBJECTIVES

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

Measurable Objectives:

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

5. MEMBERSHIP

Achievements of the past year

• Membership number was increased by 11 %.

Vision for the future

- 1. Continue to canvass members by visiting Universities and Municipalities;
- 2. Increase membership number with 10% by maintaining and recruiting new members;
- 3. Maintaining a database that will assist members to interact and network; and
- 4. Continue encouraging all members to submit and upload their CPD points

Membership marketing

Membership was marketed by means of the following:

- IASA VUT Internal Audit held at VUT- 21 October 2015
- Exhibiting & Presentation to student in Bloemfontein Central University of Technology
- SALGA-GP Budget week held in on 5-6 February 2016
- SALGA-GP Municipal Revenue Management Symposium held in on 23 September 2016
- IMFO Gauteng Post Budget Speech held in Centurion Council Chamber on 25 February 2016
- IMFO Kwa-Zulu Natal Branch Presents a Workshop on the 04th November 2015
- IMFO Western Cape Branch workshop on 18 and 19 November 2015
- IMFO Gauteng Branch Presents a Breakfast Seminar on the 13th November 2015
- IMFO Western Cape Branch 01 02 June 2015, Goudini Spa, Worcester
- SALGA-LP Budget week held at the Ranch Resort in Polokwane on 20-21 October 2015
- NW Provincial Risk Management Indaba 05 06
 November 2015 in Mafikeng
- Women in Local Government held in Durban 7-8 March 2016

STANDING COMMITTEE ON EDUCATION and TRAINING (SCET)

- Audit & Risk Indaba held in Cape Town on 4-6 April
 2016
- SALGA National Assembly held in Midrand on 24-26 March 2015
- The IMFO Annual Conference
- The IMFO Journal and Newsletter
- IMFO Website

Membership distribution 2015/16

Previous total members	2637
Membership distribution currently	2881
Members Gain	308
Elevated to Honorary Life Members	
Elevated to Fellows	1
Admitted as Senior Associates	17
Admitted as Associates	44
Admitted as Licentiates	30
Admitted as Junior	53
Admitted as Students	158
Admitted as General	9
Members Loss	64
Deceased	6
Resigned	58

Implementing organisational values

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

- IMFO members have the opportunity to submit articles for the journal
- Members have the opportunity to submit topics to be included on programmes
- Members have the opportunity to submit skills gap training for inclusion in the IMFO training schedule
- Municipality has an opportunity to advertise vacancy posts on our website for FREE!
- IMFO 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:

1. Internet interface

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

6. SKILLS DEVELOPMENT TRAINING INITIATIVES

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

Credit Control and Revenue Management Executive Summary

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

Procedures for collection

Presentation on Collection procedures with a panel discussion

Applicable Legislation:

 (will highlight all the applicable Legislation impacting on Credit Control followed by a group discussion in clarifying any uncertainties)

Credit control Policies

 Take an in-depth look at the principles of any policy and how to go about amending and updating it to ensure optimal revenue collection

Measurement of effectiveness

 Need a presentation on evaluating the success of your credit control policy and how to identify problematic areas and how to correct.

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 Judgments impacting on Credit Control will be discussed

Duration: The training was presented for 2 (two) days



Attendance: 43 delegates attended

Presented at: Durban Evaluation Feedback:

- It helps you to implement or use policies and by-laws in your day to day work
- Very practical and it was great to discuss real cases that the municipalities & consumers are facing
- It was useful and full of experienced people; I believe it reached the outcome and its objectives
- It has made our work more interesting and enjoyable

GRAP Annual Financial Statements Executive Summary

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

- Overview of basic accounting definitions
- Discuss Accounting Framework applicable for the 2014/15 financial year as per Directive 5.
- Discussion of new Directives, GRAP Standards and IGRAP's, examples include:
 - Directive 11 Changes in Measurement Bases following Initial Adoption Standards of GRAP
 - GRAP 5 Borrowing Costs
 - GRAP 100 Discontinued Operations
- Detailed review of contentious areas identified during 2013/14. Examples include:
 - PPP's
 - Free Basic Services/Revenue Foregone
 - Landfill Site Rehabilitation Provision
- Overview of GRAP Standards
- Achieving a clean audit

Duration: The training was presented for 2 (two) days.

Attendance: 155 delegates attended

Presented at: East London, 2 groups in Durban, Polokwane, Kempton Park and Mpumalanga

Evaluation Feedback:

- Very helpful in preparation of AFS
- This training was more relevant
- Relevant and informative. Highlighted important disclosure requirements
- Helpful and answered all my questions

Supply Chain Management Executive Summary

Are the institutional arrangements within the organization functioning optimally, stable and responsive to the

ever changing legislative environment and diminishing resources?

- Is the application of the SCM policy in concert and aligned with the strategy of the Municipality?
- The non-alignment and / or absence of a Procurement Plan can cause strains in SCM thus derail effective service delivery?
- Are Demand Management practices in place and aligned to the Service Delivery and Budget Implementation Plan (SDBIP)?
- Are Key Performance Indicators entrenched or implied in the Supply Chain Management?
- Communicating Best Practices and benefits to all staff and clients.
- Determination of the current risk maturity level and prevalent risk culture in the organization and mitigation strategies.
- Identifying what communication and training strategies are required;
- Reporting structures and accountabilities (integrated into existing structures) should be carefully and thoughtfully planned.
- Integrating all SCM processes

Duration: The training was presented for 2 (two) days

Attendance: 20 delegates attended

Presented at: KwaZulu Natal

Evaluation Feedback:

- Training brought understanding on the new standards
- Relevant and informative. Highlighted important disclosure requirements
- Helpful and answered all my questions

Budgeting

Executive Summary

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

- Comply with the budget regulations
- Adhere to the budget time table
- Manage the budget process
- Determine cost reflective tariffs
- Evaluate the budget and make amendments
- Prepare and submit all documentation relating to budgets

Duration: The training was presented for 2 (two) days.

Attendance: 34 delegates attended

STANDING COMMITTEE ON EDUCATION and TRAINING (SCET)

Presented at: KwaZulu Natal and East London Few comments from the participants:

- It was a refresher course indeed and informative
- The training was well planned
- The discussions were beneficial
- The course covered most of the responsibilities relevant to my work. Clarity was given on some of the vital issues we are currently facing at the municipalities

This training is going to assist me in preparing annual and adjustment budget

Value Added Tax Executive Summary

- · Desired learning outcomes Output tax
- 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 the above 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

Obtain a broad understanding of the relevant VAT compliance requirements

Duration: The training course was presented for 1 (one)

Attendance: 15 delegates attended Presented at: KwaZulu Natal

Trooting at twazara tratar

The following are the in-house training courses that the office presented:

 Assets Accounting training – Emfuleni Local Municipality

- GRAP Annual Financial Statements training Saldanha Bay Local Municipality
- GRAP Annual Financial Statements training Emfuleni Local Municipality
- SDBIP and Performance Management Lepelle-Nkumpi Local Municipality

7. DEVELOPMENT OF A PROFESSIONAL QUALIFICATION

The Minister of Higher Education and Training (DHET), Dr Blade Nzimande, requested that there should be a single Professional Public Sector Finance Qualification. The IMFO secretariat is providing assistance to Academics from the Tshwane University of Technology (TUT) to develop a Diploma, Advance Diploma and Postgraduate Diploma in Public Finance and a Professional Degree in Public Sector Finance as well as the Masters of Business studies in Public Finance. The focus of the initiative is to develop the curriculum of both the Diploma and Professional degree in Public Sector finance to comply with the proposed new General and Further Education and Training Qualifications Framework. The Diploma is pitched on an NQF 6, Advance Diploma on NQF Level 7, Postgraduate Diploma on NQF Level 8 and Masters on NQF Level 9. The new Professional Degree Qualification will pitched at an NQF 7 level. The development process is still underway and once finalised it will be followed up with a Professional Bachelor's Degree in Public Sector Finance.

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

8. CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)



EDUCATION IS THE MOST POWERFUL WEAPON WHICH YOU CAN USE TO CHANGE THE WORLD. A GOOD HEAD AND GOOD HEART ARE ALWAYS A FORMIDABLE COMBINATION.

BUT WHEN YOU ADD TO THAT A LITERATE TONGUE OR PEN, THEN YOU HAVE SOMETHING VERY SPECIAL.

STANDING COMMITTEE ON EDUCATION and TRAINING (SCET)

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

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

The policy's implementation date was on 1 June 2012. The committee did review the policy and resolved that the Compulsory Ethics credits of 5 would be changed to Voluntary. The 1st three-year cycle ended 30 March 2015.

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

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

9. REINSTATING THE LOGBOOK

Assessment in the workplace is of the utmost importance to ensure that the skills of each member are developed continuously. Therefore the Institute Council has taken a resolution to investigate the possibility to reinstate the IMFO Logbook. The logbook will be linked to National Treasury's competency levels for 2013 as well as the SAQA Certificate in Municipal Management: Finance.

How will you benefit from the logbook as an aspirant IMFO member?

You will:

- · Develop structured career pathways and set goals;
- Gain insight on how a municipal finance department should operate;
- Identify gaps in knowledge and skills and address them;
- Access information and learn from experienced staff;
- Observe and learn from a role model:
- · Enhance motivation and confidence; and
- Comply with competency levels;

10. PLANNED INITIATIVES FOR THE NEXT YEAR

The committee is busy planning the following initiatives for the rest of the year:

- The feasibility for the establishment of a single Public Finance Professional Body for all financial officials in the Public Sector:
- Various training initiatives are planned and will be communicated;
- IMFO Logbook;
- IMFO to employ final year students/interns to get Work Integrated Learning opportunities at municipalities; and
- Ensuring that all students currently studying in Local Government or Public Sector become members of IMFO.



WE ARE AN INDUSTRY THAT HAS HISTORICALLY BEEN AT THE FOREFRONT OF DEFINING NEW MEDIA ENVIRONMENTS IN WAYS THAT BENEFIT CONSUMERS AND MOVE OUR ENTIRE BUSINESS MODEL FORWARD. WE MUST ENSURE THAT WHILE WE ARE MOVING QUICKLY, WE ARE ALSO MOVING SMARTLY.



STANDING COMMITTEE ON COMMUNICATION and MARKETING (SCCM)



JANE MASITE (MS)

1. MEMBERS

Acting - Chairperson Vice Chairperson Vice President

Members

IMFO Secretariat

Jane Masite (Ms)
David Garegae
Sidwell Mofokeng
Danie de Lange
Louise Muller (Ms)

Zanele Malaza (Ms) Chery Reddy (Ms) Mpolokai Khiba (Ms)

Ira Kotze (Ms)
Ocean Makalima (Ms)
Lindi Nolte (Ms)
Esther Gumata (Ms)
Lehlohonolo Tseke

2. DUTIES AND RESPONSIBILITIES

The committee shall do the following:

- 2.1 To develop implement and maintain a policy for Communication and Marketing.
- 2.2 To communicate/disseminate documentation and information relevant to the activities of the IMFO to the:
 - Board
 - Standing Committees
 - Institute Members
 - Relevant National and international Institutes
 - Stakeholders
- 2.3 To develop and maintain internal and external communication channels for the institute to convey a positive message by means of:
 - Television
 - Radio
 - Press
 - Written Material
 - Liaison
 - Journal
 - Web
 - Newsletter
 - Relevant Social Media
- 2.4 To communicate and market Municipal Finance and related professions content (on Academic, legal, general matters)
- 2.5 To promote the image and objectives of the Institute through the communication and Marketing of information.
- 2.6 To manage and maintain the publication of the IMFO's Journal.
- 2.7 To compile an operating budget related to the needs of the Committee.



2.8 To co-ordinate the administrative matters for the efficient operation of the Institute's Annual Conference and all other conferences including Women, Audit and Risk INDABA.

3. MEETINGS AND ACTIVITIES

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

	MEETING DATES				
Committee Member	12/02/2015	08/05/2015	18/06/2015	04/10/2016	
Jane Masite	Р	Р	Р	Р	
David Garegae	Р	Р	Р	Р	
Sidwell Mofokeng	Р	А	Р	Р	
Danie de Lange	-	-	-	Р	
Louise Muller	Р	А	Р	Р	
Zanele Malaza	А	A	А	А	
Cheryl Reddy	Р	А	А	А	
Santie Reyneke-Naude	Р	Р	Resigned	-	
Mpolokai Khiba	A	A	Resigned	-	

P/A = P means "present" and A means "absent"

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

The following matters were dealt with:

4. 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) 3000 copies of the journal are printed quarterly and distributed to IMFO members, subscribers, every municipality in the country, and to all other stakeholders.
- c) The journal for subscribers increased to an affordable price of R30.00 during the year.
- d) The Journal is indexed by Sabinet
- e) The IMFO journal was published quarterly during the year.
- f) The committee continues to strive towards ensuring that the journal publishes current and informative articles inspiring excellence in service delivery.
- g) In the future the Committee looks forward to publishing articles in the journal that have been prepared by the Research Committee.

The IMFO Journal is the only municipal finanel journal aimed at local government practitioners and it seeks to reflect a broad spectrum of thought and practice in finance and financial management for local and provincial government. Numerous articles are published on various different relevant topics that affect the local government finance, risk management, performance management and internal audit practitioners.

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

STANDING COMMITTEE ON COMMUNICATION and MARKETING (SCCM)

The themes of the 2015/16 financial year were posted on the IMFO website with deadline submissions for potential authors of the journal. The Committee had challenges with the distribution and relevant themes and articles for the IMFO Journal. The aim for the distribution was to ensure that the IMFO brand is found in all areas where local government finance, risk management and internal audit issues are discussed. There was less submission of articles by members or stakeholders contributing relevant articles for the IMFO Journal.

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

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

- Louise Muller
- Jane Masite

5. 86TH IMFO CONFERENCE

The committee was responsible for the following:

- Compiling and printing of the Conference program for the 2015 Conference.
- Distribution of Conference program
- Marketing and advertising of the 86th IMFO Conference 2015.
- Setting the topics, obtaining the speakers and liaison with speakers
- Logistics concerning speakers
- Compiling, printing and distribution of a daily newspaper at the Conference
- Compiling, printing and distribution of the Information Pack which comprise of the final Conference Programme, Speakers Profile, Exhibitor Directory and the delegates list.
- Media participation

The Institute's Annual Conference was held at the Emperors Palace, from 05 October -07 October 2015. The 2015 IMFO Conference yet again broke its own record in almost all fields. IMFO continues to exceed the delegate and exhibition registration target.

Speakers from both the public and private sectors made valuable contributions to the enhancement of the conference theme: Back to basics: Walking the talk through effective governance.

The participants in the workshops continue to benefit extensively as each breakaway session has the practical expertise of the conveners as well as the supporting panel that the conveners had organised. National Treasury participated in the breakaway sessions facilitating the mSCOA. All the workshops received maximum participation of the attendees. The workshops gave the officials an opportunity to establish one plan which may work for many in their respective municipalities. This also gave attendees an opportunity to obtain constructive alternatives for doing the work.

IMFO continues to ensure that delegates have an opportunity to earn CPD by attending the conference and the breakaway sessions. Scanners are utilised to assist with the electronic capturing of attendance of delegates in the various different breakaway sessions so as to ensure that the relevant CPD points are allocated to delegates. Delegates can thereafter contact the office at the end of conference to collect or request for their Certificate of attendance electronically.

The increasing number of conference attendees each year required that the standing committee on communication & marketing should explore new ideas in ensuring that all questions were answered by each speaker without running out of time. The conference introduced the process of posing questions to the speaker or panel members via cell phone use of an IMFO Mobile Application uploaded by delegates on their Smartphone's. This resulted in an electronic listing of all the questions raised which could then be posted on the website together with the answers.

Annually IMFO presents IMFO Clean Audit Awards to deserving municipalities in recognition of their hard work however at this conference IMFO awarded municipalities and the deserving entities in recognition of their hard work. The IMFO Clean Audit Award is a demonstration of pride and to honor the municipalities for their hard work in ensuring that they achieve a 'clean' audit report.



The following municipalities were recognised at the 2015 conference:

- 1. Sarah Baartman District Municipality
- 2. Sengu Local Municipality
- 3. Sedideng District Municipality
- 4. Ekhurhuleni Metropolitan Municipality
- 5. Midvaal Local Municiaplity
- 6. Mogale City Local Municipality
- 7. Ilembe District Municipality
- 8. uMgungundlovu District Municipality
- 9. uThungulu District Municipality
- 10. Zululand District Municipality
- 11. Dannhauser Local Municipality
- 12. eMnambithi Local Municipality
- 13. Ezingoleni Local Municipality
- 14. Mandeni Local Municipality
- 15. Ubuhlebezwe Local Municipality
- 16. Richmond Local Municipality
- 17. uMhlathuze Local Municipality
- 18. Umzumbe Local Municipality
- 19. uMzimkhulu Local Municipality
- 20. Ehlanzeni District Municipality
- 21. Steve Tshwete Local Municipality
- 22. Frances Baard District Municipality
- 23. ZF Mgcwawu District Municipality
- 24. City of Cape Town Metropolitan
- 25. Cape Winelands District Municipality
- 26. Eden District Municipality
- 27. West Coast District Municipality
- 28. Bitou Local Municipality
- 29. Breede Valley Local Municipality
- 30. Cape Agulhas Local Municipality
- 31. Drakenstein Local Municipality
- 32. George Local Municipality
- 33. Hessequa Local Municipality
- 34. Knysna Local Municipality
- 35. Langeberg Local Municipality
- 36. Mossel Bay Local Municipality
- 37. Overstrand Local Municipality
- 38. Swartland Local Municipality
- 39. Theewaterkloof Local Municipality
- 40. Witzenberg Local Municipality

The following entities were recognised at the 2015 conference:

- 1. Mandela Bay Development Agency
- 2. Brakpan Bus Company

- 3. Ekurhuleni Development Company
- 4. Germiston Phase II Housing Company
- 5. Joburg City Theatres
- 6. Joburg Market
- 7. Johannesburg Roads Agency
- 8. Johannesburg Social Housing Company
- 9. Lethabong Housing Institute
- 10. Pharoe Park Hosing Company
- 11. Durban Marine Theme Park(Pty)ltd
- 12. Durban International Convention Centre
- 13. Ilembe Management Development Enterprise
- 14. Safe City Pietermaritzburg
- 15. Ugu South Coast Tourism
- 16. uThungulu Housing Development Trust
- 17. uThungulu Financing Partnership
- 18. Cape Town International Convention Centre

IMFO would like to extend a special word of gratitude to the City of Ekurhuleni Metropolitan Municipality for making staff and resources available to assist in the arrangements for the Conference and the Gala Event. IMFO acknowledges and would like to express a word of thanks to the Standing Committee on Communication and Marketing, the Conference Secretary, the workshop convenors, stakeholders and any other parties that were involved in making the conference such a success. Thank you for the excellent planning and arrangements in organizing the Conference.

6. CONFERENCE EXHIBITION

The 2015 Conference exhibition had 95 different organisations taking up the 122 Exhibition stands that were available. The Conference Exhibition has been increasing in size and the range of services on offer, and the 2015 Conference was yet again, proof that the IMFO Conference is the biggest of its nature in the sector.

7. WEB SITE

The committee is responsible for the following regarding the web site:

- a) Controlling the design of the new web site
- b) Controlling the day to day management of the web
- c) Controlling the marketing opportunities by establishing links to IMFO advertisers.

The Communication Manager obtains and edits the material and maintains the layout, general administration

STANDING COMMITTEE ON COMMUNICATION and MARKETING (SCCM)

and functioning thereof. Valuable information can be obtained from the site such as:

- Composition of the Institute
- Activities in the various branches
- Legislation relevant to municipal finances
- Membership requirements
- Membership data
- Contents of IMFO journal
- Relevant links

The site reflects the Institutes commitment to local government municipal finance and greatly enhances information on the institute's edge in training and services to its members. It also highlights IMFO's innovative approach to training and legislation. IMFO explored utilising social media as a valuable means of enhancing corporate brand awareness. This has allowed all our members and potential members to have access to information anytime, anywhere. Additionally, this also helps in enhancing popularity of any business.



MARKETERS ARE, BY NATURE, OPTIMISTS. IN ORDER TO RISE IN THE MORNING AND LOOK FORWARD TO GOING TO WORK, WE HAVE TO BELIEVE THAT SOMETHING WE WILL DO TODAY WILL SHINE THROUGH THE FOG OF COMPETITIVE NOISE, RESONATE IN THE MINDS OF OUR CUSTOMERS AND PROSPECTS.



LEADERSHIP IS NEVER AN AVENUE TO BE SELF-SERVING BUT,
A PLATFORM TO RENDER GREAT SERVICE TO PEOPLE.



STANDING COMMITTEE ON PROFESSIONAL PRACTICES (SCPP)

MEMBERS AS DURING THE YEAR 1 APRIL 2015 - 31 MARCH 2016

The following Sub form part of the CFOForum

- CFO Metros & High Capacity Municipalities
- Revenue working group
- Property Rates working group
- Supply chain Working Group
- Standing Committee on Professional Practices

1. MEMBERS

Chairperson

KRISH KUMAR

Krish Kumar

CFO Forum

Annette Van Schalkwyk (Ms) Peet du Plessis

George van Schalkwyk

SC Professional Practices
Revenue working Group
Property Rates working group
Supply Chain working group

Cheryl Reddy

Past President

Louise Muller (Ms)

CILIZIMAD Members

Chief Financial Officers and Portfolio Councillors of Metros:

- eThekwini Metro
- City of Johannesburg Metro
- City of Cape Town Metro
- Nelson Mandela Metro
- Ekurhuleni Metro
- City of Tshwane Metro
- Mangaung Municipality
- The Msunduzi Municipality
- Buffalo City Municipality and CFO's from all High Capacity Municipalities

Representatives from

SALGA

National Treasury
SA Cities Network

COGTA
Provincial Local Government

National Electricity Regulator SA

ai Locai Government

Provincial Treasury

SA Property Valuers

Institutes Board Members

Zanele Malaza (Ms)

Bharthie Ranchoddas (Ms)

Xolani Ndlovana

Kgomotso Phelane (Ms)

IMFO Secretariat

Ira Kotze (Ms) Ria Von Ronge



2. DUTIES AND RESPONSIBILITIES

- a) To participate in all initiatives and programmes of the National & Provincial Treasury, the Accounting Standards Board and the Office of the Auditor- General on any matters affecting public finance proactively and when so requested.
- b) To promote technical comments and to fulfil the foregoing role in a meaningful manner, to keep abreast of professional developments in 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 programs that contribute towards the improved of the above outcomes in government.
- d) To provide advice and guidance to members of the Institute, Municipal Managers, 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 & 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, liaise with other, liaise with SCET, SCAR and SCOR on norms, standards, curriculum, assessment, FAQS and best practises guidelines.
- i) To compile an operating budget based on the annual plan of action to meet the needs of the Standing Committee.

3. MEETINGS

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

18 June 2015 Standing committee meeting (SCPP)

25 June 2015 CFOF meeting

12 / 13 July 2015 Committee hosted Public Sector Finance and Accounting Seminar

(Focusing on SCOA Performance reporting, GRAP and unqualified Audit outcomes)

24 July 2015 Standing Committee hosted SARS workshop on VAT treatment on Grants (SCPP)

14 August 2015
 5 November 2015
 12 November 2015
 CFOF – Supply chain working group
 CFOF – MPRA working group workshop
 CFOF – Revenue working group meeting

3 March 2016 Committee hosted a workshop with IMASA on Sec118 of the Systems Act

(CFOF – Revenue)

8 March 2016 CFO Forum meeting

STANDING COMMITTEE ON PROFESSIONAL PRACTICES (SCPP)

		MEETING DATES							
Committee Member	18/6/2015 SCPP	25/6/2015 CFOF	12&13 /6/2015 SCPP	24/7/2015 SARS/Rev	14/8/2015 SCM	5/11/2015 MPRA	12/11/2015 Rev	3/3/2016 SCPP	8/3/2016 CFOF
Krish Kumar		Р			Р				Р
Annette Van Schalkwyk (Ms)	Р		Р					Р	
Louise Muller (Ms)	Р	Р			Р	Р			Р
Peet du Plessis		Р		Р			Р	Р	
George van Schalkwyk		Р			Р	Р			Р
Cheryl Reddy (SCM)	Р		Р						
Buffalo City		Р			Р				
City of Cape Town	Р	Р	Р		Р	Р	Р	Р	Р
City of JHB		Р	Р	Р	Р			Р	
City of Tshwane		Р	Р	Р	Р			Р	
Ekurhuleni		Р	Р	Р	Р			Р	
Ethekwini	Р	Р	Р		Р	Р	Р	Р	Р
Mangaung		Р			Р				
Nelson Mandela		Р			Р				
SALGA / COGTA		Р	Р	Р	Р	Р	Р		Р
NT/SARS				Р	Р				Р

Other high municipalities attending:

Polokwane, Stellenbosch, Drakenstein, Midvaal, Moqhaka, Nkangala, King Sebata, Mbombela, Mogale City, Msunduzi, George municipality.

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

Accounting:

ED 125	IPSASB GBEs Consultation Paper
ED 126	Proposed Amendments to GRAP 16 and GRAP 17
ED 127	Invitation to comment Proposed Amendments to GRAP 21 and GRAP 26
ED 128	GRAP Reporting framework for 2015/2016
ED 129	Accounting by Principals and Agents
ED 130	The Selection of an Appropriate Reporting Framework by Public Entities
ED 131	IPSASB Exposure Draft on The Applicability of IPSASs
ED 132	IPSASB Consultation Paper on Social Benefits
ED 133	Proposed transitional provisions for GRAP 109
ED 134	Proposed GRAP Reporting Framework 2016/17 & Amendments to Directive 5
ED 135	Proposed amendments to Directives
ED 136	IPSASB Exposure Draft on Impairment of Revalued Assets
ED 137	IPSASB Exposure Draft on Improvements to IPSASs 2015
ED 138	Identifying projects to prioritise on the ASB's work programme
ED 139	Proposed IGRAP on Recognition and Derecognition of Land
ED 140	Proposed Guideline on housing Arrangements
ED 141	IPSASB Exposure Draft on Amendments to IPSAS 25 Employee Benefits
DP 9	Discussion Paper on Materiality - Reducing Complexity and Improving Reporting
DP 10	Discussion Paper - Accounting for Living and Non-living Resources



In addition, Standing Committee members attended the Public Sector Committee meetings: Technical Forum, hosted by the Accounting Standards Board, once a month. Discussions and information sharing included:

- Recent accounting developments locally and internationally
- Accounting for Natural Resources in the Public Sector
- Proposed Discussion paper on accounting for Living and Non-living Natural Resources
- National Treasury GRAP Implementation Manuals
- Guidelines dealing with Unauthorised, Irregular, Fruitless and Wasteful Expenditure (PFMA)
- Modified Cash Standard (PFMA)
- Immovable Asset Guide (PFMA)
- mSCOA NT Standard Chart of Accounts, Benchmarking and Budget Reforms
- The Standing Committee members and other Board members also officially represent National Treasury, mSCOA ICF & SALGA on several committees concerned with local government.

18 June 2015 (Kempton Park) Standing Committee Professional Practices

Main discussion topics:

- ASB ED 129 Principals and Agents
- ED 130 Accounting Framework
- Public Sector Seminar
- COGTA remuneration for Senior management regulation
- ESKOM's cost of Supply framework for licensed Electricity distribution in SA.

25 June 2015 (City Cape Town) CFOF Metros & High Capacity Municipalities

Main discussion topics:

- Budget discussion on IPTS Funding and fiscal Moderation
- mSCOA progress
- SARS Grant and VAT treatment
- PAMA (Public Administration Management Act)
- Revenue working group discussion
 - Credit Card Charges
 - New Court rulings and impact
- State of Cities report (SACities)
- ESKOM Additional tariff increases
- Borrowing requirement Loans / Pooling (JHB conference on Borrowing)
- Equitable share grant to ESKOM: NT

- Impact of demarcation
- Local Government Elections: Dates / Budget time frame impact

24 July 2015 (Pretoria – SARS Office) Standing Committee Professional Practices

Main discussion topics:

- Tax compliance on Grants

14 August 2015 (Kempton Park) Supply Chain Working Group

Main discussion topics:

- Amendments to the Supply Chain Management regulations:
 - Tax matters of bidders
 - Bidders who are in the service of the state
 - Threshold for "competitive bidding process" and long term contracts
 - Regulation 27 (4) of the SCMR
 - Senior Managers Regulation 29 (2) of the SCMR
 - Regulation 38 (2) of the SCMR
- Municipal Finance Management Act 56 of 2003
 - Section 33
 - Section 116 (3)
- Local Production Content
- New BBBEE codes of Good Practice
- Other concerns:
 - Tenderers awarded by US
 - National Treasury transversal Tenders
 - Declarations from Bidders above R 2000

5 November 2015 (Kempton Park) Property Rates (MPRA) working group workshop

Main discussion topics:

- MPRA Regulations:
 - PBO's
 - Airports
 - Appeal Board
 - Timeframes
- Section 78 processes
- Illegal property taxes
- Qualification Standers valuers

12 November 2015 (Kempton Park) Revenue working Group

Main discussion topics:

- SARS Central Database
- Dispute Resolution process including appeals under the MSA sec 62

STANDING COMMITTEE ON PROFESSIONAL PRACTICES (SCPP)

 Credit assessment of Customers to determine affordability

3 March 2016 (Kempton Park) Standing Committee Professional Practices

Main discussion topics:

 Hosted a workshop on Sec 118 of the Municipal Systems Act, together with IMASA

8 March 2016 (Durban) CFOF Metros & High Capacity Municipalities

Main discussion topics:

- Budget tariff increases
- Budget challenges IRPTN
- SALGA Metro needs
- SACities report
- MFMA calendar update
- MPRA update finalisation of the development of standards for Municipal Rating

- Municipal Challenge (Australia)
- MSCOA
- Terms of Reference of the Forum & sub forums

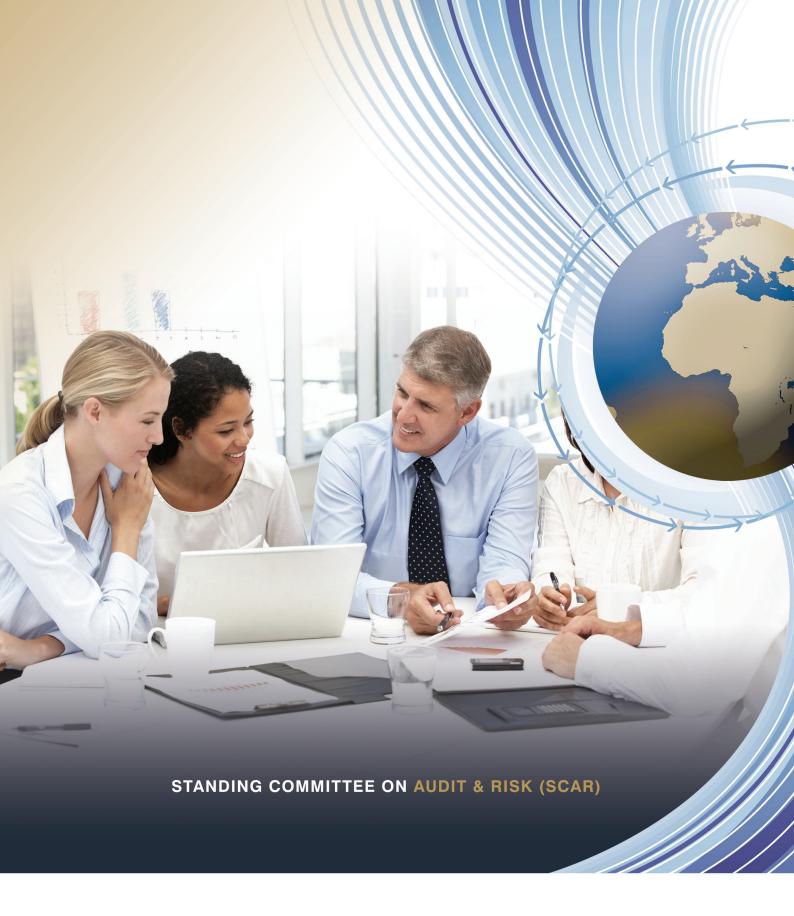
4. Public Sector Accounting Seminar 2015

The 3rd Annual Public Sector Finance Seminar was held at Gallagher Estates, Midrand on 12 & 13 July 2015. There were approximately 400 delegates. Officials from all spheres of government including the Finance and Fiscal committee attended.

The Keynote Address: Consultants and other problems encountered on the Public Sector Audits and how they can be overcome was delivered by Tsakani Ratsela from the Office of the Auditor General Deputy Auditor General Our Vice Chairperson of the Standing Committee was the Program manager

The programme covered the following topics:

Official Opening	Jane Masite	IMFO President
"Current initiatives at the ASB of relevance to the public sector or municipalities and entities".	Erna Swart	Accounting Standards Board
Welcoming Address	Cllr Mpho Parks Tau, Executive Mayor	City of Johannesburg
Keynote Address: Consultants and other problems encountered on the Public Sector Audits and how they can be overcome	Tsakani Ratsela,	Deputy Auditor General
Current initiatives as the ASB of relevance to the public sector or municipalities and entities.	Jeanine Poggiolini	Accounting Standards Board
Municipal Audit Support	Mohammed Lorgat	SALGA
A future of Accounting in the spectrum of government	Michael Sass	Accountant General
Public Sector: Reporting	Brendon Hunt	
GRAP	Annalien Carstens	Altimax
Audit Performance Management	Fienie Janse van Rensburg	
The complexity of Supply Chain Management within Local Government Sphere	Clr. Geoffery Makhubo	City JHB
Overview of Public Administration Management Act (PAMA)	Jane Masite	IMFO President
Supply Chain Management Challenges - SCM Internal control weakness - Improving Audit Outcomes	Krish Kumar	Ethekwini
mSCOA – Progress with pilot municipalities, impact on non-piloting municipalities and training framework	Ajay Daya & Carl Stroud	National Treasury
Key Element that create an Environment for Audit	Imran Vanker	IRBA
Overview of the Audit focus area	Linda Le Roux	Office of The Auditor General



TO EMBRACE COMPLEXITY IS TO TREASURE DIVERSITY.

TO ELIMINATE UNCERTAINTIES IS TO LIMIT POSSIBILITIES.

BE READY TO WALK OUT OF YOUR COMFORT ZONE FOR

SUSTAINABILITY.



STANDING COMMITTEE ON AUDIT and RISK (SCAR)



PALEDI MAROTA

1. MEMBERS

Chairperson Vice Chairperson Vice Presidents

Board Members

Co-Opted Members

IMFO Secretariat

Paledi Marota (Ms) Clement Mabe Sidwell Mofokeng Danie de Lange

Collin Pillay
Piti Pambaniso
Cheryl Reddy
Xolani Ndlovana
Johan Mettler
Mbulelo Memani
Khomotso Phelane

Tebogo Gafane Rampuru Setati Maria Makhongela

Ira Kotze Tracey Hoffman (Ms) Nonhlanhla Shongwe (Ms)

2. TERMS OF REFERENCE

- a) Promoting Clean Audits in Local Government (OPCA)
- b) Promoting the internal audit and risk management profession in Local Government.
- c) Uplifting the standards of internal audit and risk management in Local Government.
- d) Promoting and strengthening the high level of clean governance (i.e. Anti-Fraud and Corruption) processes in Local Government.
- e) Strengthening the extent of the independence for internal auditors and Audit, Risk Management and Performance Audit Committees to comply with MFMA, Municipal Systems Act and related legislation.
- f) Enhance the effectiveness of the Auditor General and RMC's
- g) To provide technical assistance and advice to Institutions, practitioners on internal audit risk and performance management.
- h) To provide opportunities and platforms for an exchange of views, knowledge and best practices amongst members by arranging Indabas, conferences and provincial branch workshops.
- i) To advise the National, Provincial and Local Government, related institutions and other recognized national associations on internal audit, risk and performance management issues affecting the public sector by creating a structured technical response plan and provision of timeous advice.
- j) To provide response based training to the public sector's internal audit, risk and performance management practitioners to develop the effective performance of these disciplines.
- k) To participate in universities curriculum development where invited to develop the discipline in the public sector.
- I) To enter into service level agreements and to act as project managers for the skills development programmes initiated by the LGSETA and other sponsors if available by presenting business plans to potential sponsors.



3. MEETINGS AND ACTIVITIES

The Standing Committee meetings were held and attended as follows:

	MEET	ING DATES
Committee Member	18/06/2015	18/02/2016
Paledi Marota (Ms)		А
Clement Mabe	Р	А
Jane Masite		Р
Sidwell Mofokeng		Р
Danie de Lange		А
Piti Pambaniso	Р	А
Cheryl Reddy	Р	А
Xolani Ndlovana	Р	А
Johan Mettler		A
Mbulelo Memani		A
Khomotso Phelane	Р	A
Tebogo Gafane		А
Rampuru Setati	Р	А
Maria Makhongela		А

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

4. AWARDS FOR DESERVING MEMBERS

All of the achievers that were selected for their Contributions to the Profession were awarded their trophies and accolades that they deserved:

CATEGORY OF AWARD	RECIPIENT OF AWARD
Internal Auditor of the year	Ms Simi Maharaj from Emnambithi/ Ladysmith
	Municipality
Performance Specialist of the year	Mr Motsumi Mathe from Sedibeng District Municipality
Provincial Treasury	North West Provincial Treasury

5. AUDIT AND RISK INDABA 2015

The Sixth IMFO Audit and Risk Indaba was held on 20 and 21 April 2015 in Durban at the Olive Convention Centre, the event was hosted by the EThekwini Metropolitan Municipality.

After the national anthem was sung by the delegates, led by Ms. Paledi Marota the atmosphere was charged by the inspiring message contained in this message of hope for our country and its citizens.

The welcoming address was presented by the IMFO President Ms. Jane Masite, her kind message and greeting made the audience feel at home and ready to absorb the proceedings of the day. The messages to be delivered in Internal Audit Excellence, Effective Risk Management and Measurable Performance Management with a "Back to Basics" approach as prescribed by Mr Pravin Gordhan, the Minister of Cooperative Governance and Traditional Affairs. The Sixth Audit and Risk indaba was then opened by Ms. Clr Fawzia Peer Executive Committee Member and Chair of Finance and Procurement of the host city of Ethekwini. She welcomed all of the dignitaries and delegates to the City and wished IMFO a successful Indaba.

STANDING COMMITTEE ON

AUDIT and RISK (SCAR)

The Keynote Address was presented by Mr Krish Kumar from eThekwini Municipality. The very experienced and learned Mr Kumar delivered a message that is useful to everybody that was present. His message was as follows; "Ethics should not only be used in the workplace, proper ethical conduct must become a way of life so that a person/individual always deals with all facets of life in a proper and ethical manner."

The three breakaway sessions were dealt with by teams that were facilitated by top notch presenters. The high quality of the subject material that was presented did IMFO proud and gave the facilitation teams the opportunity to share their knowledge with the delegates. This inter-action was definitely a value add to any municipality that sent delegates. All of the presentations have been placed on the IMFO website and are accessible at www.imfo.co.za at 'National Workshops' then 'Audit and Risk indaba'.

A highlight was definitely the presentation by Mr Kimi Makwetu, The Auditor-General of South Africa. He dealt with the subject of; 'Dealing with audit findings raised by the AG(SA) report in the 2013/14 performance information outcome.'

The most exciting development that has impacted on IMFO recently was the visit of the delegation from

CIPFA (UK) (Chartered Institute of Public Finance and Accountancy). The delegation was headed by Dr Adrian Pulham (Executive Director of Education and Membership) and Mr Drew Cullen (Executive Director Public Affairs). This high profile delegation held discussions with the IMFO Presidency and the main topic was to possibly facilitate the creation of Chartered Membership for Public Sector Internal Auditors in South Africa. This is an exciting development for internal auditors working in the Public Sector in South Africa. Please watch this space.

It was not all work and no play at this indaba. On the Monday evening there was a welcoming cocktail event which was enjoyed by all. On Tuesday evening a gala event was held on the beachfront, the theme was Connect – Island style with colourful "grass skirts" and "paper flowers" and extremely colourful sombrero's which were draped on and around the delegates. The atmosphere was vibrant and the music and catering were excellent. Mind you the dancing wasn't bad either. I have not seen so many happy municipal officials for a long time.

The networking and knowledge transfer was balanced with excellent opportunities for relaxation. We thank our delegates for attending and we hope they grew from this experience.





THE STRENGTH OF THE TEAM IS EACH INDIVIDUAL MEMBER.

THE STRENGTH OF EACH MEMBER IS THE TEAM.



STANDING COMMITTEE ON PROVINCIAL BRANCHES (SCPB)



DAVID GAREGAE

1. MEMBERS

Chairperson David Garegae

Vice-Chairpersons Bharthie Ranchoddas

Mbulelo Memani Piti Pambaniso

Vacant

Thomas Nephawe Meshack Sibonyani Oubaas Wagner Clement Mabe

Ruth Dube – Maziya (Ms)

IMFO Secretariat

Gauteng Branch

KwaZulu-Natal Branch Western Cape Branch Eastern Cape Branch Free State Branch Limpopo Branch Mpumalanga Northern Cape Branch

North West Branch Swaziland Branch

Ira Kotze Lindi Nolte (Ms)

2. TERMS OF REFERENCE (SCPB)

- a. The committee shall do the following:
- b. To develop an operational framework for all Branches
- c. To monitor and assist in the co-ordination of all branch activities
- d. To identify and obtain solutions for problems affecting branches
- e. To assist in the identification of potential members, recruitment of potential members and their development.
- f. To promote and assist with the presentation of workshops, educational programme and other activities of the Institute.
- g. To submit comments to other Standing Committees regarding matters affecting Local Government as and were necessary.
- h. To assist in the marketing and promoting of the Institute's website and journal and the submission of articles as well as assisting with the posting of recruiting advertisements.
- i. To represent on relevant Provincial Structures the institute's viewpoint on issues affecting Local Government.
- j. To promote the IMFO Brand Nationally

The Standing Committee meetings were held and attended as follows:

Committee Member	Meeting date	P/A	Meeting date	P/A
David Garegae	18/06/2015	А	05/11/2015	р
Mbulelo Memani	18/06/2015	А	05/11/2015	р
Piti Pambaniso	18/06/2015	Р	05/11/2015	А
Free State - Vacant				
Bharthie Ranchoddas	18/06/2015	Р	05/11/2015	Р
Thomas Nephawe	18/06/2015	Р	05/11/2015	А
Meshack Sibonyani	18/06/2015	А	05/11/2015	А
Oubaas Wagner	18/06/2015	Р	05/11/2015	Р
Clement Mabe	18/06/2015	Р	05/11/2015	А
Ruth Dube – Maziya	18/06/2015	р	05/11/2015	р
Tshepo Morabane	18/06/2015	Р	05/11/2015	Р

P/A= P - "present" and A - "Apologized"



3. BRANCH ACTIVITIES

The Eastern Cape Province - No activities took place during 2015/2016

The Free State Province - No activities took place during 2015/2016

The Gauteng Province - The branch held the following Committee meetings for the year 2015/2016

DATE	PURPOSE
25 May 2015	Committee Meeting
25 June 2015	Committee Meeting
06 August 2015	Committee Meeting
08 September 2015	Committee Meeting
26 November 2015	Committee Meeting
21 January 2016	Committee Meeting
11 February 2016	Committee Meeting

The branch hosted the following training workshops for capacity building:

DATE	PURPOSE
13 November 2015	Ethics Workshop & AGM
27 February 2016	Post Budget Speech Seminar

The Kwa-Zulu Natal Province

The branch held the following Committee meetings for the year 2015/2016

DATE	PURPOSE
08 April 2015	Committee Meeting
21 April 2015	Committee Meeting
16 July 2015	Committee Meeting
4 October 2015	Committee Meeting
14 October 2015	Committee Meeting

The branch hosted the following training workshops for capacity building:

DATE	PURPOSE
1 June 2015	Sset Management, GRAP Standards and VAT Updates Workshop
5 August 2015	The FNB Business women's breakfast in association with East coast radio
8 November 2015	Supply Chain Management, mSCOA and Budget
4 December 2015	Revenue Enhancement ,mSCOA and IGRAP on Land & Housing Guidelines Workshop
29 February & 1 March 2016	Mini Conference

The Limpopo Province - No activities took place during 2015/2016

The Mpumalanga Province - No activities took place during 2015/2016

The Northern Cape Province No activities took place during 2015/2016

The North West Province - No activities took place during 2015/2016

STANDING COMMITTEE ON PROVINCIAL BRANCHES (SCPB)

The Western Cape Province

The branch held the following Committee meetings for the year 2015/2016

DATE	COMMITTEE MEETING
31 May 2015	

The branch hosted the following training workshops for capacity building:

DATE	PURPOSE
23 February 2015	The Effect of GRAP on the recognition and de-recognition of Land and Proposed
	housing as well as the latest updates on GRAP Standards
20 May 2015	Municipal Finance: Good Governance – The Long Walk
01 & 02 June 2015	Annual Seminar & AGM
18 & 19 November 2015	Financial Sustainability of Utilities

Swaziland

The branch held the following Committee meetings for the year 2015/2016

DATE	COMMITTEE MEETING
21 May 2015	Executive Committee Meeting
13 July 2015	Executive Committee Meeting
11 September 2015	Annual General Meeting
23 November 2015	Executive Committee Meeting

The branch hosted the following training workshops for capacity building:

DATE	PURPOSE
24 July 2015	Microsoft Excel Training workshop
13 November 2015	Bulk SMS Communication for Local Authorities workshop
11 March 2016	Effective Revenue Management Strategies workshop

4. IMFO WORKSHOPS

The Branches have been of great assistance with securing clean and safe venues for training. Branch chairpersons and their branch executives are personally encouraging members to attend the workshops.

5. 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.



THE TRUE STANDARDS OF AUDIT PRACTICE ARE FOUND WITHIN THE AUDITOR'S CHARACTER: HONESTY, INTEGRITY, SELF CONTROL AND HIGH ETHICAL VALUES.



REPORT OF THE AUDIT and RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2016.

The Audit and Risk Committee comprised the following Committee members during the period under review being 1 April 2015 to 31 March 2016:

Committee members

Colin Pillay (Chairperson for period up to 18 March 2016) Ms Paledi Marota (Chairperson for the period from 18 March 2016)

Thomas Nephawe Appointed 02 December 2014 Ms Anastacia Mabula Appointed 18 March 2016 - Resigned in July 2016

Members of the Committee that evaluated the AFS and Audit Report

Ms Paledi Marota (Chairperson)
Ms Jane Masite (President)
Ms Louise Muller (Past President)
Mr Sidwell Mofokeng (Vice President General)
Mr George Van Schalkwyk (Chairperson of Budget
Committee)

Audit and Risk Committee members and attendance

The committee was constituted with three members and the chairperson resigned before the end of the financial year (31 March 2016). After resignation the committee was restructured and one additional member was included in the committee being Mrs Ramogohlo Anastacia Mabula. The new chairperson was appointed being Ms P N Marota who was a member before and were expected meet at approximately 4 times per year in compliance to the Company's Act. The additional member was forced to resign too due to her appointment in private sector immediately after appointment. The chairperson tried several times to call meetings and it was a challenge to synchronise the meeting dates with the one member left in the committee. However, despite the challenges the chairperson with assistance of the Presidency and Administrators executed the committee's mandate by handling the Risk Management, Performance Management, Financial and Governance matters. The meeting was held on 30 June 2016 to discuss the Draft Annual Financial Statements, on 1st September 2016 an in-committee and on 8th September 2016 Special Audit Committee meeting was held to discuss the draft Audit Report and Audited Annual Financial Statement

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from the Companies Act. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Oversight of the Audit & Risk Committee on the Annual Financial Statements for the period 1 April 2015 to 31 March 2016

Due to a challenge with the composition of Audit Committee, the oversight committee for the review of the Annual Financial Statements comprised the Presidency and the Chair of the Standing Committee on Budget & Finance.

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited 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 thereto;
- 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 audit committee and other members who assisted the committee concurs with and accepts the independent auditor's report on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent auditor. Special gratitude to the Presidency, other members of the board who assisted when requested, Administration and CFO who managed to sustain the clean audit despite acting as a CEO which consumed most of her time.

MEETINGS AND ACTIVITIES:

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

	MEETING DATES		
	Audit & Risk Committee (ARC)		
Committee Member	15/05/2015	17/08/2015	
Colin Pillay	Р	Р	
Paledi Marota (Ms)	Р	Р	
Thomas Nephawe	Р	А	
Anastacia Mabula	n/a	n/a	
Jane Masite (Ms)	Р	А	
Sidwell Mofokeng	Р	А	
Louise Muller (Ms)	n/a	n/a	
George Van Schalkwyk	n/a	n/a	

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



IN TERMS OF COMPANIES, THEY MUST STAND FOR SOMETHING BIGGER. THEY MUST BE DEDICATED TO SOMETHING LARGER THAN FINANCIAL RESULTS.



AUDITED ANNUAL FINANCIAL STATEMENTS STATEMENT OF BOARD RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2016

1. The Directors are responsible for the preparation, integrity and fair presentation of the financial statements of the Institute of Municipal Finance Officers.

The financial statements for the year ended 31 March 2016 have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

- 2. The directors are responsible for systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.
- 3. The going concern basis has been adopted in the preparation of the financial statements. The directors have no reason to believe that the Institute will not be a going concern in the foreseeable future based on forecasts and available cash resources.
- 4. The financial statements have been audited by the independent firm PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of meetings of the directors and all its committees. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements on pages 70 to 93 were approved by the directors on 7 July 2016, and are signed on behalf of the directors of the Institute of Municipal Finance Officers by:

JS MASITE PRESIDENT

I KOTZE (CFO)
ACTING CHIEF EXECUTIVE OFFICER

GD VAN SCHALKWYK CHAIRPERSON (SCBF)



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF MUNICIPAL FINANCE OFFICERS NON PROFIT COMPANY

We have audited the financial statements of the Institute of Municipal Finance Officers Non Profit Company set out on pages 71 to 91, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute of Municipal Finance Officers Non Profit Company as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other matter

The supplementary information set out on pages 92 to 93 do not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

PricewaterhouseCoopers Inc.

n'ceriatelane Capers Inc

Director: PJ Mothibe Registered Auditor Johannesburg

AUDITED ANNUAL FINANCIAL STATEMENTS DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2016

1. NATURE OF OPERATIONS

The business of the Institute is primarily to protect and enhance the status of the professional municipal finance officer by inter alia the extension of professional knowledge.

2. RESULTS OF OPERATIONS

The results of operations for the year under review are detailed in the annexed statement of comprehensive income and notes thereto.

3. SHARE CAPITAL

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

4. ACCUMULATED FUNDS AND RESERVES

The Accumulated Funds include all IMFO Provincial Branches Financial information.

5. DIRECTORS

The Chief Executive Officer for the year under review was Mr PR Mnisi until August 2015. Thereafter, the Chief Financial Officer, Ms I Kotze was delegated to act as the Chief Executive Officer.

Directors for the year under review

Reddy MC, Marota PN, Mofokeng LS, Masite SJ, Manuel MF, Dube R, Garegae OSD, Muller LA, Wagner JJ, Van Schalkwyk AL, Van Schalkwyk GD, Kumar KA, Geyer JC, Mettler J, Memani M, Nephawe LT, Sibanyoni ME, Ranchoddas B, Pambaniso PT, Marobane N, Malaza PZ, Ndlovana XHB, Badenhorst JH, Ntlhola KN, Khan FB, Phelane MK, du Plessis PJA.

Directors who resigned during the year under review:

Makotoko SK, Khiba MN (19 June 2015), Twala A (07 October 2015), Reyneke-Naude SG (19 June 2015), de Lange DJ (18 March 2016), Pillay KM (18 March 2016), Nagooroo C (18 March 2016), Mabe CS (18 March 2016), Boqo RN (07 October 2015)

All changes to Board members are in the process of being registered with the Companies and Intellectual Property Commission (CIPC).

The business and postal addresses respectively are:

22 Thistle Road P O Box 4003 Kempton Park Kempton Park 1619

6. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No other material fact or circumstance has occurred between the date of the balance sheet and the date of approval of the financial statements.

7. AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act, 71 of 2008.

AUDITED ANNUAL FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

		0010	0015
	Notes	2016	2015
	Notes	R	R
ASSETS			
7.662.6			
NON-CURRENT ASSETS		8,753,344	1,775,052
Property, plant and equipment	1	8,736,215	1,744,694
Intangible assets	2	17,129	30,358
CURRENT ASSETS		20,000,776	21,781,981
Investments	3	16,334,272	18,462,353
Trade and other receivables	4	2,373,121	2,514,871
Cash and cash equivalents	5	1,293,383	804,757
TOTAL ASSETS		28,754,120	23,557,033
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		25,894,657	20,242,609
Membership interest		313,381	313,381
Accumulated funds		25,581,276	19,929,228
		, ,	, ,
NON-CURRENT LIABILITIES		72,417	-
Finance leases	6	72,417	-
CURRENT LIABILITIES		2,787,047	3,314,424
Trade payables and accruals	7	715,667	887,381
Income received in advance		2,031,879	2,339,709
Short term portion of finance leases	6	39,500	87,334
TOTAL EQUITY AND LIABILITIES		28,754,120	23,557,033

AUDITED ANNUAL FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 R	2015 R
REVENUE	770100	20,599,265	20,522,235
Income from conferences and courses	8	19,493,691	19,736,872
Membership fees	8	1,001,829	721,180
Sundry income	9	103,745	64,183
OPERATING EXPENSES		-16,161,912	-16,605,827
Conferences and courses		-7,597,755	-7,495,083
Auditors' remuneration	1.0	-359,124	-485,000
Depreciation / Amortisation	1,2	-272,680 -2,585	-196,553 -1,285
Loss on disposal of assets Repairs and maintenance	1,2	-114,455	-185,503
Reversal of/(Increase in) provision for impairment		196,461	178,655
Salaries and honoraria		-5,353,066	-4,929,076
Professional fees		-38,034	-1,080,469
Legal fees		-	-74,280
Postage and communication		-255,340	-290,427
Printing and stationary		-149,104	-134,137
Security		-217,823	-200,442
Meeting and travelling		-828,339	-601,551
Insurance cost		-94,643	-64,099
Water and electricity		-125,409	-112,886
Other operating expenses		-950,016	-933,691
Finance income		1,220,925	945,377
Finance cost		-6,230	-22,878
SURPLUS BEFORE TAXATION		5,652,048	4,838,907
TAXATION	10	-	-
SURPLUS FROM OPERATING ACTIVITIES	· -	5,652,048	4,838,907
		, ,	. ,
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,652,048	4,838,907

AUDITED ANNUAL FINANCIAL STATEMENTS STATEMENT OF CHANGES IN EQUITY

Balance as at 31 March 2014
Total Comprehensive income for the year
- Surplus for the year
- Other comprehensive income for the year
Balance as at 31 March 2015
Total Comprehensive income for the year
- Surplus for the year
- Other comprehensive income for the year
Balance as at 31 March 2016

Membership Interest	Retained Earnings	Total
R	R	R
313,381	15,090,320	15,403,701
	4,838,907	4,838,907
313,381	19,929,227	20,242,608
	5,652,048	5,652,048
313,381	25,581,276	25,894,657



AUDITED ANNUAL FINANCIAL STATEMENTS STATEMENT OF CASH FLOWS

		2016	2015
	Notes	R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers		20,433,187	21,306,453
Cash paid to suppliers and employees		-16,058,359	-16,455,458
Cash generated by operations	12	4,374,828	4,850,995
Finance income		1,220,925	945,377
Finance cost		-6,230	-22,878
Net cash inflow from operating activities		5,589,523	5,773,494
CASH FLOW FROM INVESTING ACTIVITIES			
Additions of Property, Plant and Equipment		-7,250,297	-54,461
Additions of Intangible Assets		-3,259	-17,235
Decrease/(Increase) in investments		2,128,078	-17,098,310
Net cash out flow from investing activities		-5,125,478	-17,170,006
CASH FLOW FROM FINANCING ACTIVITIES			
(Decrease)/Increase in mortgage bond		-	-8,448
(Decrease)/increase in finance lease		24,583	-87,334
Net cash in/(out)flow from financing activities		24,583	-95,782
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		488,627	-11,492,294
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		804,757	12,297,051
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	1,293,384	804,757

FOR THE YEAR ENDED 31 MARCH 2016

ACCOUNTING POLICIES

General information

The company's business is to protect and enhance the status of the professional finance officer. The company is incorporated and domiciled in South Africa.

1. Basis of preparation

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, as modified for certain financial assets which are carried at amortised cost.

The financial statements incorporate the accounting policies set out below. They are presented in South African Rand.

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

2. Significant judgements and sources of estimation and uncertainty

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

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

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

2.1 Trade receivables

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

2.2 Impairment testing

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

2.3 Provisions

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

FOR THE YEAR ENDED 31 MARCH 2016

- 3. New or revised standards
- 3.1 Early adoption of standards

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

- 3.2 International Financial Reporting Standards and amendments effective for the first time for 31 March 2016 year-end:
 - Amendment to IAS 19 'Employee benefits', regarding defined benefit plans, effective 1 July 2014.

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- 3.3 International Financial Reporting Standards and amendments issued but not effective for 31 March 2016 year-end:
 - Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets, postponed (initially 1 January 2016)
 The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures.
 The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.
 - Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption, effective 1 January 2016
 The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
 - Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective 1
 January 2016

 This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation
 that constitutes a business. The amendments specify the appropriate accounting treatment for such
 acquisitions.
 - IFRS 14 Regulatory deferral accounts, effective 1 January 2016
 The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise fro rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.

- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative, effective 1 January 2016
 In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective 1 January 2016

 In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants, effective 1 January 2016
 In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.
- Amendments to IAS 27, 'Separate financial statements' on equity accounting, effective 1 January 2016
 In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- Amendment to IAS 12 Income taxes, effective 1 January 2017

 The amendments were issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets.
 - The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets.
- Amendment to IAS 7 Cash flow statements, effective 1 January 2017
 In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.
 - The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.
- IFRS 15 Revenue from contracts with customers, effective 1 January 2018

 The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014.

 It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

FOR THE YEAR ENDED 31 MARCH 2016

- IFRS 9 Financial Instruments (2009 &2010): financial liabilities, derecognition of financial instruments, financial assets, general hedge accounting, effective 1 January 2018
 - This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.
 - The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.
- Amendment to IFRS 9 'Financial instruments', on general hedge accounting, effective 1 January 2018

 The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.
 - "Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:
 - -The own credit risk requirements for financial liabilities.
 - -Classification and measurement (C&M) requirements for financial assets.
 - -C&M requirements for financial assets and financial liabilities.
 - -The full current version of IRFS 9 (that is , C&M requirements for financial assets and financial liabilities and hedge accounting)."

The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.

- IFRS 16 - Leases , effective 1 January 2019

After ten years of joint drafting by the IASB and FASB they decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the balance sheet. Lessor accounting has not substantially changed in the new standard.

The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture).

A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment. This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed.

One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios).

FOR THE YEAR ENDED 31 MARCH 2016

IFRS 16 supersedes 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'.

3.4 Annual Improvements 2010-2012 issued December 2013

Improvements to IFRSs (Issued Dec 2013) was issued by the IASB as part the 'annual improvements process' resulting in the following amendments to standards issued and effective for the first time for 31 March 2016 year-ends:

- Amendment to IFRS 8, 'Operating segments', effective 1 July 2014
 - The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.
 - The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.
- Amendment to IFRS 13, 'Fair value measurement', effective 1 July 2014 When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.
- Amendment to IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets', effective 1 July 2014
 Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount.

"The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:"

- either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or
- the accumulated depreciation is eliminated against the gross
- Amendment to IAS 24, 'Related party disclosures', effective 1 July 2014

 The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity')

3.5 Annual Improvements 2011-2013, issued December 2013

The IASB published the final standard for the 2011 - 2013 cycle of the annual improvements with amendments that affected 4 standards issued and effective for the first time for 31 March 2016 year-ends:

FOR THE YEAR ENDED 31 MARCH 2016

- Amendment to the Basis of Conclusion to IFRS 1, 'First-time adoption of International Financial Reporting Standards', effective 1 July 2014

The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.

- Amendment to IFRS 13, 'Fair value measurement', effective 1 July 2014

 The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.
- Amendment to IAS 40, 'Investment property', effective 1 July 2014

 The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.
- Amendment to IFRS 3, 'Business combinations', effective 1 July 2014

 The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

3.6 Annual Improvements 2014, issued September 2014

In September 2014, the IASB issued Annual improvements to IFRSs 2012 - 2014 Cycle, which contains five amendments to four standards, excluding consequential amendments. The amendments are effective for annual periods beginning on or after 1 January 2016.

- Amendment to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', effective 1 January 2016

This is an amendment to the changes in methods of disposal- Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification.

- Amendment to IFRS 7 - 'Financial Instruments: Disclosures', effective 1 January 2016 Applicability of the offsetting disclosures to condensed interim financial statements.

The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose '[...] an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the

FOR THE YEAR ENDED 31 MARCH 2016

- Amendment to the Basis of Conclusion to IFRS 1, 'First-time adoption of International Financial Reporting Standards', effective 1 July 2014

The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.

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 The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.
- Amendment to IAS 40, 'Investment property', effective 1 July 2014

 The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.
- Amendment to IFRS 3, 'Business combinations', effective 1 July 2014

 The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

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FOR THE YEAR ENDED 31 MARCH 2016

information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.

- Amendment to IFRS 7 'Financial Instruments: Disclosures', effective 1 January 2016 Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.
- Amendment to IAS 19 'Employee Benefits', effective 1 January 2016

 Discount rate: regional market issue The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- Amendment to IAS 34 'Interim Financial Reporting', effective 1 January 2016

 Disclosure of information 'elsewhere in the interim financial report'

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

4. Property, plant and equipment

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

Buildings	2.5%	per annum
Furniture and fittings	20.0%	per annum
Office equipment and furniture	20.0%	per annum
Computer equipment	33,3%	per annum
Computer software	33,3%	per annum

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

Repairs and maintenance are generally charged to expenses during the financial year in which it is incurred. Major renovations are capitalised and included in the carrying amount of the asset when it is probable that

FOR THE YEAR ENDED 31 MARCH 2016

future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Institute. Major renovations are depreciated over the remaining useful life of the related asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the surplus from operating activities.

Useful lives and residual values of assets

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

Impairment

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

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

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

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

5. Leases

Leases are to be classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are to be classified as operating leases.

The company as lessee

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

6. Financial Instruments

Investments are to be recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

FOR THE YEAR ENDED 31 MARCH 2016

Financial assets

Financial assets are to be classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available-for-sale (AFS) financial assets and loans and receivables. The classification must depend on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Loans and receivables

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

Impairment of financial assets

Financial assets, are to be assessed for indicators of impairment at each year end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as available for sale and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 45 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced

FOR THE YEAR ENDED 31 MARCH 2016

through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available for sale equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

De-recognition of financial assets

The company must derecognise a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. 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.

Financial liabilities

Financial liabilities are to be classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management
- or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments:

Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

FOR THE YEAR ENDED 31 MARCH 2016

Other Financial liabilities

Other financial liabilities, including borrowings, are to be initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. 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 through the expected life of the financial liability, or, where appropriate, a shorter period.

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

7. Revenue

Major revenue streams are to include revenue from membership fees and revenue from conferences and courses. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and value-added taxation. Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue can be measured reliably.

8. Provisions

Provisions are to be recognised when the company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year-end date taking into account the risks and uncertainties surrounding the obligation.

9. Finance costs

Finance costs must be directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

10. Government Grants

Government grants are not recognised until there is a reasonably assurance, that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the company recognises as expense the related costs for which the grants are intended to compensate.

FOR THE YEAR ENDED 31 MARCH 2016

1. PROPERTY, PLANT AND EQUIPMENT

	R Land	R Buildings	R Buildings in progress	R Office equipment	R Computer equipment	R Furniture	R Other assets	R Total
Net book value 1 April 2014	120,000	1,341,250	-	331,020	69,441	14,148	761	1,876,620
Cost	120,000	3,442,408	-	670,379	502,615	277,094	16,706	5,029,202
Accumulated depreciation	-	-108,750	-	-248,745	-232,344	-208,541	-15,244	-813,624
Provision for impairment	-	-1,992,408	-	-90,614	-200,830	-54,405	-701	-2,338,958
Movement	-	-36,250		-103,477	2,952	5,553	-702	-131,925
Additions	-	-	-	1,403	46,727	6,331	-	54,460
Current year depreciation	-	-36,250	-	-104,870	-43,226	-653	-702	-185,700
Disposal of assets	-	-	-	-10	-550	-125	-	-685
- Cost	-	-	-	-500	-44,764	-2,853	-	-48,117
- Accumulated depreciation	-	-	-	490	44,214	2,728	-	47,432
Net book value 31 March 2015	120,000	1,305,000	-	227,540	72,394	19,701	59	1,744,694
Cost	120,000	1,450,000	-	580,828	304,150	227,593	16,706	2,699,276
Accumulated depreciation	-	-145,000	-	-323,616	-225,435	-206,666	-15,945	-916,662
Provision for impairment	-	-	-	-29,672	-6,321	-1,225	-702	-37,920
Movement		-36,250	7,075,552	-36,635	3,253	-14,351	-48	6,991,520
Additions		-30,230	7,075,552	118,500	56,245	-14,551	-40	7,250,297
Current year depreciation		-36,250	7,070,002	-155,135	-50,407	-14,351	-48	-256,192
Disposal of assets		-30,230		-100,100	-2,585	-14,001	-40	-2,585
- Cost					-4,649			-4,649
- Accumulated depreciation	_	_	_	_	2,064	_	_	2,064
/ local halated depreciation					2,004			2,004
Net book value 31 March 2016	120,000	1,268,750	7,075,552	190,905	75,646	5,350	11	8,736,215
Cost	120,000	1,450,000	-	669,656	349,425	226,368	16,004	2,831,452
Building in progress	-	-	7,075,552	-	-	-	-	7,075,552
Accumulated depreciation	_	-181,250		-478,751	-273,778	-221,017	-15,993	-1,170,789

Land and Buildings

The land and buildings consists of land situated at 28 Fortress road, Rhodesfield, Kempton Park and a property situated at 22 Thistle road, Kempton Park, which was acquired in 2010. Management performs an annual assessment on the individual fixed assets in the fixed asset register for indication of impairment. If there is an indication of impairment, the recoverable amount will be compared to the carrying amount of the asset. An impairment loss will be recognised when the recoverable amount is less than the carrying amount.

Building in progress

The Building in progress consist of the construction of the office complex at 28 Fortress road. The total value of the project is R14 757 122.

Office Equipment

Office equipment include leased assets which are encumbered by finance leases in the amount of R111 917 (2015: R87 334) (note 6).

FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R
2. INTANGIBLE ASSETS	n	n
Net book value 1 April	30,358	24,574
Cost	142970	147,281
Accumulated amortisation	-110605	-120,700
Provision for impairment	-2007	-2,007
Movement	-13,229	5,784
Additions	3,259	17,235
Current year amortisation	-16,488	-10,851
Disposal of assets	-	-600
- Cost	-	-21,546
- Accumulated amortisation	-	20,946
Net book value 31 March	17,129	30,358
Cost	146,229	142,970
Accumulated amortisation	-127,093	-110,605
Provision for impairment	-2,007	-2,007
3. INVESTMENTS		
ABSA investment (Head Office)	16,334,271	18,462,351
	16,334,271	18,462,351
The investments are held in interest-bearing call accounts.		
The weighted average interest rate on these investments is:	6.20%	5.70%
4. TRADE AND OTHER RECEIVABLES		
Trade and other receivables	570,975	546,709
Payments in advance	1,388,236	2,198,511
South African Revenue Services - VAT	496,744	-
Deposits and staff advance	13,513	62,459
Subtotal	2,469,468	2,807,679
Provision for credit losses	-96,347	-292,808
	2,373,121	2,514,871
The movement in the provision for credit losses during the year was as follows:		
Balance at 1 April	292,808	471,463
Movement	-196,461	-178,655
Balance at 31 March	96,347	292,808

The average credit period for services is 60 days (2015: 60 days). No interest is charged on trade receivables, because the company is a non profit organisation, dealing mostly with municipalities and government departments.

The Institute has no credit scoring performance on any new customers.

Trade receivables disclosed above include amounts (see below for age analysis) that are past due at the end of the reporting period for which the Institute has not recognised an impairment because the amounts are still considered recoverable.

FOR THE YEAR ENDED 31 MARCH 2016

2016

2015

	R	R
The ageing of trade debtors at the reporting date was:		
Ageing of debtors		
Not past due	154,786	90,986
Past due by 1 to 30 days	-	116,474
Past due by more than 60 days	416,189	339,249
Total	570,975	546,709
In determining the recoverability of trade receivables the Institute considers any changes in the crec from the date the credit was initially granted up to the end of the reporting period. The concentration that the customer base is large.		
Debtors past due but not impaired:	-	162,915
5. CASH AND CASH EQUIVALENTS		
Head Office Accounts:	1,293,383	804,757
Current account	1,129,780	645,963
Money market fund	163,384	153,294
Cash on hand	219	5,500
	1,293,383	804,757
Included in Cash and cash equivalents is Restricted Cash - LG Seta (This fund has conditions attached - refer to note 7)	-419,153	-419,153
6. FINANCE LEASES		
Total liability	111,917	87,334
less: short term portion	-39,500	-87,334
	72,417	-
The finance leases are secured over the equipment as indicated in note 1.		
7. TRADE PAYABLES AND ACCRUALS		
Accrued expenses	73,275	174,443
Accrual for bonuses and leave	223,191	223,191
South African Revenue Services - VAT	-	57,329
Trust creditor - LGSETA	419,153	419,153
Credit card account	48	13,265
	715,667	887,381
8. REVENUE		
Conference and Courses	19,493,691	19,736,872
Membership Fees	1,001,829	721,180
o OLINDRY INCOME	20,495,520	20,458,052
9. SUNDRY INCOME	04 000	0.000
Publication income	21,690	9,932
Sundry income	82,055	54,251
	103,745	64,183

FOR THE YEAR ENDED 31 MARCH 2016

2016	2015
R	R

10. TAXATION

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

11. RELATED PARTY TRANSACTIONS

The following transactions were incurred with related parties:

Relat	ed party	Relationship	Nature of transaction		
11.1	Board members / Directors do not receive any remuneration.				
11.2	Key management personnel			1,413,415	1,846,900
	CEO (Chief Executive Officer) - (Till 30 August 2015)	Key management personnel	Remuneration	498,159	782,137
	CFO (Chief Financial Officer) / ACEO (Acting - from 3 September 2015)	Key management personnel	Remuneration	681,508	443,652
	COO (Chief Operating Officer) - (Till 31 July 2015)	Key management personnel	Remuneration	233,748	621,111

12. RECONCILIATION OF SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

Surplus before taxation	5,652,048	4,838,907
Adjusted for:		
Depreciation and amortisation	272,680	196,553
Loss on disposal of assets	2,585	1,285
Finance income	-1,220,925	-945,377
Finance cost	6,230	22,878
Operating surplus before working capital changes	4,712,619	4,114,246
Working capital changes:	-337,791	736,748
Decrease/(Increase) in trade receivables	141,750	12,355
Increase in income received in advance	-307,827	767,060
(Decrease)/Increase in accounts payable	-171,714	-42,667
Cash generated by operations	4,374,828	4,850,994

13. RETIREMENT BENEFITS

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

14. CAPITAL COMMITMENTS

The company approved capital expenditure for the construction of new offices in the amount of R20 million in the previous financial year of which R7 million has been incurred already in the current year (refer note 1)

AUDITED ANNUAL FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2016	2015
R	R

15. FINANCE LEASE COMMITMENTS

The future finance lease payments under the non - cancellable finance lease is as follows:

Not later than 1 year

Present value of liability

Finance cost

Later than 1 year not later than 5 years

Present value of liability

Finance cost

42,660	110,212
23,530	87,334
19,130	22,878
71,100	-
56,576	-
14,524	-
113,760	110,212

- * No future minimum sublease income under non cancellable subleases applicable to this lease
- * No contingent rent provisions, renewal or purchase options, and restrictions imposed on dividends, borrowings, or further leasing, is applicable to this lease
- * Office equipment with a book value of R87 000 (2015: R157 200) serve as security for the finance lease

16. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

Loans and receivables

Trade and other receivables

Cash and cash equivalents

Financial assets at amortised cost

Held to maturity investments

Financial liabilities at amortised cost

Trade and other payables

Finance leases

3,666,504	3,319,628		
2,373,121	2,514,871		
1,293,383	804,757		
16,334,271	18,462,351		
16,334,271	18,462,351		
827,584	974,715		
715,667	887,381		
111,917	87,334		

16.1 Interest rate risk

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

Variable rate instruments

 Cash and cash equivalents
 1,293,383
 804,757

 Held to maturity investment
 16,334,271
 18,462,351

16.2 Credit risk management

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and outstanding receivables. The company only deals with reputable financial institutions and the maximum exposure amounts to:

ABSA 17,627,655 19,267,110

Concentrations of credit risk with respect to trade receivables are limited due to the fact that the Institute is mainly dealing with local government and with its members.

16.3 Capital risk

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

^{*} No contingent rent recognised as an expense

FOR THE YEAR ENDED 31 MARCH 2016

2015	2016
R	R

16.4 Liquidity risk

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

Trade and other payables

Less than 1 year

Two to five years

Finance lease liabilities

Less than 1 year

Two to five years

715,667	887,381
-	-

111,917	87,334
72,417	-



AUDITED ANNUAL FINANCIAL STATEMENTS NET INCOME FROM CONFERENCES AND COURSES

	2016	2015
	R	R
Notes		
Annual Conference	10,139,652	10,905,539
Income	14,469,420	15,109,349
Expenditure	-4,329,768	-4,203,810
CPD Training (Continued Professional Development)	342,684	452,782
Income	1,137,186	1,715,036
Expenditure	-794,502	-1,262,255
Annual Audit & Risk Indaba	552,452	539,591
Income	1,789,927	1,550,016
Expenditure	-1,237,475	-1,010,425
Annual Woman in Government Seminar	319,753	104,633
Income	656,368	287,581
Expenditure	-336,615	-182,948
Public Sector Finance Seminar	365,382	132,563
Income	824,502	386,203
Expenditure	-459,120	-253,641
IMFO Provincial Branches - Activities	176,012	106,681
Income	616,288	688,686
Expenditure	-440,276	-582,005
NET INCOME FROM CONFERENCES AND COURSES	11,895,935	12,241,789
Total Income 8	19,493,691	19,736,872
Total Expenditure	-7,597,755	-7,495,083

AUDITED ANNUAL FINANCIAL STATEMENTS

DETAILED INCOME STATEMENT

		2016	2015
	Notes	R	R
REVENUE		20,599,265	20,522,235
Income from conferences and courses	8	19,493,691	19,736,872
Membership fees		1,001,829	721,180
Other income	9	103,745	64,183
OPERATING EXPENSES		-16,161,913	-16,605,826
Expenses for conferences and courses		-7,597,755	-7,495,083
Auditors' remuneration		-359,124	-485,000
Depreciation / Amortisation	1,2	-272,680	-196,553
Disposal of assets	1,2	-2,585	-1,285
Reversal of/(Increase in) provision for impairment		196,461	178,655
Repairs and maintenance		-114,455	-185,503
Salaries and honoraria		-5,353,066	-4,929,076
Bank charges		-29,315	-25,882
Cleaning costs		-22,386	-18,590
Insurance cost		-94,643	-64,099
Professional fees		-38,034	-1,080,469
- Project implementation fees		-	-1,040,596
- Other professional fees		-38,034	-39,873
Legal fees		-	-74,280
Postage and communication		-255,340	-290,427
Printing and stationery		-149,104	-134,137
Workmen's compensation		-15,000	-16,173
Security		-217,823	-200,442
Meeting and travelling expenses		-828,339	-601,551
Water and electricity		-125,409	-112,886
Other Operating expenses		-883,316	-873,045
	-		
SURPLUS FROM OPERATING ACTIVITIES		4,437,352	3,916,409
Finance income		1,220,925	945,377
Finance cost		-6,230	-22,878
SURPLUS BEFORE TAXATION		5,652,048	4,838,907
TAXATION	10	-	-
SURPLUS FROM OPERATING ACTIVITIES		5,652,048	4,838,907

INSTITUTE OF MUNICAPAL FINANCE OFFICERS **NOTES**





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