



CIGFARO

Chartered Institute of
Government Finance, Audit & Risk Officers

2019/2020 ANNUAL REPORT

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VISION

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

MISSION

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

OBJECTIVES

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



OUR LOGO

THE MEANING

Our organisation has revised its identity to ensure we remain recognisable and most importantly, to promote what we do under one name. Its structure incorporates a gold eclipse, a universal symbol representing unity, wholeness and infinity of all our entities.

The talbot remains our key focus ensuring the transition is subtle, yet still recognisable.

FOREWORD BY THE PRESIDENT



INTRODUCTION

It gives me great pleasure to present my report for the 2019/2020 year. I will briefly highlight some of the key issues pertaining to CIGFARO in the period under review and against the backdrop of current affairs in the public sector in general. In this calendar year, we have endured a pandemic which has impacted on the economy locally and internationally to such an extent that it has forced many companies, including CIGFARO, to pause any face-to-face meeting and Conference. This had a direct impact on the revenue stream of CIGFARO.

FINANCES

The finances of the Institute remained sound for the financial year ending 31 March 2020. However, with the total lockdown of the economy under the state of disaster declared by the State President on 23 March 2020, the whole economy took a downturn and it has negatively impacted on the finances of CIGFARO. There was a net surplus of R2.6 million at financial year end, which is R1.3 million more than the previous financial year. This is mainly due to increased income from conferences and CPD services. Operating expenses at year-end was R180 364 more than the expenses realised in the previous financial year. The Institute managed to increase the value of its total assets to R37.2 million. The Institute's membership in the public sector and revenue increased by R108 314 over the financial year. However, it is still low as the potential membership in the public sector is more than 100 000 employees. The board will continue to monitor the finances of the Institute closely to ensure its on-going financial viability and sustainability.

FINANCIAL AND OTHER RISKS

The board has previously identified a dependency on conference income as a risk for CIGFARO. This risk has turned into reality with the lockdown of the economy, when a state of national disaster was declared by the State President on 23 March 2020. The reason for this disaster is the Covid-19 pandemic that spread across the world. We have to operate amid this national disaster, with the economy in a recession and the implementation of austerity measures across the public sector and government impacting negatively on our revenue streams. All of these factors posed a serious threat to the financial sustainability of the Institute. Certain internal measurements were taken to mitigate the impact, such as the adjustment of the current year's budget downwards, reduction of staff salaries by an average of 4%. The Institute introduced webinars to a wide range of audiences with relevant topics to address the loss in revenue and create a more sustainable form of revenue outside formal face-to-face conferences. These webinars are more practice-directed and mainly aimed at assisting practitioners in their day-to-day work and offer CPD points.

SINGLE PROFESSIONAL BODY

Much effort has been put into the creation of a single professional body. Engagements with National Treasury and the Department of Cooperative Governance and Traditional Affairs (CoGTA) took place during the financial year, with further follow-up meetings scheduled with the two ministries. These include physical meetings with the Minister of COGTA, Deputy Minister of Finance and follow-up letters on the implementation of creating a Statutory Body for Public Sector Officials. Further engagements to achieve this goal and vision include meetings with ILGM and Professor O Fuo of the North West University, who was tasked by SALGA to look into the professionalisation of SCM practitioners. The purpose is to require public practitioners to register for their trade and maintain a high profile of ethics in performing their duties as public servants. CIGFARO's vision is to play a significant role to achieve this as the only role player in the overall financial management in the public sector. Members will be kept up to date on progress with this matter.

CODE OF ETHICS

South Africa is currently in the world news for its judicial commission of inquiry into allegations of state capture, headed by deputy chief justice Raymond Zondo, which will also look into corruption and fraud in the public sector. This inquiry and its work have highlighted the extent of fraud and corruption in the public sector. The Auditor General, in his overview report on the finances of the public sector, again highlighted the concerns about increased irregular expenditure, increase in fraud and corruption and the lack of consequence management. There is a need to bring all public servants back to ethical behaviour and leadership and this is where CIGFARO has to play a significant role through a single professional body.

The revelations at the inquiry have impacted negatively on the image and reputation of the public sector and especially its financial, auditing and risk professions. It is also concerning that, while some of these professions are at the core of the unravelled fraud and corruption, the internal audit profession is not providing evidence of what could be regarded as the most complex fraud that was committed in South African history. Accordingly, the Institute will focus on ethics and have produced an enhanced Code of Ethics and Conduct. All members have to abide by the Code and there will be a zero-tolerance approach towards any transgressions.

MEMBERSHIP

We currently have 1277 members and our membership is growing at a very slow pace. During the previous financial year, the Institute resumed the Migration Campaign, where members migrated to the new Professional Designations. To remain relevant and add value to CIGFARO membership, the Institute was required by the South African Qualifications Authority (SAQA) to register the professional designations on the National Qualifications Framework (NQF). The process has seen a steep decline of 41.47% members. The Institute has helped to provide a professional “home” for people who identify with the profession and help them engage with those who feel part of the same identification. The decline in members has given the Institute an opportunity to keep the membership database up to date and look into qualitative data analysis to help with the membership drive. There is a concerted drive to increase membership through marketing at key events, such as the annual conference, provincial branch activities, seminars and indabas, as well as the journal, newsletter and website.

We would like to encourage all public finance management professionals to join CIGFARO. We also urge all existing members to promote CIGFARO to all potential new members.

CORPORATE GOVERNANCE

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

THE BOARD

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

STANDING COMMITTEES

Audit and Risk Committee

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

Social and Ethics Standing Committee

The Standing Committee on Social and Ethics has improved compliance and alignment with the Companies Act.

Standing Committee on Professional Conduct and Quality Assurance

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

Standing Committee on Remuneration and Nomination

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

Standing Committee on Budget and Finance

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

Standing Committee on Communication and Marketing

The Standing Committee on Communication and Marketing was responsible for all marketing, conference functions and events. The Committee also managed the CIGFARO journal and circulated 2500 copies, 1000 less than the previous year, due to financial constraints. In line with CIGFARO’s austerity measures, travelling and attending external stakeholder events were reduced.

Standing Committee on Knowledge and Development

The Standing Committee on Knowledge and Development undertook several education and training programmes, such as Municipal Standard Chart of Accounts (mSCOA) budget training and Generally Recognised Accounting Practice (GRAP) standards and updates. The committee also held a workshop to consider the practical implications of creating a single professional body for public finance management professionals.

The Institute presented several webinars successfully as a result of Covid-19.

Standing Committee on Research

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

Importance of Branches

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

RELATIONSHIP WITH OTHER GOVERNMENT DEPARTMENTS AND STATUTORY BODIES

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

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

MAIN CHALLENGES

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

Membership

CIGFARO needs to come up with a clear strategy of how to grow the membership and the route responsibility for this should lie with branch chairpersons. It is also important that we have national and provincial membership growing this to ensure the Institute remains relevant in the public sector. It is therefore incumbent as a secondary responsibility for each member to encourage our fellow colleagues in the sector to become members.

Economic Climate

As for all organisations and businesses, the current economic climate is a challenge. The Institute will be prudent and conservative with its finances. We will look at how we can increase our income streams. Cost-cutting and austerity measures have been implemented. The key to doing this is financial resilience. More needs to be done to resurrect a good revenue stream and reduce the dependence on conference revenue.

Single Professional Body

We are actively pursuing this initiative. It will be a major achievement and we are putting a lot of time and effort into this. Obtaining political support is the key step. Various platforms were used to raise this very important issue and this include bilateral talks with ILGM, the two ministries mentioned above and articles published in the media.

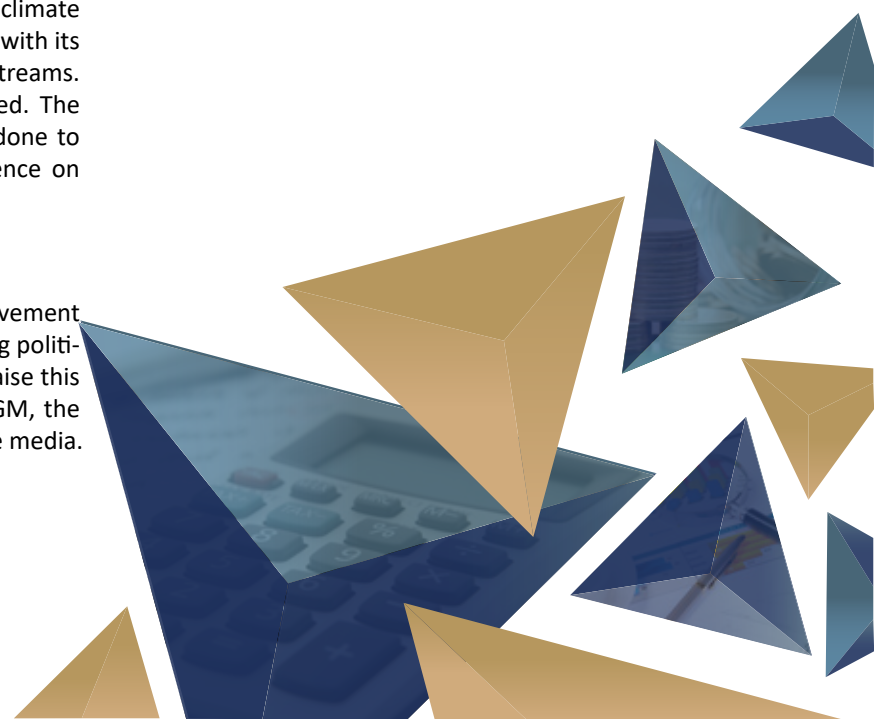
Ethics

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

CONCLUSION

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

PEET DU PLESSIS PRESIDENT



PERFORMANCE OVERVIEW BY THE ACCOUNTING OFFICER



1. INTRODUCTION

This report presents an account of all attempts made by the institute during the year under review (2019/2020) to stay afloat and remain relevant to the population it serves. The performance successes, as well as shortfalls, are being highlighted as well as mitigating efforts to counter risks encountered during this period.

It should be noted that the last lap of this financial year (2019/2020), experienced an unprecedented global economic slump due to the landing of the fearful COVID 19 Pandemic.

2. PERFORMANCE HIGHLIGHTS

Our performance measurement tool, SCORECARD, had fifty-two (52) set targets for the year under review. The performance outcomes are:

2.1 ACHIEVED (77%)

We managed to conclude 40 of the targets (77%). The achievements included amongst others:

- ▶ conclusion and approval of the Knowledge and Development Framework which paved the way for the Migration of Members from old to new designations,
- ▶ successful capacitation of regional/branch executive committees, resulting in the hosting of training workshops at all regions/branches for the first time in one fiscal year. This has had a positive impact on recruitment of new members in all Regions/Provinces, and
- ▶ the successful hosting, including the celebration of the institute's 90th Annual Conference (anniversary). The drive to promote and market CIGFARO from all angles at all available platforms, was enhanced by these anniversary activities. We managed to achieve more for less marketing and promotional costs.

2.2 PARTIALLY ACHIEVED (15%)

Eight (8) targets were almost concluded, but the final stages could not be completed due to matters beyond the control of Management and/or the Board. These eight (8) represented 15% of the total annual targets. All of them will be carried over to the next financial year (2020/2021) for conclusion.

- ▶ finalisation of Memorandum of Understanding (MOU) with the National Department of Corporative Governance (COGTA). The Board did approve the draft to be accepted and signed by COGTA. The unexpected departure of the COGTA Director General had a bearing on this crucial pending matter, and
- ▶ the implementation of a Students' Chapter was delayed by instability at most campuses.

2.3 NOT ACHIEVED (8%)

Four (4) targets could not be achieved, representing 8% of the total targets. Minimal efforts were made due to the prevailing circumstances during the year. All four (4) have been carried over to the next financial year (2020/2021), because circumstances are now more favourable. These targets are:

- ▶ negotiations for MOU's with institutions of Higher Learning. We anticipate stability at various targeted campuses and their management will be more focussed,
- ▶ finalisation of the new and revised Board Examinations as well as Logbooks processes will be achievable as the Framework is now approved,
- ▶ registration of new Designations with the South African Qualifications Authority (SAQA) will be concluded as guided by the approved Framework and the revised Board Examinations, as well as the Logbook processes, and
- ▶ the Annual Corporative Governance Workshop for Board Members covering King's Reports have now been pre-negotiated with prospective qualified presenters.

2.4 RISK MANAGEMENT

Seventeen (17) risk areas have been identified at the beginning of the 2019/2020 fiscal year. Sixty-five (65%) were concluded successfully. Twenty-nine (29%) were Partially Achieved, for the same reason as provided under item 2.2 above. All of them are carried over to 2020/2021 fiscal year.

We could not achieve only one (1%) target. This is a low level, but important risk of continuously updating our Board Members, by hosting an annual workshop as a mitigating activity. It will be

3. WAY FORWARD – 2020/2021 FOCUS

The advent of the Corona Virus/Covid-19 pandemic has forced us to reflect and review our Plans and Risks during the last month of the 2019/2020 fiscal year. We had no option but to shoot while running by implementing mitigating strategies with immediate effect where it was very crucial.

Our focus for 2020/2021 will mainly be on finding working solutions for the severe negative impact of the COVID 19 on our Operations as well as our Stakeholders.

4. ACKNOWLEDGEMENTS

Our institute has, overall, once more performed well. The problem in life is that, in instances of good performance, some would seek instant individual gratification. Good performance cannot be achieved through solo efforts, even in a boxing match. As Fred De Witt Van Amburgh says:

“Gratitude is a currency that we can mint for ourselves and spend without fear of bankruptcy”.

It is against this background that I take this opportunity to thank all staff members, irrespective of their individual degree/level of contribution, for arriving at these year-end results. Many sacrifices were made, although some might be deemed insignificant, just as one cent is to a million rand.

Our Board Members, under the able leadership of our President, Mr Peet Du Plessis, have continued to guide us in taking this institute to greater heights. Their sacrifices and contributions did not go unnoticed.

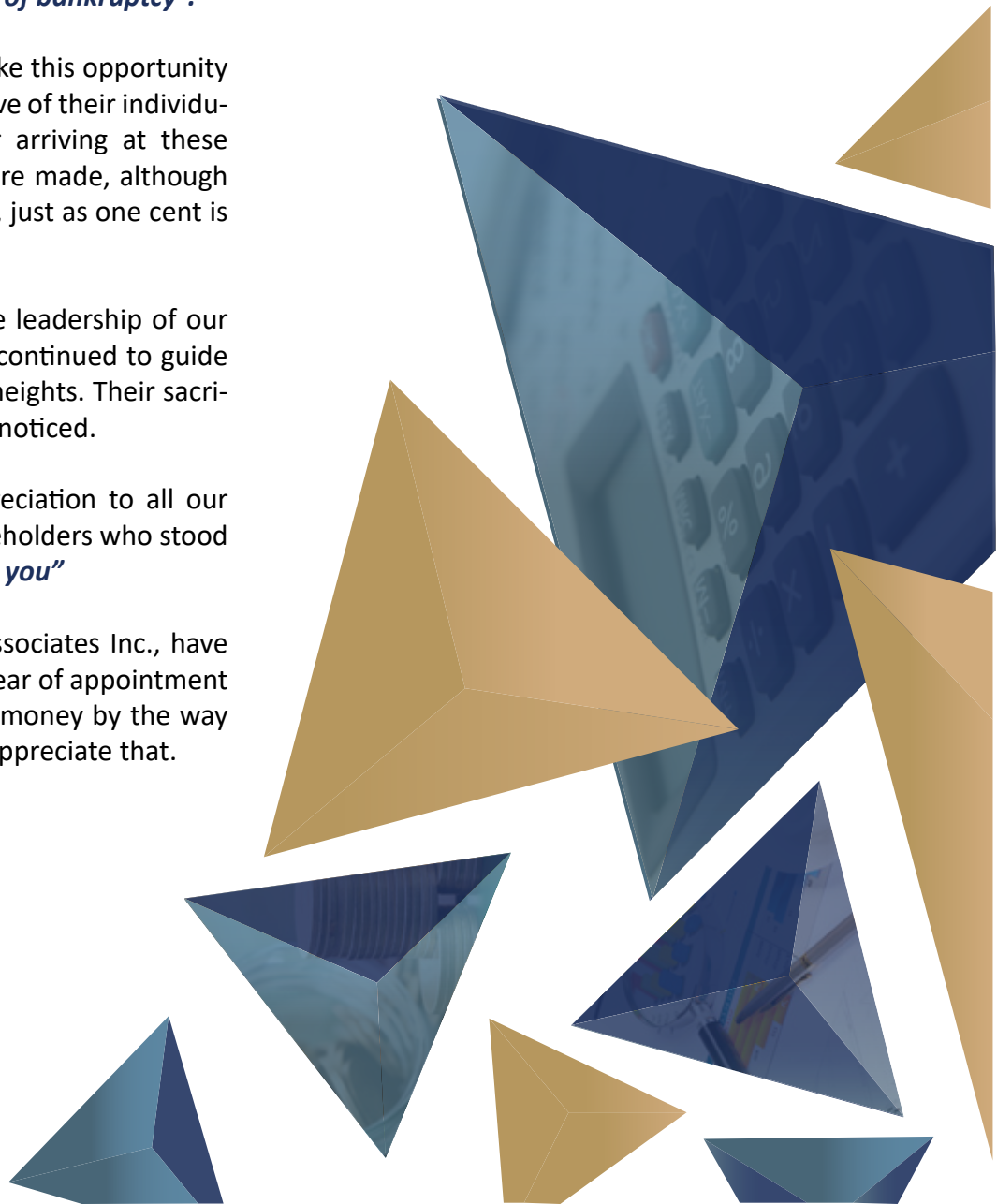
We do owe a special word of appreciation to all our Members in good standing and Stakeholders who stood by us through thick and thin. ***“Thank you”***

Our External Auditors, Rakoma & Associates Inc., have kept us on our toes since their first year of appointment to date. We do derive value for our money by the way you have executed your duties. We appreciate that.

“God is always with us and will bring us through every calamity and hardship”.
(Errol Woods).

Wishing everyone all the best in the new financial year 2020/2021. ***Adios.***

A.O. M Tlaletsi (Abbey)
Chief Executive Officer.



THE BOARD



PEET DU PLESSIS
President



LS MOFOKENG
Vice President-General



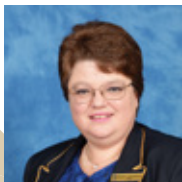
C REDDY
Vice President-Technical



K KUMAR (DR)
Past President



A TLALETSI
Chief Executive Officer



LA MULLER
Technical Members



J MASITE
Technical Members



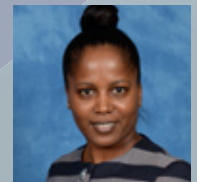
BN RANCHODDAS
Technical Members



NC DLADLA
Technical Members



A MARAIS
Technical Members



ZP MALAZA
Technical Members



FB KHAN (ADV)
General Members



A BAM-SMITH (ADV)
General Members



MJ TSHILWANE
General Members



SF MNDEBELE
General Members



B BROWN
Branch Chairpersons:
W-Cape



J NGCELWANE
Branch Chairpersons:
E-Cape



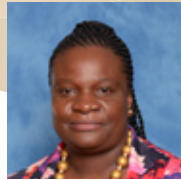
JJ WAGNER
Branch Chairpersons:
N-Cape



A JANSEN
Branch Chairpersons:
North West



T LENGWATE
Branch Chairpersons:
Mpumalanga



MM MAKHONGELA
Branch Chairpersons:
Limpopo



EN NGCOBO
Branch Chairpersons:
KZN



A SHEIK
Branch Chairpersons:
Gauteng






T MARUMO
Branch Chairpersons:
Free State

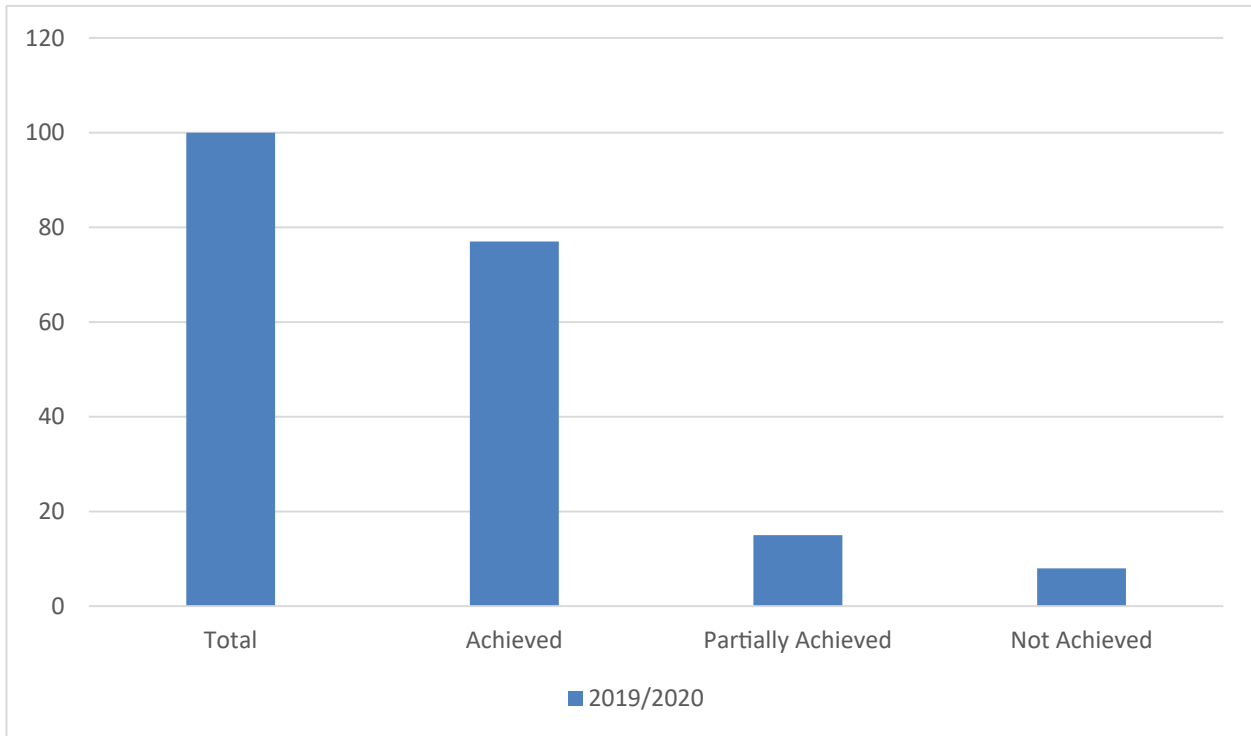


ORGANISATIONAL PERFORMANCE 2019/2020

2019/2020 ANNUAL SCORECARD - REPORT (1 APRIL 2019 - 31 MARCH 2020)

STRATEGIC FOCUS	TOTAL	ACHIEVED	PARTIALLY ACHIEVED	NOT ACHIEVED
				
Strategic Focus Area 1: To establish CIGFARO to be a recognised statutory professional body	4	2	2	0
Strategic Focus Area 2: To represent and promote the interest of Practitioners in Public Financial Management	10	9	0	1
Strategic Focus Area 3: To regulate the registration of members and continuous professional development of members	9	5	2	2
Strategic Focus Area 4: To maintain good corporate governance and financial sustainability	15	11	3	1
Strategic Focus Area 5: To establish resources and technical capacity for current and future needs of the organisation	6	5	1	0
Strategic Focus Area 6: To develop and implement Communication and Marketing Framework	8	8	0	0
TOTAL 2019-2020	52	77%	15%	8%

2019/2020 ANNUAL SCORECARD - REPORT



2019/2020 ANNUAL SCORECARD - REPORT

1. Strategic Objective: To establish CIGFARO to be a recognised statutory professional body						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery (Target Time)	2019/2020 Final Outcome	Comment
1.	1a Executive Summary	Compile Institute Business Plan Executive Summary	1a1. Concluded and approved Executive Summary	June 2019	Partially Achieved	Executive Summary compiled and presented to the Board. Strategic Planning Session to conclude the plan had to be rescheduled to next Financial Year (2020/2021).
	1b. Introduction of Institute to Public Sector	Market Institute at Government Department & Entities	1b1. Introductory Meetings held with NT, COGTA and Provincial Treasuries	September 2019	Achieved	Meetings scheduled and held. Conclusion of formal agreement signing will be concluded during the next Financial Year (2020/2021)
	1c. Engagement meetings National Treasury, CoGTA, SALGA and AGSA for continuous lobbying	Sign and maintain MOU's	1c1. Quarterly meetings with each Stakeholder	Each Quarter	Partially Achieved	The reviewed MOU's and new proposal/motivation for collaboration were submitted to COGTA and National Treasury. Feedback is still pending. Matter to be concluded during the next Financial Year (2020/2021)
	1d. Strengthen Branches	Report on events hosted per branch	1d1. Hosted one event per province half yearly.	March 2020	Achieved	All Provinces did host workshops as planned for members empowerment and recruitment.

Strategic Objective To represent and promote the interest of Practitioners in Public Financial Management					
KPA (Measurable Objectives)		Performance Target/s (OUTPUT)	Performance Delivery Target Time	2019/2020 Final Outcome	Comment
2a. Provide guidance and input on National, Provincial and Local Government Legislation	Host training intervention sessions	2a1. Four training sessions hosted (Accredited and Non-Accredited)	Each Quarter	Achieved	Sessions successfully held at all Provinces.
	Number of initiatives to keep members updated on changes in policies/ legislations/ court judgements	2a2. Twelve newsletters & four Journals published Annually	Quarterly	Achieved	Publications successfully released as planned.
		2a3. Annual Conference hosted	October 2019	Achieved	Conference hosted successfully.
		2a4. Audit & Risk Seminar hosted	April 2019	Achieved	Seminar hosted successfully.
		2a5. Public Sector Finance Seminar hosted	July 2019	Achieved	Seminar hosted successfully.
2b. Professionalise membership	SCKD Framework	2b1. Finalised and approved SCKD Framework	June 2019	Achieved	Board approved the SCKD Framework.
	Membership Designations	2b2. Migrated old designations to newly approved	March 2020	Achieved	Members migrated to new designations.
2c. Strengthen Regions	Membership Recruitment Drive	2c1. Membership increase of 5% per Region attained	March 2020 (Year-end)	Achieved	New members registered and acceptance letters issued.
2d. Engagement meetings with other Professional Bodies, SETA's and Higher Education Institutions	Identify PB's, SETA and Tertiary Institutions to sign MOU, MOA and MOC's	2d1. Signed at least 2 MOU, MOA and MOC's per annum	March 2020	Not Achieved	Meetings were held for initial discussions. MOU signing deferred to next Financial Year (2020/2021).
2e. Training Programmes	Identify relevant Training/Workshops topics	2e1. Training Schedule (Accredited/Non-Accredited) Developed	End 2 nd Quarter	Achieved	Schedule developed and endorsed by National Treasury. Implementation done according to schedule.

2019/2020 ANNUAL SCORECARD - REPORT

Strategic Objective: To regulate the registration of members and continuous professional development of members					
KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2019/2020 Final Outcome	Comment
3a. Issue guidelines for membership registration	Finalisation of SCKD Framework	3a1. Board approved Framework	June 2019	Achieved	SCKD Framework approved now under implementation.
	Professionalise designations	3a2. Board Exam/Logbook approved	March 2020	Not Achieved	Matter deferred to 2020/2021 as it requires more external consultations.
	Register new designations with SAQA	3a3. SAQA designation change registration form submitted and approved	November 2019	Not Achieved	Matter deferred to 2020/2021 as it requires more external consultations.
3b. Training Assessment Plan	Monitor and evaluate training initiatives	3b1. Training sessions monitoring reports submitted	March 2020	Achieved	Reports submitted and assessed for improvement of succeeding training sessions.
3c. Membership Recruitment	Recruitment campaign	3c1. Membership increase of 5% per province attained	March 2020	Achieved	New members registered and acceptance letters issued.
	Membership Initiatives	3c2. Report on CPD Statistics submitted	Quarterly	Achieved	Reports submitted and members kept updated.
3d. Student Recruitment	Implementation of Student Chapter Framework	3d1. Student members to drive Graduate programme recruited.	March 2020	Partially Achieved	Compiled draft will be submitted for approval during 2020/2021.
	Promote Student membership by visiting Tertiary Institutions	3d2. Student's 2% membership increase attained.	March 2020	Partially Achieved	Matter deferred to 2020/2021 due to student strikes.
3e. Strengthen Branches	Regional engagements	3e1. One event per province hosted half yearly	March 2020	Achieved	Events were successfully held at all provinces.

4	Strategic Objective: To maintain good corporate governance and financial sustainability					
NO	KPA	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2019/2020 Final Outcome	Comment
4.	4a. Compliance and financial viability with relevant legislation and clean report 4b. Monitoring and evaluation of strategy	100% compliance with CIGFARO MOI	4a1. MOI Checklist MOI Reviewed.	June 2019	Achieved	Review done and approved.
		100% compliance with the Board Charter	4a2. Board Charter Checklist Reviewed.	June 2019	Achieved	Review done and approved.
		Review PMS Framework	4a3. Annual Review of all policies concluded.	June 2019	Achieved	Review done and approved.
		New Board Members Induction	4b1. Inducted new Board members on CIGFARO strategic operations, Policies, MOI and Board Charter	April 2019	Achieved	Members inducted as planned.
		Board members capacitation	4b2. Trained staff and Board Members on governance in terms of the Companies Act requirements and King principles.	Half Yearly	Not Achieved	Matter deferred to 2020/2021 due to COVID-19.
		Board evaluation	4b3. The evaluation of the Board to be performed in every alternate year to monitor the Board performance and individual performance of Board members.	March 2020	Partially Achieved	Evaluation tool designed. Implementation will take place during 2020/2021.
		Board Committee functionality	4b4. Ensure proper functioning of Board Committees through submitted reports.	March 2020	Partially Achieved	All committees' terms of reference were revised and are ready for implementation during 2020/2021.
	4c. Compliance and financial viability with relevant legislation and clean report	Quarterly - 4 Board meetings held to ensure the monitoring & evaluation of the strategy	4b5. Quarterly Performance evaluation and presenting of reports to the Board done.	Quarterly	Achieved	All reports presented to the Board and approved.
		Development of Compliance register	4c1. Compliance Register developed	March 2020	Achieved	Register concluded and approved.

2019/2020 ANNUAL SCORECARD - REPORT

5 Strategic Objective: To establish resources and technical capacity for current and future needs of the organization						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2019/2020 Final Outcome	Comment
5.	5a. Staff Multi-skilling	On the job-training provided for staff to assist other units/Depts.	5a1. Performance reports covering duties executed beyond staff member's job description submitted.	March 2020	Achieved	Multi-tasking training provided to staff to assist in other units.
	5b. Deployment of Retired Professionals/Members	Database of all retired members	5b1. Data base compiled and some members utilised.	Quarterly	Achieved	Database compiled, approved and ready for usage.
	5c. Strengthen Regions	Capacitate the Regional Executive Committee members	5c1. Report on Regional capacitation submitted.	Quarterly	Achieved	Capacitation session was successfully hosted.
	5d. Enhance IT	Monitor Website Analytics	5d1. Report on Google Analytics submitted.	Quarterly	Achieved	Submissions done and situation kept under control.
		Establish e-learning systems	5d2. Acquiring and Procuring of appropriate internet infrastructure concluded.	4 th Quarter	Achieved	Procured and utilised as planned.
		Introducing VOIP telephone system	5d3. Acquiring and Procuring of appropriate telephone system concluded.	4 th Quarter	Partially Achieved	Sourcing of quotations concluded. Procurement and installation to be concluded during 2020/2021.

6 Strategic Objective: To develop and implement Communication and Marketing Framework						
NO	KPA (Measurable Objectives)	KPI	Performance Target/s (OUTPUT)	Performance Delivery Target Time	2019/2020 Final Outcome	Comment
6.	6a. Create awareness of CIGFARO 90 th celebration in the industry	Number of media releases	6a1. Four media releases done.	Quarterly	Achieved	Media statements released as planned.
		Number of publications on internet	6a2 Four publications on internet released.	Half Yearly	Achieved	Publications released as planned.
		Number print publications	6a3. Four print publications done.	Half Yearly	Achieved	Publications released as planned.
		Number of digital marketing	6a4. 12 communique updates done.	Events based	Achieved	Updates communicated as planned.



CIGFARO

Chartered Institute of
Government Finance, Audit & Risk Officers

OUR STAFF



A. TLALETSI
CHIEF EXECUTIVE OFFICER



I. KOTZE
CHIEF FINANCE OFFICER



N. SHONGWE
COMPANY SECRETARY



L. NOLTE
MANAGER: MEMBERSHIP SERVICES



O. MAKALIMA
MANAGER: MARKETING &
COMMUNICATION



S. NGWANA
TRAINING DELIVERY



T. OLIFANT
ADMINISTRATOR: FINANCE



A. RWAZEMBA
ICT OFFICER



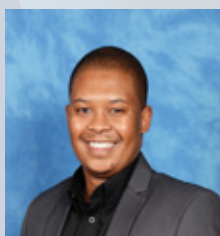
G. NKHOMA
TRAINING & DEVELOPMENT



T. HOFFMAN
ADMINISTRATIVE & FACILITIES
SUPERVISOR



E. GUMATA
COMMUNICATION COORDINATOR



H. TSEKE
MARKETING COORDINATOR



A. MOTLOUNG
CPD ADMINISTRATOR



L. MAKOPO
ADMINISTRATIVE ASSISTANT



D. KGOOHO
RECEPTIONIST



O.F. PILANE
MARKETING INTERN



STANDING COMMITTEE ON BUDGET AND FINANCE

STANDING COMMITTEE ON BUDGET AND FINANCE (SCBF)



1. MEMBERS AS AT 31 MARCH 2020

Members:

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

Secretariat:

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

2. DUTIES AND RESPONSIBILITIES

The committee have the following duties and responsibilities:

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

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 the new proposed organogram and performance bonuses for staff.
- Monitored the quarterly spending patterns of the institute against the approved budget for the 2019/20 financial year, No material problems were experienced.
- Reviewed the proposed budget for the 2020/21 financial year and recommended a tariff structure for the 2020/21 financial year.
- Reviewed the risks related to the financial sustainability of CIGFARO and related revenue sources.

The financial results for the year ending 31 March 2020 shows that CIGFARO is in a reasonably stable financial position. 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) – Changing from IFRS to IFRS for SME
- Investment and Loan Redemption Policy (review)
- Financial Policy for Provincial Branches (review)
- Supply Chain Policy (review)
- Budget Policy.

STANDING COMMITTEE ON BUDGET AND FINANCE (SCBF)

4. REPORT OF THE CHIEF FINANCE OFFICER

These financial statements (2019/20) have been prepared in accordance with International Financial Reporting Standards for small to medium - sized entities. 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 for the foreseeable future.

REVIEW OF OPERATING RESULTS

The financial year under review has been successfully closed off with a net profit of R2 657 022 (2019: net profit R1 281 773). The main reason for the profit is from Income from Conferences, Indabas, Seminars and courses that CIGFARO presented and the mSCOA Project rollout together with National Treasury.

Schedule reflects surpluses (deficit) of Conferences, Seminars and CPD courses.

	31 March 2020			31 March 2019
Detail	Income 000	Expenditure 000	Surplus 000	Surplus 000
Annual Conference	R12 233	-R4 4656	R7 768	R8 385
Audit Risk Indaba	R2 267	-R961	R1 305	n/a
Public Sector Accounting & MscOA Seminar	R1 150	-R388	R762	R432
CPD Courses	R421	-R257	R164	-R76
NT mSCOA CPD courses	R746	-R458	R287	R161
Regional Branch Activities	R3 223	-R3 282	(R59)	R189
			R10 227	R9 092

Assets

Net value of assets increased by R 1.6 million to R 37.2 million (2019: R 35.6 million). All additional cash resources were invested with corporate banks to ensure maximum interest earnings.

Trade and other receivables increased from R174 189 to R719 261, that includes an amount of R203 383 receivable from SARS for VAT. The rest is showing an increase in debtors' receivable from sponsors, delegates and members attending CPD workshops, only during the 2019-2020 financial year.

Liabilities

Liabilities decreased by R955 837 to R1.9 million (2019: R2.8 million). This includes income of R850 120 received in advance from delegates and sponsors for Conferences and Indabas happening after the financial year end. A finance lease was encumbered for the lease of a photo copier with a remainder long term obligation of R68 730.

STANDING COMMITTEE ON BUDGET AND FINANCE (SCBF)

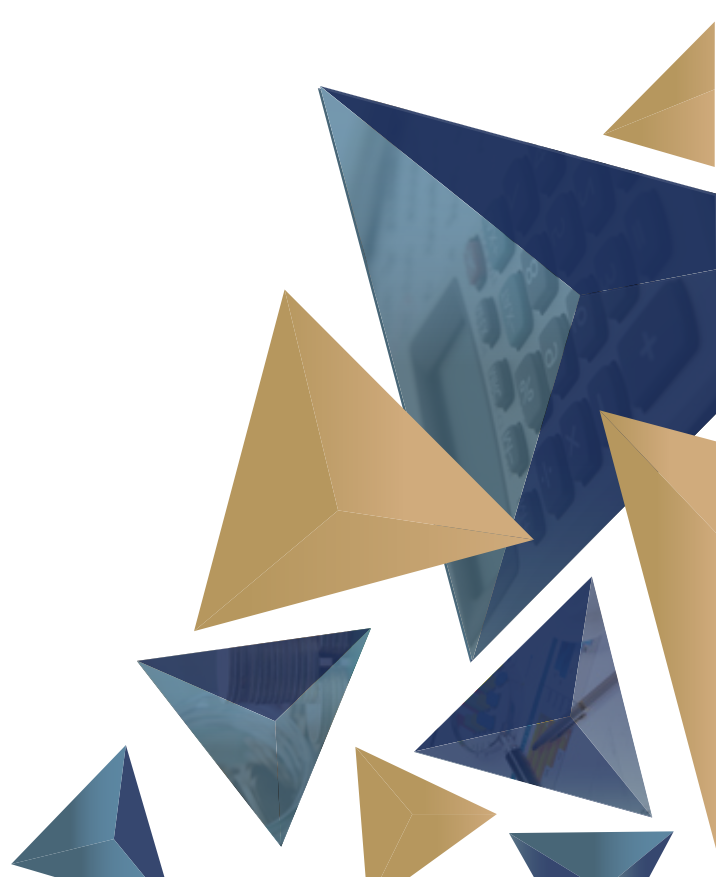
Gross surplus – Increased with 12%

Revenue from CPD-Conferences, seminars, workshops & training for the year is R20 million (2019: R14.9 million) which reflects a material increase of R5.2 million. This is mainly related to the Institute changing the structure of delegate and sponsorship packages, to accommodate the requirements set by National Treasury for cost containment purposes. The main income stream is from the annual conference, the mSCOA(NT) Project and courses conducted during the year which jointly comprises 96% while membership fees and other income contribute 4%. The income derived from conferences and courses are seen as an extensions of the services provided to members and other persons working in the public sector, to strengthen the profession.

Operating Expenditure – Increased with 2%

Highlighting increases in expenditure

Item	% increase	Value	Reasons
Other Operating expenses increased	2%	R 9 979 233 Increase by R 180 644 from 2019	The Institute implemented cost saving measures in line with National Treasury circulars. (This is not a material increase)





STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)



1. MEMBERS

Chairperson	Krish Kumar
President	Mr Peet Du Plessis
Vice Presidents	Ms Cheryl Reddy (Ms) Sidwell Mofokeng
Secretariat:	
Chief Executive Officer	Abbey Tlaletsi
Chief Finance Officer	Ira Kotze (Ms)
Company Secretary	Nonhlanhla Shongwe (Ms)

2. DUTIES AND RESPONSIBILITIES

2.1 Committee Responsibilities - Nominations and Elections

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

The committee has the responsibility to:

- 2.1.1** Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board, including any relevant changes to the Company's Memorandum of Incorporation (the Mol)
- 2.1.2** Identify and nominate candidates to fill the board's standing committees' vacancies, as and when they arise for the approval of the board
- 2.1.3** Evaluate the balance of skills, knowledge, experience and diversity of recommended appointees before anyone is co-opted to committees by the Board. Regarding this evaluation, the committee must prepare a description of the role and capabilities required for a particular co-option.

In identifying suitable candidates, the committee shall:

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

- 2.1.4** Oversee the election process per the board approved nomination and election framework.

2.2 Remuneration and Performance

The committee shall:

- 2.2.1** Annually review the remuneration and performance of the Chief Executive Officer and Senior Management.
- 2.2.2** Annually review the basis of calculation for staff remuneration to ensure that it appears reasonable.
- 2.2.3** Annually review the current industry practice on staff remuneration.
- 2.2.4** Annually review the different methods of remunerating the Chief Executive Officer and Senior Management.
- 2.2.5** Investigate whether it is in the interest of CIGFARO to establish a pension fund scheme and medical aid benefits for its employees.
- 2.2.6** Annually review any existing and proposed fringe benefits.
- 2.2.7** Review retirement and termination payments.

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

- 2.2.8** Review related party transactions and disclosure, if any.
- 2.2.9** Make recommendations to the board on remuneration packages and policies applicable to management and staff of the Institute.
- 2.2.10** Ensure the formal systems of succession planning for the Chief Executive Officer and Senior Management.
- 2.2.11** Oversee the process of staff placement.
- 2.2.12** Ensure that the Institute has a Human Resource Development (HRD) Framework and policy in place. The Structural and HRD framework that is applicable/in compliance must also be in place.

3. GOVERNANCE: Performance Management and Risk Management;

3.1 Performance Management

Performance management should be done to:

- 3.1.1** Monitor and evaluate the performance of the organisation
- 3.1.2** Monitor and review performance of the CEO and staff.

3.2. Risk Management

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

3.3 OTHER RESPONSIBILITIES

Other responsibilities are to:

- 3.3.1** Review the terms of reference of other board committees regarding its alignment to the company's strategy.
- 3.3.2** Annually review all staff policies, such as leave, study, recruitment, travelling and substance, employee private work and financial interest, records management, performance management framework and policy, sexual harassment, risk management strategy and policy, communication protocol policy and any other policies relating to staff.

4. AUTHORITY

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

5. CIGFARO POLICIES

The Committee reviewed all of the Institute's policies and presented recommendations to the Board, which duly granted approval for implementation

STANDING COMMITTEE ON REMUNERATION & NOMINATION (SCRN)

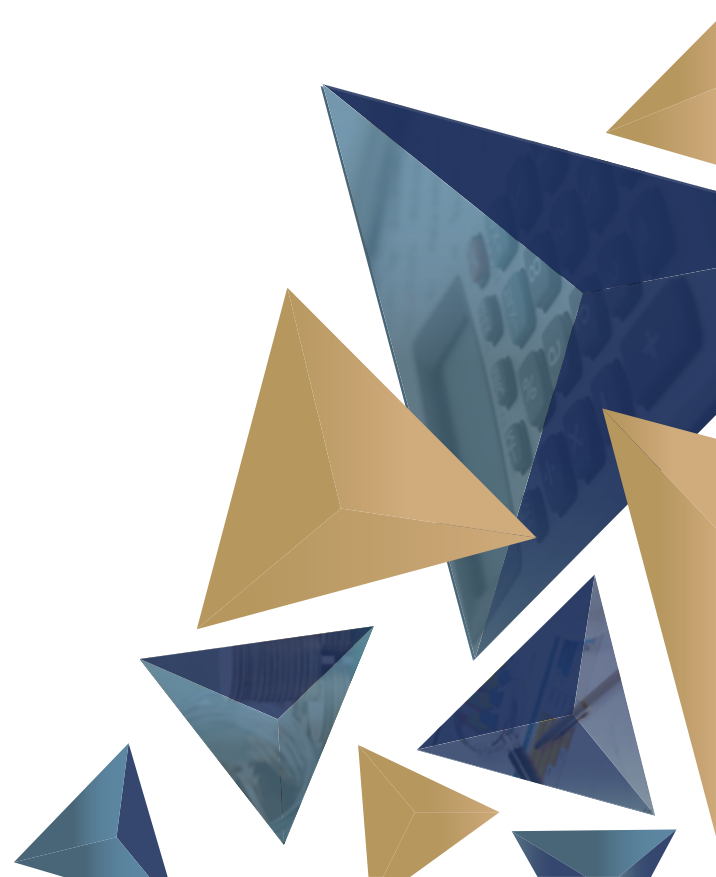
6. CIGFARO SECRETARIAT

Appointments and resignations

During the 2019/20 financial year, there were no changes within the Secretariat.

The Secretariat during the year was structured as follows:

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





STANDING COMMITTEE ON COMMUNICATION AND MARKETING (SCCM)

STANDING COMMITTEE ON COMMUNICATION AND MARKETING (SCCM)



1. MEMBERS

Chairperson
Vice Chairperson
Vice President
Board members

Louise Muller (Ms)
Attie Jansen
Sidwell Mofokeng
Nosipho Dladla (Ms)
Emmanuel Ngcobo
Jackson Ngcelwane

SECRETARIAT:

Chief Executive Officer
Communication and Marketing Manager
Membership Services Manager
Communication Officer
Marketing Officer
ICT Support Officer
Company Secretariat
Admin Assistant

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

1 DUTIES AND RESPONSIBILITIES

The committee is responsible for the:

- 1.1** Development, implementation and maintenance of a policy for communication and marketing.
- 1.2** Communication/dissemination of documentation and information about the activities of CIGFARO to the:
 - Board
 - Standing Committees
 - Institute Members
 - Relevant national and international Institutes
 - Stakeholders.
- 1.3** Development and maintenance of internal and external communication channels for the institute to convey a positive message by means of:
 - Television
 - Radio
 - Press
 - Written Material
 - Liaison
 - Journal
 - Web
 - Newsletter
 - Relevant Social Media.
- 1.4** Communication and marketing of public sector and related professions content (on academic, legal and general matters).
- 1.5** Promotion of the image and objectives of the Institute through communication and marketing of information.
- 1.6** Management and maintenance of the publication of the CIGFARO Journal.
- 1.7** Compilation of an operating budget related to the needs of the committee.
- 1.8** Coordination of administrative matters for the efficient operation of the Institute's Annual Conference and all other conferences including Women, Audit and Risk INDABA.

STANDING COMMITTEE ON COMMUNICATION AND MARKETING (SCCM)

2. MEETINGS AND ACTIVITIES

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

- Teleconference - 24 January 2019 @ 08:30 -09:30
- Teleconference - 22 March 2019 @ 08:30 – 10:15am
- Teleconference - 24 June 2019 @ 08:30 - 09:30
- Teleconference - 12 August 2019 @09:00 – 10:00
- Teleconference - 09 March 2020 @ 08:30 – 09:30.

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

The following matters were dealt with:

2.1 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) The Journal is indexed by Sabinet.
- c) The CIGFARO Journal was published quarterly.
- d) The committee continues to strive towards ensuring that the Journal publishes relevant current news and informative articles inspiring excellence in service delivery.
- e) The committee has published articles in the Journal prepared by the Research Committee or academic papers from members and potential members.

The CIGFARO Journal is aimed at government practitioners and seeks to reflect a broad spectrum of thought and practice in the finance and audit and risk sphere. Articles cover various relevant topics that affect government practitioners. The Journal shares all CIGFARO branch activities and gives our advertisers an opportunity to expose practitioners to the new developments and service standards offered by government service providers.

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

The quarterly journal has been supplemented by a monthly newsletter distributed to all CIGFARO members and non-members on the database. The CIGFARO monthly newsletter serves as a communications channel between the office, provincial branches and CIGFARO members, stakeholders, universities and public sector service providers. Once again, the newsletter has given our advertisers an opportunity to expose practitioners to the new developments and service standards offered by government service providers.

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

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

STANDING COMMITTEE ON COMMUNICATION AND MARKETING (SCCM)

2.2 CIGFARO Annual Event

2.2.1 90TH CIGFARO Conference

The committee was responsible for:

- Compiling and printing the conference programme for the Annual Conference
- Distribution of the conference programme
- Marketing and advertising of the 90th Annual Conference on different platforms
- Selecting the topics, obtaining the speakers and liaison with speakers
- Arranging logistics for speakers and all participants
- Compilation, printing and distribution of a daily newspaper at the Conference
- Compilation, printing and distribution of the Information Booklet, which comprised of the Final Conference Programme, Speakers' Profile, Exhibitor Directory and Delegates List
- Media participation including social media and a mobile app.

The Institute's Annual Conference was held from 07 October to 09 October 2019 at Durban ICC, eThekweni. The speakers from both the public and private sectors made valuable contributions based on the conference theme: **"TRANSFORMATIONAL LEADERSHIP IN THE PUBLIC SECTOR"**.

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

PricewaterhouseCoopers (PwC) assisted the Institute with the Conference Summary Booklet for the entire 2019 Conference. The Institute appreciates all the efforts made in arranging scribes to summarise all presentations and we hope that we can still work together in the future.

2.2.1 CONFERENCE EXHIBITION

The 2019 conference exhibition had 53 organisations exhibiting, which was the precise number of companies that participated in the 2018 conference. These organisations bought 72 exhibition stands. The Institute has realised that there is a slight change in spending from exhibitors due to the tough economic climate in the country. The deepening recession has eroded the financial standing and optimism of a broad swathe of South Africans. In the exhibition industry, we have felt the impact of that economic uncertainty with all our annual shows seeing attendance shrink. It is therefore not surprising that many companies are cutting back when it comes to their trade show budgets. Exhibition managers are now focusing on doing more with less. We therefore remain optimistic about our ability to maintain and improve our programmes' results in the face of economic uncertainty.

CIGFARO would like to extend its gratitude to the eThekweni Municipality for availing staff and resources towards the success of the conference and especially for the mayoral function held on 07 October 2019. It is important to acknowledge and express gratitude to the members of the Standing Committee on Communication and Marketing, the Conference Secretary, the breakaway convenors, panel members, stakeholders and any other parties involved in making the conference a success. Thank you once again to the secretariat for the excellent planning and arrangements in organising the conference. Last, but not least, we would like to acknowledge our Platinum Sponsor, Ntiyiso Consulting, who partnered with CIGFARO for the first time and will continue to support CIGFARO for the next three years to achieve greater heights and deliver better service each year in hosting our annual conference between 2019 and 2021.

Ms Louise Muller

Chairperson: Standing Committee on Communication and Marketing



STANDING COMMITTEE ON RESEARCH (SCR)

STANDING COMMITTEE ON RESEARCH (SCR)



1. MEMBERS

Chairperson

Fathima Khan (Adv.)
Louise Muller (Ms)
Bradley Brown
Thandiwe Lengwate (Ms)
Jameson Tshilwane

Secretariat:

Chief Executive Officer
Chief Finance Officer
Company Secretary
Admin Assistant

Abbey Tlaetsi
Ira Kotze (Ms)
Nonhlanhla Shongwe (Ms)
Lydia Makopo (Ms)

1 DUTIES AND RESPONSIBILITIES

1. DUTIES AND RESPONSIBILITIES

The committee is responsible for:

- 1.1. Developing and upholding a Code of Ethics for Research.
- 1.2. Liaising with higher education and research institutions, as well as individual researchers and the Standing Committees of CIGFARO, about research topics.
- 1.3. Identifying research topics and assess, approve and oversee the implementation of research projects that could enhance the achievement of the Institute's objectives.
- 1.4. Identifying research institutions and researchers that can conduct research on behalf of CIGFARO.
- 1.5. Commissioning the writing of scientific articles based on the research findings and directing their publication in scientific journals.
- 1.6. Overseeing the identification of funding opportunities for research and ensuring that the requisite applications and proposals are submitted to relevant funders.
- 1.7. Encouraging CIGFARO members, as municipal finance practitioners and related professions, to be involved in research projects and the writing of scientific articles to enhance the research capability of CIGFARO members.
- 1.8. Compiling an annual plan of action for the Standing Committee based on CIGFARO's strategic plan.
- 1.9. Compiling an operating budget based on the annual plan of action to meet the needs of the Standing Committee.
- 1.10. Submitting all research initiatives for approval to the board.
- 1.11. Ensuring that research funded by CIGFARO becomes the intellectual property of CIGFARO.
- 1.12. Identifying relevant topical research undertaken by academics and/or public officials for publication in the CIGFARO Journal and/or presentation at appropriate forums.

2. The 2019/20 Committee reporting

Due to some challenges during the financial year, the Standing Committee on Research has not made much progress in the last year. The partnership with SA Cities Network and SALGA has suffered as most organisations have not produced many research papers.

The Standing Committee on Research did not meet the plan of action required for the year and its targets have been sadly missed. However, a few research papers have been posted on the media section of the website.

The next few months should see some research on the impact of the lockdown on government and service delivery which will be posted.



STANDING COMMITTEE ON KNOWLEDGE AND DEVELOPMENT (SCKD)

STANDING COMMITTEE ON KNOWLEDGE AND DEVELOPMENT (SCKD)



1. MEMBERS:

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

2. DUTIES AND RESPONSIBILITIES

The committee has the following duties and responsibilities:

- 1.1 Development and monitoring of capacity building programmes in all professional disciplines catered for in CIGFARO MoI.
- 1.2 Developing and maintaining as well as monitoring all pertinent aspects of education and training requirements of the Institute's members.
- 1.3 Recommending training programmes for board approval for Finance and related professions.
- 1.4 Participating in the SAQA and HET qualifications and training standards development.
- 1.5 Screening and approving all training providers facilitating training under the auspices of CIGFARO and recommending appropriate standards of facilitation and assessment.
- 1.6 Recommending training tariffs and fees for CIGFARO training and seminars in consultation with SCR.N.
- 1.7 Liaising with Supply Chain Management, Asset Management, Internal Audit, Risk Management, Revenue Management and Values and Rating and Accounting Practice Streams on Norms, Standards, Curriculum, Assessment, Q&A and best practices guidelines.
- 1.8 Liaising with educational institutions and others in collaboration with SCPCQA.
- 1.9 Assisting with the coordination of mentor and assessor programmes, including the maintenance of a database of assessors and moderators in the public sector finance and related professions.
- 1.10 Compiling an operating budget related to the needs of the Committee annually.
- 1.11 Considering any matters referred to the Committee by the Board.
- 1.12 Considering any matters referred to the Board by the Committee.

3. THE COMMITTEE'S STRATEGIC OBJECTIVES

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

Measurable Objectives:

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

STANDING COMMITTEE ON KNOWLEDGE AND DEVELOPMENT (SCKD)

4. SKILLS DEVELOPMENT TRAINING INITIATIVES

It is the objective of the Institute to keep its members up to date with developments in the profession.

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

1. Updates and changes in GRAP
2. Impact of/on GRAP
3. Revenue Enhancement Management
4. Advanced Excel
5. Value Added Tax
6. TTT refresher
7. National budgeting workshop
8. Audit and Risk Indaba
9. Public Sector GRAP Seminar.

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

5. UPDATES & CHANGES IN GRAP

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

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

The latest updates issued by the Accounting Standards Board were used in the training, together with selected examples.

6. IMPACT OF GRAP

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

1. Basic accounting principles
2. The accounting framework applicable to municipalities and municipal entities
3. Presentation of financial statements
4. Borrowing cost
5. Consolidated and separate financial statements
6. Inventories
7. Leases
8. Investment property
9. Property, plant and equipment
10. Segment reporting
11. Intangible assets
12. Provision, contingent liabilities and contingent assets
13. Revenue from non-exchange transactions
14. Impairment from non-cash generating assets and impairment of cash generating assets
15. Employee benefits
16. Discontinued operations
17. Heritage assets
18. Financial instruments.

7. REVENUE ENHANCEMENT MANAGEMENT

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

Billing

- Requirements for sound revenue management
- Circular 64 by Treasury
- Legal requirements for a valid, accurate account
- Principles of billing
- Tariff policy
- Tariff by-law
- If no by-law, can we enforce charges?
- Requirements for valid tariffs
- Differentiation of tariffs – how and when allowed
- Meter readings
- Tariffs and charges where estimates have been used in past
- Time to fix inaccurate accounts
- Systems Act requirements on customer care and what it actually means for:
 - o By-laws
 - o Tariff calculation
 - o Public participation
 - o Property rates.

8. COLLECTION OF REVENUE BILLED

Credit control and debt collection

Clearance certificates – also a critical tool for effective collection.

9. REPORTING – from first accounting entry to disclosure in AFS, common revenue audit qualifications and how to prevent them

- Actual accounting entry per type of transaction
- Internal control especially over pre-paid sales where most municipalities lack control
- Impairment of debtors/ Calculating provision for bad debts
- Revenue – disclosure in Section 71 reports, AFS
- Revenue and related matters – disclosure in AFS
- Common audit qualifications on revenue and how to attend to them.

10. ADVANCED EXCEL

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

Use a graphical user interface (GUI)-based spread sheet application to solve a given problem. This unit standard is intended for people who need to plan, produce and use spread sheets to solve problems using a Graphical User Interface (GUI)-based spread sheet application, either as a user of computers or as basic knowledge for a career needing this competency, like the ICT industry. Where wording is not exact for the chosen operating system, the learner can choose the equivalent item or option to demonstrate competence in the specific outcome or assessment criteria.

11. VALUE ADDED TAX

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

- Background
 - Basis of accounting
 - Pricing
- Income stream
 - Provision of goods
 - Provision of services
- Expenditure stream
 - Orders
 - Delivery
 - Payment
- Complex matters
 - Contracts / tenders
 - Spanning date of change
 - Construction contracts
 - Retentions
 - Other issues
 - Property Transactions'
 - Commercial properties
 - Residential
 - Stores
- System changes
- Financial implications
 - Budget 2017 / 2018
 - Budget 2018 / 2019
- Completion of VAT returns
 - Reports at cut over dates.

Preferred Trainer Refresher Training (Refresher - mSCOA Module 3)

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

- Budgeting in mSCOA
- Transacting in mSCOA.

12. NATIONAL BUDGETING WORKSHOP

Held on 6-8 November 2019 in Gauteng at the Birchwood Hotel, attended by 297 delegates.

The program included the following topics:

- mSCOA Chart Tree – PART 1 & 2
- Balance sheet budgeting in an mSCOA environment – PART 1& 2
- Cash flow budgeting
- Adopting a funded budget
- -Revenue Management - PART 1 & 2

STANDING COMMITTEE ON KNOWLEDGE AND DEVELOPMENT (SCKD)

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

Total Sessions held & Attendance

20 Sessions held with a total of 271 attendees.

Continuous Professional Development of members

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

13. AUDIT & RISK INDABA

Held on 10-12 April 2019 in East London at the ICC, attended by 466 delegates.

The program included the following topics:

- Consequence Management in the Public Sector
- Public Audit Amendment Act – Is it positive or negative for enhanced accountability and consequence management?
- The role and importance of compliance officers
- Different approaches to capacitate internal audit in public sector
- Leveraging technology in capacitating Internal Auditors
- Leadership and governance challenges faced by the public sector
- Performance, risk and sustainability – Enhancing service delivery through integrating performance, risk and sustainability
- Role of internal auditing activities on Mscoa
- Relevance and attitude on King IV in the public sector
- Geared up for New Dawn, New Environment
- How to conduct preliminary investigations, gearing up for the New Dawn
- Effective governance in the New Dawn
- Audit of performance management system
- Risk management universe

14. PUBLIC SECTOR GRAP SEMINAR

Held on 8-9 July 2019 in Gauteng at Emperors Palace, attended by 382 delegates.

The program included the following topics:

- mSCOA Reporting Requirements
- mSCOA Aligned AFS specimen
- Disclosure of irregular, wasteful and irregular expenditure
- 2018/19 mSCOA Audit
- GRAP-related Issues (Financial Statement Preparation)
- SCM-Related Issues
- Arrangements regarding extension of service level agreements for RT25-2016 participants
- Linking municipal systems to the Central Suppliers Database.

(SCKS - WORKING GROUPS)

CFO FORUM: GENERAL / REVENUE / VALUATIONS

Members as during the year 1 April 2019 - 31 March 2020

The following sub-committees form part of the CFO Forum

- CFO metro and secondary city municipalities
- Revenue working group
- Property rates working group
- Supply chain working group
- Standing Committee on Professional Practices

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



1. MEMBERS CHAIRPERSON

Krish Kumar	CFO Forum (Past President)
Peet du Plessis	Revenue working group (President)
Cheryl Reddy	Vice President: Technical - Supply Chain working group
Sidwell Mofokeng	Vice President: General
Louise Muller	Property Rating Forum

MEMBERS

Chief Financial Officers and Portfolio Councillors of
Metros:
eThekweni Metro
City of Johannesburg Metro
City of Cape Town Metro
City of Tshwane Metro
Ekurhuleni Metro
Nelson Mandela Metro
Mangaung Municipality
The Msunduzi Municipality
Buffalo City Municipality
and CFO's from all secondary cities

BOARD MEMBERS

Jane Masite (Ms)
Bharthie Ranchoddas (Ms)
Fathima Khan (Ms)
-Annalene Marais (Ms) - Sol Plaatjie Municipality

Regional CIGFARO members

Ngcelwane, J (EC)
Marumo, T (FS)
Sheik, A (GP)
Ngcobo, E (KZN)
Makhongela, M (LP)
Lengwate, T (MP)
Jansen, A (NW)
Wagner, JJ (NC)
Brown, B (WC)

OTHER Representatives

Accounting Standards Board	CoGTA
SALGA	SA CITIES Network
National Treasury – OAG	Provincial Treasuries
NERSA	SA Property Valuers
FFC	SARS

SECRETARIAT:

CHIEF FINANCE OFFICER

Ira Kotze (Ms)

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

2. DUTIES AND RESPONSIBILITIES

The duties and responsibility of the committee are to:

- a) Participate in all initiatives and programmes of the National and 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) Promote technical comments and fulfil the foregoing role in a meaningful manner and keep abreast of professional developments locally and abroad
 - Public Finance Accounting (GRAP, mSCOA , SCOA)
 - Revenue enhancement
 - Supply chain management
 - Legislation that impacts the financial management of local and/or provincial and national government spheres.
- c) Promote programmes that contribute to the improvement of the above outcomes in government.
- d) Provide advice and guidance to members of the Institute, Municipal Managers and Chief Financial Officers on the application of prescribed accounting standards and accounting best practices.
- e) Contribute to 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. Keep members informed and up to date with changes as required by National Treasury.
- f) Promote programmes that contribute to enhancing the effectiveness of the Finance and Accounting Management practices in Public Finance.
- g) Consider any matter referred to the committee by members and the Board of the Institute.
- h) Compile an operating budget based on the annual plan of action to meet the needs of the Standing Committee.
- i) Liaise with SCET, SCAR, and SCOR on norms, standards, curriculum, assessment, FAQs and best practises guidelines.

3. MEETINGS:

The Forum met and /or attended workshops on the following dates:

2 August 2019	CFO Forum: Revenue and Valuations.
5 March 2020	Municipal Fiscal Powers and Functions Act – amendments regarding Development Levies (Meeting with NT).

Standing Committee members attended the Public Sector Committee meeting's Technical Forum, hosted by the Accounting Standards Board, once a month. Discussions and information-sharing concerning Public Sector Accounting are shared. The topics discussed include the following:

- IGRAP 18 on the Recognition and Derecognition of Land is effective for financial years commencing on or after 1 April 2019.
- GRAP - FAQs issued was discussed: the effect of land invasions and illegal occupations on control and disclosure of sensitivity analysis (GRAP 25).
- Project group to discuss transitional provisions for amendments to financial instruments
- Project on the development of proposed improvements to the Standards of GRAP:

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

- ED 181 - IPSASB Exposure Draft on Revenue with Performance Obligations
- ED 180 - Proposed Post - Implementation Review of the Standard of GRAP on Heritage Assets
- ED 179 - IPSASB Exposure Draft on Public Sector Specific Financial Instruments: Amendments to IPSAS 41, Financial Instruments
- ED 178 - IPSASB Exposure draft on Improvements to IPSAS 2019
- ED 177 - Proposed transitional provisions for GRAP 104
- ED 176 - Proposed Improvements to Standards of GRAP 2019
- ED 175 - IPSASB consultation paper on measurement
- ED 174 - Proposed Directive on Application of GRAPs by Public Entities
- ED 173 - IPSASB Exposure Draft Collective and Individual Services and Emergency Relief
- ED 172 - Proposed Transitional Provisions for CET colleges
- ED 171 - ASB Consultation on work programme 2021 to 2023
- ED 170 - IPSASB Exposure Draft on Amendments IPSAS 36 and IPSAS 41
- ED 169 - Proposed Amendments to GRAP 1
- ED 168 - Proposed Guideline on Materiality
- ED 167 - Proposed Revision to Standard of GRAP on Financial Instruments
- ED 166 - Proposed Guideline on Accounting for Landfill Sites
- ED 165 - Proposed Amendments to IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue
- ED 164 - Proposed IGRAP on Accounting for Adjustments to Revenue
- ASB project: Financial reporting environment of small entities in the public sector – Research: EXPLORING THE FINANCIAL REPORTING ENVIRONMENT OF SMALL ENTITIES
- Discussions on latest disclosure requirements on BBBEE from the dti
- ASB three-year work programme
- Review of GRAP 25 Employee Benefits.

Members Reviewed GRAP Guidelines by OAG for comments:

- GRAP 1 - Presentation of Financial Statements
- GRAP 2 - Cash Flow Statements
- GRAP 9 - Revenue from Exchange Transactions
- GRAP 11- Construction Contracts
- GRAP 12 - Inventories
- GRAP 16 - Investment Property
- GRAP 17 - Property Plant and Equipment
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets
- GRAP 18 - Segment reporting
- GRAP 20 - Related Party Disclosures
- GRAP 21 - Impairment of Non-cash-generating Assets
- GRAP 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers)
- GRAP 24 - Presentation of budget information
- GRAP 25 - Employee Benefits
- GRAP 26 - Impairment of Cash-generating assets

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

4. OTHER MEETINGS ATTENDED BY FORUM MEMBERS

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

- MASP Stakeholder Engagement Breakfast on 12 July 2019 at Sunnyside Park Hotel in Parktown;
- Monthly and quarterly CoGTA CFO Forum meetings;
- SAICA;
- SAICA discussed at the Accounting Forum: covering September 2019;
- Public Audit Amendment Act Seminar; and
- GRAP update and PFM compliance update seminar.

Members also attend the Public Sector Audit Committee Forum – Hosted by the Institute of Directors (IOD).

The working committee discussed the following items during the year:

- A draft guideline on Information Technology Governance;
- The role of the Public Sector Audit Committee in relation to combined assurance;
- Public Sector Audit Committee role in overseeing internal audit/Evaluation of the internal audit function (P4);
- Challenges facing public sector audit committees;
- The relationship between the public sector audit committee and management;
- Overseeing and evaluating an internal audit function's effectiveness:
 - Information communication technology governance: A practical guide for Audit Committees
 - The Relationship between Audit Committees and Governing Bodies
 - PSACF work plan for 2019
 - Status update from PSACF Steerco J Dixon
 - PSACF roundtable event
 - The role of Public Sector Audit Committees in relation to Combined Assurance.

The PSACF Round table event 2019 covered the following topics:

- **Empower your Public Sector Audit Committee**
 - Keynote address by Deputy Auditor-General, Tsakani Ratsela: The Auditor-General South Africa's audit committee findings and the amendments to the Public Audit Act (Act No. 25 of 2004)
- Presentation by the Institute of Internal Auditors South Africa: The Public Sector Internal Audit landscape in South Africa and its impact on audit committees;
- Panel discussion: Current challenges faced by public sector audit committees;
- Final draft discussion on paper: Overseeing and evaluating an internal;
audit function's effectiveness;
- Discussion on paper: Challenges faced by Public Sector Audit Committees;
- Guidance note on the implementation of NT circulars regarding remuneration of public servants serving on public sector audit committees;
- Work plan for 2020.
- The mSCOA - NT Standard Chart of Accounts, Benchmarking and Budget Reforms, Specimen Financial statements. - MSCOA specimen annual financial statements - draft for comments - 30 April 2019 and the use of the funding segment for cash flow reconciliation including MSCOA circulars
- CIGFARO is also a member of the NT/COGTA Steering Committee on Revenue
- CIGFARO is represented at IRBA and the Public Sector Working group on Audit Committee Members.

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

5. DISCUSSIONS AT FORUM MEETING - 2 AUGUST 2019 (RHODESFIELD –CIGFARO) CFO FORUM (BUDGETING / SCM / REVENUE / GENERAL)

Main topics discussed:

- Public Works Rates Tariffs;
- 2019/20 increases and affordability issues/increases in rates debt and methods to recover this debt;
- Challenges and discussion on how these can be overcome when implementing MPRA section 8 Property Categories;
- Narrow drafting of exemptions, rebates and reductions;
- Appeal Boards;
- Blank cheque provided through legislation – payment of boards, board committees, investigation committee appointed by MEC, etc.
- Performance Management of the Boards;
- Sharing of processes for MPRA section 52 reviews;
- Adherence to MPRA section 75;
- Awarding of costs – how, when, where and how will this be calculated;
- The outcome of the eThekweni court case on the PBO matter;
- Multi Year Price Determination (MYPD) Eskom;
- Draft amendments to MFMA and related legislations and amendments to circular no 68 of MFMA progress;
- VAT / SARS- implications of including any services funding in the rates income;
- Climate change (Water / droughts) / Air pollution;
- SA Cities Network State of City Finances 2018;
- Audit preparation, based on previous audit outcomes;
- “The Cost Containment Regulations and any draft Policies prepared, the timeframes that metros are following for approval of those policies and any related cost containment matters that are causing concern” so we can assist each other in achieving compliance?;
- Reporting Framework – Accountability – Specimen Financial Statements mSCOA; and
- **SCM** - MFMA Circular 68 on Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Municipal Valuer / Valuation issues:

- 2019/20 increases and affordability issues/increases in rates debt and methods to recover this debt;
- Challenges and discussion on how these can be overcome when implementing MPRA section 8 Property Categories;
- Narrow drafting of exemptions, rebates and reductions;
- Appeal Boards
 - a) Blank cheque provided through legislation – payment of boards, board committees, investigation committee appointed by MEC, etc.
 - b) Performance Management of the Boards
 - c) Sharing of processes for MPRA section 52 reviews
 - d) Adherence to MPRA section 75
- Awarding of costs – how, when, where and how will this be calculated.
- The outcome of the eThekweni court case, if the is judgement on the PBO matter

Our court ruling schools

- Sale in execution contract between Sheriff and buyer



STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)



1. Members

CHAIRPERSON	Peet Du Plessis (Mr)
BOARD MEMBERS	Emmanuel Ngcobo (Mr) – Chair of Chairs Forum Bharthie Ranchoddas (Ms) – Membership Forum VACANT – PFM Forum Jackson Ngcelwane (Mr) Bradley Brown (Mr) Thuso Marumo (Mr) Annalene Marais (Ms)
SECRETARY	Lindi Nolte (Ms)

RESPONSIBILITIES OF THE STANDING COMMITTEE

2. PURPOSE

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

To provide advice and guidance to practitioners on the application of prescribed public and municipal legislation, accounting standards, auditing standards risk and performance management best practices in general.

3. MEMBERSHIP

- 3.1. The Committee shall consist of non-executive directors, as recommended by the Presidency.
- 3.2. Members will be proposed by the Remuneration and Nomination Committee and approved by the Board. Membership shall be reviewed annually based on the performance of the committee circumstances dictate
- 3.3. Meetings of the committee shall be chaired by the Chairperson and in the absence of the Chairperson, the Deputy Chairperson shall chair the meeting.
- 3.4. The Chairperson of the Committee will always be represented by the Institute's President.

4. DUTIES AND RESPONSIBILITIES

The committee shall recommend the following to the board:

- 4.1 To register special designations for Finance and related professional with SAQA and National Treasury;
- 4.2 To liaise with SCKD on norms, standards, curriculum, assessment, QA and best practices guidelines;
- 4.3 To review and maintain the policy on Continuous Professional Development for municipal finance officers and related professions;
- 4.4 To liaise with educational institutions and other institutions in collaboration with SCPCQA;
- 4.5 To develop a standards and requirements framework for the different levels of membership and align them with relevant legislation;
- 4.6 To consider and deal with all matters affecting the professional integrity of Institute members;
- 4.7 Administer all disciplinary matters affecting members in terms of the Institute's disciplinary code where delegated by the board;
- 4.8 To ensure that the Institute renders an efficient service to its members i.e. information on developments in the Institute;
- 4.9 To ensure that CIGFARO as a professional body benefits its members

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

- 4.10 To assist with the coordination of mentor and assessor programmes, including the maintenance of a database of assessors and moderators in the public sector finance and related professions;
- 4.11 To provide guidance to members and students;
- 4.12 To develop strategy on the recruitment of new members and retention of existing members;
- 4.13 Ensure continuous maintenance and updating of the membership database;
- 4.14 To compile an operating budget related to the needs of the Committee annually;
- 4.15 To consider any matters referred to the Committee by the Board;
- 4.16 To develop an operational framework for all branches;
- 4.17 To monitor and assist in the co-ordination of all branch activities;
- 4.18 To identify and obtain solutions for problems affecting branches..

5. OTHER MATTERS

The committee shall:

- 5.1 Give due consideration to laws and regulations, the provisions of the Companies Act and CIGFARO's Memorandum of Incorporation;
- 5.2 Arrange for periodic reviews of its own performance and at least annually, review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval; and
- 5.3 Perform any other function that may be delegated to it by the Board or requested by the President.

6. MEMBERSHIP

6.1 Vision for the future

- Mandatory professional registration for CFOs, CAEs and CROs;
- Finalise the professionalism for membership designations and migration to new designations;
- Promotion of the interests of Profession for Finance, Risk, Audit and Performance Managers;
- Professionalising finance management for greater impact on service quality delivery;
- Continue to canvass members by visiting Universities, National and Provincial Departments and Municipalities;
- Increase membership number with 5% by recruiting new members; and
- Continuous development of members.

6.2 Membership marketing

Membership was marketed by means of the following:

- All branch activities held during the year;
- The CIGFARO Annual Conference 2019 held at Durban ICC, Kwa-Zulu Natal;
- The CIGFARO Journal and Newsletter; and
- CIGFARO Website.

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

6.3 Membership Statistics

2018/2019 total members: 2481

2019/2020 total members: 1251

Membership gains

Elevated to Honorary Life Members	0
Elevated to Fellows	2
Admitted as Chartered members	47
Admitted as Professional members	67
Admitted as Technician members	38
Admitted as Registered members	30
Admitted as Students	3
Admitted as Affiliate	11

Members Loss	30
Deceased	5
Resigned	48
Suspended	1375

6.4 Implementing organisational values

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

- CIGFARO members were given the opportunity to submit articles for the journal and we still encourage them to do so;
- Members have to abide by Code of Ethics and Conduct;
- CIGFARO will not tolerate nor accommodate, nor be reasonable toward unethical conduct or behaviour or any unethical practices by its members, either in elected or appointed capacity;
- Members have the opportunity to submit skills gap training for inclusion in the CIGFARO training schedule; and
- Municipalities have an opportunity to advertise vacancy posts on our website for free.

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

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

Internet interface

- ▶ Go on CIGFARO's website www.cigfaro.co.za,
- ▶ Click on Membership tab
- ▶ Membership login. (Members will be required to type in their email address and ID number 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.
- ▶ Completing the form in the journal and forward it to the office. Send your new details to membership@cigfaro.co.za.

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

7. BRANCHES

MEMBERS:

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

7.1 BRANCH ACTIVITIES

Eastern Cape Province

The branch hosted the following training workshops for capacity building:

12 March 2020	ASB GRAP Standards Update
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Free State Province

The branch hosted the following training workshops for capacity building:

23-24 May 2019	GRAP/AFS Seminar (SALGA)
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Gauteng Province

The branch hosted the following training workshops for capacity building:

24 June 2019	GRAP/AFS Seminar
28 February 2020	Breakfast

Kwa-Zulu Natal Province

The branch hosted the following training workshops for capacity building:

25-26 April 2019	Intern Summit
2-3 May 2019	SCM Seminar
15 May 2019	Revenue Solutions Seminar
14 June 2019	AFS Seminar
27-28 June 2019	Internal Audit Summit
5-6 July 2019	Finance Leaders' Summit
18-19 July 2019	Asset Management Year-End (AFS) Training
28-29 November 2019	Revenue Summit
5-6 December 2019	Internal Audit Summit
31 January 2020	SCM & Procurement Seminar

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

Limpopo Province

The branch hosted the following training workshops for capacity building:

29-30 April 2019	Revenue Master Class
29-30 July 2019	IT Audit and AOPO Workshop
11-12 March 2020	SCM Workshop

Mpumalanga Province

The branch hosted the following training workshops for capacity building:

17 July 2019	Asset Seminar
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Northern Cape Province

The branch hosted the following training workshops for capacity building:

21 February 2020	ASB GRAP Standards Update
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North West Province

The branch hosted the following training workshops for capacity building:

22-23 July 2019	Informal Economy Affecting Revenue
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Western Cape Province

The branch hosted the following training workshops for capacity building:

17 May 2019	Revenue Breakfast
3-4 June 2019	Annual Seminar and AGM
20 June 2019	Mubesko Training
19 February 2020	ASB GRAP Standards Update

7.2 MARKETING AND PUBLICATION

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

8. PROFESSIONALISATION OF THE PUBLIC SECTOR

8.1 Recognition as Professional Body

The Institute is a recognised Professional Body with the South African Qualification Authority (SAQA) (NQF Act 67 of 2008) from 26 October 2017 to 25 October 2022. CIGFARO has the following designations registered on the National Qualifications Framework (NQF) overseen by SAQA:

- Chartered
- Professional
- Technician
- Registered

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

STANDING COMMITTEE ON PROFESSIONAL CONDUCT AND QUALITY ASSURANCE (SCPCQA)

9. CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

Continued Professional Development is an internationally accepted practice for professional bodies. CIGFARO has a policy on Continuous Professional Development (CPD) which aims to ensure that its members' skills and knowledge are relevant to the changing environment where they function. 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, Chartered, Professional, Technician and Registered members** of the Institute. The policy is not applicable to retired members of the Institute.

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

Membership Level	Credits per 3-year Cycle	Minimum Credits per year	Voluntary Credits to be earned per year
Senior Associate	75	25	5 credits towards ethics
Associate	75	25	5 credits towards ethics
Licentiate	75	25	5 credits towards ethics
Junior	45	15	5 credits towards ethics



SOCIAL & ETHICS COMMITTEE (SEC)

SOCIAL & ETHICS COMMITTEE (SEC)



1. MEMBERS

Chairperson

Cheryl Reddy (Ms)
Bharthi Ranchoddas (Ms)
Nosipho Dladla (Ms)
Maria Makhongela (Ms)

Secretariat:

Chief Executive Officer
Chief Finance Officer
Company Secretary
Training Specialist
Admin Assistant

Abbey Tlaletsi
Ira Kotze (Ms)
Nonhlanhla Shongwe (Ms)
Seba Ngwana (Ms)
Lydia Makopo (Ms)

1. DUTIES AND RESPONSIBILITIES

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

2. COMPOSITION OF THE COMMITTEE

- 2.1 The Committee must comprise (as contemplated in terms of section 72 of the Act as read with Regulation 43) not less than three board members, at least one of whom must be independent and must not have been involved in the operations of the Institute within the previous three financial years.
- 2.2 The Committee shall be appointed by the Board in accordance with section 72(1) of the Companies Act. Committee Members must be CIGFARO members in good standing and can be either Associate or General CIGFARO members.
- 2.3 The members of the Committee must collectively have sufficient skills to fulfil their duties. The skills set can be complimented by advisors from professional bodies. Advisors need not be members of CIGFARO and will not formally be part of the Committee or Board of CIGFARO. Advisors have no decision-making powers.
- 2.4 The Committee shall be chaired by a non-executive Board Member, who is not the Chairperson of the Board (President of the Institute). The Board shall elect the Committee Chairperson from its members.
- 2.5 The Chairperson, or another designated member of the Committee, shall account to the Board at board meetings.
- 2.6 The Committee members shall be required to keep up to date with developments affecting the purpose of the Committee and the requisite skills to achieve this. Committee Members should endeavour to attend one ethics training session or workshop per annum.

3. ROLE OF THE SOCIAL AND ETHICS COMMITTEE

- 3.1 The Committee shall have an independent role as contemplated in terms of the Act and the Regulations, with accountability to the Board.
- 3.2 The Committee does not assume the functions of management, which remains the responsibility of the CEO and other members of senior management.
- 3.3 The role of the Committee shall be to assist the Board with the oversight on social and ethical matters relating to the Institute.

SOCIAL & ETHICS COMMITTEE (SEC)

4. SPECIFIC FUNCTIONS REGARDING TRANSFORMATION

- 4.1 The Committee is to assist the Institute to discharge its business responsibility with respect to the implementation of transformation practices that are consistent with good corporate governance and relevant legislation.
- 4.2 The Committee's scope of focus will be guided by the following:
 - 4.2.1 Broad-based Black Economic Empowerment (B-BBEE) requirements as described in the Department of Trade and Industry's Codes of Good Practice as published in the Government Gazette in February 2007, as amended or replaced from time to time;
 - 4.2.2 Transformation legislation as set out in the Employment Equity and Skills Development Acts and any amended or replacement, re-enacted additional legislation in respect thereof;
 - 4.2.3 Any other legislation which may from time to time be applicable to the transformation practices of the Institute or the fulfilment by the Committee of its role in terms hereof;
 - 4.2.4 The Institute's transformation commitments and requirements.
- 4.3 The Committee is responsible for performing all the functions necessary to fulfil its responsibilities in respect of transformation, including the following:
 - 4.3.1 to review and monitor the Institute's progress towards the achievement of the desired Employment Equity, Skills Development and B-BBEE scorecard targets and transformation objectives;
 - 4.3.2 to review and monitor the Institute's management of transformation and B-BBEE principles in a manner that ensures sustainability of the business and the good reputation of the Institute;
 - 4.3.3 to review and monitor the goals and plans of the Institute regarding transformation.

5. SPECIFIC FUNCTIONS REGARDING SUSTAINABILITY

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

- 5.1 Recommending relevant policies for approval;
- 5.2 Monitoring the implementation of the policies;
- 5.3 Reviewing reports covering all substantive matters relating to sustainability issues;
- 5.4 Considering the reporting of sustainable development issues; and
- 5.5 Considering all material and relevant issues that have a significant impact on the members and stakeholders.

6. RESPONSIBILITIES OF THE SOCIAL AND ETHICS COMMITTEE

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

- 6.1. Monitoring the Institute's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, regarding matters relating to:
 - 6.1.1 social and economic development, including the Institute's standing in terms of the goals and purposes of:
 - 6.1.1.1 the 10 principles set out in the United Global Compact Principles;
 - 6.1.1.2 the Organisation for Economic Co-operation and Development recommendations regarding corruption;
 - 6.1.1.3 the Employment Equity Act 55 of 1998, as amended; and

SOCIAL & ETHICS COMMITTEE (SEC)

- 6.1.1.4 the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended;
- 6.1.2 good corporate citizenship, including the Institute's:
 - 6.1.2.1 promotion of equality, prevention of unfair discrimination and reduction of corruption;
 - 6.1.2.2 contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - 6.1.2.3 record of sponsorship, donations and charitable giving;
- 6.1.3 the environment, health and public safety, including the impact of CIGFARO's activities and of its products and services;
- 6.1.4 Member relationships, including the Institute's advertising, public relations and compliance with applicable laws; and
- 6.1.5 labour and employment, including:
 - 6.1.5.1 the Institute's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - 6.1.5.2 the Institute's employment relationships and its contribution towards the educational development of its employees;
- 6.2 drawing matters within its mandate to the attention of the Board as required; and
- 6.3 reporting, through the Committee Chairman or one of its other members, to the Board at its meetings and at the Institute's annual general meeting, on the matters within its mandate.
- 6.4 In addition, the Committee shall perform any additional duties, delegated by the Board relating to social and ethical matters.

7. AUTHORITY

- 7.1 The Committee acts in accordance with the delegated authority of the Board, as recorded in this Charter.
- 7.2 The Committee shall have the power to investigate any activity within the scope of its terms of reference.
- 7.3 The Committee may consult with or receive advice from any person, subject to any Board approved process being followed.
- 7.4 The Committee, in the performance and fulfilment of its duties, is entitled in terms of section 72(8) of the Act to:
 - 7.4.1 require from any member of the Institute any information or explanation necessary for the performance of the committee's functions;
 - 7.4.2 request from any employee of the Institute any information or explanation necessary for the performance of the committee's functions;
 - 7.4.3 attend any CIGFARO meetings they are invited to;
 - 7.4.4 receive all notices of and other communications relating to Board meetings which impacts on their mandate; and
 - 7.4.5 be heard at meetings which discuss the issues concerning the committee's functions.
- 7.5 The Institute is obliged, in terms of section 72(9) of the Act, to pay all the expenses reasonably incurred by the Committee.
- 7.6 The Committee shall have reasonable access to the Board, the chairpersons of any other Board Committees and the Institute's records, facilities and employees necessary to discharge its duties and responsibilities, subject to Board approved process. For the avoidance of any doubt, in the event of any conflict between this paragraph and section 72(8) of the Act, the provisions of the Act shall prevail.

SOCIAL & ETHICS COMMITTEE (SEC)

8. REVIEWS

- 8.1 The Committee shall perform a self-evaluation of its effectiveness every year and report the results to the Board.
- 8.2 The Committee shall review its Charter from time to time and recommend any amendments arising to the Board for approval.

9. THE COMMITTEE HAS DEALT AND FINALISED THE FOLLOWING MATTERS:

- 9.1 Report on Health and Safety matters
The municipality has performed an evaluation on the building then issued the Occupation Certificate.
- 9.2 **Compliant checklist**
 - 9.2.1 A compliant checklist was developed and used whenever authorities visit the Institute to check compliance.
 - 9.2.2 Staff attended basic defence training.
 - 9.2.3 **Committee Evaluation Criteria – Questionnaire**
The evaluation criteria was drafted from the Committee Charter.

10. THE COMMITTEE PLANS TO DEAL AND FINALISED THE FOLLOWING MATTERS IN THE FUTURE:

- 10.1 B-BBEE – how to implement it with Supply Chain
- 10.2 Skills development within workplans for Board members
- 10.3 The draft evaluation criteria to be finalised and approved by the committee.
- 10.4 Corporate Social Investment Project



REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)

REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)



1. MEMBERS

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

We are pleased to present our report for the financial year ended 31 March 2020.

Audit committee responsibilities

The Audit Committee is pleased to report that it has complied with its responsibilities in accordance with the Companies Act. The Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, is regulating its affairs in compliance with the charter and will discharge all its responsibilities accordingly.

The current committee has been in place since 8 October 2018.

2. OVERSIGHT OF THE AUDIT AND RISK COMMITTEE ON THE ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

The Audit Committee provided oversight for the annual audit process and external audit programme and engagement letter. The outbreak of the COVID-19 pandemic severely disrupted the way business is done in South Africa. The Institute was not left unaffected and had to adapt to the changed circumstances by converting physical events and conferences to virtual platforms. The extent of the financial impact that this has had on the operations of the Institute will, however, only be seen in the 2020/21 annual financial statements. Despite the disruption caused by COVID 19, the Institute managed to complete the 2019/20 financial statements and audit process successfully and without delay.

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

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

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

A special word of gratitude to the CFO and her team, who completed the financial statements for submission to the external auditors timeously and has managed to sustain the clean audit for 2019/20.



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 2019/2020



Chartered Institute of Government Finance Audit and Risk Officers
Non Profit Company
(Registration number 1929/001781/08)
Trading as CIGFARO
Annual Financial Statements
for the year ended 31 March 2020

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Protect and enhance the status of Government Finance, Audit and Risk Officers
Directors	Du Plessis PJA President Kumar KA Muller LA Mofokeng LS Masite SJ Reddy MC Khan FB Ranchoddas B Tshilwane MJ Ngcobo EN Dladla NC Marais A Malaza ZP Smith A Mndebele SF
Registered office	28 Fortress Street Rhodesfield Kempton Park 1620
Bankers	ABSA
Auditors	Rakoma and Associates Incorporated Chartered Accountants (SA) Ground Floor , Building B, Monte Circle Office Park 178 Monte Casino Boulevard Fourways 2191
Company registration number	1929/001781/08
Tax reference number	9294007845
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Ira Kotze Chief Financial Officer

INDEX

The reports and statements set out below comprise the annual financial statements presented to the members:

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Directors' Report	61 - 63
Independent Auditor's Report	64 - 66
Statement of Financial Position	67
Statement of Comprehensive Income	68
Statement of Changes in Equity	69
Statement of Cash Flows	70
Accounting Policies	71 - 75
Notes to the Annual Financial Statements	76 - 83

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

Detailed Income Statement	86 - 87
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

The financial statements are prepared in accordance with International Financial Reporting Standards for SME's and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Except for the directors as listed in the directors report, their are Regional Branch Chairpersons that have representation on the Board and assist the Board with achieving the Institutes Missions and Visions.

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

The annual financial statements set out on page 67-79, which have been prepared on the going concern basis, were approved by the board on 15 September 2020 and were signed on its behalf by:

Signed on behalf of the Board of Directors By:



Du Plessis PJA
President
Tuesday, 15 September 2020



Marais A
Chairperson: Audit and Risk Committee

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company and its associates for the year ended 31 March 2020.

1. Incorporation

The CIGFARO was incorporated on 01 August 1929 and obtained its certificate to commence business on the same day.

The company is domiciled in South Africa where it is incorporated as a private company as an NPC under the Companies Act 71 of 2008. The address of the registered office is set out on page 1.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Going concern

The directors believe that CIGFARO has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient cash resources and borrowing facilities to meet its foreseeable cash requirements. The directors are aware of the Covid 19 pandemic that might have material changes that may adversely impact the company. The directors are also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect CIGFARO.

4. Auditors

At the AGM, the members will be requested to reappoint Rakoma and Associates Incorporated as the independent external auditors of the company and to confirm Mr Collins Malunga as the designated lead audit partner for the 2021 financial year.

5. Secretary

The company secretary is Mrs Nonhlanhla Sindile Shongwe.

DIRECTORS' REPORT

6. CIGFARO Regional Branch Chairpersons

These Chairpersons have representation on the Board and assist the Board with achieving the Institutes' Mission and Vision.

Chairperson	Region
Mr. Ngcobo, E	KZN
Mr. Ngcelwane, J	Eastern Cape
Mr. Marumo, T	Free State
Me. Sheik, A	Gauteng
Mr. Makhongela, M	Limpopo
Mr. Lengwate, T	Mpumalanga
Mr. Jansen, A	North West
Mr. Wagner, JJ	Northern Cape
Mr. Brown, B	Western Cape

7. Events after reporting period

The outbreak of the COVID 19 pandemic post year end has disrupted the way business is done in South Africa. The country's situation is further exacerbated by the sovereign downgrade to sub investment grade. The COVID 19 pandemic is considered to be a non adjusting event and there is no immediate concern around going concern. The Board has established a high level task team that are continuously assessing and monitoring developments about the disease and at the time of finalising the Annual Financial Statements, management is confident that our responses are adequate. A financial estimate cannot be determined reliably as the extent of COVID 19 is unknown. Management has, however, done an analysis with regards to the potential long term effect of COVID 19 based on information available at approval date. This is outlined below.

Perspective	Potential Implications	CIGFARO responses and mitigation
Our staff	Risk of COVID-19 amongst students/staff and the uncertainties of safety on campus.	Health and safety measures put in place as per the applicable guidelines.
Our offices	Employees unable to remain productive due to technology failures and exposure to cyber risks.	Availed IT resources to support remote working and meetings.
Our sponsors	Risk of key personnel being unavailable due to COVID-19. Donors may experience difficulties to honour commitments due to budget cuts and or reduced profits.	Collaboration with funders and stakeholders to identify and manage potential risks. Utilisation of IT resources to conduct productive engagements.
Effective communication	The members and employees' well-being impacted.	Instituted response and communication team to keep all informed and to receive feedback.
Annual Conferences and Seminars	Risk that the financial year cannot be saved.	Online programmes implemented. Calendar revised and extended.
Working capital management	Negative impact on business liquidity, for example cash ratio.	Implement investment policy designed to mitigate risks with no exposure to equity. Close monitoring of cash position. Expenditure plans review and reprioritisation. Operating costs saving: venues, catering, travel, and others.
The Annual Performance report	The 2020 APR significantly impacted by COVID-19.	Explore the ways to reinvent and reposition the Institute post COVID 19.

DIRECTORS' REPORT

7. Events after reporting period (continued)

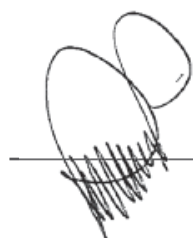
The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

8. Acknowledgements

Thanks and appreciation are extended to all of our Regional Branch Chairpersons (9), staff, suppliers and customers for their continued support of the CIGFARO.

The annual financial statements set out on page 67-79, which have been prepared on the going concern basis, were approved by the board on 15 September 2020, and were signed on its behalf by:

Approval of annual financial statements

A handwritten signature in black ink, consisting of a large, stylized 'D' and 'P' followed by a series of horizontal strokes, positioned above a horizontal line.

Du Plessis PJA
President

Tuesday, 15 September 2020

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company (the company) set out on pages 67 to 83, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Chartered Institute of Government Finance Audit and Risk Officers Non Profit Company financial statements for the year ended 31 March 2020", which includes the Directors' Report as required by the Companies Act 71 of 2008, the Five year Financial Summary and the Detailed Income Statement, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

Chairman of the Board: EM Rakoma CA (SA)		*Registered name : Rakoma and Associates Incorporated			*A complete list of Directors and Partners is available upon request.
Head Office - Gauteng: (Primary domicile citandi et executandi) Monte Circle Office Park, Ground Floor Building B, 178 Monte Casino Boulevard, Magaliesig, Sandton, 2191, Johannesburg, South Africa P.O. Box 1117, Randpark Ridge, Randburg, 2156 Tel : +27 (0) 11 463 5781 Fax: +27 (0) 11 463 0186	Eastern Cape: 95 Western Avenue, Vincent, East London, 5247 P.O. Box 15273, Beacon Bay, East London, 5205 Tel : +27 (0) 43 721 0863 Fax: +27 (0) 43 721 0843	Limpopo: Rhodesdrift Office Park, Building One, 23 Rhodesdrift Street, Bendor, Polokwane, 0699 Tel : +27 (0) 15 296 0122/3 Fax: +27 (0) 15 296 0039	North West: 29 Von Weilligh Street, Rustenburg 0300 Tel : +27 (0) 14 594 2737 Fax: +27 (0) 86 647 1027	Northern Cape: Shop 8, 1-9A Jacobus Smit Street, Royalty Park, Royal Glen, Kimberley, 8301 P.O. Box 3392, Diamond Pavilion Mall, Kimberley, 8305 Tel : +27 (0) 53 831 2253 Fax: +27 (0) 86 647 1027	Company Registration: 2002/024847/21 Web: www.rakoma.co.za www.linkedin.com/company/rakoma-and-associates-inc www.facebook.com/RakomaInc Email (General Information):

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



INDEPENDENT AUDITOR'S REPORT

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

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

Rakoma and Associates Inc.

Rakoma and Associates Incorporated

Per: Collins Malunga

Director

Chartered Accountants (SA)

Registered Auditor

15 September 2020

Fourways

Ground Floor , Building B, Monte Circle Office Park

178 Monte Casino Boulevard

Fourways

2191

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020 R	2019 Restated * R
Assets			
Non-Current Assets			
Property, plant and equipment	3	14,974,530	15,624,161
Intangible assets	4	20	9,757
		<u>14,974,550</u>	<u>15,633,918</u>
Current Assets			
Trade and other receivables	5	719,261	174,189
Prepayments	6	842,703	2,891,132
Cash and cash equivalents	7	20,691,343	16,907,681
		<u>22,253,307</u>	<u>19,973,002</u>
Total Assets		<u>37,227,857</u>	<u>35,606,920</u>
Equity and Liabilities			
Equity			
Reserves		313,381	313,381
Retained income		35,057,858	32,481,084
		<u>35,371,239</u>	<u>32,794,465</u>
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	9	68,730	109,020
Current Liabilities			
Trade and other payables	8	890,369	1,085,982
Finance lease liabilities	9	47,400	54,510
Income received in advance	10	850,119	1,562,943
		<u>1,787,888</u>	<u>2,703,435</u>
Total Liabilities		<u>1,856,618</u>	<u>2,812,455</u>
Total Equity and Liabilities		<u>37,227,857</u>	<u>35,606,920</u>

* See Note 2

STATEMENT OF COMPREHENSIVE INCOME

		2020	2019
	Notes	R	Restated * R
Revenue from CPD - Conferences, Seminars, Workshops & Training	11	20,040,899	14,899,994
Cost of CPD - Conferences, Seminars, Workshops & Training	12	(9,813,086)	(5,808,370)
Gross surplus		10,227,813	9,091,624
Other income	13	886,687	780,040
Operating expenses		(9,978,933)	(9,798,569)
Operating surplus	14	1,135,567	73,095
Investment revenue	17	1,441,207	1,218,964
Finance costs	18	-	(10,286)
Profit before taxation		2,576,774	1,281,773
Taxation	19	-	-
Surplus for the year		2,576,774	1,281,773
Other comprehensive income		-	-
Total comprehensive income for the year		2,576,774	1,281,773

* See Note 2

STATEMENT OF CHANGES IN EQUITY

	Other NDR R	Retained income R	Total equity R
Restated* Balance at 01 April 2018	313,381	31,199,311	31,512,692
Surplus for the year	-	1,281,773	1,281,773
Total comprehensive income for the year	-	1,281,773	1,281,773
Restated* Balance at 01 April 2019	313,381	32,481,084	32,794,465
Surplus for the year	-	2,576,774	2,576,774
Total comprehensive income for the year	-	2,576,774	2,576,774
Balance at 31 March 2020	313,381	35,057,858	35,371,239

* See Note 2

STATEMENT OF CASH FLOWS

	Notes	2020 R	2019 Restated * R
Cash flows from operating activities			
Cash receipts from customers		22,450,495	15,561,745
Cash paid to suppliers and employees		(20,060,640)	(14,218,050)
Cash generated from operations	21	2,389,855	1,343,695
Interest income		1,441,207	1,218,964
Finance costs		-	(10,286)
Net cash from/(used in) operating activities		3,831,062	2,552,373
Cash flows from investing activities			
Purchase of property, plant and equipment	3	-	(49,394)
Net cash from/(used in) investing activities		-	(49,394)
Cash flows from financing activities			
Finance lease payments		(47,400)	(32,917)
Net cash from financing activities		(47,400)	(32,917)
Total cash movement for the year		3,783,662	2,470,062
Cash at the beginning of the year		16,907,681	14,437,619
Total cash at end of the year	7	20,691,343	16,907,681

* See Note 2

ACCOUNTING POLICIES

General information

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

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South Africa Rand.

These accounting policies are consistent with the previous period, except for the changes set out in note 222 First time adoption of the International Financial Reporting Standard for Small and Medium sized Entities.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Lease classification

The company is party to leasing arrangements. The treatment of leasing transactions in the annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, management determined that there are no changes to the estimates for the property, plant and equipment.

1.2 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

ACCOUNTING POLICIES

1.2 Property, plant and equipment (continued)

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	2.5% (40 years)
Furniture and fixtures	Straight line	20% (5 years)
Office equipment	Straight line	20% (5 years)
IT equipment	Straight line	33,3% (3 years)

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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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

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

ACCOUNTING POLICIES

1.3 Intangible assets

An intangible asset is an identifiable non monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

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

Item	Depreciation method	
Computer software, internally generated	Straight line	33.3% (3 years)

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through

ACCOUNTING POLICIES

1.4 Financial instruments (continued)

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

1.6 Impairment of assets

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Short term employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, are recognised in the period in which the service is rendered and are not discounted. Staff receive no non monetary benefits such as Medical Care or Pension Fund benefits.

1.8 Provisions and contingencies

Provisions are recognised when the Institute has an obligation at the reporting date as a result of a past event; it is probable that the Institute will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

ACCOUNTING POLICIES

1.9 Revenue

Revenue is recognised to the extent that the Institute has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Institute. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts. Interest is recognised, in profit or loss, using the effective interest rate method.

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

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

1.10 Provision for Doubtful Debts

The provision for doubtful debts is the estimated amount of bad debt that will arise from accounts receivable that have been issued and are collectable as per Revenue, but not yet collected. It is identical to the allowance for doubtful accounts. The provision is used under accrual basis accounting, so that an expense is recognized for probable bad debts as soon as invoices are issued to customer. Thus, the net impact of the provision for doubtful debts is to accelerate the recognition of bad debts into earlier reporting periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated * R

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The framework was adopted for the following reasons:

Type of business and on a basis consistent with the prior 2019 except for the following:

- Simplified recognition and measurement principles which align with the principles of the Institute;
- Generally less complex accounting with fewer options and it suits the Institute as it does not have complex operations that require extensive disclosures;
- It has fewer disclosures and the costs of preparation of financial statements is much lower;
- It is more convenient to have a single standard with sub-sections as opposed to separate standards and generally it has less frequent changes as opposed to IFRS.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2019 from IFRS to IFRS for SME's are as follows:

The early adoption of IFRS16, which is not required for IFRS for SME, resulted in the restatement of comparative figures for Property, plant and equipment to reflect the Finance lease liability

Statement of Financial Position

Property, plant and equipment

Previously stated - Property, plant and equipment	-	15,463,324
Adjustment - Right-of-use assets now included in PPE	-	160,837
	-	<u>15,624,161</u>

Right of use of asset

Previously stated	-	160,837
Adjustment	-	(160,837)
	-	<u>-</u>

Statement of Comprehensive Income

Depreciation - leases

Previously stated	-	(2,693)
Adjustment	-	2,693
	-	<u>-</u>

Management have sufficient records relating to restatements and for this reason the change in accounting policy is applied prospectively.

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

3. Property, plant and equipment

	2020		2019			
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	120,000	-	120,000	120,000	-	120,000
Buildings	15,824,037	(1,382,846)	14,441,191	15,824,037	(987,245)	14,836,792
Furniture and fixtures	766,403	(544,655)	221,748	766,403	(402,631)	363,772
Office equipment	479,938	(347,683)	145,453	493,136	(303,246)	189,890
IT equipment	462,998	(416,860)	46,138	465,171	(351,464)	113,707
Total	17,653,376	(2,692,044)	14,974,530	17,668,747	(2,044,586)	15,624,161

Reconciliation of property, plant and equipment - 2020

	Opening balance	Disposals and Impaired	Depreciation	Closing balance
Land	120,000	-	-	120,000
Buildings	14,836,792	-	(395,601)	14,441,191
Furniture and fixtures	363,772	(1,688)	(140,336)	221,748
Office equipment	189,890	-	(44,437)	145,453
IT equipment	113,707	(2,520)	(65,049)	46,138
Total	15,624,161	(4,208)	(645,423)	14,974,530

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated * R

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals and Impaired	Depreciation	Closing balance
Land	120,000	-	-	-	120,000
Buildings	15,198,063	33,842	-	(395,113)	14,836,792
Furniture and fixtures	505,349	-	(70)	(141,507)	363,772
Office equipment	104,014	163,530	(41,505)	(36,149)	189,890
IT equipment	181,475	15,552	(40)	(83,280)	113,707
	16,108,901	212,924	(41,615)	(656,049)	15,624,161

Net carrying amounts of leased assets

Office equipment	128,131	160,837
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4. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	35,390	(35,370)	20	112,286	(102,529)	9,757

Reconciliation of intangible assets - 2020

	Opening balance	Disposals	Total
Computer software	9,757	(9,737)	20

Reconciliation of intangible assets - 2019

	Opening balance	Disposals	Amortisation	Total
Computer software	24,619	(10)	(14,852)	9,757

5. Trade and other receivables

Trade receivables - Debtors from Workshop attendees & Sponsors	629,900	342,631
Prepayments - Other	5,000	15,123
Deposits	28,038	28,038
VAT - SARS	265,154	-
Interest on Cash and cash equivalents receivables	59,906	43,188
Provision for bad debt	(268,737)	(254,791)
	719,261	174,189

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated * R
6. Prepayments		
Deposit Annual Conference Venue CTICC - Oct 2021	151,888	118,000
Deposit Annual Conference Venue ICC - Oct 2019	-	2,399,824
Deposit PS Accounting Seminar Venue - July 2020 (Now postponed till 2021)	111,175	-
Deposit on Conference system for Webinar's	203,383	-
Deposits for PS Audit Indabas - April 2020 (now postponed till March 2021)	376,257	373,308
	842,703	2,891,132
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,724	8,715
Bank balances	272,092	701,066
Short-term deposits	20,318,181	16,205,268
Credit cards	99,346	(7,368)
	20,691,343	16,907,681
8. Trade and other payables		
Trade payables	253,465	466,561
VAT - SARS - payable	-	220,173
SARS VAT - Accrual - provision	51,033	(26,002)
Accrued leavepay	585,871	425,250
	890,369	1,085,982
9. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	47,400	47,400
- in second to fifth year inclusive	68,730	116,130
Present value of minimum lease payments	116,130	163,530
Non-current liabilities	68,730	109,020
Current liabilities	47,400	54,510
	116,130	163,530

It is CIGFARO's policy to lease Photocopiers under finance leases.

The average lease term is 3 years

Interest rates are fixed at 0% on the contract date. All leases have fixed repayments and no arrangements have been entered into for renewal clauses, purchase options, escalation clauses, contingent rent or subleases. There are no restrictions imposed by the leases.

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

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated * R
10. Income Received In Advance		
Income Received in advance from Sponsors for workshops and conferences that might be presented during the 2020 / 2021 Financial year.		
Income received in advance	850,119	1,562,943
11. Revenue - (Revenue from CPD - Conferences, Seminars, Workshops & Training)		
Annual Conference	12,233,268	11,557,541
Public Sector Audit Risk Indaba	2,266,837	-
Public Sector Accounting Seminar	1,150,295	799,739
CPD - training	420,898	188,881
mSCOA Project (NT)	746,245	651,471
Regional workshops	3,223,356	1,702,362
	20,040,899	14,899,994
12. Cost of sales - (Cost of CPD - Conferences, Seminars, Workshops & Training)		
Cost of Rendering of services		
Annual Conference	4,465,693	3,172,541
Public Sector Audit Risk Indaba	961,482	-
Public Sector Accounting Seminar	388,307	367,461
CPD - training	256,834	265,066
mSCOA Project (NT)	458,288	490,215
Regional workshops	3,282,482	1,513,087
	9,813,086	5,808,370
13. Other income		
Membership - Fees earned	831,786	723,472
Sundry income	31,252	36,948
CIGFARO Publication & related income	23,649	19,620
	886,687	780,040
14. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Property, plant and equipment (Write-off & Impairment)	(4,208)	(41,625)
Intangible assets (Write-off)	(9,737)	-
Amortisation on intangible assets	-	14,852
Depreciation on property, plant and equipment	645,423	656,049
Employee costs	6,744,226	6,523,998

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated * R
15. Employee cost		
Employee costs		
Basic	6,031,185	5,936,445
Bonus	240,441	250,292
UIF	27,256	29,117
SDL	61,718	61,284
Leave pay & 13th cheque - provision changes	211,451	72,282
Cell phone allowance	60,324	61,044
Other short term costs - Training & Bursaries	111,851	113,534
	6,744,226	6,523,998
16. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	645,423	656,049
Amortisation		
Intangible assets	-	14,852
Total depreciation, amortisation and impairments		
Depreciation	645,423	656,049
Amortisation	-	14,852
	645,423	670,901
17. Investment revenue		
Interest revenue		
Bank - Interest on Money Market & Cash reserves	1,441,207	1,218,964
18. Finance costs		
Finance Leases	-	10,286
19. Taxation		
No Provision for taxation has been made as the Institute is exempt from Tax in terms of the section 10(1)(d)(iv)(bb) of the Income Tax Act, 1962.		
20. Auditor's remuneration		
Fees	252,797	207,733

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated * R
21. Cash generated from operations		
Surplus before taxation	2,576,774	1,281,773
Adjustments for:		
Depreciation and amortisation	645,423	670,901
Loss on write off and impairment of assets	13,945	41,625
Interest received	(1,441,207)	(1,218,964)
Finance costs	-	10,286
Rounding	-	(2)
Changes in working capital:		
Trade and other receivables	(545,072)	1,196,703
Prepayments	2,048,429	(1,192,988)
Trade and other payables	(195,613)	(411,883)
Income received in advance	(712,824)	966,244
	2,389,855	1,343,695

22. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2020 year end. On principle this standard has been applied retrospectively and the 2019 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the year ended 31 March 2019. The standard gives certain mandatory exemptions from this principle, and certain optional exemptions which have been detailed below. All adjustments were made to the opening comparative statement of financial position.

The date of transition was 01 April 2018 and the effect of the transition was detailed in Note 2.

23. Related party transactions

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party transactions

Remuneration of Key Management

Chief Executive Officer - Abram Olehile Marumo Tlaletsi

Basic Salary	1,244,373	1,219,647
Performance Bonus	-	47,225
Cell phone & Travel re-imbursement	20,097	13,200
	1,264,470	1,280,072

Chief Finance Officer - Ira Kotze

Basic Salary	587,215	558,932
Performance Bonus	30,105	26,418
Cell phone & Travel re-imbursement	7,920	13,580
	625,240	598,930
	1,889,710	1,879,002

* See Note

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2020	2019
	R	Restated *
	R	R

24. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

25. Comparative figures

Certain comparative figures have been reclassified to provide for a better presentation of the financial statements. The changes relate to the reclassification of operating expenses that are directly related to the revenue to cost of services so as to enhance the presentation and understanding of the financials for the users.

The effects of the reclassification are as follows:

Profit or Loss	
Operating expenses	- (5,808,370)
Cost of CPD, Conferences, Seminars, Workshops & Training	- 5,808,370
Other income	- (780,040)
Revenue from CPD, Conferences, Seminars, Workshops & Training	- 780,040

* See Note

FIVE YEAR FINANCIAL SUMMARY

	2020 R	2019 R	2018 R	2017 R	2016 R
Statement of Financial Position					
Assets					
Non-current assets	14,974,550	15,633,918	16,133,520	16,626,556	8,753,345
Current assets	22,253,307	19,973,002	17,506,655	15,145,551	20,000,728
Total assets	37,227,857	35,606,920	33,640,175	31,772,107	28,754,073
Liabilities					
Non-current liabilities	116,130	109,020	-	43,834	72,417
Current liabilities	1,740,488	2,703,437	2,127,483	2,603,877	2,787,000
Total liabilities	1,856,618	2,812,457	2,127,483	2,647,711	2,859,417
Equity					
Reserves	313,381	313,381	313,381	313,381	313,381
Retained income	35,057,858	32,481,082	31,199,311	28,811,015	25,581,272
Total equity	35,371,239	32,794,463	31,512,692	29,124,396	25,894,653
Total equity and liabilities	37,227,857	35,606,920	33,640,175	31,772,107	28,754,070
Financed by:					
Other NDR	313,381	313,381	313,381	313,381	313,381
Retained income	35,057,858	32,481,082	31,199,311	28,811,015	25,581,272
Total equity	35,371,239	32,794,463	31,512,692	29,124,396	25,894,653
Total equity and liabilities	37,227,857	35,606,920	33,640,175	31,772,107	28,754,070
Profit and loss account					
Revenue	20,040,899	14,899,994	21,508,361	20,538,175	18,604,197
Cost of sales	(9,813,086)	(5,808,370)	(10,820,950)	(8,743,802)	(7,597,754)
Gross surplus	10,227,813	9,091,624	10,687,411	11,794,373	11,006,443
Other income	886,687	780,040	993,620	1,394,448	1,995,066
Operating expenses	(9,978,933)	(9,798,569)	(10,282,097)	(10,814,189)	(8,564,160)
Operating surplus	1,135,567	73,095	1,398,934	2,374,632	4,437,349
Investment Revenue	1,441,207	1,218,964	992,522	938,711	1,220,925
Finance costs	-	(10,286)	(3,160)	(83,601)	(6,230)
Surplus before taxation	2,576,774	1,281,773	2,388,296	3,229,742	5,652,044
Surplus from discontinued operations	2,576,774	1,281,773	2,388,296	3,229,742	5,652,044
Surplus for the year	2,576,774	1,281,773	2,388,296	3,229,742	5,652,044
Retained income for the year	2,576,774	1,281,773	2,388,296	3,229,742	5,652,044

FIVE YEAR FINANCIAL SUMMARY

	2020 R	2019 R	2018 R	2017 R	2016 R
Cash flow					
Cash flow from operating activities	3,831,060	2,552,373	(5,547,125)	2,606,939	4,374,830
Cash flow from investing activities	-	(49,394)	10,832,759	(2,897,452)	(512,480)
Cash flow from financing activities	(47,400)	(32,917)	(50,417)	(28,583)	24,584
Cash movement for the year	3,783,660	2,470,062	5,235,217	(319,096)	3,886,934

* See Note

DETAILED INCOME STATEMENT

	Notes	2020 R	2019 Restated * R
Revenue from CPD - Conferences, Seminars, Workshops, Training			
Rendering of CPD services		20,040,899	14,899,994
Cost of CPD Services			
Cost of CPD - Conferences, Seminars, Workshops, Training		(9,813,086)	(5,808,370)
Gross surplus		10,227,813	9,091,624
Other income			
Membership fees		831,786	723,472
CIGFARO Publication & related income		23,649	19,620
Sundry income		31,252	36,948
		886,687	780,040
Operating Expenses		(9,978,933)	(9,798,569)
Operating surplus	14	1,135,567	73,095
Investment income	17	1,441,207	1,218,964
Finance costs	18	-	(10,286)
		1,441,207	1,208,678
Surplus for the year		2,576,774	1,281,773

* See Note

The supplementary information presented does not form part of the annual financial statements and is unaudited

DETAILED INCOME STATEMENT

		2020	2019
	Notes	R	Restated *
			R
Operating expenses			
AGM - Annual General Meeting - Report		(26,139)	(74,818)
Auditors remuneration	20	(252,797)	(207,733)
Bad debts provision adjustment		(13,946)	(72,273)
Bank charges		(26,423)	(26,180)
Cleaning - Contracted services since 2019		(97,652)	(28,767)
SAQA registration & membership CPD expenditure		(69,379)	(9,487)
Consulting and professional fees		(61,502)	(51,138)
Depreciation, amortisation and impairments		(645,423)	(670,901)
Employee costs		(6,744,226)	(6,523,998)
Workmans Compensation Fund		(14,971)	(12,380)
IT expenses		(82,544)	(83,620)
Insurance		(149,196)	(133,118)
CIGFARO Publication & related expenditure		(238,915)	(271,285)
Marketing & Promotions		(129,553)	(250,217)
Municipal expenses		(282,711)	(267,421)
Sundry expenses		(17,418)	(25,072)
Printing and stationery		(94,485)	(116,570)
Profit and loss on W/off & impairment of assets and liabilities		(13,945)	(41,625)
Repairs and maintenance		(88,481)	(84,319)
Security		(316,560)	(315,057)
Telephone and fax		(268,501)	(237,560)
Meeting & Travel of Staff & Board members		(344,166)	(295,030)
		(9,978,933)	(9,798,569)

* See Note

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CIGFARO

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