

Annual Report

2020



SAIGA

"Develop Ethical Public Sector Professionals"



www.saiga.co.za

SAIGA

“Develop Ethical Public Sector Professionals”

Registered Name:

The Southern African Institute of Government Auditors (SAIGA)

Nature of business and principal activities:

SAIGA is a non-profit professional body that serve the public interest by providing training, certification and promotion for public accountability and auditing.

Registered office and physical address:

Cambridge Office Park, Building A, 1st Floor, 5 Bauhinia Street, Techno Park, Centurion, 0157

Postal address:

PO Box 36303, Menlo Park, 0102

NPO registration Number:

045-133 NPO

Financial Institutions:

Nedbank
StanLib

External Auditors:

BI Group Chartered Accountants Incorporated

The financial statements were externally prepared by:

JJD Auditors
JJ Drotskie
Chartered Accountant (SA)
Registered Auditor

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SAIGA

“Develop Ethical Public Sector Professionals”

SECTION A:

Introduction

- About SAIGA
 - Vision and Mission
-

SAIGA

Introduction

About SAIGA

The Southern African Institute of Government Auditors (SAIGA) is operating on a non-profit basis to serve the public interest.

“ Since its inception on 27 July 1988, the role and functions of SAIGA has been to serve the public sector and society by advancing public accountability and auditing in its widest sense. ”

As a professional body, SAIGA represents a unique brand of professionals, the Registered Government Auditor (RGA) in the public sector and academia. The RGA is considered the highest professional designation within the public sector auditing (previously known as government auditing).

We support the RGA professionals through Continuous Professional Development programmes, expert technical knowledge and advice, scientific research in accountability and accounting topics and other numerous programmes aimed at developing and advancing Competent public sector auditing and accounting professionals.

SAIGA operates within an approved Constitution that ensures the independence of the Institution from its main stakeholders and furthermore sets out the principles and processes of good governance.

The institute is governed by a duly elected Council consisting of ten members. An Executive Committee (EXCO) is elected.

VALUES

- We subscribe to ethical behaviour
- We deliver services and products of excellence
- We embrace and drive change
- We exist to contribute towards accountability



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Vision



To be recognised as a preferred professional body specialising in the development and advancement of Auditing and Accounting with multiple skills set leading the Southern African Public Sector environment.

Mission



- We support our members through continuous professional development programmes in executing their functions.
- We certify professional accountants and auditors in the public sector.
- We build capacity within the public sector in connection with accountability.
- We are an expert knowledge repository of auditing and accounting in the public sector.
- We continuously promote and stimulate research in the field of auditing and accounting practices in the public sector.
- We work in partnerships with various stakeholders to promote the interests of our members.

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SECTION B:

Reports

- CEO's Report
 - Final President's Report
-

SAIGA

CEO's Report

The year 2019 was marked as the 31st birthday of this wonderful Institute, which was born in July 1988. If this great organization were a human being, we would have celebrated the fact that SAIGA has completed a calendar.

Like a new-born baby after joining SAIGA in August 2019, I believe it is important to celebrate the impact made by the Southern African Institute of Government Auditors to the members and the entire public sector. I would like to thank the EXCO and Council for inducting me very well into the SAIGA space, and for affording me an opportunity to act as the CEO.



Since its inception, the role and function of SAIGA has remained to serve the public sector and society through the advancement of public accountability and auditing. The year in review has indeed brought challenges and opportunities to the Institute. It is key to point out that it was our first year in the new financial year format after the Institute had changed its previous financial year end from 31 March to 31 December. Due to the background of more of our members being in the public sector, this was mainly to ensure that the majority of members who previously could not attend the Annual General Meeting during June/July would now be able to do so during March/April.

The comparative financial analysis of the 2018/2019 and 2019 periods was very tricky in this year's report under review since the year ended 31 December 2019 only comprised of 9 months. This explains the huge gap in difference when comparing the revenue of 31 March 2019 and 31 December 2019. The income is very low but with high expenditure due to many projects and the appointment of the Education Training and Development Manager being finalised during April to December 2019. The income and revenue deficit amounts to over R2.5 million, while the difference in income in the past two periods is a staggering R5.7 million.

In addition, the external environment in South Africa and globally, in particular the economic conditions, the unemployment rate in our country, the Internet of things and digitalization continued to increase complexities which forced us to adjust our ways of doing things. Another concerning factor is the less utilization of our CPD courses and training. The report also suggests that only R78 725.00 was a total income of membership. However, the bulk of the membership income was recorded in the year ended 31 March 2019.

Overall, the accumulated funds of the Institute at the end of 31 December 2019 financial year, there is an R1.9 million deficit as compared to 31 March 2019. The value of our accumulated reserves is sustainable.

Public Sector Auditor Occupational Qualification

In 2019 we concluded and submitted a newly developed occupational qualification "Certificate: Public Sector Auditor", NQF Level 8 to the Quality Council for Trades and Occupations (QCTO). This has been a great achievement by SAIGA to ensure that the future Registered Government Auditors (RGAs) are certified based on the latest assessment guidelines and standards as stipulated by the QCTO.

This will also open many doors to skills development providers (SDPs) who are keen on providing the SAIGA curriculum or stream in the form of the new qualification, thus mean more pipeline available of graduates to start careers as public sector auditors at various state entities and in the accounting and audit firms.

Once registered in the NQF, the new qualification will replace the current legacy qualification "Certificate: Government Auditor", also NQF Level 8. The aim of the QCTO occupational qualifications is to open doors for many people who want to enroll for the so-called professional body qualifications without being required to become members of such a professional body. However, for one to obtain the RGA professional designation, SAIGA membership will be a necessity before being accepted into writing the Board Examinations. Amongst other things, this rationale had a hand in the new strategic direction of the Institute.

Strategic imperatives

Last year also brought to us the development of a new strategic direction (2020-2023) after the election of the current president Mr Phillip Rakgwale. The strategic direction is detailed in this integrated report and it is also summarised by the president in his report. The new strategic imperatives are for SAIGA to be a "preferred professional body in the public sector auditing and accounting; to become a preferred capacity building partner in the public sector environment; to form value-adding strategic partnerships; and to be visible on the entire African continent and not in South Africa alone".

Improving internal capacity

In order for us to implement the new strategy successfully and effectively, we had to review and start the process of reinforcing our internal skills and capacity. We have identified marketing, branding, communications, systems and technology, analytics, graphic design, and financial management as the immediate urgent internal skills needed by the Institute. This process had begun and should be concluded in the last quarter of 2020.

— The year ahead

The year 2020 had great prospects and opportunities for the Institute in the process of implementing the new strategic plan until the COVID-19 pandemic presented us with a new normal. Unfortunately, this new normal affects all sectors especially professional bodies and the education and training sector. This new normal does change the education landscape as learning and assessments will be better utilized online.

Whilst the Institute will monitor and implement an adaptive strategy to deal with the changes that the COVID-19 pandemic is bringing, various projects will be cautiously implemented in phases as the income of the Institute will heavily be negatively affected. One project that cannot be compromised is the establishment of the SAIGA Academy, which will ensure that the Academy becomes the first to be accredited by the QCTO as a skills development provider of the Public Sector Auditor qualification when it is registered on the NQF.

The second project for 2020 is for the Academy to conclude the development of learning material in alignment with the requirements and standards of the QCTO. The introduction of e-learning to ensure effective distance learning of the Institute's CPD programmes is also a necessity even more so amid the COVID-19 global challenge. The Institute will also complete the final phase of the SAIGA website development. The birth of the SAIGA Academy will also mean a stretch for the Secretariat to double their efforts. We will also work hard to prove to SAQA the independence of the Academy from SAIGA.

The Academy will also be developing its own e-learning platform to increase the enrolment of graduates or candidates into the Government Auditing Specialism Programme (GASP). We will also be working together with Fasset SETA once the public sector auditor qualification is registered to automatically register it as a learnership with the Department of Higher Education and Training (DHET). This will provide benefits to employers to seek or claim for learnership funding within their relevant SETA.

According to various economists, the economic outlook in South Africa for 2020 will significantly be impacted by the COVID-19 pandemic. This may mean non-achievement of the planned projects, thereby support from the Council, EXCO and our members will be highly in need to salvage the year ahead. If ever, there was a time that we all have to join hands together and work in the best interest of SAIGA – it is indeed now.

Mr Russel Morena (CHRP, MBA)

Chief Executive Officer



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Final President's Report



President's Overview

It is a great honour for me in my first year as a President of SAIGA to have contributed to the activities of the Institute for period 01 April 2019 to 31 December 2019.

Firstly, I would like to thank all members of SAIGA for their continued contribution and believing in the vision 2023. The members of Council, EXCO, and sub-committees for the superior support in transforming this organisation to greater heights.

I would also like to acknowledge the contribution made by the previous CEO Mr. Manfred Moses, who resigned in January 2020 from the Institute before the end of his term.

Highlights of the year

The development of our 3-year Strategic Plan is based on the short and medium-term strategy of the Institute. The organisation needed to reposition itself to ensure financial viability and be a preferred professional body specialising in auditing and accounting in the public sector environment. The Council has set key goals for the Institute for the period 2020 to 2023.

The repositioning of the Southern African Institute of Government Auditors (SAIGA) as the Institute with a focus in Auditing and Accounting in the public sector. Building strategic partnerships that will position SAIGA as the preferred professional body to serve the Public interest. Building capacity within the broader public sector environment and expanding the Institute's presence on the African continent and be the springboard for capacity creation into Africa completes the list of the goals.

Commensurate in this change is an expansion of the Institute's core offering to articulate and incorporate the audit and accounting domain in its service offering. Build strategic partnerships and monetise these relationships with the relevant professional qualification and membership benefits.

In ensuring that members are well informed of our new strategy, the Acting CEO and the Secretariat held roadshows nationally to meet members and introduce the strategy with the aim that members understand why the change is needed in our Institute. I was fortunate enough to attend two sessions in Parktown and Pretoria, respectively.

Government Auditing Specialism Programme (GASP)

2019 results for the GASP and final Qualifying Examination for Registered Government Auditors

GASP Registrations

GASP 2019 Registrations			
	Candidates		
Repeat candidates	8	6	Male
First time candidates	6	8	Female
Total	14	14	Total

GASP Assessments

GASP 2019 Assessments			
	Candidates		
Repeat candidates	4	2	Male
First time candidates	1	3	Female
Total	5	5	Total

RGA Qualifying Exams Assessments

RGA QE 2019 Enrolments			
	Candidates		
Repeat candidates	2	3	Male
First time candidates	4	3	Female
Total	6	6	Total

■ Signed Memorandum of Understandings (MoUs)

In an effort to build partnerships with role players in the accounting and audit sector, we were able to sign a Memorandum of Understanding with the South African Institute of Professional Accountants (SAIPA). The aim of this is to acknowledge, support and promote each other as registered professional accounting organisations (PAOs).

Our RGA designation is recognised by SAIPA, while we do the same for the SAIPA's professional designations. Our members who have experience from the private sector may apply to obtain SAIPA's designations.

We have also partnered with a digital skills organisation, My Future Work to partner with us in the digitalisation of the Institute's offerings, including to improve our internal digital capacity. My Future Work, which is 100% black female owned partnership will bring in a great experience to our members and ensuring that our digital strategy is realised. The digitalisation project has begun and shall be an ongoing process in all our committees and reviewed regularly at the management level.

■ SAJAAR Volume 21 of 2019

The Southern African Journal of Research and Accountability and Auditing Research (SAJAAR) was yet again published a pumping edition 21 on the 1st of November 2019 to ensure that our Institute contributes to the development of accountability and auditing professionals.

SAJAAR promotes and provides a platform for publication of scientific research in the field of auditing and accountability for authors with an emphasis on the public sector, public financial management and related disciplines as well as access to publications to members and stakeholders.

The 2019 edition covers topics such as Audit firms to employ a comprehensive approach to keep pace with the evolving information technology control environment and; risks, controls and governance associated with the internet of things technologies on accounting information; the effect of the IIRC's Framework disclosures in integrated reports and G4 on sustainability; reasons why female audit managers resign from audit firms and many more. The content is accessible from Sabinet to all university libraries and other Sabinet members. Members in good standing may request for access to the latest volume emailing by support@saiga.co.za or by visiting our website www.saiga.co.za.

■ Financial overview

Detailed financial performance of the Institute is presented in a different section and the CEO's report also provides some highlight. Our business model is financed by membership contributions and related activities. It is also important to note that the past two years will be difficult to compare due to differences in the period. In my report, I would like to present a summary of the past 4 financial reports, and it is presented as follows:

	Change % Mar 2019/ Dec 2019	31 Dec 2019 (R'000)	31 Mar 2019 (R'000)	31 Mar 2018 (R'000)	31 Mar 2017 (R'000)
Net income from activities initiated by the Institute	73.20↓	2, 113	7,885	8,436	16,899
Individual and corporate membership contributions	98.16↓	78725	4,272	3,390	5,424
Investment income	20.60↓	1, 460	1,839	1,788	1,744
Total expenditure	34.87↓	4, 665	7,163	6,065	5,281
Surplus before taxation		(2, 552)	722	2,370	11,618
Taxation	234↓	568	(421)	(704)	(3,253)
Sub-total	559.13↓	(1, 984)	301	1,665	8,365
Reserves from previous years	1.02↑	29, 831	29,529	27,864	19,499
Total accumulated funds	6.65↓	27,846	29,831	29,529	27,864
Represented by assets:					
Office furniture and electronic equipment	36.47↓	54	85	135	76
Investments	5.02↑	26,272	25,015	24,156	23,608
Net current assets (liabilities)	89.97↓	59858	596	573	1,768
Total assets	6.65↓	27,846	29,831	29,529	27,864

The reduction in revenue of 73.20% and 98.16 membership contribution is due to the change in the financial year end period. The bulk of the membership fees for 31 December 2019 was paid during the last quarter of 2019, thereby the allocated was reported in the previous financial year.

The decrease in the investment income by 20.60% was due to the reporting period being 9 months instead of 12 months as reported in the previous year. The total expenditure was reduced by 34.87% as compared to the previous year.

An amount of R840 000.00 from the reserves (investments) was provided for in the Budget to fund the strategic appointment of the ETD Manager as well as for the completion of the public sector auditor qualification. Provision for Bad Debts was made due to non-payment of annual membership fees.

SAIGA Budget 2020

Projected expenditure

	2020 (R)
Direct Course costs	660 000
SAJAAR Expense	140 000
Accounting Fees	303 050
Audit Fees	60 000
Assets under R7000	33 500
Advertising & Marketing	370 000
Bank Charges	6 000
Cleaning	10 000
Computer Expense	430 112
Committee Expense	1 344 400
Postage, Delivery & Courier cost	80 000
Depreciation	60 000
Donations	90 000
General Expenses	4 251
Insurance	18 445
Leasing Charges	51 657
Legal Fees	50 000
Bad Debts	209 021
Printing & Stat.	102 000
Consulting	100 000
Professional Fees and Services	56 562
Rent	1 006 565
Refreshments	24 000
Repairs & Maint.	10 000
Electricity & Water	<i>Included in Rent</i>
Salaries & Wages	4 108 726
Finance Charges	-

Interest Paid	-
Subscriptions	160 628
Security	4 637
Staff wellness and refreshments	12 000
Medical	5 000
Telephone & Fax	44 182
Travel Costs for marketing	80 000
Professional Fees	12 000
Training	30 000
Total	9 676 741

Projected income

	2020 (R)
Membership fees	4 112 603
Membership fees - Trainees	67 826
GASP Fees	360 000
RGA Examination fees	250 000
GATE Fees	15 000
RGA Once off joining fees	52 500
Short Courses	1 645 180
SAJAAR Income	50 000
Interest Received	1 842 420
Total	8 395 529

Fee Structure 2020

The Executive Committee (EXCO) and Council of SAIGA have approved the below inflation linked fees increase and a reduction in the retirement membership type for 2020. As recently approved by the Special General Meeting, the new membership categories are also covered in the fees structure:

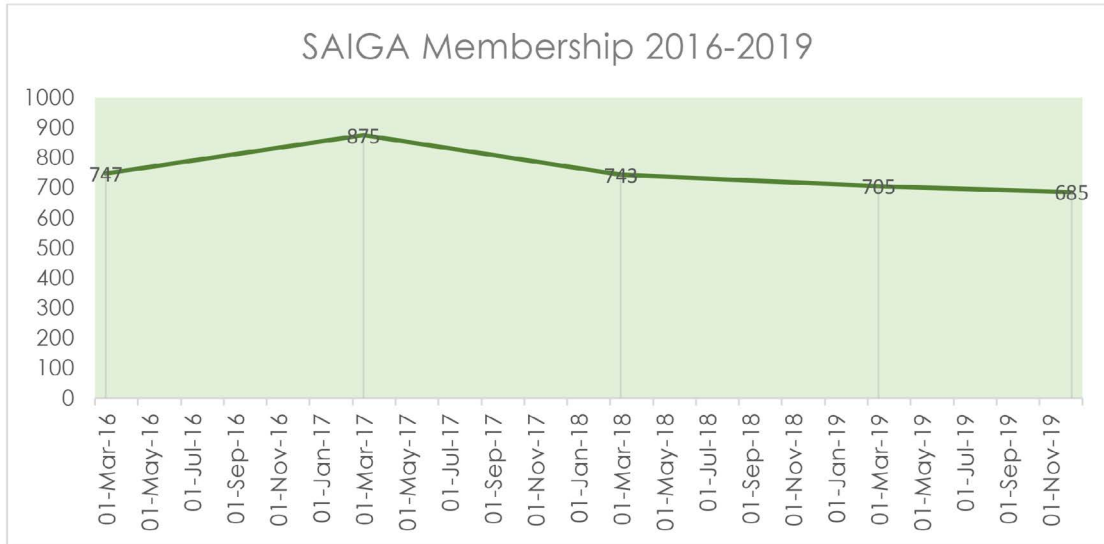
	2020 (R)	2019 (R)	2018 (R)	2017 (R)
RGA annual subscription fee	7552	7124	6726	6726
RGA once off fee to join	7000	7000	7000	10000
Corporate members (large) annual subscription	4446	4446	4446	4446
Corporate members (small) annual subscription	1710	1710	1710	1710
Graduate member (previously Trainee) auditor annual subscription fee	3200	3000	3000	4788
Trainee auditor once off fee to join	1000	2000	2000	8094
Trainee auditor assessment GATE submission	1000	1000	1000	8094
RGA QE Fee	10000	10000	10000	22995
Associate member (new category)	4778	-	-	-
Affiliate member (new category)	2800	-	-	-
Retired member	3776	7124	6726	6726
Student member (new category)	200	-	-	-
Honorary member	-	-	-	-

Membership growth

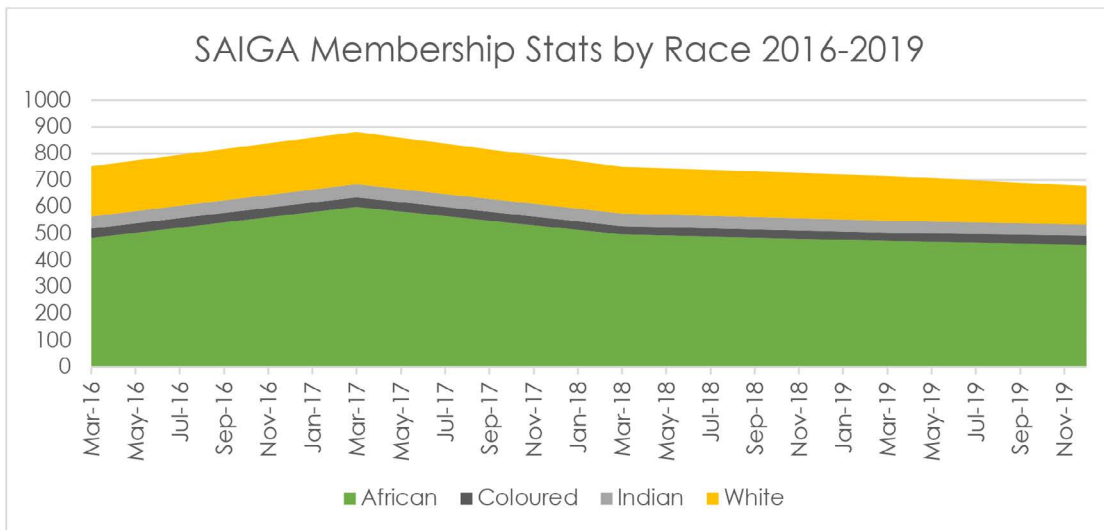
The overall membership growth for the period ending 31 December 2019 vs. 31 March 2019 paints a picture that the membership year on year has fallen by 2.85%. The figures do not present a true reflection of the reporting period due to the periods being different.

In fact, we recorded 228 members per quarter in the period as compared to 176 in the year ended 31 March 2019. The number of practicing RGAs only changed by 4 since 5 of the members were converted into the retirement category.

Members by category	31 Dec 2019	31 Mar 2019	31 Mar 2018	31 Mar 2017	31 Mar 2016
RGA's	595	604	581	541	483
Retired members	5	0	0	0	0
Graduate members	78	94	162	334	264
Honorary members	7	7	7	6	6
Total	685	705	743	875	747



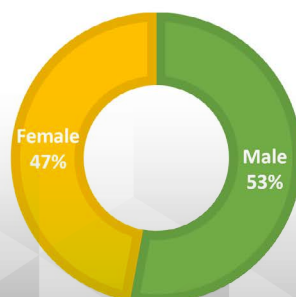
The Institute has maintained consistency in the number of members by race. The notable achievement is in terms of transformation whereby SAIGA remains to be one of the most transformed professional bodies in respect of designated groups and gender representation.



There is a slight difference between female and male members. The stats indicate how transformed the Institute is as far membership as stats are concerned.

SAIGA MEMBERS BY GENDER - DEC-19

■ Male ■ Female



Challenges

The year 2019 has recorded the following notable challenges that we have to address as the

Institute in order to remain relevant and be sustainable to continue serving our members:

- Reduction of total members who holds our RGA professional designation
- The influx of new graduates entering the profession and qualify for the RGA professional designation
- The examination pass rate in both the GASP and RGA QE
- The lower number of delegates who are utilising the CPD courses that are provided by SAIGA

The year ahead

2020 will be a tough, challenging, and interesting year for SAIGA. COVID-19 is a noticeable stumbling block economically for the global arena, our country, the public sector and automatically this will also affect the Institute financially.

As we are implementing our new strategy for 2020-2023, no matter what we have planned for should the economic challenges and COVID-19 pandemic remain to be key contests we may our financials will be negatively affected. We will have to find various ways to adjust to the new normal and protect our members from this disease. We urge our members to follow the regulations set by the government.

On a positive light, the following initiatives are to be prioritised during the year 2020:

- The registration of our new qualification on the NQF by SAQA and registration of it as a learnership programme with the Department of Higher Education and Training
- Establishment of the SAIGA Academy
- The accreditation of SAIGA with the Independent Regulatory Board for Auditors (IRBA)
- Improving the internal capacity of SAIGA in line with the new strategy
- Improvement of our members' benefits
- Forming strategic partnerships in the form of MoU with identified stakeholders
- Launching of workplace accreditation with accounting and audit firms
- The SAIGA curriculum to be recognised and offered by two identified universities
- Launching of a Competency Framework for the RGA professionals

Philip Rakgwale

President of SAIGA



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SECTION C:

Financials

- Management responsibility
- Auditor’s Report
- Practitioner’s Compilation Report
- Financial Statements

SAIGA

Management responsibility and approval of the audited financial statements

The management has pleasure in submitting their report on the annual financial statement of the Southern African Institute of Government Auditors for the year ended 31 December 2019. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with generally accepted accounting practice.

We confirm, to the best of our knowledge and belief, the following representations:

Preparation and fair presentation of financial statements

- We acknowledge that SAIGA is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and in the manner required by the Companies Act.
- We confirm our acknowledgement and understanding of our responsibilities in terms of the audit engagement letter dated 27 January 2020.
- The financial statements have been approved by the Council and we believe they are fairly presented in accordance with IFRS and in a manner required by the Companies Act.

Financial statements

- We have reviewed the SAIGA accounting policies and having regard to possible alternative policies, our selection and application of accounting policies used for the preparation and presentation of the financial statements are appropriate in the entity's particular circumstances to give a fair presentation of SAIGA financial position, financial performance and cash flows.
- All transactions have been recorded in the accounting statements and are reflected in the financial statements.
- Significant assumptions used by us in making estimates, including those surrounding measurement of fair value, are reasonable.
- All events subsequent to the date of the financial statements and for which IFRS require adjustment or disclosure have been adjusted or disclosed.

Information provided

We have provided the BI Group Chartered Accountants Incorporated with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
- Additional information that has been requested from us for the purpose of the audit.
- Unrestricted access to persons within the entity to obtain audit evidence.
- All minutes of meetings of management and Council and Sub-committees of Council.
- All other information relevant to the audit.

Accounting records

- All transactions undertaken and contractual agreements, whether written or verbal, entered into by SAIGA have been properly reflected and recorded in the accounting records underlying the financial statements.

Contractual agreements

- SAIGA has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

Fraud and non-compliance with laws and regulations

- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- We have disclosed the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed all information in relation to fraud or suspected fraud that we are aware of and that affects SAIGA and involves:
 - Management;
 - Employees who have significant roles in internal controls; or
 - Others where fraud could have a material effect on the financial statements.
- We have disclosed all information in relation to allegations of fraud, or suspected fraud, affecting SAIGA Annual Financial Statement, communicated by employees, former employees, regulators or others.
- We have disclosed all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We acknowledge that our responsibility for ensuring compliance with laws and regulations, the Financial Intelligence Centre Act, 2001, The Prevention of Organised Crime Act, 1998 and the Prevention of Combatting of Corrupt Activities Act, 2004 and are not aware of any non-compliance.

Accounting estimates and fair value measurements

- Significant assumptions used by us in making estimates, including fair value accounting estimates, are reasonable.

We confirm the following regarding accounting estimates from all assets and liabilities both recorded and disclosed in the financial statements:

- The assumptions used appropriately reflect our intent and ability to carry out specific courses of action on behalf of SAIGA where relevant to the accounting estimate and disclosures;
- Measurement methods were consistently applied from year to year;
- Events that occurred between the balance sheet date and the date of approval of the financial statements did not necessitate an adjustment to the accounting estimates measured and disclosed in the financial statements.

Related parties

- We confirm the completeness of the information provided regarding related parties as defined by IFRS and information regarding transactions with such parties.

Going concern

- We have no plans or intentions, for example to dispose of the business or cease operations, that may materially alter the carrying value of classification of assets and liabilities in the financial statements.

Assets and liabilities

- All investments classified as long-term investments represent investments that SAIGA has the ability and intention to hold for a period exceeding twelve months after the balance sheet date.
- SAIGA has satisfactory title to all assets and no liens or encumbrances on the SAIGA's assets.
- We have recorded and disclosed as appropriate all liabilities, both actual and contingent, in accordance with IFRS.

Litigation and claims

- We are not aware of any pending or threatened litigation, proceedings, hearings or claims negotiations which may result in a material misstatement of the financial statements.

Revenue recognition

- We have fully disclosed all revenue terms including all donor or grant acceptance provisions, revenue adjustments, agency agreements, contractual or grant restrictions, or similar arrangements.
- All transactions recorded as revenue for the period represents revenue which arose up to date of the balance sheet date and is recorded in accordance with IFRS.

Taxation

- We have complied with the taxation requirements of the Republic of South Africa and have brought to account all liabilities for taxation due to the relevant authorities whether in respect of any corporation or other direct tax or any indirect taxes. We are not aware of any non-compliance that would give rise to additional liabilities by way of interest or penalties.
- In particular:
 - In connection with any taxation accounting requirements, we are satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with the law of each country or in accordance with any agreement reached with such authorities.
 - We have submitted all returns and made all payments that were required to be made to the relevant tax authorities including ant return requiring us to disclose any tax planning transactions that have been undertaken, whether for SAIGA's benefit or any other party's benefit.
 - We are not aware of any taxation, penalties or interest that are yet to be assessed relating to either SAIGA or any related party for whose taxation liabilities SAIGA may be responsible.
 - In managing the tax affairs of SAIGA, we have taken into account any special provisions such as transfer pricing and controlled foreign company's legislation applied in different tax jurisdictions.

Events after balance sheet date

- We have identified all events that occurred between the balance sheet date and the approval of the financial statements that may require adjustment of, or disclosure in the financial statements, and have affected such adjustments or disclosures.

■ Misstatements during the audit

- We confirm that the financial statements are free of material misstatements, including omissions. We have reviewed and corrected all financial statements noted and aggregated to the BI Group Chartered Accountants Incorporated.

■ Impairments

- We confirm that we have carried out impairment reviews appropriately, including an assessment of impairment indicators where an annual impairment test is not mandatory. We confirm that we have used appropriately assumptions in completing those reviews.



Mr Russel Morena (CHRP, MBA)

Chief Executive Officer



Mr Phillip Rakgwale (RGA, CIA, CFE, CISA)

President of SAIGA

SAIGA

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SOUTHERN AFRICAN INSTITUTE OF GOVERNMENT AUDITORS

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Southern African Institute of Government Auditors (SAIGA) as at 31 December 2019, and its financial performance and cash flows for the period then ended in accordance with the entity specific basis of accounting including modifications for the Institute's specific requirements, as per the accounting policy and in the manner required by the Constitution of the association.

We have audited the financial statements of The Southern African Institute of Government Auditors, which comprise the statement of financial position as at 31 December 2019, statement of surplus or deficit and other comprehensive income and statement of cash flows for the period then ended, the notes, comprising a summary of significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report.

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

We are independent of SAIGA in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our ethical responsibilities in accordance with the **IRBA** Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants.

Council's Responsibility for the financial statements

The Council are responsible for the preparation and fair presentation of these financial statements in accordance with the entity specific basis of accounting including modifications for the Institute's specific requirements, as per the accounting policy, in the manner required by the Constitution of the association and the requirements of the Non-Profit Organisations Act No 71 of 1997, 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 Council are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable matters relating to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Institutes' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.
- Conclude on the appropriateness of the Councils' 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 Institute'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 consolidated 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 Institute 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.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BIGroup Chartered Accountants has been the auditor of The Southern African Institute of Government Auditors for 3 years.



BI Group Chartered Accountants Inc

Director: Pieter Van Zyl CA(SA) RA

Pretoria
9 October 2020



JJD AUDITORS

JACO DROTSKIE Chartered Accountant (SA), Registered Auditor, Practice No: 995-857

Tel: 082 225 9422 ■ Email: jaco@jjd-auditors.co.za ■ Website: www.jjd-auditors.co.za
4 Buitengeluk Estate, 642 Manie Road, Rietvalleirand, Pretoria, 0181

PRACTITIONER'S COMPILATION REPORT

on the annual financial statements for the 9 months
ended

31 DECEMBER 2019

To the Executive Committee of the Southern African Institute of Government Auditors

I have compiled the accompanying annual financial statements of the Southern African Institute of Government Auditors based on the information you have provided. The financial statements comprise the statement of financial position, statement of financial performance, statement of cashflows, accounting policies and other explanatory notes of the Southern African Institute of Government Auditors as of 31 December 2019.

I performed this compilation engagement in accordance with International Standards on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the entity specific basis of accounting including modifications for the institute's specific requirements, as per the accounting policy included in these financial statements. I have complied with relevant ethical requirements, including principals of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, I do not express an audit opinion or a review conclusion on these annual financial statements.

JJ Drotskie

Chartered Accountant (SA) Registered Auditor

19 March 2020

STATEMENT OF FINANCIAL POSITION

As at
31 DECEMBER 2019

	Notes	31-12-2019 R	31-03-2019 R
ASSETS :			
NON-CURRENT ASSETS			
		26 895 831	25 101 641
Office furniture and electronic equipment	3	54 947	85 954
Investments at registered financial institutions	4	26 272 878	25 015 687
Deferred tax asset	5	568 006	-
CURRENT ASSETS			
		1 010 816	5 326 409
Trade and other receivables	6	613 068	4 731 038
Cash and cash equivalents	7	321 882	462 339
Deposits	8	44 335	44 335
South African Revenue Service	9	31 531	88 697
TOTAL ASSETS		27 906 647	30 428 050
EQUITY AND LIABILITIES :			
EQUITY			
Accumulated reserves		27 846 789	29 831 060
CURRENT LIABILITIES			
Trade and other payables	10	59 858	596 990
TOTAL EQUITY AND LIABILITIES		27 906 647	30 428 050

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

for the 9 months ended

31 DECEMBER 2019

	Notes	31-12-2019 R	31-03-2019 R
INCOME		2 113 369	7 885 910
Annexure A			
EXPENDITURE			
Annexure B		<u>(4 665 646)</u>	<u>(7 163 521)</u>
(DEFICIT) / SURPLUS BEFORE TAXATION		(2 552 277)	30 428 050
TAXATION	11	<u>568 006</u>	<u>(421 264)</u>
NET (DEFICIT) / SURPLUS FOR THE YEAR		(1 984 271)	301 125
OTHER COMPREHENSIVE INCOME		-	-
ACCUMULATED FUNDS : BEGINNING OF YEAR		<u>29 831 060</u>	<u>29 529 935</u>
ACCUMULATED FUNDS : END OF THE YEAR		<u>27 846 789</u>	<u>29 831 060</u>

STATEMENT OF CASHFLOWS

for the 9 months ended

31 DECEMBER 2019

	Notes	31-12-2019 R	31-03-2019 R
CASH FLOWS FROM OPERATING ACTIVITIES		1 138 336	(3 148 178)
Cash receipts from customers		4 770 615	1 722 556
Cash paid to suppliers and employees		(5 093 003)	(6 151 579)
Cash (utilised in) / generated from Operating activities		(322 388)	(4 429 023)
Interest received		1 460 724	1 839 717
Taxation paid		-	(558 872)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(1 278 793)	(878 179)
Movement in investments		(1 257 191)	(859 278)
Office furniture and electronic equipment acquired		(21 602)	(18 901)
MOVEMENT IN CASH AND CASH EQUIVALENTS		(140 457)	(4 026 357)
MOVEMENT IN CASH AND CASH EQUIVALENTS		462 339	4 488 696
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	321 882	462 339
Notes to the statement of cashflows			
Cash (utilised in) / generated from operating activities			
Net (deficit) / surplus before taxation		(2 552 277)	722 389
Adjustments for:			
- Investment income		(1 460 724)	(1 839 717)
- Penalties and interest		4 127	-
- Depreciation		52 609	68 774
		<u>(3 956 265)</u>	<u>(1 048 554)</u>
Movements in working capital:			
- Movement in accounts receivable and deposits		4 117 970	(3 452 952)
- Movement in accounts payable		(484 093)	72 483
		<u>(322 388)</u>	<u>(4 429 023)</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the 9 months ended

31 DECEMBER 2019

1. Basis of presentation

The annual financial statements have been prepared on the historical cost basis (unless otherwise stated) in accordance with the undermentioned policies applicable to SAIGA and applying an entity specific basis of accounting. The policies have been applied consistently in all material aspects, except where otherwise indicated. The financial statements are presented in South African Rands.

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2. Accounting policies

2.1 Revenue recognition

Membership fees for the current financial year are recorded as income on the accrual basis of accounting.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

2.2 Fixed assets

The cost of an item of fixed assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of fixed assets 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 fixed assets, the carrying amount of the replaced part is derecognised.

Fixed assets are carried at cost less accumulated depreciation and any impairment losses.

The depreciation rates as set out in Practice Note 19 of the South African Revenue Service were used for the calculation of depreciation. According to the above mentioned note, equipment with a value of less than R7 000 are expensed in the year of purchase.

Depreciation is provided on all fixed assets other than freehold land, to write down the cost, less residual value, by equal installments over their useful lives as follows:

- | | |
|------------------------|---------|
| • Office furniture | 6 years |
| • Electronic equipment | 3 years |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the 9 months ended

31 DECEMBER 2019

2.3 Impairment of assets

SAIGA assesses at each reporting date whether there is any indication that an asset may be impaired.

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.

2.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction cost except in the initial measurement of financial assets and liabilities that are measured at fair value through profit and 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 rate 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 amount 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 through profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the 9 months ended

31 DECEMBER 2019

2.5 Operating leases - Lessee

Operating lease expense is recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

2.6 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk change in value.

2.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods, exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recover from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, based on enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the 9 months ended

31 DECEMBER 2019

2.8 Income received in advance

Membership fees are payable in advance. Other prepayments are in respect of course fees received in the year under review for courses in the next financial year.

2.9 Value added tax

Value added tax is accounted for on invoice base and the entity is classified as a Category A vendor in terms of the Value Added Tax Act.

2.10 Related party transactions

Full details, including the applicable rates, have been disclosed and approved at annual general meetings and the Institute's Council. These rates are in agreement with the general partner rates agreed between the SAICA and the Auditor-General South Africa and are all at arm's length transactions.

2.11 Employee benefits

Short-term employee benefits

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

SAIGA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the 9 months ended

31 DECEMBER 2019

	31-12-2019 R	31-03-2019 R
3. Office furniture and electronic equipment		
Carrying value beginning of the year	85 954	135 827
- Cost	534 867	515 966
- Accumulated depreciation	(448 913)	(380 139)
Movements during the year	(31 007)	(49 873)
- Additions	21 602	18 901
- Depreciation	(52 609)	(68 774)
Carrying value end of the year	54 947	85 954
- Cost	556 469	534 867
- Accumulated depreciation	(501 522)	(448 913)
4. Investments at registered financial institutions		
<i>Carrying values at the end of the year</i>		
Standard Bank Money Market Fund - Stanlib	15 234 887	14 420 378
Nedbank Moneytrader	11 037 991	10 595 309
	26 272 878	25 015 687
5. Deferred tax asset		
The balance comprises:		
- Assessed loss	568 006	-
<i>Reconciliation of deferred tax assets</i>		
Balance at beginning of year	-	-
Movements during year attributable to:		
- Current year assessed loss (utilised) / incurred	568 006	-
	568 006	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the 9 months ended

31 DECEMBER 2019

	31-12-2019 R	31-03-2019 R
6. Trade and other receivables		
Membership fees receivable	714 123	5 707 203
Provision for bad debts	(617 959)	(976 165)
Value added tax receivable	516 904	-
	613 068	4 731 038
7. Deposits		
Bank balance	320 204	460 661
Petty cash	1 678	1 678
	321 882	462 339
8. Cash and cash equivalents		
Lease deposit	44 335	44 335
9. South African Revenue Service		
Overpayment / (Underpayment) of income tax	31 531	88 697
10. Trade and other payables		
Accounts payable	11 788	10 525
Income received in advance	-	105 481
Unknown deposits	48 070	119 207
Value added tax payable	-	361 777
	59 858	596 990

NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the 9 months ended
31 DECEMBER 2019

	31-12-2019 R	31-03-2019 R
11. Taxation		
South African normal income tax		
- Current year	-	421 264
Deferred tax		
- Current year	(568 006)	-
	(568 006)	421 264
<i>Reconciliation of rate of taxation</i>		
(Deficit) / Surplus before taxation	(2 552 277)	722 389
Add back: Non deductible expenses	60 215	782 124
Add back: Temporary differences: Provisions	463 469	-
	(2 028 593)	1 504 513
Taxation at 28% on above	(568 006)	421 264
12. Change of year-end and comparative figures		
<p>The company changed its year-end from 31 March to 31 December during the period under review. The figures may accordingly not be comparable as the current period only consists of 9 months.</p>		

DETAIL STATEMENT OF INCOME

for the 9 months ended

31 DECEMBER 2019

Notes	31-12-2019 R	31-03-2019 R
INCOME		
Educational endeavours & activities	503 067	1 334 032
- GASP and GATE fees	22 114	442 300
- Examination fees	89 201	183 857
- Short courses	391 752	707 875
Interest received	1 460 724	1 839 717
Member's contributions	78 725	4 272 143
Registration fees - once off	-	383 163
SAJAAR publication income	69 212	55 572
Sundry income	1 641	1 283
	<u>2 113 369</u>	<u>7 885 910</u>

SAIGA

DETAIL EXPENDITURE

for the 9 months ended

31 DECEMBER 2019

	31-12-2019 R	31-03-2019 R
EXPENDITURE		
Accounting fees	215 650	273 400
Advertising and marketing	156 314	69 367
Audit fees	64 404	51 866
Bank charges	2 418	1 888
Committee expenses	399 513	711 002
Computer expenses	172 163	272 192
Depreciation	52 609	68 774
Educational endeavours & activities direct costs	1 046 915	1 047 536
- Direct course cost	634 103	1 047 536
- SAJAAR publication expenses	75 000	-
- Short courses	337 812	-
Employee costs	1 851 140	2 115 738
General expenses	5 100	10 870
Information technology services	15 690	-
Insurance	10 253	11 754
Leasing charges	33 615	42 170
Legal fees	18 375	34 783
Low value assets	25 681	-
Office rent	638 796	813 909
Penalties and interest paid	4 127	-
Postage, packaging and courier	13 745	22 416
Printing, stationery and publications	45 861	164 492
Prize money and donations	56 088	50 000
Professional fees	-	22 500
Provision for bad debts - movement	(358 207)	976 165
Refreshments and entertainment	13 405	82 830
Repairs and maintenance	1 170	1 795
Security	3 319	4 003
Subscriptions	1 686	62 437
Telephone	45 032	56 483
Training	56 610	-
Travel	74 174	195 151
	4 665 646	7 163 521

SAIGA

“Develop Ethical Public Sector Professionals”

SECTION D:

Strategic Plan 2020-2023

- President's Overview
 - Goals and Objectives
 - Context
-

SAIGA

Strategic Plan 2020-2023

PRESIDENT'S OVERVIEW

This three-year Strategic Plan is being tabled at the Annual General Meeting and is based on the short and medium term strategy of the Institute.

The organisation needs to reposition itself to ensure financial viability and be a preferred professional body specialising in auditing and accounting in the public sector environment.

The Council has set key goals for the Institute for period 2020 to 2023. The repositioning of the Southern African Institute of Government Auditors (SAIGA) as the Institute with a focus in Auditing and Accounting in the public sector. Building strategic partnerships that will position SAIGA as the preferred professional body to serve the Public interest. Building capacity within the broader public sector environment and expanding the Institute's presence on the African continent and be the springboard for capacity creation into Africa completes the list of the goals.

Commensurate in this change is an expansion of the Institute's core offering to articulate and incorporate the audit and accounting domain in its service offering. Build strategic partnerships and monetise these relationships with the relevant professional qualification and membership benefits.



GOALS AND OBJECTIVES

The following four goals are imperative in driving the vision of the Institute.

1. Repositioning of SAIGA as the Institute with a focus in Auditing and Accounting in the Public Sector

1.1 Enabling internal functioning of the Institute towards self-sustainability through a financing model (donations and investments), and effective functioning by:

- Reviewing the current organisational structure, identify and profile key roles and functions to deliver on the turnaround strategy.
- Establishing a balance between internal capacity development and outsourcing of the above roles and functions.
- Establishing and registering Public Sector Training Academy as a separate entity to deliver accredited training courses to the public sector.

2. Building institutional capability and capacity through strategic partnerships that will position the Institute as a preferred professional body in the Public Sector.

2.1 Ensure sustainability of the institute by:

- Maintaining and expanding the Institute's footprint in the public sector environment.
- Re-engineering internal organisational capacity and capability to focus on the core business of the Institute

2.2 Ensure full stakeholder identification and participation in order to monetise the relationships by:

- Developing a Stakeholder matrix.
- Establishing Memorandum of Understanding (MOUs) with identified stakeholders.
- Conducting periodic surveys relating to stakeholder perceptions of the institute.

3. Building capacity within the broader public sector environment.

3.1 Support members through continuous professional development programmes in executing their functions.

3.2 Certify public sector financial practitioners with the aim of issuing certification

4. Expanding the Institute's presence on the African continent

4.1 Explore the opportunities on the African continent through partnerships and collaborations.

CONTEXT

STAKEHOLDER RELATIONSHIPS AND ALLIANCES

The stakeholders that traditionally contribute to institutional performance: Members, Trainees, Workplace Training Providers, Sector Education Training Authorities, Regulators, Partners, Public Sector institutions, Regional and International Institutions. Revisiting the strategy and re-envisioning the core of the organisation, the following stakeholder dynamics emerged and informed the current imperative of activities, new product development and are prioritised along with a stakeholder matrix in more detail in the CEO's operating plan. In the stakeholder matrix (see table below) stakeholders are categorised in terms of their respective influence in the industry and the how important it is to manage these relationships.

IMPORTANCE INFLUENCE	HIGH/MEDIUM	LOW/NOT KNOWN
HIGH/MEDIUM	<p>A These stakeholders are the most important ones for the project. The organisation must consider their interests and expectations to ensure effective coalition and support for the organisation.</p>	<p>B These stakeholders are the most important ones for the project. The organisation must consider their interests and expectations to ensure effective coalition and support for the organisation.</p>
LOW/NOT KNOWN	<p>C These stakeholders should be adequately informed about the development of the project, to protect their interest, but they only require limited monitoring and management.</p>	<p>D These stakeholders are of low priority. They require limited monitoring and management.</p>

STRATEGIES

The collective wisdom, insight and purposeful selection of the stakeholders that were engaged during the strategic session, the institute have articulated the strategic imperatives succinctly as follows. Implementation of such lies in the hand of the highest body of the Institute.

REVENUE GENERATING STRATEGY

The current revenue streams of the Institute are based on membership fees and short courses related to the RGA designation. The Institute's revenue has seen a drastic decline over recent years, and this prompted the Institute to radically revisit its core identity, re-positioning and change in its leadership. As evidenced below, the income has decreased significantly from R 16 899 390 in 2017; R 8 436 006 in 2018 and to R7 885 910 in 2019. Therefore, the Institute faces a big risk of a shutdown in the next year or two if the turnaround strategy is not realised.

31 March 2018

	Notes	2018 R	2017 R
INCOME			
Educational endeavours & activities		1 221 524	6 471 129
Examination fees		1 046 389	2 593 873
Interest received		1 788 999	1 743 558
Member's contributions		3 390 904	5 423 680
Registration fees - once off		988 190	666 150
Sundry income		-	1 000
		8 436 006	16 899 390

31 March 2019

	Notes	2019 R	2018 R
INCOME			
Educational endeavours & activities		1 205 747	1 221 524
Examination fees		183 857	1 046 389
Interest received		1 839 717	1 788 999
Member's contributions		4 272 143	3 390 904
Registration fees - once off		383 163	988 190
Sundry income		1 283	-
		2 113 369	8 436 006

The revenue strategy for the next three-year (2023) projections includes the following:

- Increasing and measuring sales monthly and quarterly (membership and courses)
- Increasing and enhancing product offering as indicated in the non-financial objectives below.
- Repositioning the organisation as a preferred partner that will attract investment and donations from other stakeholders through its offerings.
- Review of committee rates.

PROFITABILITY AND CASH FLOW STRATEGIES

SAIGA is a membership organisation and service provider of training and accreditation. The profitability measures and targets will be a standing agenda item for all EXCO meetings and that the required metrics be provided.

- Micromanagement of profitability and cash flows through competent and granular monthly reporting at EXCO level.
- Containing costs and setting a target on cost-creep.

STRATEGIES RELATED TO NON-FINANCIAL OBJECTIVES

Certification, membership and organisational capacity building

- To have the RGA designation aligned to the QCTO NQF Level 8 occupational qualification
- Repositioning or widening the offering into accounting related services (product development)
- To have more insourced capacity and contain the risk of outsourcing too many core functions

FUNCTIONAL STRATEGIES

Marketing

Through the detailed marketing strategy as an enabler, the Institute will reposition itself and its offerings.

Sales

The organisation needs to transform itself from an introverted membership and certification/training product supplier to one that actively seeks new opportunities, develops new offerings and is agile in adapting to market demands. A stratified approach by the CEO, president and a dedicated marketing/salesperson should provide quick traction on increasing sales. 'Sales' include all offerings, products and services.

Research and Development

Actively leverage synergies of the four committees of the Institute (Branding & Marketing, Education & Training, Examination Board and Disciplinary) to assist in providing EXCO and Council with other products/offering SAIGA can embark on.

Project Management

The organisation needs a culture of delivery and tight project management in creating an external focus and connecting with stakeholders.

Information Technology

The organisation is in great need for a focussed Learning Management System (LMS), like open source SAKAI (learning institutions), or Moodle (corporates) or Blackboard (most Universities), integrated on its website and its marketing strategy. The CEO has this in the operating plan – either to be insourced or outsourced.

Administrative

The job descriptions of the current salaried administrative employees need to be clarified in line with the resource strategy of the organisation, to enable the strategy and to be efficient.

RESOURCES

ORGANISATIONAL STRATEGY

Leadership

The leadership of this membership driven, and certificating institute stratifies from a member selected Council, that elects an Executive Committee, four working committees (with voluntary and some remunerated members), to the CEO, and fulltime secretariat and staff, running the affairs of providing training and accreditation courses. The organisation has a newly appointed President and Chairperson and Acting CEO (2019). This document considers their inputs and that of the Council through a strategy plan refresher session done during October 2019. The mandate of the current leadership is imperative to transform the organisation in a very short span of time, ensure its existence and increasing its viability into the future.

Talent and associated competencies, organisational structure, compensation, performance management, development, and succession

The organisation has good administrative talent but requires the staffing of core positions and/or competent outsourced partners to deliver on the strategy. The organisation needs to address the following as a matter of urgency:

- The Institute needs basic financial administration and management and a competent Accountant (internal/external) that can assist with day to day financial matters as well as budgeting, analysis, and financial management aspects of the business. Creating internal operational and tactical capacity in conjunction with solid financial support from an in house/outsourced accountant is (monthly management accounts, profitability and cashflow analysis, debtors, and creditors management) is imperative. Especially so during a season of fast paced re-alignment of the organisation.
- A competent IT and online LMS (Learning Management System) partner to effectively host the face-to-face, blended learning and online learning offerings as well as optimising the website and social media integration thereof

- The organisation needs to build internal sales capacity in the physical marketing environment to take their offerings to stakeholders. This will ensure the translation of strategic relationships (MOU's etc.), driven by the Council, Chairperson and CEO into tangible growth in new members, take up of existing courses and development of new offerings, in response to being in touch and sensitive to the needs of stakeholders.
- The organisation needs a competent, affordable PR and Marketing agency that can take its total offering, new brand, and identity to the market. Internal tactical marketing capacity needs to be put in place to execute on marketing imperatives emanating from the marketing strategy.
- The organisational structure needs to be purposeful in terms of the various offerings and functions of the organisation.
- Culture and communications – The organisation need to extrovert itself in a more purposeful manner as a more agile and customer responsive organisation.

ORGANISATIONAL STRATEGY

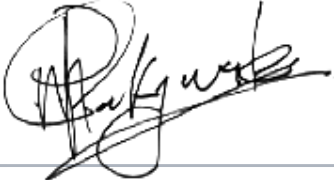


The current capital structure, capital requirements and capital allocation of this Non-Profit entity does not require any financing at this stage and has an investment in reserves. However, this interest-bearing investment should be constantly monitored for optimal return. The utilisation of this investment within the organisation should be prudently overseen by Council.

FINANCIAL FORECASTS ANALYSIS AND COMMENTARY

PROJECTED STATEMENTS OF INCOME, CASH FLOWS, AND BALANCE SHEET ACCOMPANIED BY ANALYSIS AND COMMENTARY

These metrics are available on a spreadsheet used for budgeting purposes, and the income is as mentioned above. The creation/contracting/re-contracting of financial management capacity will see these metrics being made readily available to the EXCO on a monthly/quarterly/annual basis. This will enable the CEO with quality decision management information.

The undersigned accept this strategic plan

Philip Rakgwale	President of SAIGA		26/03/2020
Name and Surname	Capacity	Signature	Date
Moipone Ramoipone	Chairperson of EXCO		26/03/2020
Name and Surname	Capacity	Signature	Date
Russel Morena	CEO		26/03/2020
Name and Surname	Capacity	Signature	Date

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