

# Annual Report

## 2021



**SAIGA**  
Developing Ethical Public Sector Professionals



[www.saiga.co.za](http://www.saiga.co.za)

# SAIGA

Developing 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 10, Ground Floor, 5 Bauhinia Street, Highveld, Centurion, 0157

**Postal address:**

PO Box 36303, Menlo Park, 0102

**NPO registration Number:**

045-133 NPO

**Financial Institutions:**

Nedbank  
StanLib

**External Auditors:**

Ramuedzisi Incorporated

**The financial statements were externally prepared by:**

JJD Auditors  
JJ Drotskie  
Chartered Accountant (SA)  
Registered Auditor

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# SAIGA

Developing Ethical Public Sector Professionals

## SECTION A:

Introduction

- About SAIGA
  - Vision and Mission
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# 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 appointed by Council.**

## VALUES

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



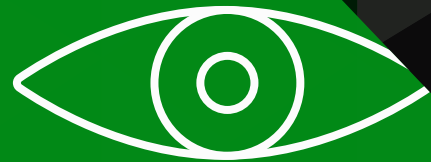
# SAIGA

Developing Ethical Public Sector Professionals

# SAIGA

Developing Ethical Public Sector Professionals

## 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.



# SAIGA

Developing Ethical Public Sector Professionals

## SECTION B:

### Reports

- CEO's Report
  - President's Report
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# CEO's Report

The year 2021 was a continuation of the transformation process for the Institute. In fact, 2021 was a year of putting together the final puzzles towards the solutions that will make the Southern African Institute of Government Auditors amongst leaders in the accountancy, auditing, and financial management professions. These final puzzles comprised of the following:

- Review of the operations and related plan to support the Council's strategic changes leading to the year 2025;
- Amendments of the Institutional documents (Constitution and By-laws);
- Amendment of the members' disciplinary policy;
- Introduction of Charter to the Council;
- Re-engineering of the Institute's offerings which included the national conference, regional conference, a new professional designation, technical support and research unit to create revenue from advertising and sponsorship;
- Strategic benchmarking process to align with other organisations; and
- A great emphasis and focus was put on stakeholder relations that will add financial value to the Institute as well as recognition of the competencies, knowledge and skills that one would get from a Registered Government Auditor professional.



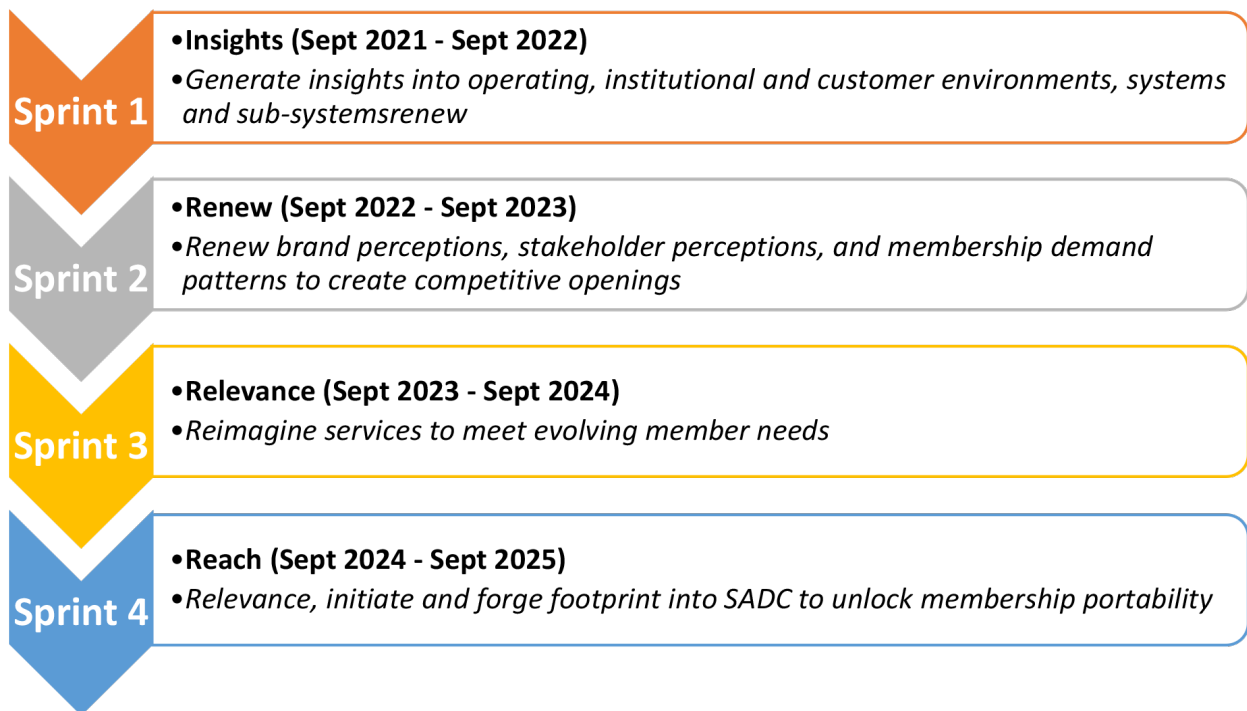
Four operational "sprints" were introduced in 2021 in accordance with the strategic realignment. **Sprint 1 (Insights)** is aligned with the implementation period "September 2021 to September 2022", with the aim of to detect and descend critical shifts within the operating landscape in a bid to relaunch itself.

**Sprint 2 (Renew)** is aligned to be implemented between "September 2022 and September 2023" to outflank the competition within the operating landscape in a bid to reclaim and define the market positioning of the Institute.

**Sprint 3 (Relevance)** is aligned with the timelines September 2023 to September 2024 to create an adaptive membership offering that possess technical leadership with the public sector landscape.

**Sprint 4 (Reach)** that will be chieved between September 2024 to September 2025 before start of 2025-2030 strategy.





## Operational performance (“Sprint 1” and 2021 initiatives)

The changes in the operational plan did not mean to be on hold the actioning of the planned 2021 operational initiatives as per the 2021-2024 Council strategy. In addition to “Sprint 1”, 14 initiatives were planned to be achieved during the year 2021 and were as follows:

- Creation of capacity in the Institute to cope with increased demand;
- Creation of capacity at the Academy to cope with increased demand;
- Accreditation of universities, and audit and accounting firms;
- Utilisation of budget effectively so that both the Institute and Academy can perform core functions effectively;
- Marketing and selling of new offerings to stakeholders;
- Utilisation of the LMS system and ensure introduction of a minimum of 4 online courses;
- Growing of membership in the Institute by 5%;
- Maintaining 2020 revenue from short courses at the Academy;
- Hosting of the 1st national conference of the Institute;
- Completing the accreditation process with the IRBA;
- Concluding MoU partnerships with new stakeholders;
- Introducing and marketing a minimum of 8 CPD courses to members;
- Development of a new certification programme (new designation); and
- Signing of an MoU with 1x professional body outside South Africa.

A total of five (5) initiatives were not achieved during the 2021 financial year in terms of the 2021 operational plan in accordance with the 2019-2021 SAIGA strategy. The creation of internal capacity at the Academy to cope with increased demand was not achieved due to financial instability of PSAAA did not allow management to fully improve human capital. However, a plan was put in place to establish a sales team that eventually put together during first quarter of 2022.

The accreditation of universities, audit & accounting firms to create long-term relations with the Institute to serve as a feeder to the RGA programme and employ trainees respectively was a non-achievement during 2021. The lengthy process of accrediting universities Institutions and inefficiencies within the Education Training & Development (ETD) function caused by lack of capacity has affected the achievement of this initiative. An action plan was put in place to speed up the process and ensure achievement of this during 2022. The audit firms that hosted 19 RGA trainees without being fully accredited forms part of a list of firms to be accredited in 2022. Capacity improvement and restructuring within the ETD function are plans management will be implementing in 2022 to address the gaps.

The Academy was not able to hold on to the similar performance of 2020 in terms of revenue from short courses. The year 2021 was the first year where the Academy had a full 12 month performance and this initiative that was not achieved. Short courses closed on R132 000 in 2020, while in 2021, the Academy recorded a dismal R97 000 (unaudited results) revenue from short courses. A turnaround plan to increase revenue in the Academy involves completion of accreditation of the training courses and the formation of the sales in 2022. All the training courses by the Academy were still in the process of accreditation during 2021.

The accreditation process with the IRBA was not concluded during 2021 as initially planned. This does not reflect as a failure during the year under review, since the process was initiated, and preliminary feedback was provided to the Institute. The remedial actions will be fully addressed during 2022 and a revised project plan was presented to the Council. It is also important to acknowledge that some factors in the IRBA process may not within the control of the Institute.

We were not able to sign an MoU with at least one (1) professional body that is based outside of South Africa. However, two (2) professional accountancy organisations (PAOs) were engaged with, one from Botswana and the other from Lesotho. An action plan is linked with the annual plan of the Africa & Global Committee (AGC) which focuses on growth of SAIGA outside of the country.

On the other hand, progress on the implementation of "Sprint 1" which started from September 2021 and to be concluded by 30 September 2022 comprised of 15 activities is on track. The completion of this "sprint" will require management to make unpopular decisions into operations, otherwise these initiatives will fail. The first phase of this "sprint" is expected to be concluded by 30 June 2022 and shall be presented to Council:

- i. Engagement with current and prospective members to create customer journey mapping;
- ii. Engagement with strategic partnerships: Business Development;
- iii. Improve front-end experience of membership digital engagement;
- iv. Rebranding of SAIGA;
- v. Introduction of public sector qualifications recognised by the IRBA and training courses with private firms which will lead to value proposition for SAIGA's current and prospective members;
- vi. Internal organisational development to ensure competitive capacity building;
- vii. Generate insights into operating, institutional and customer environments, systems and sub-systems;
- viii. Renew brand perceptions, stakeholder perceptions and membership demand patterns to create competitive openings;



- ix. Reimagine services to meet evolving member needs;
- x. Initiate and forge a footprint into the SADC to unlock membership portability;
- xi. Increase employability of members of the Institute;
- xii. Develop new designations within the public sector;
- xiii. A clear plan and structures need to be put in place to assist with increasing membership numbers;
- xiv. Provide for different classes of membership (student, associate, technical, professional and general); and
- xv. Ensure membership portability cross-institutional, regionally and internationally.

## Comparative financial analysis of 2020 vs. 2021.

A detailed financial review is presented in the financial section of this integrated annual report, while the President's report provides an overall summary. Therefore, my analysis focuses on the comparison of income, expenditure, office furniture and other equipments as well as trade payables and receivables.

	2020	2021	Difference
<b>Office furniture and electronic equipment</b>	<u>54 947</u>	<u>176 733</u>	<u>121 786</u>
- Cost	475 851	653 765	177 914
- Accumulated depreciation	(420 904)	(477 032)	(56 128)
<b>Trade and other receivables</b>	<u>3 472 972</u>	<u>747 949</u>	<u>2 764 384</u>
- Membership fees receivable	1 212 310	708 588	503 722
- VAT receivable	121 811	12 236	109 575
- Provision for bad debts	(888 348)	((611 507))	(276 841)
- FASSET employment receivable	100 000	1 250 000	1 150 000
- Management fees receivable from PSAAA	168 233	1 914 216	1 745 983
- Interest receivable	33 943	196 863	162 920
- Other receivables	-	2 576	2 576
<b>Deposits</b>	72 000	72 000	-
<b>Accumulated reserves</b>	27 440 169	27 133 279	-306 890
<b>Trade and other payables</b>	<u>199 688</u>	<u>874 677</u>	<u>(674 989)</u>
- Accounts payable	20 770	689 979	669 209)
- Payroll liabilities	178 918	153 972	24 946
- Income received in advance	-	30 727	-
<b>Income</b>	7 665 513	7 969 350	303 837
<b>Expenditure</b>	(7 756 998)	(8 594 588)	(837 590)

The overall financial performance of the Institute in 2021 in terms of income has slightly improved when comparing with 2020 from R7.6 million to R7.9 million. The income has improved by 3.9%. The value of our accumulated reserves have slightly decreased from R27,4 million in 2020 to R27.1 million by 31 December 2021.

The value of the Institute's office furniture and electronic equipment has increased from R54 thousand to R176 thousand. This is due to increase in the utilisation and allocation of IT infrastructure. The notable concerning financial performance is around the expenditure which has increased from R7.7 million in 2020 to R8.5 in 2021. While the repositioning of the Institute.

## ▀ The year 2022 ahead

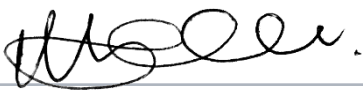
We predict that the year 2022 will be a busy period for SAIGA once again! We will be expected to push for full implementation of "sprint 1" by 30 September 2022 and immediately begin the rolling out of "sprint 2" in terms of the revised 2021-2024 strategy. The management will be expected to conclude key strategic partnerships with supreme public sector organisations and key departments that are mandated in the areas which are aligned to the existence of SAIGA.

- The launch of the Institute's technical magazine in July 2022.
- The second SAIGA National Conference which will be hosted from 13-14 September 2022.
- The completion of the remedial actions with the IRBA by 30 June 2022, and constant engagement with the IRBA until the process is officially confirmed to be completed.
- Full implementation of "sprint 1" initiatives in the 2021-2025 strategy, involving complete reconfiguration of processes, systems, human capital and making necessary adjustments.
- The outcome of "sprint 1" will pave the way for the start of "sprint 2", which will ensure that the Institute is able to outflank the competition within the operating landscape to reclaim and define the market positioning of the Institute.
- Comprehensive rebranding of SAIGA, rebranding of offerings i.e. advertising income, new designations to attract more public sector professionals and increase membership.
- Completion of the accreditation and recognition of identified university programmes and qualifications.
- Finalisation of training offices with audit & accounting firms to become official SAIGA accredited employer organisations.

I would like to thank the SAIGA team for their contribution to the growth of the Institute during 2021 and assure them that the year 2022 will be the toughest year. To the members of Institute, there is more still to be done to uplift this organisation and the RGA brand.

### Chief Executive Officer

Mr Russel Morena (CHRP, MBA)



**SAIGA**  
Developing Ethical Public Sector Professionals

# President's Report



## President's Overview

**“As we constantly re-set, re-adjust, re-start, refocus our strategy in order to make the organisation a leader in the sector and industry, we are well aware that we are planting trees that we might not sit under its shades or eat its fruits hence vision 2030 is meant to benefit the current and future generations to come”.**

This year the President of the Institute, Mr. Phillip Ragwale would like to report to the members of the Southern African Institute of Government Auditors with the focus on the reflection on the below:

- 2019-23 strategic philosophy (Achievements).
- 2021 Strategic achievements and actions plans for the future.
- Stakeholder strategic partnerships including potential ones. i.e. ABASA, SALGA, restructuring of SAIGA. i.e. establishment of PSAAA,
- Restructuring of SAIGA. i.e. establishment of PSAAA, restructuring of Committees and the organizations.
- Regional committees.
- Strategic plans until 2025.
- strategic plans from 2025 to 2030.
- 2021 National conference feedback.

## 2021 strategic achievements and non-achievements

In 2021, upon the appointment of new Council in April 2021, there was a strategy review that resulted in the adjustments to the strategic focus areas of 2020-2024. However, the report by the President provides achievement and non-achievement based on the initial 2020-2024 strategy and 2021 refocused areas. The internal functioning of the Institute towards self-sustainability was achieved within SAIGA and PSAAA as newborn baby for SAIGA, still depends on the institution with prospects of future success.

The accreditation and recognition of university programmes and qualifications by the Institute is currently in progress due to the lengthy process followed in the accreditation of institutions. Thought the accreditation of audit and accounting firms by the Institute still in progress, there are nine firms that hosted 19 SAIGA trainees during 2021. The firms are part of the 2022 working with the Institute to be formally accredited.

Marketing of the Institute, building and operationalising an integrated online learning management system (LMS) and integrated marketing were part of the great achievements during 2021. The LMS is fully functional and utilised by the academy. Marketing, promotion and selling of the Institute's offerings has increased resulted in the increase in exams utilisation, new membership increases, national conference hosted for the first time in 2021 and recorded 191 attendees.



Membership grew by 10.6%, which shows an improvement when comparing with 2020. The concerns remain with the academy on short courses which recorded R97 000 revenue when comparing with R147 000 during 2020. The challenges with the academy have been around the courses not accredited by the end of 2021. The accreditation of the short courses that are linked with the public sector auditor qualification will be a great deal for the academy in 2022.

The accreditation process with the Independent Regulatory Board for Auditors (IRBA) which is a key strategic focus was initiated in 2021 with the official application submitted in July. The IRBA process is continuing during 2022 addressing remedial actions as presented to the Institute by the officials of IRBA. The national conference of SAIGA, another strategic initiation was for the first time launched to the members and to the public to contribute to new knowledge and skills to members and subsequently assist in the diversification of revenue.

The key strategy in supporting members through various continuous professional development (CPD) programmes to execute their functions and to remain relevant has been improvements during 2021. Most of our members are still not utilising CPD courses provided by PSAAA, but notable improvements were experienced by the Institute in the attendance of CPD webinars. A total of 140 attendees per quarter attended the Institute's webinars during 2021.

A new professional designation focusing on performance audit (i.e. with focus on financial and non-financial professionals (i.e. Engineers, doctors) , a first of its own in the market, that is linked to the strategic focus and also an accounting designation in order to "certify public sector financial practitioners" they were both structured and concluded in 2021. The new designations aimed at increasing membership of the Institute are in the final phase of the process with the South African Qualifications Authority (SAQA).

The exploration of the opportunities on the African continent through partnerships and collaborations is one strategy focus area that was introduced during 2021. The introduction of Africa and Global Committee (AGC) was introduced by the Council to expedite this strategy. Engagements and discussions with possible partners outside South Africa were held, but no MOUs were signed by the 31st of December 2021. One of key tasks that the AGC is expected to achieve is guidelines to assist SAIGA when targeting organisations and research countries which will provide opportunities to grow the Institute.

2019 Challenges	2019 – 2023 Key Activities (KPI)	Achievements
<ul style="list-style-type: none"> <li><b>Declining revenue and membership.</b></li> </ul>	Revenue enhancement strategy.	Establishment of PSAAA, New membership classes, National Conference, Webinars, training and new courses.
<ul style="list-style-type: none"> <li><b>GASP Programme not recognized by SAQA, as it had expired and no progress on the public sector qualification.</b></li> </ul>	Public sector qualification (2019-21).	Completed in the beginning of 2021.

<ul style="list-style-type: none"> <li>• <b>AGSA RGA Training scheme being put on hold due to legacy matters.</b></li> </ul>	Reintegration into AGSA Trainee Programme (2019-21).	New MOU completed, awaiting sign-off.
<ul style="list-style-type: none"> <li>• <b>Private firms not accredited, only AGSA.</b></li> </ul>	Accrediting the Private firms to be trainee offices.	Private firms already in progress of accreditation, some have signed up.
<ul style="list-style-type: none"> <li>• <b>The programme for training outside AGSA was not in place.</b></li> </ul>	TOPP Programme with Government (2019-21).	MOU with SALGA completed which will see traineeship in Metros and accreditation of private firms.
<ul style="list-style-type: none"> <li>• <b>No MOU's or working relationships with other professional bodies.</b></li> </ul>	Internal Auditors and Public Accountant integration into SAIGA (2019-22). (2019-22 Recognize the membership forum i.e. ABASA or equivalent. Integration with other Professions into SAIGA.	SAIPA, IIA Members are completed.  Signed MOU with SAIPA, ABASA, currently SAIGA sits in the ABASA Council. MOUs with ACFE, SAIPA, ISACA.
<ul style="list-style-type: none"> <li>• <b>No SAIGA Conference and Seminars.</b></li> </ul>	SAIGA Conference and Seminars (2021-23).	National Conference and numerous webinars and ABASA women conference were accomplished last year.
<ul style="list-style-type: none"> <li>• <b>No initiative to have IRBA Recognition.</b></li> </ul>	ABASA or equivalent. IRBA Recognition (2021).	SAIGA has submitted to IRBA received feedback, and currently in the process to finalization.

## Stakeholder strategic partnerships

The 2021 year recorded key partnerships with various organisations to ensure that the Institute grow membership and monetise these relationships. Partnership with ABASA (Association of Black Accountants of Southern Africa) on various professional development programmes, information sharing and participation in committees and representation of the Institute in the Board of ABASA forms part of the MoU with the organisation. As part of the MoU, we were granted two (2) seats in the ABASA Council and the public sector pillar is headed by SAIGA under the leadership of Sisonke Mvubu, SAIGA member and 2021 Chairperson of Eastern Cape. An MoU with the Accounting Standards Board (ASB) was signed to focus on technical research, scientific research, value-add benefit to the Institute's CPD programmes, and other projects. The partnership with ASB is very instrumental to the establishment of the Institute's research unit to be launched during 2022.

A partnership with Afrosai-E also signed during 2021 to focus on exploring opportunities to offer public sector auditor qualification through the SAIGA academy outside SA countries, contribution to technical research and new knowledge, and hosting of CPD events as well as sharing of information and standards. The Institute also signed an MoU with ISACA, the South African Chapter aimed at recognising each other's professional designations, qualifications, co-operation on other matters of mutual interest, research, publications, training, events, and knowledge sharing.

The Institute have started engagements to sign other strategic partnerships with CoGTA, Construction Sector Charter Council, Eastern Cape Province, Engineering Council of South Africa, Good Governance Africa, IASA, Investec Bank, Lesotho Institute of Accountants, National School of Government, National Treasury, PAFA, SALGA and The Information Regulator (South Africa) by the end of December 2021. Strategic partnerships are key in the growth of SAIGA, and plans are put in place to conclude the majority of the pending MoUs during 2022.

## Restructuring of SAIGA

The restructuring project of the Institute continued during 2021 with key amendments in the Constitution, By-laws, disciplinary policy, and introduction of Council Charter. These changes were influenced by the need to align with governance and provide support to management in the implementation of the strategy. The amendments were due to for approval by members of the Institute during the first quarter of 2022. The composition of EXCO was amended to exclude members of Council to ensure no interference on operational matters and to comply with corporate governance.

During 2021, the Council also introduced new committees i.e., Africa & Global Committee, Audit & Risk Committee, University & Tertiary Committee which was then merged with the Education & Training Committee to form Education & Professional Development Committee, Regional Chairs Committee. A technical committee and Remuneration and Human Resource Committee will be introduced during 2022.

## Strategic plans until 2025

The ongoing COVID-19 pandemic has ushered in a new paradigm to which SAIGA had to align the 2019-2024 strategy. The SAIGA strategic plan for the period 2019 to 2024 sets out the aspirations over the medium term and highlighted the challenges faced by the institute which poses an immediate risk to the future and continued financial viability. Further reflection on the same reveals that:

1. The repositioning of the SAIGA to focus on both auditing and accounting disciplines within the public sector.
2. Building strategic partnerships that will position SAIGA as the preferred professional body to serve the public interest.
3. Building capacity within the broader public sector environment and expanding the institute's presence within the SADC region.
4. For SAIGA to be the springboard for public sector financial management capacity creation into Africa.
5. Building strategic partnerships and to monetise these relationships with the relevant professional qualification and membership benefits.



Therefore, during 2021 there was a need to determine following an assessment of the competitive landscape that the five functional areas that would drive the institute's strategic evolution between 2021 and 2025 should be as follows:

- Membership administration, development, and promotion.
- Technical research into the accounting and auditing profession within the public sector.
- Strategic partnerships with both the public and private sector.
- Revenue enhancement to ensure financial sustainability.
- Innovation and future skills development.

Over the next three years, the focal areas of SAIGA will largely be undergirded by its ability to capacitate the organisation in a technical-centric approach that seeks to ensure that the Institute renew brand perceptions, stakeholder perceptions and membership demand patterns to create competitive openings; reimagine services to meet evolving member needs; and initiate and forge a footprint into the SADC to unlock membership portability.

The Institute has been for too long depending on the Auditor-General South Africa being a key partner that is able to drive its performance in terms of acquisition of members, training and development, and revenue generation. This narrow focus has meant that other professional bodies have taken up the public sector orientation wherein SAIGA has failed to demonstrate operating capacity. It was therefore prudent that the institute aligns itself to the environment by seeking to:

- Increase employability of members
- Develop new designations within the public sector, and
- Increase footprint and influence within the SADC region and the greater African Continent.

## Strategic plans from 2025 to 2030

The development of the Institute's 2025-2030 strategic plan follows the adoption of the four strategic sprints fully detailed in the previous section (2021-2024), wherein the Institute underwent an exercise to realise the following strategic areas:

- Increasing the value proposition to its members
- Increasing membership numbers
- Instituting new strategic partnerships
- Enhancing the revenue generation capability
- Adopting innovative practices to ensure that SAIGA operates in an efficient and effective manner

The changes in the operating landscape such as Public Financial Management Systems, the future of work (capabilities/future skills), technological changes, and the advent of the fourth industrial revolution beginning to gather momentum as society begins to adopt the use of emerging technologies to augment the way people undertake their daily life are other contributing factors that the plan for 2025 to 20230 needs to start now. There will be amendments on the vision of the Institute to reflect a focus on advancement of capacity building and accountability in the public sector.

Partnership with the public sector to ensure a sustained social impact in the lives of ordinary citizens. The strategic objectives for the period 2025 – 2030 will be:

- To promote a technologically integrated public sector financial & administrative system within Africa and globally.
- To lead in the provision of technical insights into digitally enabled public finance administration in Africa and globally.
- To demonstrate proficiency in the development of public sector accounting and auditing professionals who have a high level of integrity.
- To advocate for agile regulations and standardisation of public sector accounting and auditing standards for Africa and globally.

The strategic focus areas of the Institute 2025 comprise of Sprint 5: Rescale ('2025-'2027), focusing on sustainability strategy and Africa public sector dominance; Sprint 6: Re-invent ('2027-'2028), focusing on replanting and new harvest strategy and global public sector impact; and Sprint 7: Respond ('2028-'2030), ensuring that the replanting and new harvest strategy and global public sector impact is intact.

## Highlights of the year

The introduction of the first SAIGA National conference since the establishment of the Institute was made during 2021. The first SAIGA annual conference set a benchmark of 191 attendees, which will be a base for 2022 year. The 2022 national conference is expected to show improvements from 2021 and positively contributes to the revenue of SAIGA.

### 2021 registrations and results of the Government Auditing Specialism Programme and Qualifying Examination for Registered Government Auditors.

#### Government Auditing Specialism Programme (GASP)

##### GASP Registration (2020 vs. 2021)

	2020 Candidates	2021 Candidates
Repeat candidates	4	23
First time candidates	20	70
<b>Sub-total</b>	<b>24</b>	<b>93</b>
Male	17	25
Female	7	68
<b>Main total</b>	<b>24</b>	<b>93</b>

## GASP Assessments – Competent Candidates (2020 vs. 2021)

	2020 Candidates	2021 Candidates
Repeat candidates	3*	5
First time candidates	7*	9
<b>Sub-total</b>	<b>10*</b>	<b>14</b>
Male	7*	4
Female	3*	10
<b>Main total</b>	<b>10*</b>	<b>14</b>
<b>Pass Rate</b>	<b>42%*</b>	<b>15%</b>

## Qualifying Examination for Registered Government Auditors (RGA QE)

### RGA Qualifying Exams Registration (2020 vs. 2021)

	2020 Candidates	2021 Candidates
Repeat candidates	6	2
First time candidates	3	6
<b>Sub-total</b>	<b>9</b>	<b>8</b>
Male	4	3
Female	5	5
<b>Total</b>	<b>9</b>	<b>8</b>

### RGA Qualifying Exams Assessments – Competent Candidates (2020 vs. 2021)

	2020 Candidates	2021 Candidates
Repeat candidates	3	1
First time candidates	2	3
<b>Sub-total</b>	<b>5</b>	<b>4</b>
Male	1	2
Female	4	2
<b>Main total</b>	<b>5</b>	<b>4</b>
<b>Pass Rate</b>	<b>56%</b>	<b>50%</b>

## SAJAAR Volume 23 of 2021

The Southern African Journal of Research and Accountability and Auditing Research (SAJAAR) Volume 23 was published on the 1st of December 2021. SAJAAR is a way of the Institute to contribute to the development of accountability and auditing profession. SAJAAR promotes and provides a platform for publication of scientific research in the field of auditing and accounting with an emphasis on various areas in accounting, financial management, auditing, and related disciplines.

The 2021 edition of SAJAAR covers topics such as “Deficiencies in the external auditing standards to address IT control risk: A GAP analysis with future research opportunities and recommendations, surprise fraudsters before they surprise you: A South African



telecommunications case study; the impact of mandatory audit firm rotation on the ability of directors to discharge their statutory duties; Cyber-security awareness of South African state-mandated public sector organisations; a framework for financing public economic infrastructure in Zimbabwe; audit market concentration within the South African listed market: an industry perspective". Access to the SAJAAR journals can be made by clicking here <https://journals.co.za/journal/sajaar>.

## Financial overview

A detailed financial performance of the Institute is presented in a different section of this integrated report and the CEO's report also provides some highlights of 2021 performance. Our business model is mainly financed by membership contributions and related activities. In my report I would like to present a summary of the past 5 financial reports from 2018 to date, and it is presented as follows:

	Change % Dec 2020/ Dec 2021	31 Dec 2021 (R'000)	31 Dec 2020 (R'000)	31 Dec 2019 (R'000) <i>Restated</i>	31 Mar 2019 (R'000)	31 Mar 2018 (R'000)
<b>Net income from activities initiated by the Institute</b>	3.8↑	7,969	7,665	1,906	7,885	8,436
<b>Individual and corporate membership contributions</b>	-5.39↓	4,039	4,257	(198)	4,272	3,390
<b>Investment income</b>	28.6↓	1,087	1,398	1,460	1,839	1,788
<b>Total expenditure</b>	9.7↑	8,594	7,756	4,670	7,163	6,065
<b>Taxation</b>	-	-	-	568	(421)	(704)
<u>Sub-total</u>	85↑	(625)	(91)	(2,196)	301	1,665
<b>Total accumulated funds</b>	1.1↓	27,133	27,440	27,464	29,831	29,529
<b>Represented by assets:</b>						
<b>Office furniture and electronic equipment</b>	21.4↑	224	176	85	85	135
<b>Investments</b>	15.8↓	21,224	24,588	26,272	25,015	24,156
<b>Net current assets (liabilities)</b>	-77.2↑	874	199	17	596	573
<u>Total assets</u>	<u>1.3↑</u>	<u>28,007</u>	<u>27,639</u>	<u>27,443</u>	<u>29, 831</u>	<u>29, 529</u>

## SAIGA Budget 2022

### Projected expenditure

Projected expenditure	2022 (R)
<b>Accounting Fees</b>	10 000
<b>Audit Fees</b>	110 000
<b>Advertising &amp; Marketing</b>	800 800
<b>Bank Charges</b>	18 860
<b>Computer Expense</b>	295 240
<b>Committee Fees</b>	502 548
<b>Regional Events</b>	180 000
<b>Postage, Delivery &amp; Courier cost</b>	24 275
<b>Depreciation</b>	88 873
<b>Donations: Annual RGA Top 5 Awards</b>	24 000
<b>Donations: Prizes &amp; Awards</b>	24 000
<b>Entertainment &amp; Event Expenses</b>	65 000
<b>General Expenses</b>	15 000
<b>Insurance</b>	25 092
<b>Printing &amp; Stat.</b>	22 000
<b>Consulting</b>	50 000
<b>Professional Fees and Services</b>	114 216
<b>SAJAAR Expenses</b>	22 500
<b>Rent</b>	658 257
<b>Team Building</b>	50 000
<b>Repairs &amp; Maint.</b>	7 000
<b>Salaries &amp; Wages</b>	4 047 164
<b>Security</b>	9 993
<b>Staff wellness and refreshments</b>	42 000

<b>Telephone &amp; Fax</b>	28 790
<b>Travel &amp; accommodation</b>	150 000
<b>Training</b>	80 000
<b>Total</b>	<b>7 465 608</b>

### Projected income

Projected income	2022 (R)
<b>Membership fees</b>	4 549 691
<b>Webinars</b>	25 000
<b>RGA Examination fees</b>	313 043
<b>GATE Fees</b>	118 800
<b>RGA Once off joining fees</b>	50 000
<b>Conference</b>	477 736
<b>SAJAAR Income</b>	74 000
<b>SAIGA Journal</b>	130 000
<b>Interest Received</b>	1 088 000
<b>Income Sundry</b>	12 500
<b>FASSET Employment Grant</b>	402 000
<b>Total</b>	<b>7 240 770</b>

## Fee Structure 2022

The Council of SAIGA have approved a market related percent fees increase for 2022 in all membership categories. The fees are increased by 5% and are detailed as follows:

	2022 (R)	2021 (R)	2019 (R)	2019 (R)	2018 (R)
<b>RGA fee</b>	7930	7552	7124	7124	6726
<b>RGA once off fee to join</b>	7000	7000	7000	7000	7000
<b>Corporate members (large) annual subscription</b>	5000	4446	4446	4446	4446
<b>Corporate members (small) annual subscription</b>	1710	1710	1710	1710	1710
<b>Graduate member</b>	3360	3200	3000	3000	3000
<b>Trainee auditor once off fee to join</b>	1000	1000	2000	2000	2000
<b>Trainee auditor assessment GATE submission</b>	1000	1000	1000	1000	1000
<b>RGA QE Fee</b>	10000	10000	10000	10000	10000
<b>Associate member</b>	5017	4778	-	-	-
<b>Affiliate member</b>	2800	2800	-	-	-
<b>Retired member</b>	3964	3776	7124	7124	6726
<b>Student member</b>	200	200	-	-	-
<b>Honorary member</b>	-	-	-	-	-

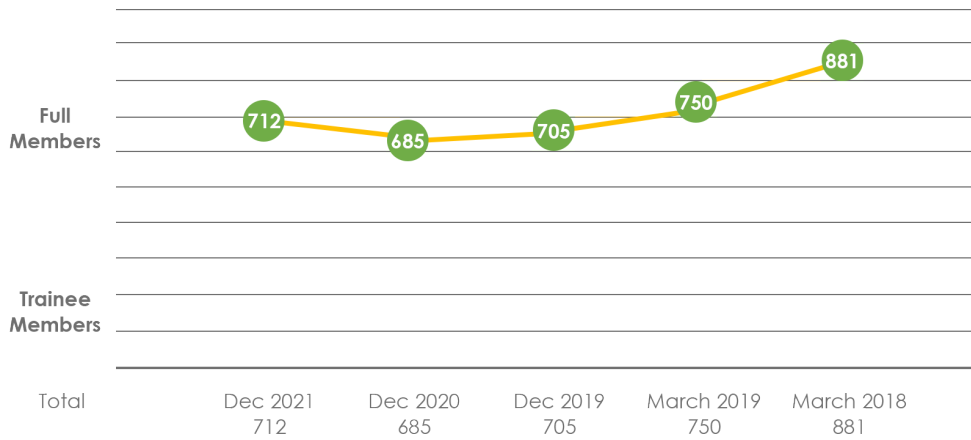
## Membership growth

The overall membership growth for the period ending 31 December 2021 vs. 31 December 2020 shows that overall membership has grown by 3.8%. The number of practicing RGAs decreased from 607 in 2019 to 561 in 2020, which is a 7.6% drop. Retired members, honorary members and graduate members also saw a decrease. With a significant increase in Associate members of 29.7% from 22 to 74 and Student members grew by 18 members, from 2 in 2020. Due to the communications and marketing efforts.

Members by category	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Mar 2019	31 Mar 2018	31 Mar 2017
<b>RGA's</b>	561	607	595	604	581	541
<b>Retired members</b>	4	5	5	0	0	0
<b>Graduate members</b>	45	82	78	94	162	334
<b>Honorary members</b>	6	7	7	7	7	6
<b>Associate members</b>	74	22	-	-	-	-
<b>Affiliate members</b>	1	0	-	-	-	-
<b>Student members</b>	20	2	-	-	-	-
<b>Corporate members</b>	1	0	-	-	-	-
<b>Total</b>	<b>712</b>	<b>685</b>	<b>705</b>	<b>750</b>	<b>881</b>	<b>753</b>

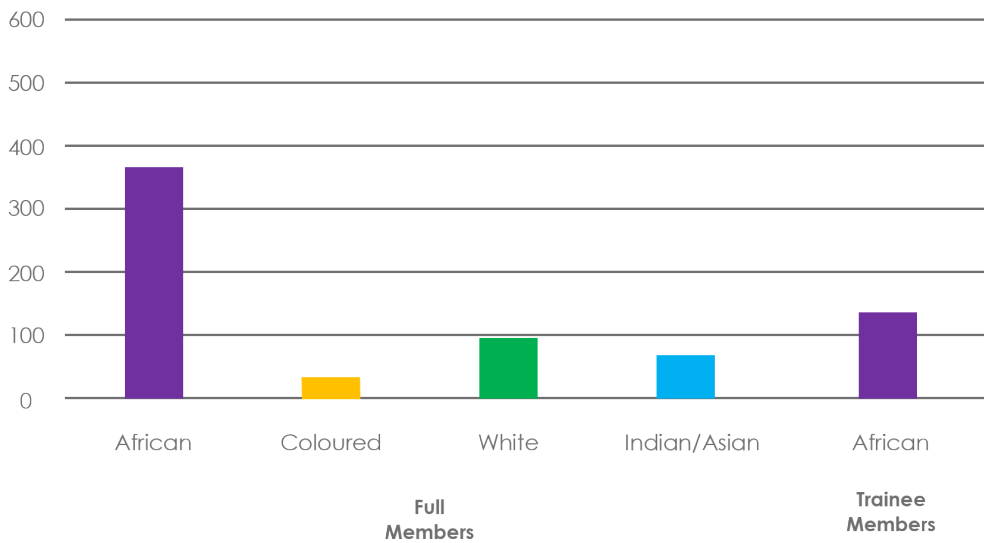


### SAIGA Membership 2018-2021



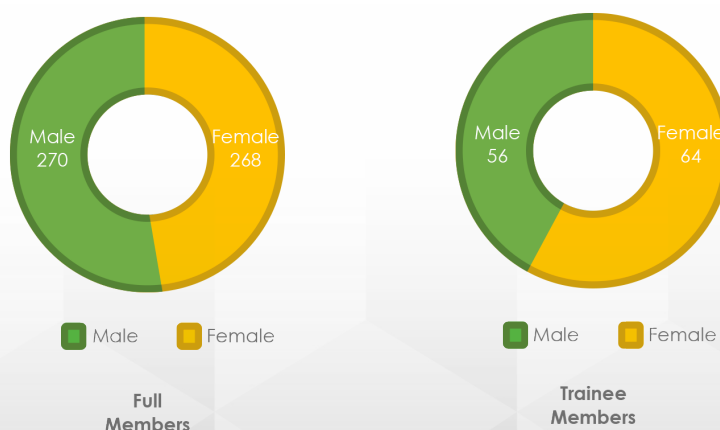
The Institute has maintained consistency in the number of members by race. The notable achievement is in terms of transformation whereby SAIGA remains to be one of the most transformed professional bodies in respect of designated groups and gender representation.

### SAIGA Membership by Race 2018-2021



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

### SAIGA Membership by Gender 2018-2021



Marketing Plans to Grow Membership (main point - matching the challenges label)

The following strategies are being put in place to increase our membership numbers and keep our current members engaged:

- Email marketing, SEO and social media strategies.
- Thought leadership activities that include webinars and workshops focusing on relevant topics.
- Collaborations with complementary organisations to increase our audience and reach.
- We plan to run targeted promotional campaigns specifically highlighting membership benefits.
- There are long term plans to look at a referral program to encourage current members to promote SAIGA in their networks.
- Enhancement of the CRM system to improve member experience.

## The year ahead

We will be accelerating our initiatives in 2022! We will be expected to push for full implementation of "sprint 1" by 30 September 2022 and immediately begin the rolling out of "sprint 2" in terms of the revised 2021-2024 strategy.

The main priorities are as listed below:


- Improving the membership value proposition and service, so that our members can get value for money.
  - By restoring pride in the Member's of the Institute
  - DPSA acknowledgement of the RGA designation
  - Finalising registration of the Institution as a recognised controlling body with SARS
- Driving all the strategic partnerships locally and globally, including accreditation of firms and universities and deriving benefits from the existing relationships.
- Monitoring the IRBA accreditation.
- Improving on the financial sustainability of the organisation.
- Positioning the institute as a technical repository and advisor for the public sector.
- Continuing with the repositioning, brand presence and driving inclusivity agenda in the industry (SAIGA and its members should be recognised by all role players).
- Strengthening and solidifying our regional committees.
- Ensuring that the public sector academy is capacitated and sustainable.
- Concluding and firmly implement our 2030 vision for the institution.

## Conclusion

***"Our focus remains to be relevant to the auditing and accounting profession within the public sector, in order to ensure that we are influential in assisting public sector in terms of the elimination of corruption and contributing to capacity building. The main aim is to ensure that there is better financial management in the public sector thereby improving the lives of ordinary citizens".***

**President of SAIGA**

Philip Rakgwale



**SAIGA**  
Developing Ethical Public Sector Professionals

# SAIGA

Developing Ethical Public Sector Professionals

## SECTION C:

### Financials

- Management responsibility
  - Auditor's Report
  - Council's Responsibilities and Approval
  - Practitioner's Compilation Report
  - Financial Statements
-

## Management responsibility and approval of the audited financial statements

The management have pleasure in submitting their report on the annual financial statement of the Southern African Institute of Government Auditors for the year ended 31 December 2021. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with entity specific basis of accounting.

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 14 April 2022.
- 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 is 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 Ramuedzisi 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 have 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 Ramuedzisi 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.

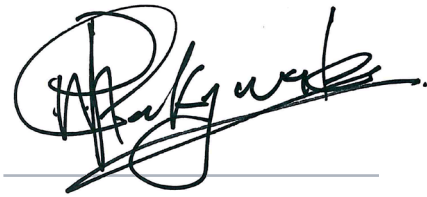


**Mr Russel Morena (CHRP, MBA)**

Chief Executive Officer

# SAIGA

Developing Ethical Public Sector Professionals



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

President of SAIGA

# SAIGA

# Auditor's Report

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To the members of the Southern African Institute of Government Auditors

## Our Opinion

We have audited the annual financial statements of Southern African Institute of Government Auditors set out on pages 8 - 18, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Southern African Institute of Government Auditors as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act 71 of 2008.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report.

We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

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

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



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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 Executive Committee for the Annual Financial Statements

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

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

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

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional 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 Committee.
- Conclude on the appropriateness of the Committees' 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

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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.

We communicated with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit



**Ramuedzisi Incorporated**

23 May 2022

**Per: Denga Ramuedzisi**  
**Registered Auditor**

# SAIGA

## **COUNCIL'S RESPONSIBILITIES AND APPROVAL**

on the annual financial statements for the year ended

**31 DECEMBER 2021**

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The Council is required by the constitution of the institute to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the institute as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the institute and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council 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 with a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

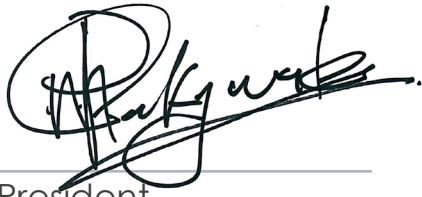
These controls are monitored throughout the institute and all employees are required to maintain the highest ethical standards in ensuring the institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the institute is on identifying, assessing, managing and monitoring all known forms of risk across the institute. While operating risk cannot be fully eliminated the institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Council have reviewed the institute's cash flow forecast for the year ended 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the institute has access to adequate resources to continue in operational existence for the foreseeable future.

The auditor is responsible for auditing and reporting on the institute's financial statements. The financial statements have been examined by the institute's auditor and his report is presented on page 4.

The financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, will be submitted for approval by the Council on **20 May 2022** and were signed on its behalf by:



\_\_\_\_\_  
President

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SAIGA





**JJD AUDITORS**

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

Tel: 082 225 9422 ■ Email: [jaco@jjd-auditors.co.za](mailto:jaco@jjd-auditors.co.za) ■ Website: [www.jjd-auditors.co.za](http://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 year ended

**31 DECEMBER 2021**

### **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 information provided by management. 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 at 31 December 2021.

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 International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SME's") 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

**Jaco Johan Drotskie**

Chartered Accountant (SA) Registered Auditor

**14 April 2022**

## STATEMENT OF FINANCIAL POSITION

As at  
31 DECEMBER 2021

	Notes	2021 R	2020 R
<b>ASSETS :</b>			
<b>NON-CURRENT ASSETS</b>			
		24 248 752	26 765 215
Office furniture and electronic equipment	3	224 470	176 733
Investments at registered financial institutions	4	21 224 282	24 588 482
Other financial assets	5	2 800 000	2 000 000
<b>CURRENT ASSETS</b>			
		3 759 204	874 642
Trade and other receivables	6	3 472 972	747 949
Cash and cash equivalents	7	214 232	54 693
Deposits	8	72 000	72 000
<b>TOTAL ASSETS</b>		<b>28 007 956</b>	<b>27 639 857</b>
<b>EQUITY AND LIABILITIES :</b>			
<b>EQUITY</b>			
Accumulated reserves		27 133 279	27 440 169
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	874 677	199 688
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28 007 956</b>	<b>27 639 857</b>

## STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

for the year ended  
**31 DECEMBER 2021**

	Notes	2021 R	2020 R
<b>INCOME</b>		7 969 350	7 665 513
Annexure A			
<b>EXPENDITURE</b>			
Annexure B		<u>(8 594 588)</u>	<u>(7 756 998)</u>
<b>DEFICIT BEFORE TAXATION</b>		(625 238)	(91 485)
<b>TAXATION</b>	10	<u>-</u>	<u>-</u>
<b>NET DEFICIT FOR THE YEAR</b>		(625 238)	(91 485)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(625 238)</u></u>	<u><u>(91 485)</u></u>

## STATEMENT OF CHANGES IN EQUITY

for the year ended

**31 DECEMBER 2021**

	Notes	Accumulated reserves R
<b>BALANCE AT 1 JANUARY 2020</b>		27 493 262
Prior year difference	12	38 392
Total comprehensive deficit for the year		<u>(91 485)</u>
<b>BALANCE AT 1 JANUARY 2021</b>		27 440 169
Prior year difference	12	318 348
Total comprehensive deficit for the year		<u>(625 238)</u>
<b>BALANCE AT 31 DECEMBER 2021</b>		<u><u>27 133 279</u></u>



## STATEMENT OF CASHFLOWS

for the year ended

31 DECEMBER 2021

	Notes	2021 R	2020 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		(2 287 908)	226 329
Cash receipts from customers		4 173 469	5 644 332
Cash paid to suppliers and employees		(7 549 022)	(6 816 292)
Cash (utilised in) / generated from operating activities		(3 375 553)	(1 171 960)
Interest received		1 087 645	1 398 289
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		2 447 447	(493 518)
Movement in investments		3 364 200	1 684 396
Movement in other financial assets		(800 000)	(2 000 000)
Office furniture and electronic equipment acquired		(116 753)	(177 914)
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		159 539	(267 189)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		54 693	321 882
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	7	<b>214 232</b>	<b>54 693</b>
<b>Notes to the statement of cashflows</b>			
Cash (utilised in) / generated from operating activities			
Net deficit before taxation		(625 238)	(91 485)
Adjustments for:			
- Investment income		(1 087 645)	(1 398 289)
- Depreciation		69 016	56 128
- Impairments of assets		-	597 184
- Non cash items: Prior year adjustment		318 348	38 392
		(1 325 519)	(798 070)
Movements in working capital:			
- Movement in accounts receivable and deposits		(2 725 023)	(555 670)
- Movement in accounts payable		674 989	181 780
		<b>(3 375 553)</b>	<b>(1 171 960)</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended

**31 DECEMBER 2021**

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### 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 International Financial Reporting Standards for Small and Medium-sized Entities. 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.

All other income for the current financial year are recorded as income on the accrual basis of accounting

#### 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 may be expensed in the year of purchase.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the year ended

**31 DECEMBER 2021**

### **2.2 Fixed assets - continued**

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

### **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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the year ended

**31 DECEMBER 2021**

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### **2.4 Financial instruments - continued**

#### *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.

### **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.

#### *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 year ended

**31 DECEMBER 2021**

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### **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 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 year ended  
31 DECEMBER 2021

	2021 R	2020 R
<b>3. Office furniture and electronic equipment</b>		
Carrying value beginning of the year	176 733	54 947
- Cost	653 765	475 851
- Accumulated depreciation	(477 032)	(420 904)
Movements during the year	47 737	121 786
- Additions	116 753	177 914
- Depreciation	(69 016)	(56 128)
Carrying value end of the year	<b>224 470</b>	<b>176 733</b>
- Cost	770 518	653 765
- Accumulated depreciation	(546 048)	(477 032)
<b>4. Investments at registered financial institutions</b>		
<i>Carrying values at the end of the year</i>		
Standard Bank Money Market Fund - Stanlib	16 749 049	16 096 956
Nedbank Moneytrader	4 475 233	8 491 526
	<b>21 224 282</b>	<b>24 588 482</b>
<b>5. Other financial assets</b>		
<i>At amortised cost</i>		
<i>Loans receivable - Unsecured</i>		
Public Sector Accounting and Audit Academy (Pty) Ltd	<b>2 800 000</b>	<b>2 000 000</b>
<i>This loan is unsecured, bears interest at the current prime interest rate and is repayable over 24 months with the final installment due on 31 October 2023.</i>		

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the year ended

**31 DECEMBER 2021**

	2021 R	2020 R
<b>6. Trade and other receivables</b>		
Membership fees receivable	708 588	1 212 310
Provision for bad debts	(611 507)	(888 348)
FASSET employment receivable	1 250 000	100 000
Value added tax receivable	12 236	121 811
Management fees receivable from PSAAA	1 914 216	168 233
Interest receivable	196 863	33 943
Other receivables	2 576	-
	<u><b>3 472 972</b></u>	<u><b>747 949</b></u>
<b>7. Cash and cash equivalents</b>		
Bank balance	<u><b>214 232</b></u>	<u><b>54 693</b></u>
<b>8. Deposits</b>		
Lease deposit	<u><b>72 000</b></u>	<u><b>72 000</b></u>
<b>9. Trade and other payables</b>		
Accounts payable	689 979	20 770
Payroll liabilities	153 972	178 918
Income received in advance	30 726	-
	<u><b>874 677</b></u>	<u><b>199 688</b></u>
<b>10. Taxation</b>		
The entity is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.		
No provision for taxation has been made as the entity has no taxable income (2020: None).		

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS- CONTINUED

for the year ended

**31 DECEMBER 2021**

	2021 R	2020 R
<b>11. Related parties</b>		
Public Sector Accounting and Audit Academy (Pty) Ltd		
Some of the executive committee members of SAIGA are also directors of PSAAA.		
<u>Related party balances</u>		
Loan receivable from:		
Public Sector Accounting and Audit Academy (Pty) Ltd	2 800 000	2 000 000
Interest receivable from:		
Public Sector Accounting and Audit Academy (Pty) Ltd	<u>196 863</u>	<u>33 943</u>
<u>Related party transactions</u>		
Fee income received from:		
Public Sector Accounting and Audit Academy (Pty) Ltd -	1 369 871	1 532 113
Interest received from:		
Public Sector Accounting and Audit Academy (Pty) Ltd -	162 920	33 943
Expenses paid to:		
Public Sector Accounting and Audit Academy (Pty) Ltd -	<u>(1 369 871)</u>	<u>(1 532 109)</u>
<b>12. Prior year difference</b>		
<i>The following adjustments were made to the accumulated reserves opening balance:</i>		
<i>Office furniture and electronic equipment (Increase)</i>		
- Depreciation	-	80 618
<i>Trade and other payables (Increase)</i>		
- Payroll liabilities	-	(42 226)
<i>Trade and other payables (Decrease)</i>		
- Debit note received	<u>318 348</u>	-
Increase in accumulated reserves	<u><b>318 348</b></u>	<u><b>38 392</b></u>



## DETAIL STATEMENT OF INCOME

for the year ended

31 DECEMBER 2021

	Notes	2021 R	2020 R
<b>INCOME</b>			
Conference fees		198 042	-
Educational endeavours & activities		1 109 199	225 538
- GATE fees		2 609	6 957
- Examination fees		599 590	86 472
- Short courses		507 000	132 109
FASSET employment		1 625	100 000
Fees charged for commissioner of oaths		3 108	6 751
Interest received		1 087 645	1 398 289
Management fees		1 369 871	1 532 113
Member's contributions		4 039 310	4 257 852
Other income		-	21 418
Registration fees - once off		114 572	1 73 043
SA jaar publication income		45 978	50 509
		<b>7 969 350</b>	<b>7 665 513</b>

# SAIGA

## DETAIL EXPENDITURE

for the year ended

**31 DECEMBER 2021**

	2021 R	2020 R
Accounting fees	19 400	226 050
Advertising and marketing	830 671	160 770
Audit fees	73 108	67 133
Bank charges	15 256	7 160
Committee expenses	334 945	246 494
Computer expenses	263 960	489 321
Depreciation	69 016	56 128
Educational endeavours & activities direct costs	1 012 357	154 580
- Conference cost	177 468	-
- Direct course cost	305 119	63 629
- SAJAAR publication expenses	27 470	46 686
- Short courses	502 300	44 265
Employee costs	2 913 476	2 355 340
General expenses	21 838	52 656
Impairment of assets	-	597 184
Insurance	18 536	14 516
Leasing charges	25 656	44 138
Legal fees	275 170	34 249
Office rent	578 016	651 239
Penalties paid	5 870	269
Penalty interest paid	83	-
Postage, packaging and courier	33 450	18 404
Printing, stationery and publications	17 107	23 616
Prize money and donations	28 426	24 000
Professional fees and consultations	252 713	450 586
Provision for bad debts - movement	20 159	337 611
Public sector accounting and audit academy	1 369 872	1 532 109
- Cost of sales	-	534 278
- Information technology	69 065	109 799
- Marketing	-	60 000
- Office administration and committee	12 874	48 508
- Rent	578 016	114 050
- Salaries and staff cost	709 917	665 474
Refreshments and entertainment	94 003	25 343
Repairs and maintenance	8 543	8 182
SAJAAR expenses	47 962	-
Security	14 153	6 685
Subscriptions	-	1 110
Telephone	30 566	52 959
Training	94 282	18 106
Travel	125 994	101 060
<b>EXPENDITURE</b>	<b>8 594 588</b>	<b>7 756 998</b>

# SAIGA

Developing Ethical Public Sector Professionals

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