


THE SOUTHERN AFRICAN
INSTITUTE OF GOVERNMENT
AUDITORS

COUNCIL CHARTER

Adopted by the members of Council in a Special
Council Meeting held on [24 February 2022]

SAIGA
Developing Ethical Public Sector Professionals

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1. Purpose of the Council Charter

This charter is intended to provide a concise overview of:

- 1.1** The demarcation of the authority, roles, functions, responsibilities, conduct and powers of the Council of the Southern African Institute for Government Auditors (the Institute).
- 1.2** The powers delegated to various Council committees of the Institute.
- 1.3** Matter reserved for final decision-making or pre-approval by the Council.

The policies and practices of the Council in respect of matters such as corporate governance, declarations and conflicts of interest, Council meeting documentation and procedures and the nomination, appointment, induction, training and evaluation of directors.



2. Composition, election and term of office of Council members

- 2.1** The Council shall consist of an elected President, the Chief Executive Officer, and a number of other Council members elected by a general meeting in terms of the process laid down in the Constitution.
- 2.2** The Council consists of a minimum of seven (7) and a maximum of 10 (ten) Members. These shall be the President who acts as Chair of the Council, the Chief Executive Officer, any other executive manager of the Institute, as the Council may elect and other Council Members.



2. Composition, election and term of office of Council members

- 2.3** The members of the Council shall be the designated custodians of the governance mechanisms for the Institute as envisaged by section 12(2)(h) of the Nonprofit Organisations Act 71 of 1997, as amended.
- 2.4** Each elected Council Member shall hold office for three years from the annual general meeting of the Institute at which he or she is elected. Upon completion of his or her three-year tenure the Council Member shall resign at the Next Annual General meeting but may stand for re-election.
- 2.5** The President may be elected for a second consecutive term of four years, but will not be eligible for a third term as President until a period of four years has elapsed from the previous term of office.
- 2.6** The Chief Executive Officer is a fully fledged Member of the Council of the Institute, but is not an elected official. The CEO is a salaried employee of the Institute.
- 2.7** The Council may from time to time in its sole discretion, in addition to the Chief Executive Officer's seat, identify one executive manager position on the Council that qualifies for ex officio membership of the Council.

2. Composition, election and term of office of Council members

- 2.8** The Council may from time to time in its sole discretion, in addition to the Chief Executive Officer's seat, identify one executive manager position on the Council that qualifies for ex officio membership of the Council.
- 2.9** Should an incidental vacancy occur on the Council, it may be filled by the Council co-opting a Member. This member shall hold office of the Council Member whose place he or she takes and shall be eligible for re-election as though he had not served during the previous term.
- 2.10** A co-opted Council Member shall hold office until the next general meeting of the Institute, at which time the vacancy will be filled through the normal election process.
- 2.11** A Council member shall cease to hold office in the event of:
- 2.11.1** becoming ineligible or disqualified to be a Director by virtue of any of the provisions of the Companies Act 71 of 2008, as amended,
 - 2.11.2** being removed by a resolution of the Members or Members of the Council,

2. Composition, election and term of office of Council members

- 2.11.3** failing to attend 3 (three) consecutive meetings of the Council or its committees in 1 (one) financial year and the Council determines in its sole discretion that it is without good cause,
- 2.11.4** having a material conflict of interest in any matter in which related to or before the Council of the Institute and failing or failed to declare such interest and the nature thereof in the manner satisfactory to the Council,
- 2.11.5** becomes insolvent,
- 2.11.6** is found lunatic or becomes of unsound mind,
- 2.11.7** resigns his or her office by notice in writing to the Council,
- 2.11.8** is removed from any other office of trust on account of misconduct,
- 2.11.9** has been convicted of fraud, theft, forgery, perjury, or any offence involving dishonesty,
- 2.11.10** ceases to be a member of the Institute.

2. Composition, election and term of office of Council members

2.12 The resignation of any officer or director shall be tendered to the President of the Council.

2.13 If more than 30% of Council positions become vacant during the year following an AGM then a special general meeting should be called to re-elect Council Members.

3. General Powers of the Council

- 3.1** The role, function and powers of the Council, its members and committees are determined by law, the Constitution, corporate governance best practices and decisions and policies of the Council.
- 3.2** The Council has the power to make any decision in respect of the Institute which has not been specifically reserved for decision-making by the members of the Institute.



3. General Powers of the Council

3.3 The Council must exercise its powers responsibly:

3.3.1 In the interest of the Institute with due regard to the interest of all the stakeholders of the Institute.

3.3.2 In compliance with the requirements of the law, principles of sound corporate governance and Council policies and procedures.

3.4 The Council shall develop clear definitions of the levels of appropriate materiality or sensitivity in order to determine the scope and delegation of its authority and to ensure that it reserves specific powers and authority for itself. All delegated authority shall be in writing and shall be evaluated on a regular basis.

3.5 Without detracting in any way from the general powers of the Council, the Council shall from time to time determine which matters are:

3.5.1 Reserved for final decision-making by the Council; or

3.5.2 Require the Council's consent before a final decision is made.

4. The role, function and responsibilities of the Council

- 4.1 The Council Members carry full fiduciary responsibility and owe a duty of care and skill to the Institute in terms of legislation and the Code of Ethics.
- 4.2 The Council shall assume ultimate accountability and responsibility for the performance and affairs of the Institute and shall in so doing effectively represent and promote the legitimate interest of the Institute.
- 4.3 The Council shall, at all times, retain full and effective control over the Institute and shall give direction with its main function and responsibility as adding significant value to the Institute by:



4.The role, function and responsibilities of the Council

- 4.3.1** Ensuring that Institute is seen to be a responsible corporate citizen by having a regard for the impact that its operations have on the environment and the society within which it operates.
- 4.3.2** Determining the strategies and strategic objectives of the Institute while exercising leadership, enterprise, integrity and judgement in directing the Institute's affairs to achieve continuing sustainability within the context of transparency and accountability.
- 4.3.3** Determining and setting the tone of the Institute values including principles of ethical business practice.
- 4.3.4** Bringing independent, informed and effective judgement to bear on material decisions of the Institute, including material Institute policies. Appointment and removal of the Chief Executive Officer, capital expenditure, transactions and Institute budgets.
- 4.3.5** Ensuring that procedures and practices are in place to protect the Institute's assets and reputation.

4.The role, function and responsibilities of the Council

4.3.6 Satisfying itself that the Institute is governed effectively in accordance with corporate governance best practices including risk management and internal control systems. This includes:

4.3.6.1 Determining the levels of risk tolerance;

4.3.6.2 The processes and policies to ensure:

4.3.6.2.1 the integrity and effectiveness of risk management;

4.3.6.2.2 the integrity and effectiveness of internal controls (including effective risk based internal audits);

4.3.6.2.3 the integrity of the Integrated Report;

4.3.6.3 Ensuring that the Institute has an effective and independent Audit Committee, complying with statutory requirements;

4.3.6.4 Ensuring that risk assessments are performed on a continual basis;

4.The role, function and responsibilities of the Council

- 4.3.6.5** Ensuring that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks;
 - 4.3.6.6** Ensuring that management continually monitors risk and considers and implements appropriate risk responses;
 - 4.3.6.7** Receiving assurance regarding the effectiveness of the risk management process;
 - 4.3.6.8** Ensuring that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to members and relevant stakeholders.
- 4.3.7** Ensuring that the technology and systems used in the Institute are appropriate for it to run the Institute properly and competitively through the efficient use of its resources. This includes:
- 4.3.7.1** Aligning IT with the performance and sustainability objectives of the Institute,
 - 4.3.7.2** Delegating the responsibility for implementation of an IT governance framework to management,
 - 4.3.7.3** Monitoring and evaluating significant IT investments and expenditure, and

4.The role, function and responsibilities of the Council

4.3.7.4 Ensuring that information assets are managed effectively.

4.3.8 Establishing clear performance objectives to enable it to measure management's performance.

4.3.9 Ensuring that the Integrated Report is prepared every year, conveying adequate information regarding the Institute's financial and sustainability performance, and focusing on substance over form.

4.3.10 Monitoring the implementation by Council committees and executive management of the Council's strategies, decisions, values and policies through a structured approach to reporting, risk management and auditing.

4.3.11 Assuming responsibility to the Institute's stakeholders, which include the wider community, to achieve the continuing prosperity of the Institute.

4.3 The responsibility for the operational and day-to-day management of the Institute shall vest with the Chief Executive Officer within the powers and authorities delegated to him or her by the Council. The Council shall afford management with strategic direction and support in the execution of its duties.

4.4 Council members shall have unrestricted access to all Institute information, records, documents and property. The Secretariat shall assist the Council or any member thereof in providing any information or document that may be required.

5. Proceedings of the Council

- 5.1** The Council shall meet at least four (4) times a year and may meet in person or via any electronic communication, for the dispatch of business, adjourn and otherwise regulate their meetings at such times and places as it deems fit.
- 5.2** The authority of the Council to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication is not limited or restricted by this Constitution.
- 5.3** The President of the Institute shall preside over all meetings or in his absence, a chairman shall be appointed by the Council from its own members.



5. Proceedings of the Council

- 5.4** The Council shall have authority to determine the manner and form of providing notice of its meetings,
- 5.5** The authority of the Council to proceed with a meeting despite a failure or defect in giving notice of the meeting is not limited or restricted by this Constitution.
- 5.6** The meetings of the Council shall be held at such time and place as it shall determine.
- 5.7** No business shall be transacted at any meetings of the Council unless more than 50% of the Council members are present. At the discretion of the President, the meeting may proceed inquorate and decisions ratified via “round-robin” or at the next quorate Council meeting.
- 5.8** A round-robin resolution in writing adopted by the majority of Council members is as valid and effective as if it had been passed at a duly called and constituted meeting of the Council or its committee as the case may be, provided that each Council member has received notice of the matter to be decided.
- 5.9** Issues arising at any meeting are decided by a majority of votes. Each Council member has one vote on a matter before the Council. In the event of an equality of votes, the chairman of the meeting shall have a second or casting vote.

5. Proceedings of the Council

5.10 Subject to applicable legal provisions:

5.10.1 All Council members must at the first Council meeting of each year or at the first Council meeting that the Council member attends complete an interest declaration in the format agreed by the Council and submit the forms to the Secretariat,

5.10.2 At every Council meeting a declaration of conflict of interest must be made in the manner and form agreed by the Council in regard to all items for consideration before the Council,

5.10.3 A Council member may not vote in respect of any matter tabled at the Council in which the Council member has a material interest, or on any matter arising therefrom and if a vote is exercised contrary to this, the vote is not counted,

5.10.4 The Council member must not take part in the consideration of the matter and must leave the meeting immediately after making the required disclosure.

5.11 While being absent from the meeting in terms of 5.10.4, the Council member will be regarded as being present for the purpose of determining whether a sufficient number of Council members are present to constitute a quorum; and will not be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted.

5. Proceedings of the Council

5.12 The Council may act notwithstanding a vacancy, but, if and for as long as its number is below the minimum required in terms of this Constitution, the continuing Council members may only act for the purpose of increasing the number of Council members to the minimum number, or for convening a General Meeting of the Institute.

5.13 No proxies or alternates will be valid at the Council's meetings.

5.14 The decisions of the Council shall be binding on all members of the Institute.

6. Duties of individual Council Members

- 6.1** The President shall be the head of the Council and shall preside over all Council meetings. The President shall be a non-executive Director as contemplated the King IV Report on Corporate Governance.
- 6.2** The Council Members and Past President shall have such duties and powers as may be prescribed by the Council or delegated by the President.
- 6.3** Council members act jointly when discharging their duties and no Council member has the authority to act on behalf of the Institute unless specifically authorised or requested by the Council.



6. Duties of individual Council Members

- 6.4** Council members are jointly and severally liable and accountable for Council decisions and actions.
- 6.5** Council members are legally obliged to act in the best interest of the Institute, to act with due care in discharging their duties as Council members, to declare and avoid conflicts of interest and to account for any advantages gained in discharging their duties on behalf of the Institute.
- 6.6** A Council member, who has a real, prospective or perceived interest in any of the business of the Institute, shall declare such interest at a Council meeting as soon as the member becomes aware of such specific interest. All Council members shall, in good faith, disclose to the Council any business or other interest that is likely to create a potential conflict of interest.
- 6.7** Council members shall all be bound by the requirements of the Nonprofit Organisations Act, and shall be expected to implement the recommendations of the King IV Report on Corporate Governance and other relevant best practices as far as is practical. In order to ensure the highest standards of governance are practiced, all instances where the Council members have deviated from the King IV recommendations such deviation will need to be justified in the Integrated Annual Report.

6. Duties of individual Council Members

- 6.8** Council members are jointly and severally liable and accountable for Council decisions and actions.
- 6.9** Council members are legally obliged to act in the best interest of the Institute, to act with due care in discharging their duties as Council members, to declare and avoid conflicts of interest and to account for any advantages gained in discharging their duties on behalf of the Institute.
- 6.10** A Council member, who has a real, prospective or perceived interest in any of the business of the Institute, shall declare such interest at a Council meeting as soon as the member becomes aware of such specific interest. All Council members shall, in good faith, disclose to the Council any business or other interest that is likely to create a potential conflict of interest.
- 6.11** Council members may not be remunerated for their services as Council members, although the out of pocket expenses of the members incurred while attending to Institute matters may be defrayed out of the funds of the Institute, in terms of Policies created and amended by the Council from time to time.

6. Duties of individual Council Members

- 6.12** Subject to Council discretion, which must be fairly applied, independent non-members may be remunerated.
- 6.13** The performance of each individual Council member, as well as of the Council collectively, shall be assessed at least annually along the lines recommended in the King IV report.

7. Duties of the President

- 7.1** Providing overall leadership to the Council without limiting the principle of collective responsibility for Council decisions, while at the same time being aware of the individual duties of Council members.
- 7.2** Formulating with the CEO the yearly work plan for the Council against agreed objectives, and playing an active part in setting the agenda for Council meetings.
- 7.3** Exercise independent judgment, act objectively and ensure that relevant matters are placed on the agenda and prioritised properly.



7. Duties of the President

- 7.4** Presiding over Council meetings and ensuring that time in meetings is used productively. The President should encourage collegiality among Council members without inhibiting candid debate and creative tension among Council members.
- 7.5** Managing conflict of interest. It is not sufficient merely to table a register of interest. All internal and external legal requirements must be met. The chairperson must ask affected Members to recuse themselves from discussions and decisions in which they have a conflict, unless they are requested to provide specific input, in which event they should not be party to the decision.
- 7.6** Acting as the link between the Council and the CEO. Avail him or herself between Council meetings to provide counsel and advice to the CEO.
- 7.7** Ensuring that Council members play a full and constructive role in the affairs of the Institute and taking a lead role in the process for removing non-performing or unsuitable Council members from the Council.
- 7.8** Ensuring that complete, timely, relevant, accurate, honest and accessible information is placed before the Council to enable directors to reach an informed decision.

7. Duties of the President

- 7.9** Monitoring how the Council works together and how individual directors perform and interact at meetings. The President should meet with individual council members once a year about evaluating their performance. The President should know Council members' strengths and weaknesses.
- 7.10** Ensuring that a mentoring process is in place to develop skill and enhance directors' confidence (especially those new to the role) and encouraging them to speak up and make an active contribution at meetings. The mentoring role is encouraged to maximise the potential of the Council.
- 7.11** Ensuring that all Council members are appropriately made aware of their responsibilities through a tailored induction program, and ensuring that a formal program of continuing professional development is adopted at Council level.
- 7.12** Meeting with the CEO before Council meetings.
- 7.13** Ensure that the performance of the CEO is evaluated frequently.

8. Duties of the Chief Executive Officer

- 8.1 Develop and recommend to the Council the strategy and vision of the Institute and the annual business plans and budgets that support the Institute's long-term view.
- 8.2 Implement and adhere to Council strategic resolutions at an operational level.
- 8.3 Maintaining an effective management team and management structures.
- 8.4 Ensuring that appropriate policies are formulated and implemented to guide activities.
- 8.5 Ensuring that effective internal organisation and governance measures are deployed.
- 8.6 Serving as the chief spokesperson of the Institute.



9. Council Committees

9.1 The Council has established the following sub-committees to assist it in discharging its duties and responsibilities:

9.1.1 The Audit and Risk Committee established to assist the Council in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.



9. Council Committees

- 9.1.2** The Nominations and Governance Committee leads the process of identifying and making recommendations to the Council on the eligibility of candidates to be appointed as members of the Council. The Committee also takes a leadership role in making recommendations to the Council on setting the corporate governance tone for the Institute and advises the Council on the adoption or amendment of appropriate corporate governance policies and procedures.
- 9.1.3** The Remuneration and Human Resources Committee will assist the Council in discharging their responsibilities of ensuring that sound employment policies are in place and that sound practices are adhered to in the Institute. In addition, the Committee oversees the process of setting goals for and evaluating the CEO's performance. The Committee does not assume the functions of management, but act as an overseer and makes recommendations to the Council for its consideration and final approval.
- 9.1.4** The Disciplinary Committee assists the Council in discharging their responsibilities of ensuring that the disciplinary policy and procedures as set out in the Bylaws are implemented and that members are being held accountable against the Code of Ethics.

9. Council Committees

- 9.1.5** The Examinations Board assists the Council in discharging their responsibilities of evaluating and quality assurance of assessments, academic qualifications, knowledge of and practical training in public sector, public sector auditing and accounting of its members or prospective members.
- 9.1.6** The Education Committee assists the Council in the maintenance of academic qualifications, knowledge of and practical training in public sector, public sector auditing and accounting of its members or prospective members.
- 9.1.7** The University and Tertiary Committee assists the Council in the establishment of student chapters at the institutions of higher learning and training and that the Institute's curriculum or academic stream is provided at the same institutions.
- 9.1.8** The regional chairs committee assists the Council in the enhancement of member interaction at the regional level.
- 9.2** The Council may from time to time establish or dissolve any sub-committee or body of the Institute which the Council deems necessary to achieve the objectives of the Institute in an effective and efficient manner, and to assist it in discharging its duties and responsibilities.

10. Conduct of Council Members

- 10.1** Council members are expected to set an example to the Profession by adhering to the Code of Ethics.
- 10.2** Council members must abide by the policies of the Institute and regulations set out in the Bylaws.
- 10.3** Council members must conduct the business affairs of the Institute in good faith and with honesty, integrity, due diligence, and reasonable competence.



10. Conduct of Council Members

- 10.4** Council members will frequently receive confidential information about the Institute and are obliged to keep such information confidential. The members should be alert to circumstances where confidentiality obligations may create a conflict. Except as the Council may otherwise require or as otherwise required by law, no Council member shall share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information related to the affairs of the Institute and each member of the Council will uphold the strict confidentiality of all meetings and other deliberations and communications of the Council.
- 10.5** Council members must exercise proper authority and good judgment in their dealings with Institute staff, suppliers, and the general public and must respond to the needs of the Institute's members in a responsible, respectful, and professional manner.
- 10.6** No member of the Council may use any information provided by the Institute or acquired as a consequence of the Council member's service to the Institute in any manner other than in furtherance of his or her Council duties.
- 10.7** Each member of the Council must use his or her best efforts to regularly participate in professional development activities and will perform his or her assigned duties in a professional and timely manner pursuant to the Council's direction and oversight.

10. Conduct of Council Members

- 10.8** Upon termination of service, a retiring Council member must promptly return to the Institute all documents, electronic and hard files, reference materials, and other property entrusted to the Council member for the purpose of fulfilling his or her job responsibilities. Such return will not abrogate the retiring Council member from his or her continuing obligations of confidentiality with respect to information acquired as a consequence of his or her tenure on the Council.
- 10.9** The Council dedicates itself to leading by example in serving the needs of the Institute and its members and also in representing the interests and ideals of the profession at large.
- 10.10** No member of the Council shall persuade or attempt to persuade any employee of the Institute to leave the employ of the Institute or to become employed by any person or entity other than the Institute. Furthermore, no member of the Council shall persuade or attempt to persuade any member, exhibitor, advertiser, sponsor, subscriber, supplier, contractor, or any other person or entity with an actual or potential relationship to or with the Institute to terminate, curtail, or not enter into its relationship to or with the Institute, or to in any way reduce the monetary or other benefits to the Institute of such relationship.
- 10.11** The Council must act at all times in the best interests of the Institute and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, Council members must identify the conflict and, as required, remove themselves from all discussion and voting on the matter.

10. Conduct of Council Members

- 10.12** Council members may not abuse Council membership by improperly using Council membership or the Institute's staff, services, equipment, resources, or property for personal or third-party gain or pleasure.
- 10.13** Council members shall not represent to third parties that their authority as a Council member extends any further than that which it actually extends.
- 10.14** Council members shall not engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect the Institute.
- 10.15** Council members shall not engage in or facilitate any discriminatory or harassing behaviour directed toward Institute staff, members, officers, directors, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, or others in the context of activities relating to the Institute.
- 10.16** Council members shall not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment with respect to matters pertaining to the Institute without fully disclosing such items to the Council.
- 10.17** Council members shall only provide goods or services to the Institute as a paid vendor to the Institute only after full disclosure to, and advance approval by, the Council, and pursuant to any related procedures adopted by the Council.

10. Conduct of Council Members

- 10.18** Council members shall only provide goods or services to the Institute as a paid vendor to the Institute only after full disclosure to, and advance approval by, the Council, and pursuant to any related procedures adopted by the Council.
- 10.19** Council members may not avail themselves as speakers at conferences of commercial entities that are competitors of the Institute.

11. General

11.1 If any part of this charter conflicts with anything contained in the Constitution, the Constitution shall take precedence.

11.2 These terms of reference must be reviewed annually and may be amended from time to time.

Approved by the Council on..... 20 October 2021

Signed: President of the Institute.....
