



Chartered  
Governance  
Institute of  
Southern Africa

2020

# Integrated REPORT

for the year ended 31 December 2020

Formerly The Southern African Institute of Chartered  
Secretaries and Administrators NPC







# Corporate Information

## Country of incorporation and domicile:

South Africa

### Registered office and business address:

Riviera Road Office Park (Block C),

6 – 10 Riviera Road

Killarney, Johannesburg, 2193

### Postal address:

P O Box 3146, Houghton, 2041

**Telephone:** 011 551 4000

**Fax:** 011 551 4028

**E-mail:** [info@chartgov.co.za](mailto:info@chartgov.co.za)

**Website:** [www.chartgov.co.za](http://www.chartgov.co.za)

### Bankers:

The Standard Bank of South Africa Limited and Nedbank Group Limited

### Registered auditors:

Mazars, 54 Glenhove Road, Melrose Estate, Johannesburg, 2196

### Nature of business and principal activities:

Non-profit company acting as a professional body

**Registration Number:** 1972/000007/08

**Directors:** O Akosah-Bempah, L Bagwandeem, S Clarke, S Giuricich, SAH Kajee, R Likhang, S Mbhamali, M Rissik-Nunes, KE Robinson, S Sadie (CEO), KJ Southgate, CE Wilson.

**Company Secretary:** Irma Warriner, P O Box 1029, Sundowner, 2151





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# Company Profile

The Chartered Governance Institute of Southern Africa (CGISA) which was formerly Chartered Secretaries Southern Africa (CSSA) is the formal professional Institute for company secretaries and governance professionals. The term 'governance professional' encompasses in-house counsel, risk managers, compliance officers, financial managers and others. CGISA is an expert commentator and thought leader in Southern Africa on company secretarial and corporate governance matters.

CGISA offers an international qualification recognised in more than 80 countries. The career-long programme of study comprises attainment of professional qualifications and requires continuing professional development (CPD), which ensures that members remain on the cutting edge of developments. CGISA covers Botswana, Eswatini, Lesotho, Namibia and South Africa.

## Vision

Our vision is to be the leader in the practice of governance in Southern Africa.

## Mission

Our mission is to become the shining beacon in governance. We will be the best explainers, the best advocates, the best educators and the most active organisation in the promotion of good governance in Southern Africa.

## Skills

Chartered secretaries and chartered governance

professionals are high-ranking professionals with a broad base of skills unique among the professions. Trained in governance, law, accounting, and strategy, chartered secretaries and chartered governance professionals provide a focal point for independent advice and guidance on the conduct of business, governance and compliance. They are key players with the skills, vision and values to take their organisations and clients forward.

## Leaders in Governance

Chartered secretaries and chartered governance professionals understand that good governance is fundamental to good business decision-making and organisational performance. Through our influence with Government and regulators, and the work of our Members, CGISA leads in shaping the governance agenda and promoting the best practice essential for organisational performance.

Candidates who have completed the CGISA International Qualifying Board Examination,

VALUES

**Stand up:**

**Challenging.  
Proud to take  
a position.**

**Never afraid to do so.**



gained the necessary work experience and who present the requisite character traits will be qualified to apply to be admitted as a Member of CGISA and become a chartered secretary or a chartered governance professional. Continuing Professional Development endeavours to ensure that all of our members are able to remain at the forefront of the governance talent pool. There is currently a shortage of qualified and experienced chartered secretaries and chartered governance professionals, with demand on the increase in light of the Companies Act (71/2008) and King IV™. This means that chartered secretaries and chartered governance professionals can command competitive remuneration packages.

### Different levels of membership

Membership of CGISA evidences not only academic qualifications but also

practical experience, character, integrity and responsibility. Only on fulfilment of all these criteria may a graduate apply to be admitted as a member of the Institute and become a chartered secretary or a chartered governance professional.

There are two levels of membership - Associates (ACG) and Fellows (FCG). On successful completion of the CGISA Board Qualifying Examination, graduates become GradCG. Once they have gained the necessary practical experience and are deemed to be of appropriate ethical character, they are admitted as members at Associate-level and become an ACG. On admission as a Fellow, the senior grade of membership granted on more extensive experience, the member may include the prestigious 'FCG' designation after his/her name. Membership therefore offers employers 'watchdog' accountability

with recourse to the Institute's disciplinary and disbarment proceedings in the case of misconduct and/or breach by a member of the Institute's Code of Professional Ethics and Conduct.

Membership of the Institute ensures remaining at the forefront of global developments and best practice in governance. Membership, and therefore qualification as a chartered secretary or a chartered governance professional, involves a career-long relationship with the Institute - from professional qualification through to board certification and beyond via CPD and ongoing technical support packages and tools.

### International Recognition

CGISA is an integral part of the global Chartered Governance Institute (CGI) (formerly The Institute of Chartered Secretaries and Administrators), which was

founded in London in 1891. Southern Africa is the oldest division, which was established in 1909. There are eight other divisions: Australia, Canada, China, Malaysia, New Zealand, Singapore, UK and Ireland, and Zimbabwe, with a total membership of 29 000. CGISA is also a member of Corporate Secretaries International Association (CSIA), which is a global federation of corporate secretaries and governance professionals. Member organisations include six of the divisions above and the United States, India, Brazil, Kenya, Bangladesh, Canada and Nigeria. All share a common interest in the promotion of good governance. CSIA represents approximately 100,000 corporate secretaries and governance professionals.

### What career choices are there?

Popular career paths that are pursued by chartered secretaries and chartered governance professionals include the following:

- company secretary
- governance professional
- in-house counsel
- compliance officer
- risk manager
- financial manager



### Listen well:

Totally aware. Understanding what's going on in the world. Always mindful of change.



### Move forward:

Forever looking at the path ahead.



### Stay balanced:

A source of ethical conscience. Never shaken. Standing firm.



### Inspired:

Leading the way so others will follow.



Be totally up-to-date: In tune with the global trends in governance.





# Executive Committee



**President**  
Karen Robinson



**Senior Vice  
President**  
Lynelle Bagwandeem



**Vice  
President**  
Sonia Giuricich



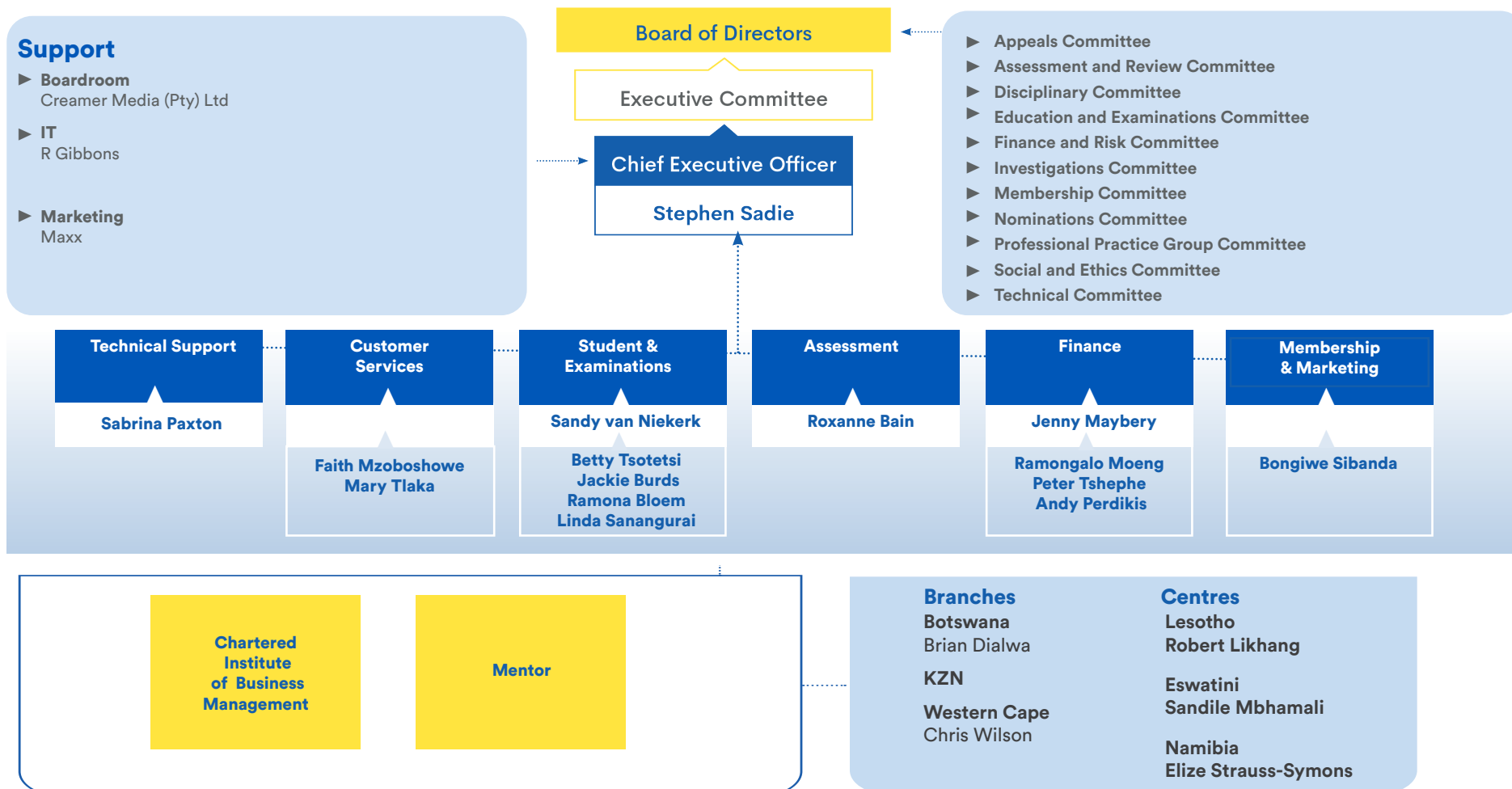
**CEO**  
Stephen Sadie



**Past  
President**  
Robert Likhang

# CGISA Organogram

## Chartered Governance Institute of Southern Africa – Organogram





# Chief Executive Officer's Report 2020

## INTRODUCTION

The year 2020 is a year we will not forget in a hurry. Our lives were turned upside down. The Covid-19 pandemic has had a significant impact on all businesses across Southern Africa, particularly small businesses. We wish to extend our sincere condolences to all those who have lost their loved ones. Though 2020 has been a major challenge for the institute, we have managed to weather the storm. We were resilient in the face of adversity and we are proud of our efforts, anchored in teamwork, that kept the ship steady in the rough seas. The waves battered our members and students from all sides.

I am pleased to report that actions flowing from the two-year strategic plan (2019-2020) were predominantly completed under difficult circumstances. I thank all staff for their dedication and hard work, without which this would not have been possible. One of the main highlights for 2020 was the name change from *Chartered Secretaries Southern Africa to The Chartered Governance Institute of Southern Africa*. This has been well-received by members and students, and the public at large, as the image of the institute is one that represents a leading force in the corporate governance landscape.

Our country has been shaken by state capture, corruption and poor governance. The revelations emerging out of the Zondo Commission daily show the absolute depths to which our country descended. There has never been a time when our institute has been more needed. There has never been a time when good company secretaries and governance professionals have been more needed.

## SUMMARY OF SUCCESSES FOR 2020

It is important to highlight the institute's successes for 2020 despite the negative impact of the Covid-19 pandemic. These successes can be summarised as follows, and are discussed further throughout this report:

- Successful and high-quality publications produced in 2020 contributed to the institute's advancement of being a thought leader in the corporate governance landscape.
- Successful implementation of the October online examinations.
- Successful line-up of webinars and pre-examination webinars throughout the year.

- Successful running of the first virtual annual general meeting, and the first virtual integrated reporting awards.
- Successful negotiation with several service providers for reduced rates, including a reduced rental secured.
- Successful working from home for all staff for a period of six months.
- Successful representation of members on several forums, both nationally and internationally.
- Successful online meetings for all board and committee meetings.
- Successful and continuous online engagement and communication with all members and students.

## OUTLOOK FOR 2020 IN GENERAL

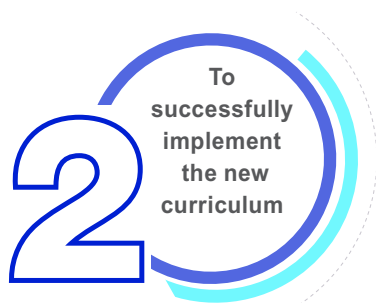
Before looking at the events of 2020, it is important to highlight the way forward for the institute. A theme of rebuilding, following the adverse effects of Covid-19 in 2020, will be undertaken in 2021. A new strategic plan has been developed for the 2021/2022 period and will focus mainly on improving the revenue streams of the institute, to combat the adverse impact suffered in 2020. The institute will look to increase its participation in the in-house training arena, thereby upskilling



Southern African professionals in corporate governance. The virtual world will no doubt continue into 2021, and the institute will continue to hold online examinations and online webinars. The website will be overhauled in 2021 to a fresh and modern website.

## STRATEGIC PLAN





This report deals with the second year of implementation of the strategic plan. The board adopted five key strategies: which are shown alongside. These five key strategies will be elaborated on in the rest of the report.

This CEO's report is again structured around the six capitals of the international integrated reporting framework. Material issues are identified to enable all stakeholders to understand the challenges being faced by the institute. The table below presents the outline of the CEO's report.

## INTELLECTUAL CAPITAL

### INTEGRATED REPORTING AWARDS

The Integrated Reporting Awards were held virtually for the first time on 25 November 2020. Despite the challenges, we managed to keep our record of hosting these awards for the past 65 years.

#### Six Capitals

<b>Intellectual capital</b>	We express our intellectual capital in the following ways: <ul style="list-style-type: none"> <li>• Integrated reporting awards</li> <li>• Training</li> <li>• Thought leadership</li> <li>• Technical support</li> </ul>
<b>Human capital</b>	We express our human capital in the following ways: <ul style="list-style-type: none"> <li>• Members</li> <li>• Students</li> <li>• Staff</li> </ul>
<b>Social and Relationship Capital</b>	We express our social and relationship capital in the following ways <ul style="list-style-type: none"> <li>• Change of name</li> <li>• Marketing</li> <li>• Representing members</li> <li>• CGI</li> <li>• CSIA</li> </ul>
<b>Financial capital</b>	We express our financial capital in the following ways: <ul style="list-style-type: none"> <li>• Information management system</li> <li>• Financial sustainability</li> </ul>
<b>Natural Capital</b>	We express our natural capital in the following ways <ul style="list-style-type: none"> <li>• Climate change</li> </ul>
<b>Manufacturing Capital</b>	We do not have any machinery or manufacturing capital to report on.





Colin Coleman - Keynote Speaker

The JSE Ltd has co-hosted the awards for the past 22 years. The awards invite all companies, irrespective of their size, to enter their integrated reports. The importance of integrated reporting cannot be overstated. Principles underpinning good corporate governance include transparency and accountability, and the integrated report is one of the ways in which these principles can be meaningfully implemented. The integrated report is one of the ways in which trust is built and maintained with stakeholders.

The intensive judging process, which preceded the event offered companies an opportunity for peer-to-peer comparison and attracted entries from various categories of companies, including JSE categories Top 40, Mid Cap, Small Cap and Fledgling/AltX. For the first time, all top 40 companies were automatically entered in the awards. This necessitated increasing the pool of judges. There were other categories, including State-owned, Public Sector, Unlisted, NGOs/NPOs and Regional. The judges noted an overall increase in the quality of integrated reports in 2020.

The full judges' report was again published by PwC. (See judges alongside).

Colin Coleman, former head of Goldman Sachs, Sub-Saharan Africa and a senior



Ronel Fourie – associate director, PwC, Convenor of judges



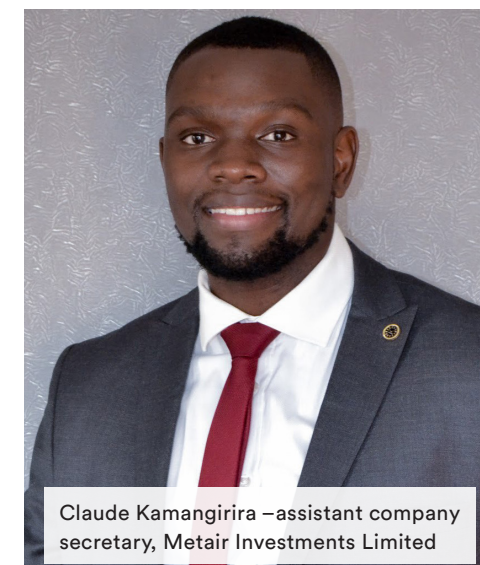
Professor John Ford – Gordon Institute of Business Science



David Kau - Comedian



Dr. René De Klerk – independent academic consultant



Claude Kamangirira – assistant company secretary, Metair Investments Limited





Professor Warren Maroun – Wits School of Accountancy



Yvette Lange – adjunct professor, Wits School of Accountancy



Corli le Roux – independent specialist: sustainability; governance; reporting



Garth Barnes – senior lecturer, University of Johannesburg



Dr Nimrod Mbele – managing director, Knowledge Anchors Group



Sabrina Paxton – technical adviser, CGISA



Zubair Wadee – director, WithNova and member of the IIRC framework panel



Loshni Naidoo – project director, SAICA

fellow and lecturer at Yale University, was the keynote speaker. The overall winner was awarded to Sasol Ltd. The institute's president Karen Robinson addressed the audience and stated that we need to keep encouraging companies and organisations in the whole region to participate in these awards, and that empathy had become the new focus in boardrooms. We have seen increased participation and, hopefully, the region will benefit from this important step towards responsible and sustainable reporting. South Africa's highly accomplished comedian David Kau entertained the crowd.

## TRAINING

Ongoing professional development in company secretarial practice, governance,

### Webinar Presenters



**Audrey Johnson -**  
Employer and employee rights in regard to Covid-19 and the return to the workplace



**Bernard Mofokeng -**  
The impact of the Draft Disaster Management Tax Relief Administration Bill



**Carmen Westermeyer -**  
Income Tax



**Carolynn Chalmers -**  
International Approaches to corporate governance: Key considerations for South African entities transacting across borders



**Carryn Maitland -**  
Independent Reviews



**Cathie Lewis -**  
The role of the company secretary on board committees



**Gary Marques -**  
Finance Capital Revision



**Gerard Du Toit -**  
Intellectual property: a guide for the company secretary and governance professional

legislation, accounting, and taxation for our members is vital. Professional development helps to ensure that our members keep their knowledge and skills current so that they can deliver a high quality of service that safeguards the public and meets the expectations of their employers and the requirements of their profession. These webinars also allow students to familiarise themselves with topics that they are studying. The institute sources high calibre speakers in the field of governance, law and accounting.

Due to the nationwide lockdown instituted at the end of March 2020, we did not proceed with seminars but restricted professional development to webinars. Professional development on the company

secretary's toolkit continued online in 2020 and has been well received by both members and the public. There are 15 modules in total and 12 modules were covered in 2020. The trainer on the company secretary's toolkit is Sibani Mngomezulu. Sibani is a qualified lawyer and a fellow of the institute. He attended extensive training in India in January 2019 to be able to train on the toolkit.

The webinars have proven to be hugely successful. All in all, 78 webinars were presented in 2020 and contributed significantly to revenue in 2020. The institute sources high calibre speakers in the fields of governance, law and accounting. These Webinar presenters are shown at the bottom of the following pages.

## THOUGHT LEADERSHIP



Sabrina Paxton – technical adviser

The institute is striving to become a thought leader in the corporate governance landscape.





One of the ways in which this may be achieved is to continuously publish relevant and informative publications. Two best practice guides were published. The first guide focused on shareholder activism



and the role of the company secretary. Shareholders are one of the key stakeholders of a company, and it goes without saying that their interest in the operations of the company are of paramount importance.



The company secretary and governance professional play a key role in maintaining good relations with shareholders. Though responsibility lies with the board, the company secretary often communicates



and liaises with shareholders regarding decisions taken by the company. In drafting this guide, we interviewed some of South Africa's key shareholder activists, making this guide one of the most relevant shareholder activism publications in Southern Africa.

The second guide was on board committees and the role of the company secretary. There are various board committees, each with their own mandate and specialised field of operation. Careful consideration needs to be given to the appointment of committee members to ensure that the committees are diverse and are made up of the requisite skills and knowledge. The role of the company secretary on the various board committees is advisory and administrative in nature. Administrative

### Webinar Presenters



**Hugo Biermann -**  
Intellectual property: a guide for the company secretary and governance professional



**Jill Parratt -**  
Ways of working as a company secretary during COVID-19 – a practical approach



**Karen Robinson -**  
An introduction to corporate governance



**Karyn Southgate -**  
The importance of business continuity and cashflow in the midst of the coronavirus pandemic



**Lerato Matlosa -**  
Trustees – duties and responsibilities



**Lindelwa Mngomezulu -**  
The role of the company secretary in managing conflicts of interest



**Mario Fazekas -**  
Coronavirus Pandemic Is a Perfect Storm for Fraud...



**Marlon Moodley -**  
Strategy, Governance & Technology in a Disrupted Global Economy

functions include drafting the terms of reference, agendas, circulating the meeting packs and taking minutes of the meetings. The advisory function is multifaceted and extends across all board committees.

This guide looked at the various board committees, their composition and function. The role of the company secretary on board committees was discussed, and practical examples were used where relevant.

Four digital issues of boardroom went out in 2020 and were well received by members, students, and subscribers. The first issue focused on climate change. The second issue focused on Covid-19. The third issue focused on corruption. The fourth issue focused on ESG and the integrated reporting awards. Four issues of the ezine went out

during 2020 to the wider database of the institute.

Articles were submitted for publication in each issue of the CSIA's Global Governance Voice. Information mailers were sent weekly on thought-provoking topics. The institute continued to make significant progress in thought leadership in 2020.

### TECHNICAL SUPPORT

The technical adviser's duties ranged from advising members on queries, to advising the board, committees and the CEO of changes to legislation, which might affect the institute.

The technical adviser prepared a monthly technical newsletter, which is divided into

three sections, namely, Governance, Legal, Tax and Accounting. The technical adviser represented the institute on several forums including the SARS RCB Leadership forum and the Integrated Reporting Committee (IRC) of South Africa's working group. The technical adviser was part of the 2020 project team and contributed to the IRC of SA technical paper titled: *Delivering a meaningful and concise integrated report*. The technical committee is an advisory committee to the JSE when proposed amendments to the listings and debt requirements are made.

### HUMAN CAPITAL

#### MEMBERS

In 2020 our members continued to be affected by the general economic

environment as more companies retrenched employees with Covid-19 adding to the existing unemployment crisis. A number of our members found it difficult to pay their membership fees. There was a concerted effort to convert graduates to members.

Targeted emailer campaigns directed towards converting GradCG's to ACG or FCG and upgrading ACG to FCG members were sent out. The Professional Practice Group (PPG) forums were conducted online for the first time in 2020. The PPG committee grappled with providing support to the accounting members in public practice.

The institute continued to oversee that members were of requisite character, integrity and accountability as chartered secretaries and chartered governance professionals.

#### Webinar Presenters



**Mohamed Adam -**  
Board committees  
– structure, role and  
responsibilities



**Neil Kirby -**  
The role of the company  
secretary in ensuring  
PoPI compliance within  
an organisation



**Richard de la Harpe -**  
The proposed  
Companies Act  
Amendment Bill



**Saray Khumalo -**  
Reaching the peak: 5 key  
leadership lessons for  
governance practitioners



**Sibani Mngomezulu -**  
CGISA Toolkit Training  
Effective Board Meetings  
Module 6 - Part 1



**Steve Dold -**  
Practical application of  
corporate governance



**Tania Coetzer -**  
Duties and responsibilities  
of directors: a refresh and  
overview



**Thandiwe Nhlapho -**  
Board Resolutions With  
Reference to Case Law



There were three disciplinary cases in the year under review.

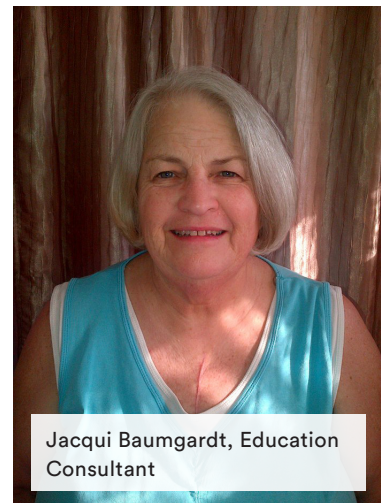
## STUDENTS



Sandy van Niekerk, Student & Examinations Manager



Roxanne Bain,  
Assessment Manager



Jacqui Baumgardt, Education  
Consultant

utilised is facilitated by Moodle. A helpdesk was established to deal with student queries. A running list of some six pages of FAQs was produced to deal with issues that the task team or candidates raised. The FAQs were sent to all candidates on a weekly basis. Dummy papers for practice were provided to students six weeks before the exams.

During the exams, there were no issues raised in terms of access to technology as candidates either had their own desktop or laptop computers or were able to use those available at their workplaces. There were, however, some minor issues with logins, bandwidth and connections being dropped but these were easily resolved by the helpdesk and did not have any major impact on the running of the examination. There were very few such instances. Candidates had to declare that they agreed to abide by the rules regarding their own work and plagiarism, before they could proceed with the paper.

The Turnitin plagiarism mechanism that was built into the system worked efficiently and was used where necessary to adjust marks.

The general feedback from candidates after the examination supplied by means of an online questionnaire was that communication from the CGISA before the examinations was sufficient and helpful.

## Online examinations

Because of the Covid-19 pandemic, the May 2020 examinations were postponed to the October sitting and a decision was taken to switch to online examinations. CGISA had a very adept task team of technical, administrative, and academic members who considered all aspects of the exams, such as potential challenges with issues such as bandwidth and access to desktop or laptop computers. A task team comprising the CEO, Chief Examiner, Student Manager, IT consultants and an educational consultant was established to discuss and debate any problems that could be foreseen. The team met weekly online for about 12 weeks before the exams began. The online system being

## Webinar Presenters



**Tracy van Wyk -**  
The potential liability of  
the company secretary



**Vusi Skosana -**  
The fragmented State  
Owned Entities (SOEs):  
Lessons learnt from  
the governance crisis  
and implications for  
governance professionals



**Yaniv Kleitman -**  
Companies raising equity  
capital



**Zubair Wadee -**  
Integrated Reporting:  
The role of the company  
secretary



Pre-exam training on the system and the upload of video instructions helped to iron out anxieties and concerns. Many students had previously used online systems for study purposes and did not seem to be fazed by the switchover. The online system (Moodle) proved to be easy to use and the examiners and moderators generally had no problems with the marking and moderation.

### Pre-exam webinars

The student department arranged 21 pre-exam webinars to assist students to thoroughly prepare for exams. At the same time this brought in much needed revenue.

### Assignments

We expanded the assignments to six of the eight board subjects in 2020. We have found that assignments are helpful to students in preparing for examinations and have a beneficial impact on the pass rate, as students are compelled to start studying early, obviating the final cramming that tends to beset students who are self-studying.

### Awards ceremony

The awards ceremony could not take place in 2020 because of the Covid-19 pandemic. We are proud of all students



From the left – Bongiwe Sibanda (Membership & Marketing Department), Ramona Bloem, Sandy van Niekerk, Jackie Burds (Students Department).

who persevered and wrote the online examinations in October 2020, and we extend our congratulations to the 107 graduates for 2020.

The institute seeks to further the importance of the corporate governance profession and its members, which has become imperative with corruption as prevalent as it is within society today. All graduates are encouraged to continue their professional journey and to become members of the institute in the future.

### STAFF

2020 saw an increased focus on the health and safety of all staff. Staff worked remotely for a period of six months during the nationwide lockdown, and returned to the office in September 2020, following the implementation of all safety protocols. Long-serving colleague, Baldwin Masethla retired in December 2020 after 50 years of service to the Institute. In recognition of Baldwin's long-service and dedication to the institute, the institute's

“Baldwin retired after 50 years of service to the institute”



Baldwin Masethla



CGISA staff with Baldwin in front of the Baldwin Masethla boardroom

boardroom has been named the Baldwin Masethla boardroom.

It has been an absolute privilege to work with Baldwin and benefit from his immense wisdom.

Due to the worsening economic climate, two staff members were retrenched. The CEO together with management ensures that students and members always receive the utmost professionalism.

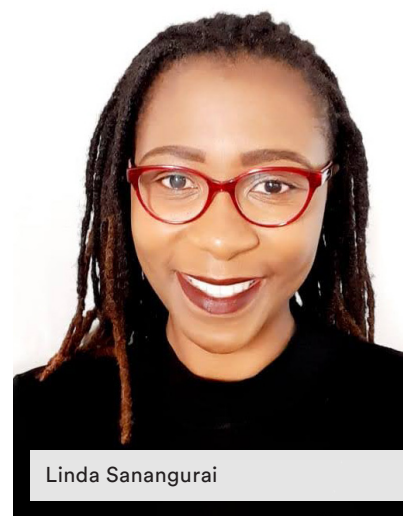
External support is sourced where required and the institute has several external consultants for various functions including, IT support and marketing. Staff

meetings were held weekly so that all staff were appraised of what was happening in each department. Staff were encouraged to attend the webinars, which pertain to their areas of work. Two staff members, Bongiwe Sibanda and Linda Sanangurai completed the institute's qualification in 2020.

## SOCIAL AND RELATIONSHIP CAPITAL

### NAME CHANGE

March 18, 2020 will go down as a historic day in the institute's long history when the new name – The Chartered Governance



Linda Sanangurai



Bongiwe Sibanda



Institute of Southern Africa (CGISA) was adopted. Thank you to all the members that sent their votes in by proxy. The local name change followed on from the global institute changing its name to The Chartered Governance Institute (CGI). This decision was taken at the global institute's annual general meeting in Toronto, Canada, in September 2018. During the institute's 110-year history, we have been known by a few names. In 1909, a branch of the institute was formed in Southern Africa. In 1973, the institute was registered as a company in terms of the Companies Act as The Southern



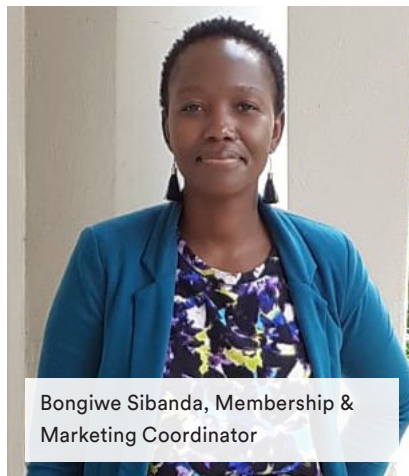
African Institute of Chartered Secretaries and Administrators. Although this was the formal name, at various stages, the institute was known as CIS, ICSA and CSSA. We remain a chartered body with the status that accompanies being chartered.

Through its design and colour, the CGISA logo reflects a solid corporate image and globalism of the profession. The CGISA is for all those engaged in governance, with membership obtained not only through experience but also through written assessment on a modern international curriculum. The institute now boasts the full package of changes which have been implemented internationally - a new name, new designations, new logo, and a new curriculum.

## MARKETING

Our profile in the marketplace continued to grow with an active marketing strategy. New campaigns were developed for the webinars, students, and integrated reporting awards.

Extensive marketing was conducted across various platforms and to different target audiences. Various social media platforms were used throughout 2020 including Facebook, Twitter, LinkedIn, and



Bongiwe Sibanda, Membership & Marketing Coordinator

Instagram. All events were marketed via these social media platforms and through online banners.

The brand name change was successfully rolled out before and after the name change was adopted. Name change adverts were placed in the e-zine and boardroom magazine.

The membership system and the website were updated to accommodate the new designations. New graduate, associate, and fellow membership certificates in line with new CI requirements were rolled out and issued to new members.

To create awareness regarding the Institute's international recognition, we

sent out CSIA and CGI global webinars to our existing databases.

For the Integrated Reporting Awards, the institute distributed three press releases to the media ahead of the event and provided social media coverage. The institute also created two pre-event video clips which were placed on the Institute's social media pages.

## REPRESENTING MEMBERS

We continued to represent our members on a range of bodies such as the King Committee, Integrated Reporting Committee of SA, and SARS. Our members were also represented by the institute on the JSE Ltd.

## THE CHARTERED GOVERNANCE INSTITUTE (CGI)

Members in Southern Africa were well represented by Jill Parratt, who was re-elected as vice-president on 1 July 2020 for a further two years.

The work of the international council of the institute includes acting as an enabler to the divisions to help facilitate their growth. Initiatives that can alleviate blockages, increase productivity, or complement the



Jill Parratt - CGI Vice President

divisions' own profile building to assist growth into new territories is a priority.

The pandemic has accelerated changes that may have been under consideration for some time but are now a reality. For the Chartered Governance Institute, this has meant adapting quickly to the use of technology as so much of what we do involves bringing people together. Whilst disruptive, today's environment brings opportunities and so one of the first initiatives already underway by our divisions was to make much greater use of technology for teaching and learning as well as conducting examinations. The divisions are working together to make the best learning and





examining technology available to our students and members.

The serious global pandemic with which we are all grappling has necessitated a close look at our strategies and priorities and have re-shaped various aspects of what global institute does as a result. The 2020+ strategic plan was necessarily formulated in the context of the current environment, but also looking to the future, and with a view to taking all possible steps to ensure maximum productivity, communication, and co-operation across the nine divisions, which make up the international institute. This involves promoting the international institute's brand as well as complementing the nine divisions' own profile building to assist with member and student growth within those divisions and into possible new territories.

The 2020+ strategic plan is structured around 6 key elements: financial stability (including a Covid-19 response); business growth for students and members; brand enhancement; qualifications; thought leadership and finally, governance.

The global institute is critically examining how we can more effectively bring members into our community. We want to build on the introduction of "chartered governance professional" and "affiliated" membership categories and ensure we are

the international association to which all governance practitioners aspire to belong and can in fact belong. The institute's network of divisions operates in vastly different economic and social environments, but we also have substantial common ground on how we can admit new members. We are looking at how we can meet the needs of prospective members in all jurisdictions whilst at the same time upholding the high standards the institute has always maintained.

The institute continues to benefit from an active and forward-looking thought leadership committee (TLC) comprised from members across our divisions. The technical adviser was appointed as the Southern Africa representative on the CGI thought leadership committee. In December 2020, the TLC released its final paper for 2020 – *Diversity of Thought*.

This discussion paper explored how diversity of thought can be encouraged in the boardroom, the pivotal role the chairperson plays and how one can measure the extent of diversity of thought in the boardroom. The paper addressed some key questions such as: how does a governance professional prepare their board for making complex decisions? What role does diversity of thought play in decision making? What is the difference between diversity of thought and diversity of membership?

The CGI released its first paper for 2021 in March to coincide with International Women's Day. The paper – *Women in the boardroom* examines, in depth, the status of women in the boardroom across the nine jurisdictions of the institute's divisions. It was pleasing to note that South Africa was placed first in the percentage global gap closed for each of the nine jurisdictions. Furthermore South Africa was placed second on the national percentage of women on boards.

The eCommunity has proved to be a valuable service to members as well as a tangible and practical demonstration of the global nature of the institute. It has contributors from every continent and every division. The exchange of ideas or queries being posted are what would be expected from a professional global community such as ours.

The global council has agreed to a set of provisional guidelines for conducting on-line examinations remotely that was developed by the Professional Standards Committee (PSC). With most divisions moving from conducting examinations face-to-face to conducting examinations online and remotely starting in October 2020, it was important that a set of minimum standards were agreed to protect the quality of the education being provided for students and the reputation of the institute.

The PSC has made substantial progress with its review of how the institute assesses a person's suitability to qualify as a chartered secretary or chartered governance professional. Preliminary recommendations were considered at the council meeting in April 2021. How we bring people into membership is critical to maintain the reputation of being chartered and the institute must always be at the forefront of best practice.

### THE CORPORATE SECRETARIES INTERNATIONAL ASSOCIATION (CSIA)

Members in Southern Africa were well represented by Karyn Southgate. The CSIA brand is slowly becoming a more recognised



Karyn Southgate

label given a renewed focus on marketing. A new website was created which provided a good reflection of CSIA and its 100 000 members. Hawkamah based in Dubai has joined CSIA bringing in a new part of the globe.

CSIA published *The Corporate Secretary: Roles, Regulation and Governance – A Global Comparative Survey*. CSIA also conducted a survey amongst its members on Climate Change and the Role of the *Company Secretary* which was published in May 2021. Past CGISA president, Shamida Smit and a Malaysian representative featured in video snippets which were aired on the website and social media platforms.

A successful virtual Council Meeting was held on the 7 - 8 September 2020 whereby new honorary officers were elected.

The CSIA is important in that we have engaged on a structural level with national company secretary associations that are outside of the CGI stable in important jurisdictions such as India, USA, Kenya, Brazil and Bangladesh. CGISA was one of the founding members of CSIA in 2010. Once again CGISA has played an important role in helping to strengthen the company secretary profession around the globe.

## NATURAL CAPITAL

### CLIMATE CHANGE

The institute promoted environmental awareness extensively in 2020. The first issue of boardroom focused on climate change and the fourth issue focused on ESG. The institute also conducted an international CSIA survey on climate change. Numerous articles in the technical newsletter covered this aspect and some webinars covered the environment.

## FINANCIAL CAPITAL INFORMATION MANAGEMENT



Jennifer Maybery,  
Financial Manager

## SYSTEM

There were further updates on the information management system in 2020. The system manages student/member administration, examinations, financials, reporting (statistical and general) and the online member/student web portal.

The software is currently running "live" and is in a maintenance/enhancement phase. The system utilises an online project organiser to keep track of all support and development tasks. CGISA employees have access to this platform and can add tasks when required. They also receive feedback through this platform and mark tasks as complete. A total of 110 tasks were completed during 2020.

Most of the year consisted of maintenance, query handling, upgrades to existing reports, upgrades of existing screens and the examination move from May to October.

## FINANCIAL SUSTAINABILITY

The finance department has remained consistent with regards to the team and the utilisation of the information management system and Evolution, constantly making improvements to the systems. The finance and risk committee met quarterly and discussed the state of the institute's

finances and the major risks facing the institute.

The enforcement of a nationwide lockdown by the South African government from the 27 March 2020 due to the Covid-19 outbreak impacted our business and that of our members, students, customers and suppliers. Our offices were closed in line with this instruction and most of our staff and management were able to continue working remotely in the safety of their homes. Most of the services offered could be obtained online as CGISA has invested substantially in its information management systems over the past eight years.

The effects of the Covid-19 pandemic are continually changing and there was a negative impact on the institute's performance for the 2020 financial year, the value thereof is estimated at R3 million in revenue. This mostly related to student examinations not being held in May 2020, interest rates dropping and the inability to hold the premier corporate governance conference. To partially counter the negative impact of Covid-19, we implemented a 5% discount to members with full balances still outstanding at 20 April 2020, if payment was received by 31 May 2020 and implemented an additional 10% discount to members who settled their outstanding balances by 15 August 2020.

To offset the loss in revenue for seminars we concentrated solely on webinars and were able to make up the total revenue lost. Salaries were cut for all management and staff by 10% from June 2020 and no 13th cheque was paid. In December 2020 Baldwin Mustela resigned after 50 years' service to the institute. There were also two retrenchments. These cost savings will be continued on into 2021, in addition to another 10% salary cut from 1st January 2021 (20% cut in total). However, we were privileged to access TERS which covered the 10% shortfall in 2020.

Mazars were re-appointed as external auditors for the 2020 financial year. The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Enterprises.

An outcome of the audit identified "group life benefits" that were paid for by the institute on behalf of employees. These group life benefits included: Group life assurance; spouse's death; physical health insurance and funeral benefits. These benefits meet the definition of a fringe benefit in terms of the Income Tax Act but had not been included in the calculation of the employees' pay as you earn (PAYE). The payroll function had been outsourced.

This resulted in an under declaration to SARS. As such we had to make prior period corrections amounting to R236k which created a deficit for the 2019 period of R224k. After the accrual to SARS of R98k in the 2020 period the deficit amounted to R987k.

Looking forward, we have budgeted a surplus for 2021 and the finances of the institute are already showing a marked improvement from 2020.

## CONCLUSION

Although the defining feature of 2020 was the Covid-19 pandemic, the institute persevered. The stormy seas continued to take its toll on our staff, members and students. But the institute remained resilient as we charted our way through the storm. We had to change course many times during 2020 to reach our destination. We continue with our core purpose of building leaders in corporate governance.

Our achievements during the year would not have been possible without the hard work and commitment of our president Karen Robinson, the executive committee, the board of directors and all our staff. We are a small staff with limited resources and a high level of commitment. I thank everyone for their invaluable input and



contribution to the affairs of the institute. As the pandemic continues, the year ahead promises to be a very difficult one and I look forward to working together as we take the institute, and the profession, to new heights.

Our guiding purpose is to best serve our students and members, and on behalf of the institute, I thank them for their loyal support.



Stephen Sadie  
(MBA, M. Ed)  
Chief Executive Officer  
20 May 2020



# Corporate Governance Report 2020

## Introduction

The Company remains fully committed to applying sound corporate governance principles, policies, and processes. Considering the Covid-19 pandemic, several aspects pertaining to corporate governance have had to take precedence over others. This includes assessing the skill set of management and the board to cope with this pandemic and re-evaluating the way the Company communicates and engages with all stakeholders. Also, a priority has been assessing the recovery plan of the Company and mitigation of risk considering financial losses during the year under review. Corporate governance provides a vital link that ensures accountability, compliance, and meaningful engagement with stakeholders. In line with the 'apply and explain' approach set out in King IV™, the directors will endeavour to state the extent to which the Company has applied King IV™, having regard to the perceived impact of its operations on its main stakeholders. The structure of the corporate governance report follows the structure of the 16 principles of King IV™.

The Company operates under a delegation agreement with the global Chartered Governance Institute (CGI) and the Committee for Southern Africa. In terms of this delegation agreement, certain rights and obligations are transferred to the Committee for Southern Africa. In turn, certain of these

rights and obligations are transferred to the Company.

The Company is the professional qualifying body for chartered secretaries and chartered governance professionals offering an international qualification recognised in more than 80 countries. The career-long programme comprises attainment of the professional qualification and continuing professional development (CPD), which ensures that members remain on the cutting edge of developments. Despite the May examinations having been cancelled, the new curriculum continued to be implemented in 2020, with the October online examination sitting. As a professional body, compliance with Regulators such as SAQA and QCTO is of paramount importance. The institute is also quality assured by CGI, in particular by the Professional Standards Committee (PSC).

## KING IV™

The outcomes of King IV™ being the attainment of an ethical culture; adequate and effective control; performance and value creation; and trust, good reputation, and legitimacy, are the core focus of the Company. The Company continues to be a responsible corporate citizen and ensures the appointment of competent executive management and the effective governing of risk and opportunity to achieve its strategic

objectives. The Company understands that good governance is fundamental to good business decision-making and organisational performance. Through our influence with government and regulators, and the work of our members, the Company plays a leading role in shaping the governance agenda and promoting best practice essential for organisational performance.

The Company strives to apply the recommended practices as contained in the NPO sector supplement in the King IV™ report. The board is the governing body of the Company.

## Value

The Company is committed to creating value through its operations. The Company adds value to various stakeholders in the following ways:

### (a) Members

The Company continued to provide value to its members despite the restrictions flowing from the pandemic. The Company kept members informed of Covid-19 developments and assisted tax practitioners to obtain essential status to be able to continue to work during the lockdown. The Company provides value to its members by bestowing certain benefits upon them. These benefits include access



to the Company's technical adviser for assistance with queries; access to the *boardroom* publication as well as the ezine, the technical newsletter and best practice guides, which count towards non-verifiable CPD hours. Members receive a discounted rate on all seminars, webinars, workshops, and conferences. Due to the pandemic, these discounts were limited to webinars as no seminars were held and the conference was cancelled. The Company also aims to continuously educate its members through weekly informative mailers and articles. Members can show their designations to their employers and the public.

### (b) Students

Since the commencement of the new curriculum, which provides a choice of two routes – chartered secretary or chartered governance professional, students have increased. Student numbers during 2020 decreased because of the May examination

sitting being cancelled due to lockdown restrictions. Many students from the legal sector, and with completed degrees are joining the Company and receiving a vast number of relevant exemptions. Pre-examination webinars were held throughout the year to provide much needed assistance to students, and these were well-received. The Company has introduced a fast-track process for those who have been company secretaries or assistant company secretaries of listed companies for at least five years. The fast-track process allows these students to only write two board exams. The Company strives to ensure all students receive support as they proceed through the different levels of the qualification. Assignments, counting 30%, continued to assist students with their final marks with the aim of improving the pass rate.

### (c) Employees

Human capital was a core focus for the Company, particularly the safety and wellness of all staff. All staff worked remotely for a period of six months due to the lockdown restrictions. During this time, all managers attended online meetings weekly with the CEO. Communication was consistently maintained between all managers and staff members. Certain challenges were encountered working remotely, including load-shedding and

connectivity issues. All staff returned to the office in September 2020, save for those with comorbidities. Employees are encouraged to attend webinars free of charge and to further their studies with the Company's qualification at no cost to employees. Despite challenges faced, we congratulate our two staff members, Bongiwe Sibanda and Linda Sanangurai for persevering and for completing the Company's qualification in 2020 and we look forward to having them join as members of the Company in the future.

### (d) Public at large

The Company strives to create value to the public by providing information on critical corporate governance topics. The annual premier corporate governance conference could not take place due to the lockdown restrictions, however, several webinars were held on various governance, legal and tax topics and were well-attended. Communication channels remained open to the public via online engagement, despite the offices being closed for a period of six months. The public may also subscribe to the boardroom publication of the Company at a minimal fee. The Company's annual integrated reporting awards strive to create value by encouraging all companies, regardless of their size, to enter and submit an integrated report thereby showing their commitment to good corporate governance

standards. The awards were held virtually for the first time and were a great success.

## LEADERSHIP

1

The board should lead ethically and effectively

The board strives to always act in the best interests of the Company. Conflicts of interest are declared by board members, and where a conflict exists, the board is responsible for managing the conflict. Directors recuse themselves from discussions and decisions on matters in which they have a material financial interest. Notice and information of board meetings are sent to members timeously to allow for adequate preparation time. Directors have the necessary competence to discharge their responsibilities and to provide strategic direction and control of the Company. Directors are expected to act with due care, skill, and diligence. Many directors are company secretaries or in leadership positions in their own companies and are familiar with the requirement to lead ethically and effectively.

## ETHICAL CULTURE

2

The board should govern the ethics of the Company in a way that supports the establishment of an ethical culture

The code of ethics of the Company aims to facilitate the enforcement of ethical standards through disciplinary procedures. Adherence to the code is a condition of membership. The employees of the Company must adhere to the internal policies and procedures of the Company. The code of ethics is published on the website of the Company.

The very nature of the Company's operating model requires surveillance of members' compliance with professional ethics. As company secretaries and governance professionals, it is critical to maintain a high ethical standard and to report any irregularities. Adherence to the code is a condition of membership. Overall, the Company requires its members to perform



their duties and responsibilities with objectivity, transparency, honesty, integrity, diligence and with courtesy towards others. The code requires members not to act in conflict with the legitimate interest of their employer or client or to act in any way which may detract from the reputation of the Company. The code outlines the commitment to sound and ethical business practices and stipulates the operational standards to which all members are required to subscribe. It further supports good corporate governance and responsibility.

According to the code, members are obliged to maintain current knowledge through Continuous Professional Development (CPD) initiatives. Annually, members are required to undertake 20 CPD hours of which seven may be non-verifiable. Practising members are required to retain professional independence, ensure confidentiality when dealing with sensitive information, and deliver professional work.

Procedures exist whereby allegedly errant members not following the provisions of the code may be investigated by the investigations committee, which would in turn forward its findings to the disciplinary committee. Any member using a title or designation without authorisation is advised to desist.

## RESPONSIBLE CORPORATE CITIZEN



The Company's practices and processes are in line with legislative and regulatory requirements. The Company is not in breach of any of its statutory duties and all directors have complied with their fiduciary duties as provided for in legislation. The board is responsible for ensuring that the values and strategy of the Company are representative of being a responsible corporate citizen. A strategy session is held once every two years to review the Company's strategic plan and to ensure that management are aware of their respective duties delegated to them by the board. The Company is active through the annual conference, the integrated reporting awards and numerous seminars and webinars, whereby responsible corporate citizenship is advocated. As already mentioned, the conference could not be held this year, and training was limited to webinars.

## VALUE CREATION PROCESS



The Company has adopted a strategic plan and risk register which specify all short, medium, and long-term initiatives of the Company. The strategic objectives of the Company are monitored via the Company's strategic plan, as is the performance of these objectives. The board oversees and monitors, with the support of its committees, the implementation and execution by management of the policies and priorities and ensures that the Company accounts for its performance by, amongst others, reporting and disclosure. Management of the Company have undergone training on risk through interactive workshops. The Covid-19 pandemic necessitated the re-evaluation of risk within the Company, particularly considering the decreased revenue stream. The company strives to be a thought leader

in the corporate governance landscape. The purpose of the Company is to build leaders in corporate governance.

The Company remains focused on the maximisation of its student and member numbers and the retention of existing members, its two main stakeholder groups. Many members faced economic hardship and were unable to pay their membership fees. The Company conducts robust advocacy amongst the relevant regulatory and professional bodies to endeavour to enhance the reputation and employment credentials of its members.

### The five key strategies in the strategic plan for 2019-2020 are:

#### 1. To develop thought leadership





## 2. To successfully implement the new curriculum



## 4. To implement a comprehensive marketing and membership strategy



This report covers the second year of the two-year strategic plan.

The Company's qualification plays a unique role in the upliftment of the educationally disadvantaged. The qualification provides a valuable alternative to those who are not accepted into university.

The future vision of the Company remains that of being a world class professional institute which, via its influence with government and regulators, as well as the work of its members and students, continues to endeavour to shape the corporate governance and company secretarial practice agenda to enable the implementation of best practice, in alignment with responsible corporate citizenship, in its field of operations. The Company strives to be the thought leader in the corporate governance landscape. To achieve this, the Company has published two best practice guides in 2020, namely the best practice guide on shareholder activism, and the best practice guide on board committees and the role of the company secretary. These two guides have subsequently been published on the international body's website.

The financial results of the focused range of activities undertaken by the Company in meeting its objectives manifest themselves in the annual financial statements and corporate governance report.

## SUMMARY OF PROGRESS ON KEY STRATEGIES AS AT 31 DECEMBER 2020



### *To develop thought leadership*

Four issues of boardroom were published, and two best practice guides were published, one on shareholder activism and one on board committees and the role of the company secretary. Eleven technical newsletters were published and an average of two information mailers were sent weekly to members. The institute is represented on the IRC (SA) working group. The technical adviser was part of the IRC (SA) working group project team for 2020 and contributed to the most recently published report by the IRC (SA) titled: Delivering a meaningful and concise integrated report. The technical adviser has been appointed as the Southern Africa representative on the CGI thought leadership committee.



### *To successfully implement the new curriculum*

The institute continued to implement the new curriculum in 2020 after a successful

## 3. To consolidate and strengthen training programmes



## 5. To improve financial sustainability



start in 2019. Due to the pandemic, the May examination sitting was cancelled, and this had an impact on the number of student registrations for 2020. Examination review groups continued online during the year. New examiners and moderators were appointed. Additional material suggested by examiners was added to syllabus documents for 2020. All skills development providers offered online learning platforms. An outline was provided of the process to be followed in acquiring various committee approvals. The institute introduced online examinations in October 2020, and these proved to be successful, with minimal challenges experienced. Online examinations will continue into 2021, with certain enhancements.



### ***To consolidate and strengthen training programmes***

The company secretary's toolkit training continued in 2020 and has been well-received by members and the public. The toolkit comprises a total of 15 in-depth modules, 12 of which were completed in 2020. Data obtained from webinar polls inform our future topics and choice of presenters. The Company held a total of 78 webinars in 2020 on several topics of interest to all members. In-house training was conducted in 2020 for various

companies, and the Company will look to increase its presence in this area to upskill the public. Pre-exam webinars were conducted throughout the year to assist students in their studies and to generate revenue for the Company.



### ***To implement a comprehensive marketing and membership strategy***

The major highlight for 2020 was the change of name of the Company to The Chartered Governance Institute of Southern Africa. All marketing collateral was implemented to drive this name change and to create the necessary awareness and reasoning behind the change of name. Databases were being continually updated to target prospective customers. Increase in reach, responses, interest, likes, followers are evident across social media. The Company's website will be overhauled in 2021 to modernise its offerings.



### ***To improve financial sustainability***

The pandemic had a negative effect on the financial position of the Company, and this has led to salary cuts and retrenchments. Two staff members were retrenched at

the end of the year. The Company faced a deficit at the end of the financial year. This was due to several factors. Members faced economic hardship and struggled to pay their membership fees. Student numbers declined due to the inability to hold May examinations. Seminars and the conference could not be held due to the social distancing regulations, and debt collection during the year has been a challenge. The Company managed to secure reduced rates with several service providers and has obtained a reduced rental fee with Growthpoint for its lease over the next three years. In addition, Growthpoint has offered the Company a discount for the six months that the Company's offices were closed. All debtors accounts are reviewed regularly, and bad debts written off as determined. The Company focuses on effective management of costs and increased revenue streams through students, members, integrated reporting awards and training. All financial systems and processes have been improved on.

## **STAKEHOLDER REPORTING**



The board should ensure that the reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short, medium, and long-term prospects

The Company is committed to transparent reporting and disclosure practices. The Company ensures the integrity of its annual financial statements and its integrated report. The finance and risk committee oversees the integrated reporting process and reviews the audited financial statements. The integrated report and annual financial statements of the Company are contained on the Company's website. The publications of the institute such as *boardroom* and the e-zine provide regular reports on the Company's progress. The integrated report is comprehensive and complete and there are no supplementary reports.

### ***Annual general meetings***

In line with the MOI of the Company, the 2020 annual general meeting was, for the first time, held virtually due to the restrictions imposed by government. The annual general meeting is held for the purposes of:

- receiving and considering the audited financial statements for the past year, the report of the board of directors on the business of the Company, the report of the finance and risk committee, and the report of the auditors;
- the appointment of the auditors;
- the election of directors; and
- the consideration of any other matter of which due notice has been given.



The results of all decisions taken at the annual general meeting are communicated promptly to members.

### Board meetings

All board meetings were successfully held via online channels. The board meets four times per year and every effort is made by directors of the Company to attend all board meetings as these meetings are vital to discussing and resolving pertinent issues relating to the Company's performance and sustainability. The attendance of directors at board meetings, for the 2020 financial year, are reflected in the table below.

## PERTINENT ROLE OF THE BOARD



*The board should serve as a focal point and custodian of corporate governance in the Company*

Board members are aware of their responsibilities and duties owed to the Company in terms of the Company's internal policies and statutory legislation. Board members are aware of the importance of investing their time in the affairs of the Company to ensure its long-term success. The board as well as any committee may obtain independent,

external professional advice at the Company's expense concerning matters within the scope of their duties. Most board members are company secretaries of large companies, which means that they are already conversant with corporate governance best practice.

**Attendance and composition of the board was as follows:**

Board of directors	
Akosah-Bempah O – from June 2020	2/2
Bagwande L	3/4
Clarke S	3/4
Giuricich S	4/4
Kajee S	1/4
Likhang R	4/4
Mbhamali S	4/4
Periah S – until 31 Dec 2020	1/4
Rissik-Nunes M – from June 2020	1/2
Robinson K	3/4
Sadie S	4/4
Southgate K	3/4
Viljoen E – until June 2020	1/2
Wilson C	3/4

The Committee for Southern Africa has the same members as the board of directors and is the divisional committee of CGI.

Committee for Southern Africa	
Akosah-Bempah O – from June 2020	1/2
Bagwande L	3/4
Clarke S	3/4
Giuricich S	3/4
Kajee S	1/4
Likhang R	4/4
Mbhamali S	4/4
Periah S – until 31 Dec 2020	1/4
Rissik-Nunes M – from June 2020	1/2
Robinson K	3/4
Sadie S	4/4
Southgate K	3/4
Viljoen E – until June 2020	1/2
Wilson C	1/4

The membership committee and the three disciplinary committees report directly to the Committee for Southern Africa.



*The board should ensure that it comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively*

The Company has clear and formal processes for monitoring, electing and appointing members of the board in line with the Company's MOI. There is a clear distinction drawn between the roles of the CEO and the chairman and these positions are occupied by separate individuals. The nominations committee assists in the appointment process of directors to the board in line with diversity policies, skill and expertise required.

All directors, save for the chief executive officer (CEO), are non-executive and are elected in terms of the Company's Memorandum of Incorporation ("MOI"). The MOI codifies the board's composition, appointment, authorities, responsibilities, and processes. The MOI of the Company provides in clause 6.2(1) that the Company will have a minimum of ten and a maximum of 15 directors elected by the members and each director must also be a member. At least one third of the directors (excluding the office bearers, the directors elected by the branches and the chief executive officer) must retire at the Company's annual general meetings or other general meetings on an annual basis. These retiring members of the board may be re-elected, provided they are eligible. The board retains effective management over the affairs of the Company and monitors the performance of management.



The president of the Company acts as chairman of the board. The roles of president and chief executive officer (CEO) are separate in accordance with the recommendations of King IV™ to endeavour to ensure that no single person can exercise unfettered powers of decision-making.

The board is made up of members who have the necessary skill, knowledge, and experience to govern the Company effectively. In accordance with King IV™, the board focuses on the following aspects to ensure its effectiveness:

- A clearly defined vision, purpose, and values
- Ensured commitment to accountability and transparency
- Monitoring membership and student statistics to ensure that sustainability and risk are monitored
- Constructive collaboration
- Maintaining a board structure
- Upholding procedural governance

The board deliberates over a range of key issues to ensure proper direction for and management of the Company. The president provides the board with leadership and guidance and encourages proper deliberation of all matters requiring the board's attention and solicits relevant input from the other directors. Within

defined levels of authority, the CEO has the responsibility to implement all decisions of the board. Further, he is accountable to the board for the effective functioning of the Company within board-determined policy guidelines.

### Key focus areas during the year under review included:

- Reviewing the impact of the pandemic on the financial position of the Company
- Reviewing and approving the 2020 annual financial statements and integrated report
- Reviewing and approving the external auditor's report
- Reviewing the strategy and reports from board committees and various departments within the Company
- Approving and monitoring compliance with the annual budget

Directors are comprehensively briefed well in advance of board meetings to facilitate meaningful deliberation and contribution. Where possible the board aims to unanimously approve board decisions. All directors have unhindered access to all Company records, information, documents, and property.

### Nominations and appointments

The board is responsible for appointing new directors in a formal and transparent

process, with the board as a whole being responsible for approval. Nomination for the office of director requires nomination by two members of the Company and the consent of the nominated member. The CEO is responsible for the informal but comprehensive induction programme, which provides new directors with a strategy and operational briefing. As part of the induction programme, new directors are furnished with copies of the Company's most recent financial results and integrated report, the charter and byelaws, the Company's MOI, board minutes and the Company's strategic plan.

All directors are obliged to disclose any conflict or potential conflicts of interest at each board and committee meeting.

### The following board members left the board in 2020:

- E Viljoen – 10 June 2020
- S Periah – 31 December 2020

### The following persons were appointed to the board in 2020:

- O Akosah-Bempah – 10 June 2020
- M Rissik-Nunes – 10 June 2020
- S Clarke – 10 June 2020

All directors are required to execute their duties independently and in the best interests of the Company. All directors of the

Company are highly skilled and equipped to effectively discharge their duties.

The Company's board as of 31 December 2020 consists of the following directors:



**Ophelia Akosah-Bempah**  
FCG, LLB, BA, MDP

Ophelia serves on CGISA's membership committee and social and ethics committee. Ophelia is an experienced corporate governance and company secretarial professional with almost 20 years' experience in a multi-listed and multi-national corporate environment, mostly in the mining and banking industries as well as extensive knowledge and experience in management practice, corporate administration, and interpersonal relationships. She is currently in private practice, having founded Kanaf Secretarial and Governance Services (Pty)

Ltd with the Absa Group Secretariat being her key client in corporate governance and secretarial services. Ophelia was previously the head of governance and group secretariat of ABSA Group Limited. Her fields of expertise include board composition, succession, remuneration, company law and corporate governance.



**L Bagwande**  
FCG, BSc, LLB, LLM

Lynelle is the company secretary of Naspers Limited. She has held this position since August 2020. She was previously the company secretary and general counsel of Netcare Limited. Lynelle is senior vice president of CGISA and serves as chair of the membership committee. She was appointed as a director to the board of



the Hospital Association of South Africa (HASA) in 2015. Her background includes providing corporate governance and legal advice to two large national banks and an international mining house which included work on foreign listings in London in respect of the AIM. She completed her articles at a large national law firm and was admitted as an attorney in 2002. Her area of expertise remains corporate governance and enhancing compliance with due regard to health legislation and the Companies Act. Her master's dissertation was on corporate governance and was invited to be published as a book entitled The Role of Disclosure in enhancing Corporate Governance.



**S Clarke**  
FCG, MBA, B. Soc. Science (Hons)

Sharon is managing executive: office of the dean and also company secretary of

Gibs. Gibs is one of the continent's most preeminent business schools. Sharon serves as chair of the CGISA education and examinations committee and the assessment and review committee. Prior to joining Gibs, Sharon fulfilled various director and senior management roles in the South African health care sector. Sharon has extensive experience in leadership and strategy as well as operational performance functions. She also has experience in corporate governance, risk and compliance management and has experience in providing company secretarial services.



**S Giuricich**  
FCG

Sonia runs an accounting and tax practice which has some large clients. Sonia is vice

president of CGISA. She is a PPG member and serves as chair of the CGISA finance and risk committee. She also manages an Italian NPO - Asilo Mondo Magico consisting of two community-based nursery schools. She worked for 6 years at Anglo American and for 3 years at Total SA in accounting and internal auditing.



**S A H Kajee**  
FCG, B Compt (Hons), MBA, CIA,  
Professional Accountant (SA), AGA (SA),  
Chartered Director (SA)

Sikkie is a corporate governance consultant. He serves on the CGISA finance and risk committee. Sikkie was a partner at KPMG for approximately 5.5 years in the internal audit unit, before moving to the management consulting unit for 3 years. He serves on the boards of the following organisations: the Automobile Association of South Africa

NPC (non-executive chairman); Powertech Transformers (Pty) Ltd (alternate director); Altec UEC (Pty) Ltd; Dorper Wind Farm (Pty) Ltd (alternate director); the DTI audit committee (chairman); the Audit Committee of the Government Printing Works (chairman); and the Audit committee of the National Regulator for Compulsory Specifications (chairman).



**R Likhong**  
FCG, ACMA, CA (Lesotho)

Robert is head of RL Consulting (Pty) Ltd, which provides virtual CFO and company secretarial services, as well as providing consultancy and corporate training in the areas of finance and governance. Robert serves on the CGISA executive and disciplinary committees. Robert has finance, governance and general management experience having held senior positions at executive level and as

non-executive board member across many industries in Lesotho and the region. These include being CEO of Paragon Business Products, Lesotho Institute of Accountants, Basotho Enterprise Development Corporation, as well as group finance director FSBP (Pty) Ltd South Africa, chief of strategic planning Lesotho Communications Authority, amongst others. Robert is highly engaged in his profession wherein he is a vice president of the Lesotho Institute of Accountants. Robert has been appointed as chair of the Lesotho Revenue Authority.



**S Mbhamali**  
FCG, RA(SD) (Eswatini)

Sandile is the company secretary and management accountant at Robinson Bertram Attorneys, where he advises on tax and finance issues, performs all company secretarial functions, and supervises the

accounts department. Sandile is chair of the social and ethics committee. Sandile founded the first beneficiary fund in Eswatini, Likhwane Beneficiary fund. He previously occupied positions at Swaziland Electricity Company as senior credit controller. Sandile's professional skills include lecturing in corporate governance, risk management experience and having an in-depth knowledge of King IV™.



**M Rissik-Nunes**  
FCG, B Com, Higher Diploma in Education

Michelle was the founder and CEO of Rissik Business School from 2001 to 2014. Michelle serves on the CGISA education and examinations committee. Rissik Business School offered the CGISA courses over the years and many CGISA students studied there. In 2014 Rissik Business School was sold to the Institute of

Marketing Management (IMM) and Michelle ran the Sandton student support centre for IMM. Michelle is passionate about the CGISA qualification and has assisted many students to qualify over the years. Michelle is currently a freelance trainer specialising in finance and accounting training.



**S Periah**  
FCG, MBA

Suraya is the company secretary at African Rainbow Minerals. Prior to that she was group company secretary at AFGRI (Pty) Ltd where she introduced a Good Citizenship Guide, which she drafted as an aspirational tool to standardise corporate governance throughout the Group. She previously occupied positions at Anglo American Zimele Pty Ltd as company secretary, where she initiated a

successful director training programme, which upskilled directors regarding their role, responsibilities and liabilities under the Companies Act, 2008. Prior to that she was assistant company secretary at Assore Ltd, where she researched, implemented and managed the migration of the statutory information into a professional software application.



**K E Robinson**  
FCG, LLB, LLM

Karen is the company secretary of Vodacom SA. She was previously the company secretary of Huge Group. Karen is president of CGISA and serves on the CGISA executive committee. Karen is a member of the professional standards committee of CGI. Karen is an experienced company secretary, having worked in both

the listed and unlisted environment. She has experience in the construction, mining, financial services, and telecommunications industries and previously served as the company secretary of Aveng Ltd, Gold Fields Ltd and FedGroup.



#### S Sadie

MBA, M. Ed, BA (Hons), H DipEd PG, BA

Stephen is CEO of CGISA. Stephen is a member of the King Committee. He serves on the International Council of CGI and was Secretary of CSIA from 2010-2012. Stephen has held several senior positions in the education sector. He was Director: Strategic Support at the South African

Qualifications Authority and Director: Research and School Improvement at the Matthew Goniwe School of Leadership and Governance. Prior to that, Stephen was Chief Education Specialist: Curriculum Delivery and Support of the Johannesburg East District of the GDE. Stephen regularly presents at various corporate governance conferences.



#### K J Southgate

FCG, B Com (Hons)

Karyn runs an accounting practice called TidySum Accounting Solutions CC. Karyn serves on the the Mentor Board. Karyn was elected CSIA president for 2020. She was management accountant at Amalgamated Beverage Industries and a financial lecturer

at Varsity College. Karyn was previously financial director at Flanagan and Gerard Property Investment and Development.



#### C E Wilson

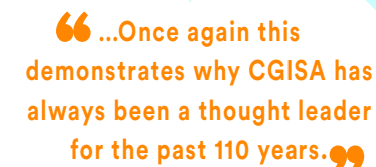
FCG

Chris is the managing director at Kilgetty Statutory Services. He is chairman of the Western Cape Branch and serves on the Mentor Board. He serves on the CGISA technical committee. Chris is well known in South Africa as one of the leading company secretarial consultants and will often be consulted by other practitioners on complex company secretarial services issues. Chris is a non-executive director of several clients

and furthermore acts as the public officer and local representative of foreign-based organisations that have opened offices in South Africa.

### COMPANY SECRETARY

The company secretary is Irma Warriner. The board has evaluated the qualifications of the company secretary and is satisfied that the requirement in the Companies Act has been satisfied in that the company secretary is suitably qualified to effectively discharge her duties. The company secretary is independent of the board and is not a director of the Company. All directors have access to the company secretary. The company secretary provides valued guidance and advice to the board and the board is satisfied that an arm's length relationship is present between the company secretary and the board.



“...Once again this demonstrates why CGISA has always been a thought leader for the past 110 years.”



## COMMITTEES OF THE BOARD



*The board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and effective discharge of its duties*

All committee meetings were held successfully via online channels. The Company has various committees each with its own terms of reference which must be adhered to. Committees have been established to assist the board in discharging its responsibilities.

The president is an ex-officio member of all committees. Certain committees have the right to co-opt such persons as they may think fit as members of the relevant committee to assist in their deliberations. The majority of members of such committee shall be members of the Company. Co-opted members do not have a right to vote. Senior members of staff attend committee meetings to provide relevant input but are not members of the committees.

The directors recognise that they are ultimately accountable and responsible for the performance and the affairs of the Company and that the delegation of any

powers to a committee in no way absolves the board of the obligation to carry out its duties and responsibilities. The auditors are given unrestricted access to the president and other members of the board and attend all meetings of the finance and risk committee by invitation. The board is of the opinion that its interests, and those of the Company, are suitably served by inviting the auditors to attend these meetings.

Members of committees may not serve for more than 12 years in total and this contributes to maintaining independence and promoting diversity on all committees, which is of paramount importance to the Company. Where committee members serve for too long a period, the risk of a lack of independence is heightened and diversity of thought is diminished.

### Executive committee

The executive committee comprises the president, two vice-presidents and the immediate past president. The executive committee holds a minimum of four meetings per annum. The executive committee attends to the operational management of the Company between board meetings. The executive committee considers matters referred to it by the board and matters which have not yet been referred to the board. The executive

committee serves to further its commitment to achieving best practice standards of corporate governance based on locally and internationally acceptable standards, which includes compliance with King IV™. To fulfil its mandate, the committee may call upon any of the directors of the Company or any employee of the Company to provide it with information.

The succession plan of the executive committee allows an honorary officer two years of preparation before becoming president. The president remains on the executive committee for a further year as immediate past president. This structure has provided stable leadership to the Company.

Attendance and composition of the executive committee was as follows:

Executive Committee	
Bagwande L –	2/3
Giuricich S – from June 2020	2/2
Kajee S – until June 2020	1/1
Likhang R	3/3
Robinson K	3/3
Sadie S	3/3

### Finance and risk committee

This committee considers matters pertaining to good corporate governance arising from the Company's business, covering areas such as internal controls, integrated and statutory reporting, compliance with laws and regulatory and supervisory codes, external audit, risk management and appropriate and timely disclosure to the board. The chief executive officer, the secretary, the technical advisor, and external auditor shall be in attendance. The committee has adopted terms of reference that deal with the committee's role and responsibilities.

Attendance and composition of the finance and risk committee was as follows:

Finance and Risk Committee	
Da Silva D	3/4
Giuricich S – Chair from Oct 2020	4/4
Kajee S - Chair until Oct 2020	4/4
Rufetu B	3/4

### Nominations committee

The chairman of this committee shall be the immediate past president. The nominations committee has the responsibility of considering nominations received

from members, considering the skills, experience, age, gender, and diversity criteria required for a high-performance board, and providing a short list of candidates for election at the AGM. The nominations committee also recommends candidates to chair the various committees, and to assume the roles of international representatives and honorary officers.

The Company echoes the principles of race and gender diversity at board level and is of the firm view that diversity is the driving force behind effective and meaningful decision-making by the board.

Attendance and composition of the nominations committee was as follows:

Nominations Committee	
Kajee S - Chair	2/2
Likhang R	2/2
Southgate K	2/2
Sadie S	2/2

### Professional Practice Group ("PPG")

This committee considers matters pertaining to PPG activities and communicates with and assists members by providing webinars and technical

information. The majority of PPG members are accountants. The PPG ensures practising members of the Company conduct themselves in a professional manner to create public awareness of, and demand for, the professional service available from practising members. The committee is tasked with ensuring the interests of its members. The committee holds an annual general meeting where the committee members are elected.

Attendance and composition of the PPG committee was as follows:

Professional Practice Group Committee	
Benson N – Chair	4/4
Maburuse O	2/4
Mina P	1/4
Mpye T	4/4
Piyose T	1/4
Reid B	4/4
Zurlinden L	3/4
Akala S	2/4

### Technical committee

This committee considers how changes or proposed changes in legislation

and regulation may impact corporate governance and company secretarial practice. It also considers the interpretation of legislation and regulation, including the listings requirements of the JSE Ltd, and related matters that may affect members of the Company. The committee focuses on enhancing the legislative and governance knowledge of its members in relation to complex areas pertinent to the company secretarial function.

The committee has adopted terms of reference that deal with the committee's role and responsibilities. Members of the committee have provided articles for various technical publications and conducted continuing professional development webinars, focusing on challenging areas of company secretarial practice. The committee has been appointed by the JSE Ltd as an advisory committee to the JSE Ltd on the amendments to the listings requirements.



Attendance and composition of the technical committee was as follows:

Technical Committee	
Defillo E	3/4
Kirsten E - Chair	4/4
Mathew A	2/4
Nana M	2/4
Pinto M	2/4
Sadie S	4/4
Somerville W	3/4
Wilson C	3/4
Mofokeng B	4/4
Mngomezulu L – from October 2020	1/1

### Education and examinations committee

All educational and examination matters fall under the brief of this committee. The issues dealt with by the committee include the standard of the examination question papers, the examination marking process, skills development providers to assist the Company's students, and any policy matters relating to students. The committee also deals with reports from the global professional standards committee and develops remedial action plans where

appropriate. The committee has focused on the implementation of the online examinations.

Attendance and composition of the education and examinations committee was as follows:

Education and Examinations Committee	
Clarke S – Chair	2/2
Rissik M	1/2
Saunders S	2/2
Sadie S	2/2

### Assessment and review committee

This committee, as a sub-committee of the education and examinations committee, manages the Company's overall assessment process and ensures compliance by all role players with the Company's requirements. Further, it reviews all examination question papers and examination results to endeavour to ensure that both international and local standards are maintained. Law, financial, governance and general review groups have been established and subject moderators serve on these review groups. The moderators review all question papers and memoranda for purposes of quality assurance.

Attendance and composition of the assessment and review committee was as follows:

Assessment and Review Committee	
Clarke S – Chair	2/2
Rissik M	1/2
Saunders S	2/2
Sadie S	2/2

### Membership committee

This committee decides on applications for admission as associate or fellow members of the institute. It is accountable to the Committee for Southern Africa but must adhere to international standards and practices. The membership committee is tasked with dealing with all matters involving members.

Membership Committee	
Akosah-Bempah O	4/4
Arnison R	3/4
Bagwande L – Chair	4/4
Carpenter C	3/4
Maduna A	2/4
Maseko T	3/4
Molebatsi P	2/4
Sadie S	4/4

### Social and ethics committee

This committee was established in 2020. The committee is constituted as a statutory committee of the Company in respect of those statutory duties assigned to it in terms of section 72(4) of the Companies Act of 2008, as amended, (read in conjunction with Regulation 43 of the Companies Regulations, 2011), and as a committee of the board in respect of all other duties assigned to it by the board. The committee has an independent role with accountability to the board. The committee does not assume the functions of management, which remain the responsibility of the executive director and other members of senior management. The committee holds at least two meetings per annum.

The committee focuses on the functions outlined below:

1. Social and economic development
2. Good corporate citizenship
3. Environmental health and public safety
4. Consumer relations
5. Labour and employment
6. Ethics

The committee reports, through the chairman of the committee, to the shareholders at the Company's annual general meeting, on any part of the

business of the meeting that concerns the committee's functions. The report of the committee can be found on page 49.

Social and ethics Committee	
Periah S – Chair and member until August 2020	1/1
Mbhamali S – Chair from August 2020	2/2
Maskell F	2/2
Akosah-Bempah O – from August 2020	1/1
Sadie S	2/2

### DISCIPLINARY COMMITTEES

There are three disciplinary committees.

#### 1. Investigation Group

This body is required to investigate all matters relating to alleged misdemeanours of members. Any member of the public can lodge a written complaint against any member of the Company. There were three cases investigated in the year under review and these cases were referred to the disciplinary tribunal.

#### 2. Disciplinary Tribunal

This body has the responsibility of reviewing the findings of the investigation



group. As part of its function, this committee considers disciplinary and other matters and dismissals, and implements appropriate penalties. This committee will evaluate the evidence provided and, if necessary, decide upon an appropriate sanction. Three cases were dealt with by the disciplinary tribunal in the year under review. A letter of warning was issued to a member of the institute, and a fine was instituted against a member of the Company.

### 3. Appeals Tribunal

This body deals with any appeals lodged against the findings of the disciplinary tribunal. There were no appeals lodged in the year under review.

Given the increased focus on the need for good corporate governance in South Africa, there has been an increased awareness of the issue of discipline of professional body members. The Company has joined other professional bodies as part of the Anti-intimidation and Ethical Practices Forum.

### Integrated reporting awards committee

The Company schedules meetings for the integrated reporting awards committee on a frequent basis. The purpose of this committee is to plan, manage and

ensure operational success of the annual integrated reporting awards. Standing items on the agenda of this committee include marketing; budget; sponsorship; speakers; judges and entertainment. The awards were held virtually for the first time, and the Company managed to secure various sponsors for this event.

### BOARD EVALUATION



*The board should ensure that the evaluation of its own performance and that of its committees, its chair, and its individual members, support continued improvement in its performance and effectiveness*

The Company did not conduct an evaluation in 2020, and this is an area to be improved upon. The Company will conduct a board evaluation in 2021. There is open discussion at board level on its effectiveness. The committees submit reports to all board meetings where their performance is discussed.

### MANAGEMENT



*The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities*

The CEO's performance is evaluated annually against agreed performance measures and targets. Key functional areas of the Company are headed by competent managers, whose performance is measured annually by the CEO. Staff meetings were held every week to discuss critical issues. The CEO had regular individual meetings with managers to discuss their work. Management submit a report to the board and to exco on the tasks accomplished and those which still need to be tackled as per the strategic plan of the Company. Management submit an updated risk register to the board to monitor progress made in mitigation of identified risks and whether the controls in place are adequate and effective.

### RISK GOVERNANCE



*The board should ensure that risk is governed in a way that supports the Company in setting and achieving its strategic objectives*

Covid-19 necessitated a review of the risk register. The Company has a documented risk register, which is reviewed by the finance and risk committee as well as the board. Management is formally required to address any intolerable

residual risks. Management's risk responses are monitored by the finance and risk committee. Risks are identified, assessed, and managed as part of the day-to-day operations at various levels of management, who are empowered to deal with risks in an efficient manner.

The finance and risk committee is responsible for overseeing the management of all operational, reputational, and financial risks. The committee is satisfied that all key business risks are being addressed.

The CEO presents a risk report to every exco, board and finance and risk committee meeting. Risks faced by the Company are updated by management on a continuous basis.



**“Covid-19 necessitated a review of the risk register”**





The major risks facing the Company as at 31 December 2020 were as follows, together with the relevant risk mitigation processes:

Key risks	Risk analysis	Mitigating controls
<b>Financial sustainability</b>	Covid-19 negatively impacted collection of revenue from various sources. Student income was adversely affected as May examinations were cancelled. Members battled to pay their fees due to economic constraints. The annual conference was cancelled, and this also had an impact on revenue, as did the inability to hold workshops and seminars.	The Company suffered a loss at the end of 2020. The financial sustainability of the Company remains a key risk, which has been amplified by the effects of the pandemic. The Company plans to increase revenue streams by performing the following: <ul style="list-style-type: none"> <li>- Increase training offerings via webinars and in-house training</li> <li>- Ensure online mechanisms are in place and are functional for purposes of examinations</li> <li>- Improve number of student candidates</li> <li>- Increase marketing strategies</li> <li>- Digitisation / Social media</li> <li>- Salary cuts and retrenchments were implemented</li> </ul>
<b>Thought leadership</b>	The Company needs to remain a thought leader in the corporate governance landscape. This is seen as a value-add for members. Increased awareness of the Company needs to be created to attract more students, and ultimately increase the member base.	The Company has committed to publishing best practice guides on topics of relevance to the field of corporate governance. In 2020, two guides were published by the Company's technical committee: best practice guide on shareholder activism and best practice guide on board committees and the role of the company secretary. These two guides have been published on the international body's website. The Company will focus on creating more recognition of the Company among various regulatory bodies and the public at large by, inter alia, commenting on various public platforms. The Company is represented on the IRC working group, through the technical adviser, who has been appointed as a member of the group. The technical adviser was part of the IRC working group project team for 2020 and contributed to the 2020 paper titled: Delivering a concise and meaningful integrated report. The technical adviser has been appointed as the South African representative on the CGI thought leadership committee.
<b>Increase student numbers</b>	Student numbers decreased significantly because of the pandemic and the inability to hold May examinations.	Online examinations have been implemented from October 2020 and will continue into 2021. The new curriculum is designed to attract a wider cohort of students. Student marketing campaigns are in effect and are targeted at a wide database.
<b>Increase training revenue</b>	The Company continues to offer CPDs on several significant topics. Seminars have been replaced entirely by webinars due to Covid-19. In the absence of a training manager, the CEO and the technical adviser have taken over the organising of webinars and the facilitation of in-house training. There are several training competitors in the market.	The CEO has been responding to bespoke and in-house training requests, providing proposals and quotations based on each organisation's requirements and these have been well received. A database of prospective speakers is continuously updated to ensure quality training. The Company has continued with the Company's toolkit training. The Company held a total of 78 webinars in 2020.
<b>High failure rate</b>	The high failure rate leads to many students ending their studies prematurely. Students' lack of access to affordable and excellent tuition opportunities may lead to an exacerbation of the low pass rate. Many of our students have come through the public education system which has not prepared them well for tertiary studies.	The student manager arranged pre-examination webinars throughout the year. Students are also supported in the following ways: providing access to past papers on website, skills development providers, international quality assurance, ascertaining the level of students, ensuring compliance with regulations, and facilitating measures to increase the pass rate. Assignments are aimed at assisting in increasing the pass rate. Assignments count 30% of the final mark and have been well received by students.



## INFORMATION TECHNOLOGY GOVERNANCE

12

*The board should ensure that technology and information is governed in a way that supports the Company in setting and achieving its strategic objectives*

The board is ultimately accountable for the governance of information and technology management. Internal audit, which takes place every three years, provides assurance to management and to the finance and risk committee. The Company considers technology and the management of information when approving strategy and policy.

Processes were put in place to ensure that all staff could continue to work remotely during the six-month lockdown and to mitigate the increase in IT related risks as a result. Laptops were purchased for some staff, and the Company ensured that staff were reimbursed for data costs.

The overseeing of information technology governance continues to vest in the finance and risk committee which:

- considers the efficiency of IT controls, policies, and processes to the extent that these may pose a risk to the financial

reporting process, and the effectiveness of financial controls

- monitors the efforts of management to ensure that IT risks are contained and regulated to prevent damage to the Company

The Company used the services of an external service provider, V-Soft Technologies, for managing the Company's information management system. Meetings between the Company and V-soft took place once every two weeks to monitor progress on all system developments and/or challenges. Management of the Company attend these meetings.

The information management system has been updated significantly to cater for the new curriculum and for the online examinations.

## COMPLIANCE

13

*The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen*

The Company has complied with all legislative and regulatory requirements, which is overseen by the board.

Policies and procedures are in place to monitor compliance and to mitigate risks. During the year under review, there were no material violations of any laws or regulations, nor were any material penalties or fines imposed on the Company or its directors for contraventions of any laws or regulations.

The CEO, under the guidance of the Company's executive committee is responsible for ensuring compliance with relevant legislation and regulations. The CEO and the technical adviser are responsible for continually updating the board on legislative and/or regulatory developments pertinent to the Company's activities.

Because most directors are also employed in the corporate governance/company secretarial/accounting and tax consulting fields, they are regarded as being aware of relevant regulatory imperatives and requirements and, as such, regularly provide guidance to the Company. The company secretary also provides advice to the board.

## REMUNERATION

14

*The board should ensure that the Company remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long-term*

The Company remunerates fairly and transparently. Non-executive directors of the Company are not remunerated for their services. The Company has not prepared a remuneration report due to the small size of the Company. There were no increases in the year under review due to the pandemic's effect on the financial position of the Company. The staff all took a 10% cut in salary and no 13th cheque was paid.

## ASSURANCE

15

*The board should ensure that the Company remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long-term*





The Company ensures adherence to its policies and procedures using sources of assurance such as management, internal auditors, and external auditors. The board, supported by the finance and risk committee, ensures an effective control environment. The finance and risk committee assessed the adequacy and the effectiveness of controls as adequate through the confirmation of management and reports from the external auditors.

### Internal control

The Company maintains systems of internal control over its operations and functions such as membership records, examination papers, examination results and the award of certificates, financial reporting, as well as the safeguarding of assets against unauthorised use or disposition. These systems are designed to provide reasonable assurance to the Company's management and the board regarding internal control, the preparation of reliable financial statements and the safeguarding of the Company's assets, including personal information.

Any identified deficiencies in the system of internal controls are corrected immediately to improve these systems. An effective internal control system can provide only reasonable, but not absolute, assurance with respect to financial statement

preparation and the safeguarding of assets. Therefore, there are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Furthermore, effectiveness of an internal control system changes with circumstances. The finance and risk committee regularly receives reports on and reviews the effectiveness of internal controls and the exercise of delegated authority. As part of the finance and risk committee's responsibilities an assessment of various internal control functions across the Company was carried out during the year under review and changes were implemented.

### External audit

It is the responsibility of the external auditor, currently Mazars, to report on whether the annual financial statements are presented in compliance with International Financial Reporting Standards (IFRS) for SMEs. The external auditor performs an assessment of internal controls as part of the audit, but the preparation of the annual financial statements remains the responsibility of the directors.

Where the external auditor is appointed for non-audit purposes, such as tax compliance services, the finance and risk committee must pre-approve these

services in line with guidelines designed to ensure that the external auditor remains independent.

### Internal audit

Internal audits are conducted once every three years. The internal audit function is the ongoing responsibility of the finance and risk committee.

The finance and risk committee has the responsibility of monitoring risk, the accuracy of information within the Company, compliance with standard operating procedures, regulatory compliance by the Company and its employees, and the economic and efficient use of resources.

## SOCIAL AND RELATIONSHIP CAPITAL

**16**

*The board should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the Company over time*

The Company has identified key stakeholders and ensures that the interests of stakeholders are considered when implementing policies and processes and when developing strategies. The board is the ultimate custodian of stakeholder relationships and has delegated to management to proactively deal with stakeholder relationships and to provide feedback where necessary

Effective, regular, and transparent communication was maintained with all stakeholders despite the challenges that were faced because of the lockdown and the pandemic. Communication via online platforms was strengthened. The Company is committed to timely, consistent, open, and transparent communication with all relevant stakeholders. The table below indicates the various stakeholders, engagement with them and the outcome.





STAKEHOLDER	HOW WE ENGAGE	OUTCOME
<b>Members</b>	Emails, electronic boardroom magazine, ezine, best practice guides, continuing professional development webinars, support from technical adviser, technical committee, professional practice group, annual general meeting, maintenance of professional body accreditation with SAQA, annual integrated reporting awards, CGI e-community.	<ul style="list-style-type: none"> <li>• Continuous improvement in the standard of company secretarial and corporate governance practice</li> <li>• Cultivation of a loyal membership base</li> <li>• Reliable, accessible, and relevant information and advice available from the Company throughout the year</li> <li>• Increased communication with members between the various international divisions through the CGI e-community, leading to increased awareness of international best practices in corporate governance</li> </ul>
<b>Students</b>	Examinations, assignments, course material, pre-examination webinars, syllabuses, skills development providers, comprehensive information on website.	<ul style="list-style-type: none"> <li>• October online examinations were successful, and students received constant up dates and assistance</li> <li>• Maintenance of international standards of education</li> <li>• Graduates are equipped to enter the employment market and have a sound knowledge base across different facets of the corporate governance and company secretarial fields</li> <li>• Pre-examination webinars used as a tool to provide revision and assistance to students in preparation for the exams</li> </ul>
<b>Business and industry</b>	Representation on various forums such as King committee, CIPC, SARS, RCB Forum, JSE and Integrated Reporting Committee.	<ul style="list-style-type: none"> <li>• Collaboration on matters that benefit business and industry</li> <li>• Contributing to thought leadership</li> </ul>
<b>Board</b>	Quarterly board meetings	<ul style="list-style-type: none"> <li>• Satisfactory disclosure to the board to enable it to fulfil its fiduciary duties</li> </ul>
<b>Employees</b>	During the six-month lockdown, manager meetings were held weekly online. Informal and formal interactions, one-on-one discussions with management on matters affecting individual departments.	<ul style="list-style-type: none"> <li>• Staff are kept informed of the Company's activities</li> <li>• Cultivation of a committed team</li> <li>• Enhanced communication</li> </ul>
<b>Examiners and moderators</b>	Monitor quality of examination material Evaluation of examination papers Review of examination results Evaluation and assessing of assignments Review groups are set up prior to the examinations to assess all examination papers thoroughly	<ul style="list-style-type: none"> <li>• Maintenance and enhancement of international standards in relation to the Company's qualification</li> <li>• Compliance with SA regulatory requirements</li> <li>• Improved pass rate</li> </ul>

STAKEHOLDER	HOW WE ENGAGE	OUTCOME
<b>Skills development providers</b>	Ongoing interaction provide support materials and ensure quality of tuition meets satisfactory standards. Evaluation of skills development providers	<ul style="list-style-type: none"> <li>Students obtain the best tuition and support materials to achieve their qualifications</li> </ul>
<b>Government</b>	Engage with various arms of government on legislative matters	<ul style="list-style-type: none"> <li>The Company influences legislation and policy making which is in the best interests of its membership</li> <li>The Company provides input into proposed amendments considering the views of members</li> </ul>
<b>External consultants</b>	Frequent meetings are held with the Company's external consultants. These consultants include IT, <i>boardroom</i> publisher, and IRA virtual provider	<ul style="list-style-type: none"> <li>Well-functioning IT system with consistent feedback on matters to be resolved, as raised by relevant management</li> <li>Successful events, in particular the integrated reporting awards. This leads to greater awareness of the Company via the media channels utilized</li> <li>A high quality <i>boardroom</i> publication published digitally four times per annum. Each issue focuses on relevant and prominent issues affecting all company secretaries and governance professionals</li> </ul>
<b>Media</b>	Advertising and editorial in numerous magazines, social media – Facebook, LinkedIn. Collateral – banners, pamphlets, posters Articles written in various publications	<ul style="list-style-type: none"> <li>The Company's high profile is maintained</li> <li>A credible and visible brand is built</li> <li>New marketing campaigns keep the public interest</li> <li>The Company to be seen as the thought leader in the corporate governance landscape</li> </ul>
<b>Professional bodies</b>	Representation on various forums such as Fasset. Close co-operation with like minded professional bodies. All meetings held by the Professional Bodies Forum are attended	<ul style="list-style-type: none"> <li>Collaboration where our interests are aligned</li> <li>MOU signed with professional bodies to help prevent corrupt practices</li> </ul>
<b>Regulators and policy makers</b>	Representation on various bodies, cultivate relationships with key decision makers The technical adviser is a member of the Integrated Reporting Committee Working Group Representatives attend National Sars stakeholder meetings	<ul style="list-style-type: none"> <li>The Company remains abreast of legislative and governance developments and trends</li> <li>The Company influences legislation and policy making in the best interests of members</li> </ul>

## HUMAN CAPITAL

Human capital refers to our staff, an intangible asset, their talent, and skills that play a vital role in creating value for all our stakeholders. The Company recognises the critical impact of human capital in key business areas such as driving stakeholder satisfaction, service innovation, growth, and overall profitability. Appointment of staff members is conducted by following a thorough recruitment process, including screening of all candidates and in-depth interviews and assessments. The Company is committed to employment equity and will continue to ensure diversity at all levels. The Company is a level one B-BBEE contributor.

The Company prioritises ongoing training to facilitate continual development of staff by requiring them to attend relevant webinars at no cost. Staff are also encouraged to pursue the institute's qualification. There is no charge for staff. Two staff members successfully completed the institute's qualification in 2020, namely Bongiwe Sibanda and Linda Sanangurai. Our staff receive numerous benefits including, medical aid membership, and a provident fund. Due to the financial position of the Company, staff were not paid 13th cheques and no performance increases were awarded in 2020. Salary

cuts were implemented across the entire staff compliment. This will be re-evaluated depending on the financial performance of the Company during 2021.

Baldwin Masetlha, the Company's customer service manager, retired after 50 years of service to the Company. Baldwin joined the Company in February 1971. In recognition of Baldwin's long-service and dedication to the Company, the Company's boardroom has been named the Baldwin Masetlha boardroom. As a result of the financial loss suffered by the Company, two staff members were retrenched at the end of 2020. Despite these challenges, all staff remain committed to teamwork and to performing their functions to the best of their ability.

The pandemic has caused hardship to many across the globe. It remains a priority for the Company to ensure that all staff are cared for. Health and mental wellbeing have been amplified by the pandemic and the Company remains empathetic to all staff needs. The Company is committed to a safe and healthy working environment and ensures strict compliance with relevant legislation. All safety protocols as regulated by government in response to the pandemic have been enforced. The Covid-19 compliance officer is Jennifer Maybery. Matters of employee health and safety are addressed as part of the responsibilities of management.





# Social and Ethics Committee Report 2020

The Board established the social and ethics committee (the Committee or SEC) in 2020, in accordance with Section 74(4) and Regulation 43 of the South African Companies Act 71 of 2008 (as amended).

The Committee is constituted as a statutory committee of the Company in respect of those statutory duties assigned to it in terms of section 72(4) of the Companies Act of 2008, as amended, (read in conjunction with Regulation 43 of the Companies Regulations, 2011), and as a committee of the Board in respect of all other duties assigned to it by the Board. The SEC has a reporting and monitoring role. In terms of its statutory mandate, it will focus on the following areas:

## Committee members

The members of the Committee are as follows:

- Sandile Mbhamali - Chairperson
- Fiona Maskell
- Ophelia Akosah-Bempah
- Stephen Sadie- CEO

The technical adviser, Sabrina Paxton, attends all meetings by invitation.

## Activities undertaken in 2020

The committee held two meetings in 2020, on 10 July 2020 and 8 October 2020 both meetings were attended by all members.

During the year under review the Committee focused on two areas of its mandate: environmental health and safety, and ethics.

In light of the Covid-19 pandemic, the Committee deliberated on the impact of the pandemic on all employees and discussed the measures in place to ensure health and safety of employees and compliance with Covid-19 regulations once employees returned to the office. Staff with comorbidities continued to work remotely when physical attendance at work resumed in September 2020. A compliance officer was appointed to monitor and ensure compliance with the Covid-19 regulations.

Ethical conduct on the part of all members and students is of paramount importance to the Company and was discussed by the Committee. The Committee discussed that awareness on ethics among members and

students should continue through training and education. The Committee noted that two disciplinary cases had been brought against members of the Company during 2020, and these had both been finalised in accordance with the disciplinary processes in place.

## Future actions to be undertaken

In 2021, the Committee will continue to focus on all responsibilities under its mandate.

  
Sandile Mbhamali  
Chairperson





## Summary Financial Information

The annual financial statements are available on the Company's website <http://chartgov.co.za/> and have been prepared under the supervision of Jennifer Maybery, ACG, Financial Manager, CGISA.

# Statement of Comprehensive Income

for the year ended 31 December 2020

	2020 R	2019 R
<b>Revenue</b>	15 373 672	18 955 927
Amortisation	(267 284)	(360 375)
Depreciation	(89 714)	(56 526)
Employee costs	(8 823 860)	(9 990 282)
Operating costs	(7 513 350)	(9 365 679)
<b>Operating deficit before other income and interest</b>	<b>(1 320 536)</b>	<b>(816 935)</b>
Other income	82 829	217 919
Investment revenue	381 741	558 139
Finance costs	(112 371)	(142 978)
<b>Deficit for the year</b>	<b>(968 337)</b>	<b>(183 855)</b>
<b>Other comprehensive income</b>		
Revaluation - Post-retirement medical aid liability	(19 000)	(40 000)
<b>Total other comprehensive income</b>	<b>(19 000)</b>	<b>(40 000)</b>
<b>Total comprehensive deficit for the year</b>	<b>(987 337)</b>	<b>(223 855)</b>



## Statement of Financial Position - Assets

for the year ended 31 December 2020

	2020 R	2019 R
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	159 773	156 444
Intangible assets	255 566	491 550
	<u>415 339</u>	<u>647 994</u>
Current assets		
Inventories	39 606	57 635
Loans receivable	32 704	43 106
Trade and other receivables	260 520	969 606
Cash and cash equivalents	5 618 586	5 981 792
	<u>5 951 416</u>	<u>7 052 139</u>
<b>Total Assets</b>	<u><b>6 366 755</b></u>	<u><b>7 700 133</b></u>

# Statement of Financial Position - Equity and Liabilities

for the year ended 31 December 2020

## EQUITY AND LIABILITIES

### Equity

Other reserves

302 000 321 000

Retained surplus

1 541 967 2 510 304

1 843 967 2 831 304

### Non-current liabilities

SARS PAYE

- 235 681

Post-retirement medical aid liability

450 012 460 660

450 012 696 341

### Current liabilities

Trade and other payables

3 972 887 3 444 812

Loans payable

- 551 456

Post-retirement medical aid liability

73 600 71 400

Operating lease liability

26 289 104 820

4 072 776 4 172 488

## Total Equity and Liabilities

6 366 755 7 700 133

## Statement of Changes in Equity

for the year ended 31 December 2020

	Post- retirement medical aid reserve R	Retained Surplus R	Total R
<b>Balance at 1 January 2019</b>	<b>361 000</b>	<b>2 544 567</b>	<b>2 905 567</b>
Deficit for the year	-	(183 855)	(183 855)
Other comprehensive income	(40 000)	-	(40 000)
<b>Total comprehensive surplus / (deficit) for the year</b>	<b>(40 000)</b>	<b>(183 855)</b>	<b>(223 855)</b>
<b>Transfer from Institute of Business Studies NPC</b>	<b>-</b>	<b>149 592</b>	<b>149 592</b>
<b>Balance at 31 December 2019</b>	<b>321 000</b>	<b>2 510 304</b>	<b>2 831 304</b>
<b>Balance at 1 January 2020</b>	<b>321 000</b>	<b>2 510 304</b>	<b>2 831 304</b>
Deficit for the year	-	(968 337)	(968 337)
Other comprehensive income	(19 000)	-	(19 000)
<b>Total comprehensive surplus / (deficit) for the year</b>	<b>(19 000)</b>	<b>(968 337)</b>	<b>(987 337)</b>
<b>Balance at 31 December 2020</b>	<b>302 000</b>	<b>1 541 967</b>	<b>1 843 967</b>



# Statement of Cash Flows

for the year ended 31 December 2020

## EQUITY AND LIABILITIES

### Equity

Other reserves

Retained surplus

302 000	321 000
1 541 967	2 510 304
<b>1 843 967</b>	<b>2 831 304</b>

### Non-current liabilities

SARS PAYE

Post-retirement medical aid liability

-	235 681
450 012	460 660
<b>450 012</b>	<b>696 341</b>

### Current liabilities

Trade and other payables

Loans payable

Post-retirement medical aid liability

Operating lease liability

3 972 887	3 444 812
-	551 456
73 600	71 400
26 289	104 820
<b>4 072 776</b>	<b>4 172 488</b>

## Total Equity and Liabilities

<b>6 366 755</b>	<b>7 700 133</b>
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Chartered  
Governance  
Institute of  
Southern Africa



**110**  **YEARS**

Chartered Governance Institute  
of Southern Africa

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