



Chartered
Secretaries
Southern Africa



Integrated **Report**

for the year ended 31 December 2017



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@chartsec.co.za

Website: www.chartsec.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: N Bouwman, B Dialwa, SAH Kajee, HF Kocks, Z Lachporia,
R Likhong, S Linford, RD Pillay, KE Robinson, S Sadie (CEO), S Smit,
KJ Southgate, CE Wilson

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





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Company Profile



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. CSSA is an expert commentator and thought leader in Southern Africa on governance matters. CSSA 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. CSSA covers Botswana, Lesotho, Namibia, South Africa and Swaziland.

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.

“Chartered secretaries and chartered governance professionals are high-ranking professionals with a broad base of skills”

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, CSSA leads in shaping the governance agenda and promoting the best practice essential for organisational performance.

Candidates who have completed the CSSA International Qualifying Board Examination, gained the necessary work experience and who present the requisite character traits will be qualified to apply to be admitted as a Member of CSSA 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

Values

- **Stand up:** Challenging. Proud to take a position. Never afraid to do so.
- **Listen well:** Totally aware. Understanding what's going on in the world. Always mindful of change.
- **Move forward:** Forever looking at the path ahead. Remembering where we've been.
- **Stay balanced:** A source of ethical conscience. Never shaken. Standing firm.
- **Be totally up-to-date:** In tune with the global trends in governance.
- **Inspire:** Leading the way so others will follow.



that chartered secretaries and chartered governance professionals can command competitive remuneration packages.

Different levels of Membership

Membership of CSSA 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 (ACIS) and Fellows (FCIS). On successful completion of the CSSA Board Qualifying Examination, graduates immediately become GradI CSA. 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 ACIS. On admission as a Fellow, the senior grade of membership granted on more extensive experience, the member may include the prestigious 'FCIS' 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

CSSA is an integral part of the international 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, Ukriat and Zimbabwe, with a total membership of 30 000.

CSSA is also a member of Corporate Secretaries International Association (CSIA), which is a global federation of corporate secretaries and governance professionals. Member organisations include seven of the divisions above and the United States, India, Brazil, Kenya, Bangladesh, Canada, Indonesia and Nigeria. All share a common interest in the promotion of good governance. CSIA represents approximately 100,000 governance professionals. 

“Membership of CSSA evidences not only academic qualifications but also practical experience, character, integrity and responsibility”

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

Executive Committee

President
Shamida Smit



Senior Vice President
Sikkie Kajee



Vice President
Robert Likhang



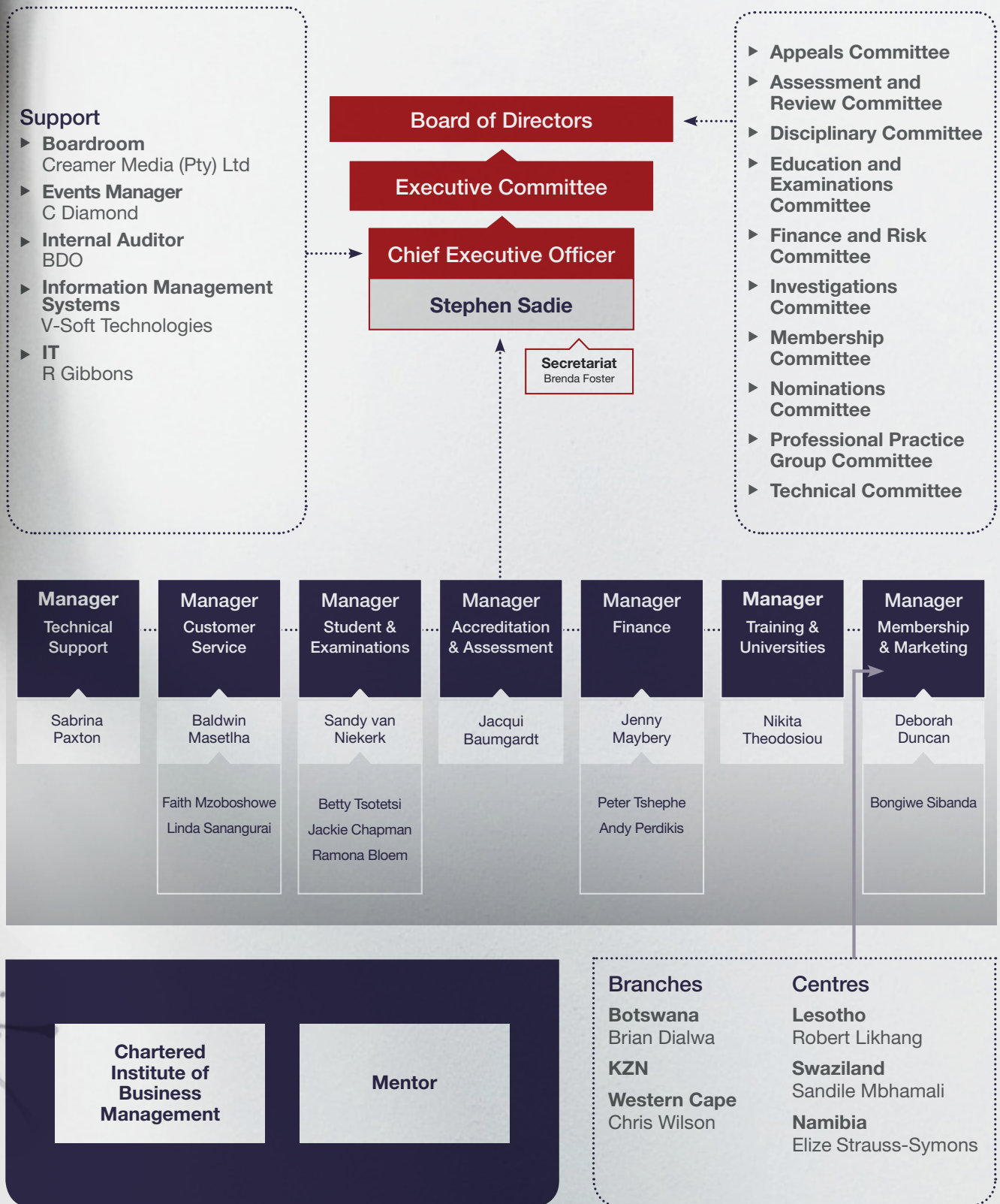
Past President
Karen Southgate



CEO
Stephen Sadie



CSSA Organogram



Chief Executive Officer's Report 2017

Introduction



Stephen Sadie (CEO, CSSA)

It gives me great pleasure to present the Chartered Secretaries Southern Africa (CSSA) Integrated Report for 2017. CSSA is 109 years old. We have certainly stood the test of time. However, organisations need to refresh and renew themselves from time to time. The landscape around us is changing rapidly and it is therefore incumbent on CSSA to adapt and move with the changing times in which we live. This integrated report details the major changes that we undertook in 2017. Many of these are far reaching changes which will put the Institute on a stronger footing to face the challenges of the future.

There is a growing interest in corporate governance. Many companies want to avoid the reputational risks of being caught up in corporate governance scandals. Corporate governance no longer belongs only to company secretaries but others such as legal counsel, risk managers, compliance officers, and financial directors are jumping onto the bandwagon. Our members internationally voted at the AGM in October 2017 to create a second designation called chartered governance professional to cater for this

broader grouping. This is in line with our new curriculum which includes four core modules i.e. applied governance, corporate law, risk and compliance, and finance for decision-making. Thereafter students can elect the route of chartered secretary or chartered governance professional.

2017 saw major political events unfolding and the exposure of corruption in the corporate governance sector. Many public companies were exposed for their dealings in state-capture and auditing firms were also put under fire. This exposure, and transparency, will lead to better corporate governance being witnessed throughout our country. CSSA will continue to echo the principles and practices which form

the foundation of good corporate governance. Never before has it been so imperative for CSSA to build a strong cohort of company secretaries and governance professionals who can uphold corporate governance principles day in and day out.

Although CSSA has made substantial gains, we continue to face major challenges such as a faltering economy which affects our members and students.

There is an increased emphasis on integrated reporting in this year's report. This CEO's report is structured around the six capitals of the international integrated reporting framework. The table below presents the outline of the CEO's report.

Six Capitals	
Intellectual capital	We express our intellectual capital in the following ways: <ul style="list-style-type: none"> • Strategic plan • Premier corporate governance conference • Integrated reporting awards • Seminars and webinars • Publications • Technical support
Human capital	We express our human capital in the following ways: <ul style="list-style-type: none"> • New MOI • Staff • Membership • Chartered Secretaries Placements • New curriculum • Accreditation • Assessment • Awards ceremony
Social and Relationship Capital	We express our social and relationship capital in the following ways: <ul style="list-style-type: none"> • Marketing • Representing members • CSSA hosts two international council meetings • ICSA • CSIA
Financial capital	We express our financial capital in the following ways: <ul style="list-style-type: none"> • Information management system • Finance
Natural Capital	Though our business does not focus on environmental issues, we are cognisant of the environment in our daily activities and we support energy and water saving initiatives.
Manufacturing Capital	We do not have any machinery or manufacturing capital to report on.

Intellectual Capital

Strategic Plan

We had a one day board strategy session on 31 March 2017 to develop our strategic plan for 2017/18. The board adopted four key strategies:

- To finalise the new curriculum
- To set up training programmes and strengthen relations with universities
- To develop and implement a comprehensive marketing strategy
- To improve the financial sustainability of CSSA.

These four strategic objectives will become evident in the remainder of this report.

Conference



John Robbie (master of ceremonies)

The 9th Premier Corporate Governance Conference took place on the 18 and 19 September 2017 at the Montecasino Ballroom. The conference, which is the largest corporate governance conference in SA, showcased CSSA's thought leadership on what is arguably the country's most pressing problem. The master of ceremonies, John Robbie, entertained delegates with his comedic talent and also highlighted how South Africa should "hold its head in shame" over corruption which was at a peak in the corporate governance arena. Poor corporate



Company secretary panelists (from left) John Robbie, Jill Parratt, Carina Wessels, Alice Mathew, Sibani Mgomezulu and Shamida Smit

governance and corruption was a common thread throughout the conference whereby leading speakers dealt eloquently with this topic. The conference covered a wide range of interesting and current topics, some of which were as follows:



Prof Michael Katz (ENSAfrica) emphasises key issues in the Companies Act

Prof Michael Katz of ENSAfrica addressed recent developments in company law since the implementation of the Companies Act 2008 in 2011. Dr Yondela Ndema spoke to delegates about compliance strategies being used to combat challenges being faced in Sasol. We were honoured to be addressed by David Venus, the international president of the Institute of Chartered Secretaries and Administrators (ICSA). Venus was also the former company secretary of Pink Floyd and The Rolling Stones, among other FTSE 100 companies. He spoke on the role of a company secretary in preparing for and conducting board meetings.



David Venus, international ICSA president, speaks on the role of the company secretary

Two panel discussions were the highlight of the conference. The first panel discussion was held on the role of the company secretary. The second panel discussion was on corporate governance and the law. Panelists identified that King IV balances the line between being a good corporate citizen and maximising profit.

A fascinating topic covered at the conference was the development

of the digital platform, the so-called “fourth industrial revolution”, and it was interesting to note how quickly these developments are taking effect. Daniel Malan of the University of Stellenbosch Business School spoke on responsible board leadership in a digital and glocal age.

Mavuso Msimang of Corruption Watch dealt with challenges in corporate governance and corruption. He stated that there was a loss of integrity in the land and that ethics had been thrown overboard. He went on to indicate that King IV has put governance on the map, and that corporate governance encompasses more than a fear of non-compliance.



Prof David Everatt (Wits School of Governance) gives an interesting presentation on spatial inequality in Gauteng

Prof David Everatt of Wits School of Governance spoke on governance and politics and the current state of South Africa. He stressed that governance cannot be codified easily into a set of rules, and is about how power is distributed throughout society, and how that power is held accountable.

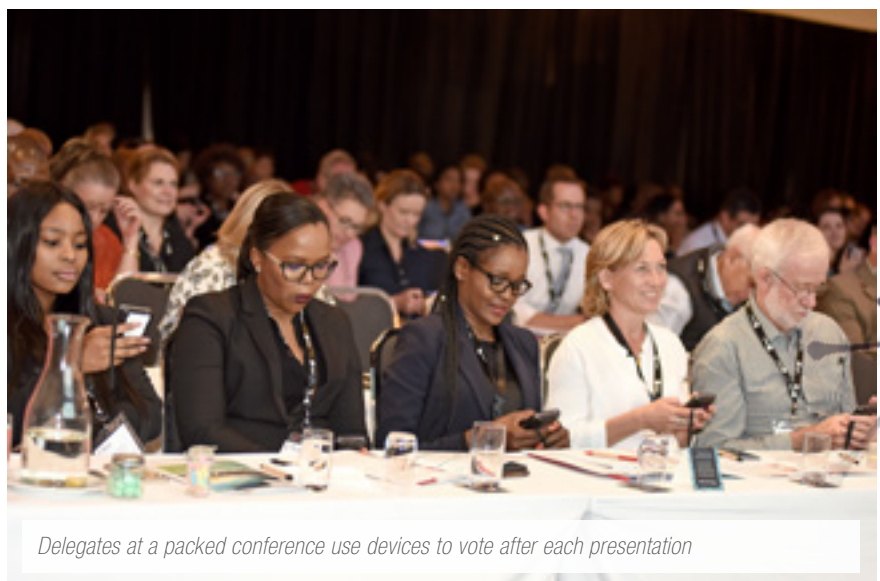
The Conference was a resounding success and continues to consolidate our thought leadership role in corporate governance.



Law and corporate governance panel (from left) Cameron Dunstan-Smith, Andre Visser, Vusimuzi Magubane, Christina Pretorius, Vlad Movshovich and Yaniv Kleitman



The gravity of the topic under review is palpable among audience members



Delegates at a packed conference use devices to vote after each presentation

Integrated Reporting Awards



Sikkie Kajee (senior vice president, CSSA) gives the opening speech



Keynote speaker, Isaac Shongwe (Letsema) delivers a heartfelt speech



Carol Paton (Business Day) speaks on the importance of good governance

This was the 61st anniversary of the reporting awards. The awards have been held every year except for the 1960s when they were held every second year. We changed the name from the annual report awards in 2013 to the integrated reporting awards to reflect the new focus.

South Africa was the first country in the world to make it compulsory for listed companies to produce an integrated report. CSSA, through its annual integrated reporting awards, is committed to upholding the importance of integrated reporting and encourages all companies to make integrated reporting one of their top priorities.

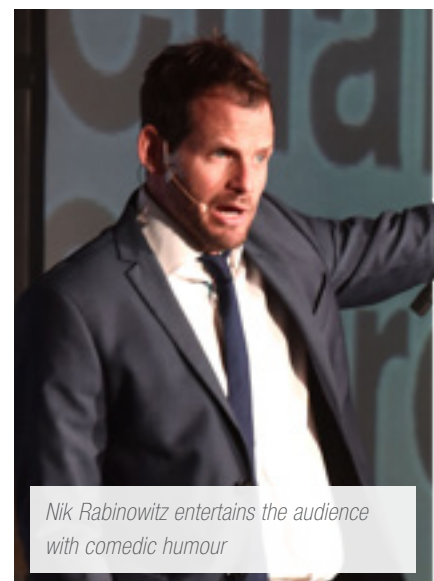
Mervyn King, chairman of the International Integrated Reporting Council (IIRC) and of the Integrated Reporting Committee of South Africa (IRC of SA), is a firm supporter of CSSA's integrated reporting awards. CSSA has been a member of the IRC of SA since its early days. IRC of SA is a national body committed to providing guidance on integrated reporting.

The integrated reporting awards took place at the Montecasino ballroom on 15 November 2017. Almost 100 companies entered and 420 guests attended the gala dinner. The keynote speaker, Isaac Shongwe, chairman and founder of Letsema, gave a heartfelt speech that addressed many pertinent issues currently plaguing South Africans and drove home the sentiment that good governance is the key to overcoming such obstacles. Carol Paton, deputy editor of Business Day, also addressed the audience and spoke on the important role of CSSA in upholding good governance. Local comedian and MC, Nik Rabinowitz, touched on a number of sensitive issues through the use of humour, in good taste, and entertained the crowd with his hilarious antics.

Gold fields Ltd came out on top, as the deserving overall winner of the evening. There was no winner awarded for the large SOC category, as the judges found that the reports lacked transparency on how the organisations were addressing stakeholders' legitimate concerns.



Overall winner of the IRA 2017 Awards, Sven Lunsche (Gold Fields)



Nik Rabinowitz entertains the audience with comedic humour

The esteemed panel of judges contributed to the overall success of the integrated reporting awards. Our thanks go to the judges:

- Jonathan Streng – University of Johannesburg
- Prof John Ford – Gordon Institute of Business Studies
- Leigh Roberts – Leigh Roberts Consulting
- Joanne Matisonn – TMF Corporate Services SA
- Prof Warren Maroun – University of the Witwatersrand
- Pieter Conradie – University of Pretoria
- Dr. Nimrod Mbele – Knowledge Anchors Group
- Tsvetana Mateva – Auditor General South Africa

Seminars and Webinars

We firmly believe that our members must demonstrate that they have kept abreast of developments in governance, legislation, accounting and taxation. CPD is required by SAQA, ICOSA, CIPC and SARS and 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.

We held a total of 25 seminars in 2017. A training and universities manager has been appointed as of October 2017 and is responsible for organising seminars and webinars. We have increased the hours of some seminars to four and six hours respectively and these have been well supported. We have also managed to cover most of the key centres such as Johannesburg, Durban, Cape Town and Gaborone. There is the constant challenge of finding new speakers to keep the CPD programme fresh. General topics such as the role of the company secretary and effective minute-taking have been popular.

“... 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”

Seminar and webinar presenters



Sandile Khosa



Yaniv Kleitman



Christina Pretorius



Jonathan Lewis



Karen Robinson



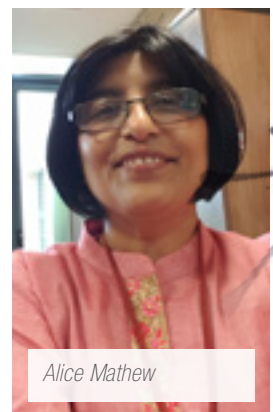
Lynelle Bagwandeem



Neil Kirby



Ahmore Burger-Smidt



Alice Mathew

Webinars were launched in August 2017. The webinars are managed by 2020 Innovation SA. These have proven to be hugely successful. All in all, 12 webinars were presented in a period of four months. In the future webinars should make a substantial contribution to the income stream. Approximately 940 delegates attended seminars and webinars. Seminars and webinars have contributed considerably to our public profile and this will increase in importance in 2018.

The seminars conducted in 2017 were as follows:



Speaker	Date	City	Hours	Topic
Mario Fazekas	6-Feb	JHB	2.5	Corporate Governance: What's new relating to fraud & ethics?
Cynthia Schoeman	21-Feb	JHB	2.5	The imperative for ethical leadership
Mario Fazekas	1-Mar	JHB	2.5	Detecting deception – using body language
Carmen Westermeyer	3-Mar	DBN	4	Budget speech and taxation updates
Cynthia Schoeman	27-Mar	CPT	2.5	The imperative for ethical leadership
Mario Fazekas	28-Mar	JHB	2.5	Social media & internet risks
Peter Redman	7-Apr	JHB	2.5	Insider trading: Market abuse
Carmen Westermeyer	18-Apr	DBN	2.5	Provisional tax
Richard de La Harpe	9-May	CPT	2.5	Directors' duties and liabilities under the Companies Act
Carina Wessels	19-May	JHB	4	Building effective board relationships
Caryn Maitland	25-May	DBN	4	Managing directors' exposure to risk – the relevance of using corporate governance in 2017
Karen Robinson	29-May	JHB	2.5	Effective minute-taking
Carina Wessels	9-Jun	GBR	6	Practical aspects of company secretarial practice
Alice Mathew	14-Jun	JHB	2.5	Latest developments in public sector governance
Christina Pretorius	20-Jun	JHB	2.5	Conflicts of interest in relation to directors
Lynelle Bagwandeen	20-Jul	JHB	2.5	Revised audit committee oversight
George Zacharias	25-Jul	CPT	2.5	The practical implementation of corporate governance focusing on small and medium enterprises and not for profit organisations
Jonathan Lewis	6-Sep	JHB	2.5	Practical application of core governance principles and consequences of misinterpretation – case study
Alessia Maxwell	19-Oct	JHB	2.5	Ongoing beneficial interest shareholder and regulated company obligations under the Companies Act and JSE listings requirements
Vernon Fryer	2-Nov	JHB	2.5	Cyber-security and crime
Karen Robinson	10-Nov	JHB	4	Effective minute-taking
Yaniv Kleitman & Christina Pretorius	14-Nov	JHB	6	King IV training workshop
Caryn Maitland	23-Nov	DBN	4	2017 legislation update
Neil Kirby & Ahmore Burger-Smidt	24-Nov	JHB	4	POPI workshop
Caryn Maitland	4-Dec	JHB	4	2017 legislation update

The webinars conducted in 2017 were as follows:

Speaker	Date	Hours	Topic
Carina Wessels	17-Aug	2	Holding an effective AGM
Carmen Westermeyer	5-Sep	2	Taxation: s7C and trusts
Richard de la Harpe	12-Sep	2	Directors duties and liabilities
Carina Wessels	22-Sep	2	Recent changes to the JSE Listings Requirements
Carmen Westermeyer	28-Sep	2	Taxation: Corporate Rules – s42 and other
Richard de la Harpe	3-Oct	2	Key alterable provisions of MOIs
Caryn Maitland	25-Oct	2	Changes to the IFRS – IFRS 15 and 16
Carmen Westermeyer	31-Oct	2	Double tax agreements and how they work
Cynthia Schoeman	3-Nov	2	Ethics – the big 4 issues
Sandile Khosa	9-Nov	2	Implementation of the FIC Amendment Act 2017
Jonathan Lewis	21-Nov	2	Factors impacting the independence of directors
CIPC	30-Nov	2	Independent review

Publications

We continued to ensure that both our members and students receive high quality publications. The quarterly Boardroom magazine profiled our key events. The quarterly eZine profiled members and students illustrating how the qualification could accelerate one's career. The monthly technical newsletter covered a range of issues in relation to the Companies Act, corporate governance, legal, accounting and taxation. A CSSA best practice guide on minuting meetings was prepared by Natasha Bouwman, with contributions from the technical committee. A number of leaflets were printed as supporting collateral and these were distributed by email as well as hard copies to all tuition providers, members and students and the general public. We advertised CSSA widely in prestigious publications such as Financial Mail, Business Day, without prejudice, Mail and Guardian and Public Sector Manager to name but a few.

Technical Support

Our full time technical adviser, Sabrina Paxton (LLB, LL.M) started in August 2017. As technical adviser, duties ranged from advising members on queries, to advising committees and the CEO of changes to legislation which affect the Company.

The technical adviser prepares a monthly technical newsletter which is divided into three sections, namely, governance, legal, tax and accounting. The technical adviser provided timeous advice to members on a number of different topics.

The technical adviser represents the Company on a number of forums including the SARS RCB leadership forum. All communication which is received from regulatory bodies, and which is of relevance to members and students, is communicated by the technical adviser accordingly.

Articles were written by the technical adviser for Boardroom and eZine. Two mailers per week were sent to members on a variety of topics of interest. The technical adviser was responsible for ensuring that the content of mailers is relevant and of value to members.

The technical adviser attended various meetings with a view of providing committees with technical support, and also attended seminars and workshops held at the CSSA office. The technical adviser prepared the agenda and bundles for the technical committees held, and facilitated topics discussed.



Sabrina Paxton (technical adviser, CSSA)

With the implementation of PoPI being imminent, the technical adviser prepared a comprehensive spreadsheet for all management of the Company, to outline what is required of each department and what is prohibited. The Company is committed to complying with PoPI and has started implementing safeguards in this respect. The technical adviser amended third party contracts with service providers of the Company in line with PoPI requirements.

Human Capital

New MOI

A members' general meeting was held on the evening of 31 March 2017, whereby the new memorandum of incorporation (MOI) was approved. This was a major step forward on the old articles of association which were adopted in 2002. The governance structures of the Institute were modernised and the board was reduced in size.

Staff

We have a staff complement of 17, including seven managers. The CEO together with management ensures that students and members receive the utmost professionalism at all times. External support is sourced

where required. Staff meetings were held every Monday morning so that all staff were appraised of what was happening in each department. Staff were encouraged to attend the seminars and webinars which pertained to their departments.

Membership

Membership numbers increased in 2017. However, our members continue to be affected by the general economic environment as more companies retrench employees and the increasing cost of living impacts on the ability of members to pay their fees. Student numbers continue to increase steadily year on year which should translate into higher member numbers.

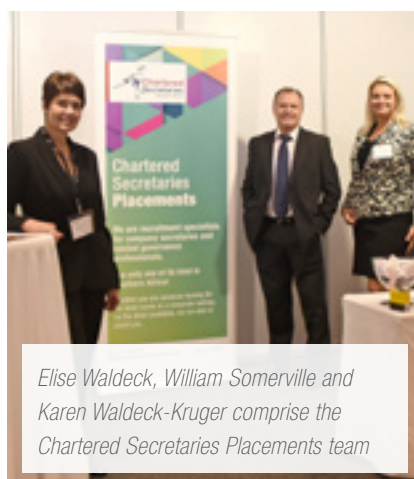
One disciplinary case was handled by the investigations and disciplinary committees. CSSA continued to oversee that members were of requisite character, integrity and accountability as chartered secretaries.

Chartered Secretaries Placements

Chartered Secretaries Placements was active this year and established itself as the go to place for companies searching for company secretaries and governance professionals. SA continues to experience high levels of unemployment. With the prevailing low economic growth, jobs are being shed at a rapid rate. It is in this context that we are attempting to assist our members and students to be first in line to getting jobs.

We believe the Placements business is really starting to gain an excellent name and get traction in the market. With regard to marketing, Chartered Secretaries Placements continue to scan the Financial Mail, Sunday Times and SENS for company secretary changes. There was a

big marketing drive at the premier corporate governance conference on 18 and 19 September 2017, where Chartered Secretaries Placements had a stand. Targeted emails were sent to some 60 delegates who visited our stand. Overall, Chartered Secretaries Placements got very good coverage and exposure. Chartered Secretaries Placements have a stock of the brochures which they hand out to potential clients, and at seminars. There have been adverts in all editions of Boardroom magazine and regular mailers were sent to the database.



Elise Waldeck, William Somerville and Karen Waldeck-Kruger comprise the Chartered Secretaries Placements team

New Curriculum

The need for two qualifications, i.e. company secretary and governance professional was identified during the qualification development process. These two qualifications were then developed simultaneously.

In order to realign the historical qualification registered on the national qualifications framework (NQF), we established a curriculum development task team (CDTT). Five curriculum development meetings were held during the year with the subject matter experts. Working with reference to the new international qualification, the local CDTT worked on providing the building blocks at lower levels to

ensure that learners were properly prepared for the post-graduate level of the qualification. The international modules were also aligned to the South African jurisdiction in terms of legislation and governance codes. The same design principles were used to draft the new subject outlines for the modules in programmes 1-3.

People with company secretarial and governance experience on the CDTT and examiners and moderators were asked for their input into the documentation. The realigned historical qualification reached its final stages of development in March 2017. The curriculum was presented to the education and examinations committee for discussion and was approved and signed off.

The realigned company secretary qualification was then submitted as required to the QCTO for registration on 15 May 2017.

With the new curriculum, there is more choice than previously offered, which should lead to a wider grouping of people taking our qualification. The new curriculum will come into operation in January 2019. Students who are currently enrolled will however be allowed to complete their current courses for a certain period. New and revised policies have been drafted and presented to the education and examinations committee for ratification in order to facilitate the change. The new curriculum and policies have been workshopped with the staff to build their understanding and prepare them to provide the necessary support to students.

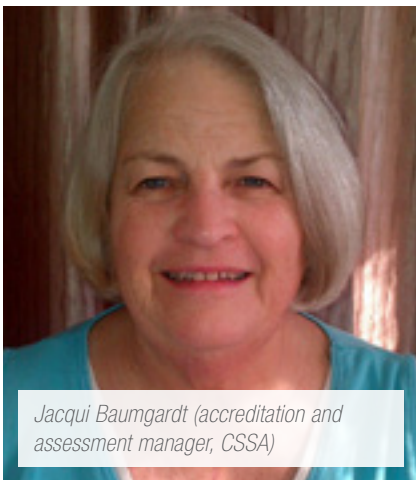
Developments are well advanced in finalising the new curriculum. The Quality Council on Trades and Occupations (QCTO) is processing

the qualification after a delay by the QCTO in processing our qualification. This will introduce a new qualification for governance practitioners with an exit point at the NQF7 level which will replace the existing Programmes 1 – 3; a qualification for Company Secretaries at the NQF8 level; and a qualification for Governance Professionals at the NQF8 level.

With the new curriculum, there is more choice than previously offered, which should lead to a wider grouping of people taking our qualification.

Accreditation

CSSA is accredited as the Development Quality Partner responsible for developing the curriculum and as the Quality



Jacqui Baumgardt (accreditation and assessment manager, CSSA)

Assurance Partner responsible for accrediting providers wanting to offer the CSSA qualification.

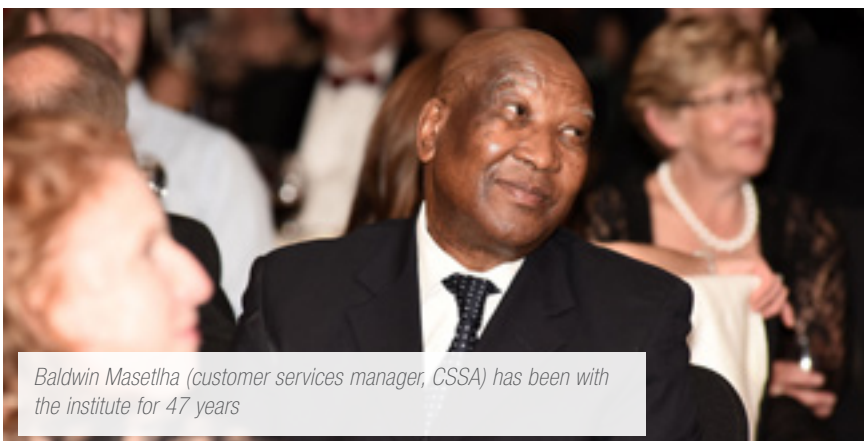
The Institute was reaccredited by SAQA as a professional body in 2017 for a further five years. One of our tuition providers, the South African College of Business (SACOB) is doing well and currently has 70 students registered across all programmes. They use an e-learning approach.

Assessment

Assessment processes continue to be improved with the development of new policies and amendment of existing policies and procedures.

A team worked on designing assignments at board level. This was implemented in 2018. This is a sound academic practice. We have had very positive feedback from the Professional Standards Committee on the quality of our papers and the processes involved, with several commendations for best practice.

The feedback indicates that Southern Africa is no longer a concern in terms of standards and is one of the better divisions. The entire examinations team including student department, examiners and moderators should be commended for their constant efforts in this regard.



Baldwin Masetlha (customer services manager, CSSA) has been with the institute for 47 years

Awards Ceremony



Shamida Smit (president, CSSA) addresses the graduates



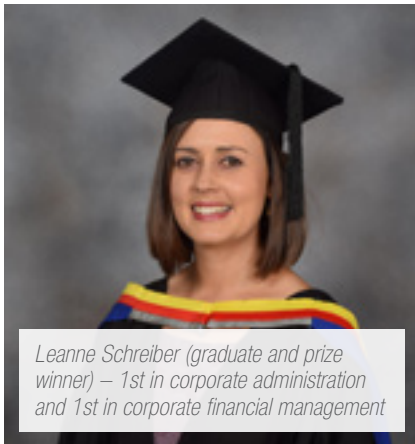
Adrian Skuy (Rissik Business School) gives a speech



Delegates prepare to be capped at the awards ceremony



Proud moment for graduates to shine with their family alongside



Leanne Schreiber (graduate and prize winner) – 1st in corporate administration and 1st in corporate financial management



Luxmore Chigogo (prize winner) – 1st in advanced commercial law



Ayanda McHunu (graduate) is capped by Karen Robinson

CSSA's awards ceremony took place on 28 September 2017 at the historical Wits Club. Graduates were welcomed by CSSA's student department and after registering, the excitement was tangible as they dressed in their formal regalia and had their photographs taken with friends and family. Graduates were formally welcomed and Shamida Smit, President of CSSA, gave a motivational address and spoke of overcoming obstacles. Adrian Skuy, lecturer at Rissik Business School, gave an inspirational message, which resonated strongly with students in these turbulent times. We encouraged our graduates to become members and start putting their qualification into practice.

Social and Relationship Capital

Marketing

Our profile in the market place continued to grow with an active marketing strategy. The business sector has become increasingly aware of CSSA. New campaigns were developed for the conference, seminars and integrated reporting awards. CSSA had a stand at the popular Tax Indaba. The majority of marketing was done online through mailers and social media. The databases were cleaned and grew steadily during the year. Profiles



Sandy van Niekerk (student and examinations manager, CSSA) co-ordinates a celebratory dinner for delegates at the awards ceremony

have been created for CSSA and Chartered Secretaries Placements on LinkedIn.

The Facebook profile has been cleaned up. A new banner heading was created for Facebook.



Bongiwé Sibanda (membership co-ordinator, CSSA) represents CSSA at the Tax Indaba

The website is continuously updated with changes and relevant information as they occur. A Google profile has been set up to ensure that CSSA can be found when searching online.

Representing Members

We continued to represent our members on a range of bodies such as the King Committee, IRC of SA, Fasset, Recognised Controlling Bodies Forum, Forum of Accounting Bodies, the Companies and Intellectual Property Commission (CIPC) and the South African Revenue Service (SARS).

Our members are now also represented by CSSA on the Johannesburg Stock Exchange (JSE) with the technical committee of CSSA having been appointed as an advisory committee to the JSE on the amendment of the JSE listings requirements.

CSSA hosts two international Council meetings

CSSA hosted two international council meetings in Johannesburg in March 2017. Eight member countries attended the Corporate Secretaries International Association (CSIA) Council meeting that was held on 15 – 16 March 2017. Progress on the use of the corporate secretaries' toolkit was discussed. This was Zahra Cassim's first Council meeting as the newly appointed part-time CEO. There are great expectations on taking the CSIA forward.

Nine divisions attended the Institute of Chartered Secretaries and Administrators (ICSA) Council meeting that was held on 17 – 18 March 2017. A highlight of the meeting was the presentation by Mervyn King on

the Rationale and Concepts behind King IV. After the presentation, the international president, David Venus, awarded honorary fellowship to Mervyn King. Mervyn is well known to ICSA as he had spoken at many of the national conferences over the past few years. Mervyn showed his appreciation in an email to the Council written a few days later:

"Thank you to the ICSA for bestowing on me an honorary fellowship.

The company secretary plays a critical role in ensuring that quality governance is embedded into the DNA of a company. I am humbled by the award and deeply appreciative."

CSSA also hosted a seminar on international perspectives on

corporate governance which was held on 16 March 2017 at the Killarney Country Club and was attended by 70 delegates.

Speakers from nine different countries shared their insights into various aspects of corporate governance. Jeremy Maggs as MC put the speakers through their paces as he asked them questions about corporate governance.

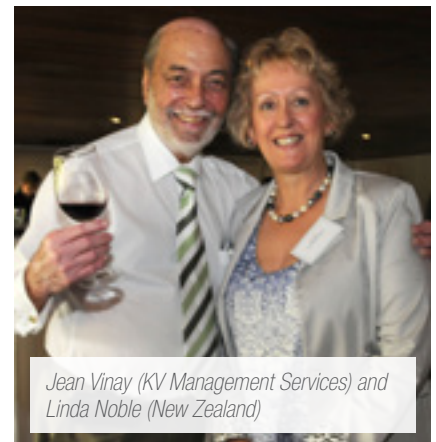
David Venus, international president, highlighted the achievements of various ICSA divisions and praised Southern Africa for keeping the flag flying since 1909. This was a great opportunity for international and local delegates to interact emphasising the international nature of our Institute.



Jeremy Maggs (master of ceremonies)



Marimba band delivers a unique African sound to the international guests



Jean Vinay (KV Management Services) and Linda Noble (New Zealand)



Delegates share a laugh



(from left) Steve Dold, Bert Kok (Murray & Roberts Ltd), Shamida Smit (senior vice president, CSSA) and Nicky Edmunds (E. Oppenheimer and Son)

ICSA

During the year the work to produce a new qualifying programme for our examinations worldwide was completed with the final details being agreed at the Council meeting in Johannesburg in March 2017. CSSA is well represented on the structures of ICSA: Jill Parratt serves on Exco, Karen Robinson serves on the Professional Standards Committee and Natasha Bouwman serves on the international thought leadership committee.

The new qualifying programme was approved in October 2017 and will enable students to study to earn the designation of chartered governance professional. The new qualifying programme to be chartered (in either designation) will be at the same professional level as the current international qualifying scheme and will have a common core that will provide a firm knowledge base in governance, law, finance and risk management. From that point, those studying for the chartered secretary designation will progress to study company secretarial practice and development of strategy. Those seeking the chartered governance professional designation will study enterprise risk management, as well as sector-specific governance in areas such as health, sport or public sector governance. It was agreed that the timetable for implementation of the new qualifying programme for most divisions will be from January 2019. The transition to the new qualifying programme will not disadvantage or affect the studies of any current student.

Also approved at the meeting in October 2017 was the introduction of an intermediate grade of membership to be called affiliated member, which will allow graduates of approved



Jill Parratt (international rep, ICSA), Sikkie Kajee (vice president, CSSA) and Tom Omariba (Kenya)



Kerry Heath (New Zealand), Tim Sheehy (director general, ICSA) and Prof. Wee Lian Tan (Singapore)

courses to call themselves affiliated members. Those who complete three of the six board subjects can apply for affiliated membership. The Institute recognises that there are many potential students who, for various reasons, do not wish to complete the full suite of chartered examinations, but do nevertheless wish to benefit from membership of the professional body that will represent them best. The charter and bylaws have been amended to take these changes into account.

CSIA

CSIA consists of 18 member countries, covering some 100 000

corporate secretaries and governance professionals around the world. Zahra Cassim who was previously the head of CIMA in SA was appointed CEO in March 2017. CSSA supports Zahra Cassim in her work as she is based in SA. It was decided to move the domicile from Geneva to Hong Kong.

CSIA published quarterly professional editions of Global Governance Voice. Extensive research on board evaluation was conducted globally in 2017, culminating in a final report which was published and launched in Johannesburg in March 2018.



Siew Chuan Chua (Malaysia) and Nicholas Letting (Kenya)



Prof. Syed Abdul Hamid AlJunid, Stephen Sadie, Atul Mehta, Dr Shyam Agrawal (India) and Siew Chuan Chua (Malaysia)

Financial Capital

Information Management System

There was a major development in 2017 to our information management system so as to further improve service delivery to our members and students. V-Soft Technologies has been our software solution provider for a number of years. During this period, V-Soft has developed and maintained the information management system. The system manages student/member administration, exams, financials, reporting (statistical and general) and the online member/student web portal. In 2017 the software went “live” and was in a maintenance/enhancement phase. V-Soft utilizes an online project organiser to keep track of all support and development tasks. CSSA employees have access to this platform and can add tasks when required. They also receive feedback through this platform and mark tasks as complete.

During 2017, major development and support tasks were completed. Some of the most important tasks are discussed in the paragraphs below.

The membership module was created/finalised and the data was migrated from legacy systems. From the membership side one can



Farai Musamba (Zimbabwe), Zahra Cassim (CSIA, CEO), Rick Summers (CSIA, president) and Stephen Sadie

manage: member creation, member status, qualifications, employment history, accounts, PPG, notes, documents and the academic record. The system also provides dozens of member reports.

The information management solution seamlessly integrates with the financial system (Pastel Evolution). This integration involved major development, testing and troubleshooting. All finance transactions from the student and member side, are pushed through to Evolution (and vice versa), which enables the finance department to do their job considerably more efficiently.

The optimisation of the resulting runs without any problems to get students their results in time. All the exam

results are imported, processed and uploaded to the website.

A bulk member invoice module was created, wherein the process is now simplified. There is a step by step screen from where Member invoices are generated in bulk and then sent out without a hitch. Students and members are now also able to pay via credit card, on the website.

This has been a major investment in order to take CSSA forward in the coming years.

Finance

The finance department has optimised where possible the information management system and Evolution, constantly making

“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”

– Stephen Sadie



Jenny Maybery (financial manager, CSSA)



improvements to the systems. Statements are still being sent out every month but we find that outdated contact information hinders this process. It is crucial that members and students provide the Institute with current email and physical or postal addresses.

The finance and risk committee met quarterly and discussed the state of CSSA's finances and the major risks facing the Institute. We have seen an upward turn during the 2017 financial year, with the implementation of new revenue lines specifically in training, seminars and webinars, and in placements income from placing our students and members in new employment. The results for the year ended December 2017 showed another increase in revenue year-on-year but in addition to the new staff placements of our full time technical advisor and the training and universities manager, expenses increased resulting in a R534k loss. We have invested in both our systems and our staff in order to grow the Institute. Developing a new curriculum has been a major focus in 2017 and has taken many hours from our management. However it is through

the new curriculum that we will be able to grow CSSA.

Mazars were re-appointed as external auditors for the 2017 financial year. The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Entities.

Conclusion

As can be seen from the above, the key priorities of the new curriculum, improved financial systems, the information management system, our investment in staffing the Institute, and our commitment to extending our training programme are laying firm foundations on which to take our Institute forward in the years to come. Our events continue to be world class and highly subscribed. We are attracting a younger cohort of professionals which will give the Institute a strong pipeline to improve on the troubled corporate governance that is so evident all around us. Our profile has grown as many more people become aware of CSSA. Our resolve to build the Institute continues to drive our actions.

Our achievements during the year would not have been possible without the hard work and commitment of our President Shamida Smit, 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. The year ahead promises to be another challenging and rewarding one and I look forward to working together as we take CSSA, and the profession, to new heights.

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

A handwritten signature in black ink, appearing to read 'Stephen Sadie'.

Stephen Sadie
(MBA, M. Ed)
Chief Executive Officer
31 May 2018



Corporate Governance Report for 2017

Introduction

Chartered Secretaries Southern Africa, the trading name of The Southern African Institute of Chartered Secretaries and Administrators, a non-profit company in terms of the Companies Act No. 71 of 2008 ("the Companies Act"), is fully committed to applying sound corporate governance principles, policies and processes. The Company has commenced the process of assessing the impact of the King IV principles and welcomes the move towards an outcomes-based approach to corporate governance. 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 the King Code, 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 international Institute of Chartered Secretaries and Administrators 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 offering an international qualification recognised in more

“The Company has commenced the process of assessing the impact of the King IV principles and welcomes the move towards an outcomes-based approach to corporate governance”

than 80 countries. The Company was recredited by SAQA as a professional body in 2017. As a professional body, compliance with Regulators such as SAQA and QCTO is of paramount importance. CSSA is also quality assured by ICOSA, in particular by the Professional Standards Committee (PSC). Board examination papers and scripts are submitted twice a year.

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 seen as 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.

Leadership

1. The board should lead ethically and effectively

The board strives to act in the best interests of the Company at all times. Conflicts of interest are declared by board members, and where a conflict exists, the board is responsible for managing the conflict. 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.

Commitment to an 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. The code of ethics aims to facilitate the enforcement of ethical standards through disciplinary procedures. 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, deliver professional work, and to use the title 'Chartered Secretary' correctly, in accordance with the Company's requirements.

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.

The Company as a Responsible Corporate Citizen

3. The board should ensure that the Company is, and is seen to be, a 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.



Value Creation Process

4. The board should appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the 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.

A board strategic planning session was held on 31 March 2017, which devised a comprehensive 2017-2018 strategic plan.

The inherent vision and mission on which the business model of the Company is predicated, is the maximisation of its student and member numbers, its two main stakeholder groups.

In addition 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 four key strategies in the strategic plan are:

1. To finalise the new curriculum
2. To set up training programmes and facilitate relations with universities
3. To develop and implement a comprehensive marketing strategy
4. To improve the financial sustainability of CSSA.

This report covers the first 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, continues to endeavour to shape the corporate governance and company secretarial practice agenda so as to enable the implementation of best practice, in alignment with responsible corporate citizenship, in its field of operations.

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.

Stakeholder Reporting

5. 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 eZine provide regular reports on the Company's progress.



Top 40 IRA winner

Jacky Cuffley (Link Market Services) presents the award to Elizna Viljoen (Anglo Platinum)



Members voting at the CSSA AGM

Annual general meetings

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 and the appointment of the finance and risk committee for the following financial year;
- announcing the result of the election of members to the board of directors for the following year; 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.



Members at the CSSA AGM



Delegates mingle at the Botswana branch AGM



Members participate in the Botswana branch AGM

Pertinent Role of the Board

6. 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 also 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.

Attendance and composition of the board was as follows:



Board of Directors

Bouwman N	4/4
Dialwa MB	4/4
Edmunds MG – until 21 June 2017	2/2
Furney RW – until 15 May 2017	1/1
Kajee S	2/4
Kocks H	3/4
Lachporia Z	2/4
Likhang R	4/4
Linford S – from 22 June 2017	2/2
Mbhamali S – until 15 May 2017	1/1
Neethling J	2/4
Parratt J – until 21 June 2017	1/2
Pillay R	1/4
Robinson K – from 22 June 2017	1/2
Sadie S – from 15 May 2017	3/3
Sello MA – until 15 May 2017	0/1
Smit P – until 31 January 2017	0/0
Smit S – Chair from June 2017	4/4
Southgate K – Chair until June 2017	2/4
Strauss-Symons E – until 15 May 2017	1/1
Thebenyane B – until 21 June 2017	0/2
Wessels CH	2/4
Wilson C	2/4

Note: In line with the new MOI of the Company adopted on 31 March 2018, a number of changes were made to the board to reduce its size. The MOI provides that after nine years, board members must retire. The branch representatives of the Company were limited to the three largest branches.

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

“Your link to effective governance in the corporate universe”

Committee for Southern Africa

Bouwman N	4/4
Dialwa MB	4/4
Edmunds MG – until 21 June 2017	2/2
Furney RW – until 15 May 2017	1/1
Kajee S	2/4
Kocks H	3/4
Lachporia Z	2/4
Likhang R	4/4
Linford S – from 22 June 2017	2/2
Mbhamali S – until 15 May 2017	1/1
Neethling J – Chair until June 2017	2/4
Parratt J – until 21 June 2017	1/2
Pillay R	1/4
Robinson K – from 22 June 2017	1/2
Sadie S – from 15 May 2017	3/3
Sello MA – until 15 May 2017	0/1
Smit P – until 31 January 2017	0/0
Smit S	3/4
Southgate K – Chair from June 2017	2/4
Strauss-Symons E – until 15 May 2017	1/1
Thebenyane B – until 21 June 2017	0/2
Wessels CH	2/4
Wilson C	2/4

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



Board Composition

7. 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 so as 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 and The Independent Code for Non-Profit Organisations, 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 and approving the 2017 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.

The Company will focus more on diversity of the board in the course of 2018.

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 bylaws, 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 2017 in terms of the new MOI:

- P Smit – until 31 January 2017
- R W Furney – 15 May 2017
- S P Mbhamali – 15 May 2017
- M A Sello – 15 May 2017
- E M Strauss-Symons – 15 May 2017
- J M Parratt – 21 June 2017
- M G Edmunds – 21 June 2017
- B Thebenyane – 21 June 2017

The following board members were appointed to fill vacancies in 2017:

- S F Linford – 22 June 2017
- K E Robinson – 22 June 2017

S Sadie was appointed as an executive director in terms of the new MOI with effect from 15 May 2017.

The Company's board as of 31 December 2017 consists of the following directors:



N Bouwman

FCIS, LLB, LLM

Natasha is the global governance partner at Naspers. She serves on the CSSA technical and the membership committees. Natasha has been appointed to the ICSA Thought Leadership Committee and is actively involved in research and drafting of best practice guides for the Institute. Natasha occupied the following positions: (a) head: secretariat at the National Empowerment Fund; (b) company secretary and legal specialist at the Institute of Directors in Southern Africa and (c) practised as an attorney in the areas of commercial law and commercial litigation at Blakes Maphanga Incorporated. She has corporate governance advisory experience across the private, public, profit and non-profit sectors in South Africa and Africa.



B Dialwa

FCIS, ACIBM, Acc-Tech (Botswana)

Brian is self-employed. He is chairman of the Botswana Branch. He was financial controller of SOS Children's Villages and financial manager of the Botswana National Sports Council. He serves on the boards of the Botswana Institute of Accountants and the Botswana Accountancy College.



S A H Kajee

FCIS, B Compt (Hons), MBA, CIA, Professional Accountant (SA), AGA (SA), Chartered Director (SA)

Sikkie is a corporate governance consultant. Sikkie is senior vice president of CSSA. He serves on the CSSA Executive, and Finance and Risk Committees. 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

“Business must harness the power of ethics which is assuming a new level of importance and power”

-James Joseph, former US ambassador to SA

“Governance is the process whereby people in power make decisions that create, destroy or maintain social systems”

– Maria Ramos

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).



H F Kocks

FCIS, LLB, B Com

Herman is the head of legal, risk, compliance and secretarial at Bravura Capital. He serves on the CSSA Education and Examinations, Investigations, and Finance and Risk Committees. Before joining Bravura, Herman was group manager: legal services of the Clover group of companies and group secretary of De Beers group of companies. He completed his articles at Hofmeyr van der Merwe (now Cliffe Dekker Hofmeyr) and practised for a number of years as attorney and advocate.



Z Lachporia

FCIS, National Diploma: Company Administration

Zernobia is assistant group secretary, Liberty Holdings Ltd. She serves on the CSSA Nominations Committee. She was previously assistant company secretary at Gold Fields Ltd and Astral Foods Ltd, and company secretary at Brait South Africa Ltd.



R Likhanga

FCIS, 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 & governance. Robert is vice president and serves on the CSSA 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 Linford

FCIS, PMD, Dip in HR Management

Sandi is the group company secretary of Vodacom Group Limited whom she joined in December 2008 against the backdrop of a corporate action driven by Telkom and Vodafone which would culminate in the listing of Vodacom on the JSE. Sandi serves on the CSSA Technical Committee. Sandi developed her early career in Durban as a company secretary with the Frame Group under the guidance of Mervyn King who was chairman of Frame at the time. After spending some four years at Frame, Sandi relocated to Johannesburg and joined Bill Venter's Altron Group. As group secretary of Altron, Sandi had overall responsibility for 7 listed companies. Sandi spent 12.5 years with Altron where she was exposed to a variety of disciplines, in particular corporate finance documentation, investor relations, human resources and employee benefits. Sandi is also the former group company secretary of Murray & Roberts and Telkom SA.



J Neethling

FCIS, M Com

Johann is the director-corporate services and group company secretary at Vukile Property Fund. Johann served on the CSSA Executive and Nominations Committees. Johann is an experienced corporate services executive with over 18 years' experience in the areas of assurance, corporate finance, governance and company secretariat. He has significant experience in the execution and implementation of corporate actions within the listed property sector.



K E Robinson

FCIS, LLB, LLM

Karen is the company secretary of The Huge Group. She serves on the CSSA Education and Examinations Committee and is a member of the Professional Standards Committee of the ICOSA. 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.

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.



S Smit

FCIS, B Com (Acc), LLB

Shamida is the company secretary (Sub-Saharan Africa Delegation) for Saint-Gobain Construction Products. Shamida is president and serves on the Executive, Education and Examinations, and Nominations Committees. Shamida started her career within the accounting and finance industry and worked for smaller accounting firms before going on to Fisher Hoffman Sithole (now PKF Worldwide) where she advanced to senior company secretarial assistant within a period of 8 years. She then moved on to Mazars Inc. as company secretary and subsequently, Ernst and Young in the position of supervisor, company secretarial team. Upon moving to Standard Bank Properties



R D Pillay

FCIS, FCIBM

Raymond is general manager: national trunking operations, Woolworths. Raymond serves on the CSSA Disciplinary and Nominations Committees. He was the finance manager for the Woolworths Kwa-Zulu Natal Supply Chain.



S Sadie

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

Stephen is CEO of CSSA. Stephen is a member of the King Committee. He serves on the International Council of ICOSA and was Secretary of CSIA from 2010-2012. Stephen has held a number of senior positions in the education sector. He was Director:

division, she took up the position as company secretary of the division and then moved around internally for 9 years within the Bank in various Governance and credit related departments for Corporate and Investment Banking. She has also lectured one of the CSSA Board level subjects part-time at Wits University. After a stint in the insurance industry at MMI Holdings Limited, she spent 3 years at Anglo American, Zimele division until the division disbanded.



K J Southgate

FCIS, B Com (Hons)

Karen runs an accounting practice called TidySum Accounting Solutions CC. She is also financial director at Flanagan and Gerard Property Investment and Development which manages numerous shopping malls around the country. Karen is immediate past president and serves on the CSSA Executive, PPG, and Nominations Committees and the Mentor Board. Karen is the international representative to CSIA. She was Management Accountant at Amalgamated Beverage Industries. She was a financial lecturer at Varsity College.



C H Wessels

FCIS, LLB, LLM

Carina is the group general counsel and group company secretary at Alexander Forbes. Carina served on the CSSA Nominations Committee. Carina is past president of the CSIA. Carina's formal employment stretches across a breadth of various disciplines, including human resources, business improvement, corporate secretariat and legal and within large international organisations namely De Beers, Investec and Exxaro. She serves on the audit committee of the Independent Electoral Commission of South Africa.



C E Wilson

FCIS

Chris is the Managing Director at Kilgetty Statutory Services. He is Chairman of the Western Cape Branch. 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 a number of clients and furthermore acts as the Public Officer and Local Representative of foreign-based organisations that have opened offices in South Africa.

Committees of the Board

- 8. 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**

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.

In order to effectively discharge its duties and responsibilities, the board has appointed a number of committees that attend to specific aspects of the Company's affairs. 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.

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 also 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. In order 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.



Executive committee

(From left) Karen Southgate (past president), Shamida Smit (president) and Robert Likhanga (vice president)

Attendance and composition of the executive committee was as follows:

Executive Committee
Kajee, S
Likhanga, R
Neethling J
Sadie S
Smit S – Chair from June 2017
Southgate K – Chair until June 2017

Finance and risk committee



Finance and risk committee

Sikkie Kajee (senior vice president, CSSA) gives the opening speech at the Integrated Reporting Awards

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, the internal auditor and external auditor attend by invitation. 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	
Furney R	0/1
Giuricich S	3/3
Kajee S – Chair	3/3
Khangale B	1/3
Kocks H	2/3
Roberts J	3/3

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, taking into account the skills, experience, age, gender and diversity criteria required for a high performance board, and providing a short list of candidates to the board for board consideration. The nominations committee also recommends candidates to chair the various committees, and to assume the roles of international representatives and honorary officers.

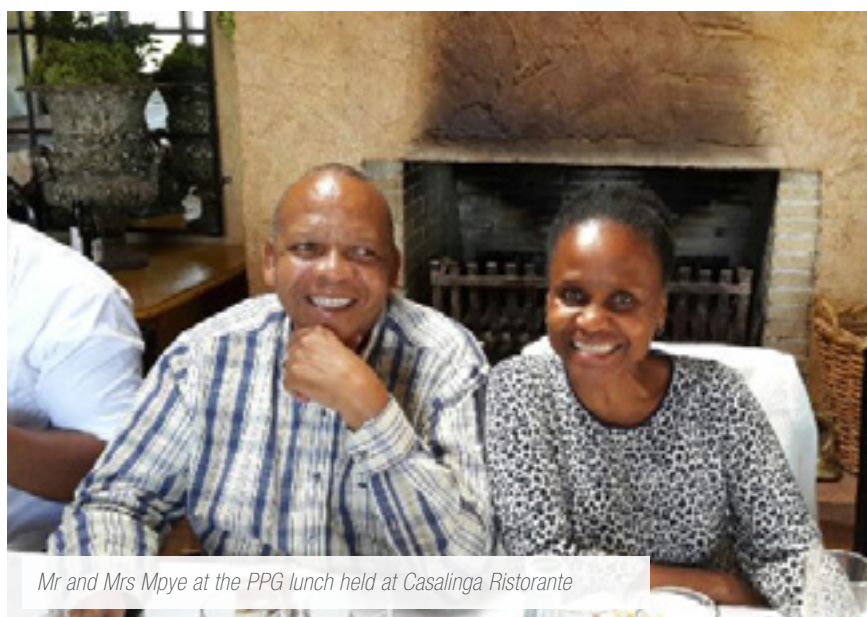
The Company echoes the principles of race and gender diversity at board level, and is of the firm view that diversity is the driving force behind effective and meaningful decision-making by the board.

Attendance and composition of the nominations committee was as follows:

Nominations Committee	
Lachporia Z – acting chair	1/1
Neethling J – Chair	0/1
Pillay R	1/1
Southgate K	1/1
Sadie S	1/1
Wessels C	1/1

Professional Practice Group (“PPG”)

This committee considers matters pertaining to PPG activities and communicates with and assists members by providing seminars and technical information. The PPG Committee ensures practising members of the Company conduct themselves in a professional manner so as to create public awareness of, and demand for, the professional service available from practising



Mr and Mrs Mpye at the PPG lunch held at Casalinga Ristorante

“The quality of the company’s board has now become an important evaluation factor for institutional investors”

– Russel Reynolds (1997)

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 from April 2017	3/4
Heiden R	0/1
Jeffries Y	4/4
Mina P	4/4
Mpye T	3/4
Piyose T	2/4
Southgate K	0/4
– Chair until April 2017	

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 seminars, 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	
Bouwman N	2/4
Defillo E	3/4
Foster R	2/4
Goldstone-Hoffman K	2/4
Khangale B	1/4
Khumalo Z	1/4
Kirsten E	0/4
Kleyn R	2/4
Linford S – Chair	4/4
Mathew A	2/4
Matisonn J	1/4
Matwa A	1/4
Nana M	1/4
Pinto M	1/4
Sadie S	2/2
Somerville W	3/4

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, tuition providers to assist the Company's students, and any policy matters relating to students. The committee also deals with reports from the international professional standards committee and develops remedial action plans where appropriate.

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

Education and Examinations Committee	
Kocks H	2/2
Parratt J – Chair until June 2017	1/2
Rissik M	2/2
Robinson K – Chair from June 2017	1/2
Smit S	2/2
Sadie S	1/1



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 and general review groups have been established and subject moderators serve on these review groups. The moderators review all question papers and examination results for purposes of quality assurance.

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

Assessment and Review Committee	
Kocks H	2/2
Rissik M	2/2
Robinson K – Chair from June 2017	1/2
Smit S	2/2
Sadie S	2/2

Membership committee

This committee decides on applications for admission as associate or fellow members of the Company. It is accountable to the Committee for Southern Africa, but has to adhere to international standards and practices.

The membership committee is tasked with dealing with all matters involving members.

Attendance and composition of the membership committee was as follows:

Membership Committee	
Akosah-Bempah O	3/4
Arnison R	3/3
Bouwman N – Chair from Nov 2017	1/1
Furney RW	0/2
Roberts J	3/4
Russell V	4/4
Sadie S	2/2
Sello A – Chair until Nov 2017	3/4

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 was one case investigated in the year under review.

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.

“Corporate governance is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of an ethical culture, good performance, effective control and legitimacy”

– King IV Report on Corporate Governance for South Africa 2016

This committee will evaluate the evidence provided and, if necessary, decide upon an appropriate sanction. One case was dealt with by the disciplinary tribunal in the year under review.

3. Appeals Tribunal

This body deals with any appeals lodged against the findings of the disciplinary tribunal. Given the problems in the accounting and auditing profession in 2017, there has been an increased awareness of the issue of discipline of professional body members.

Board Evaluation

9. 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 conducted an evaluation of its board as a whole as opposed to the individual directors of the board. An evaluation of the entire board was required to assess the effectiveness and size of the board and to streamline the board in accordance with the newly adopted MOI of the company.

The board of the company was reduced to ensure greater participation at board meetings.

There is open discussion at board level on its effectiveness. The Company will improve on conducting board evaluations in 2018.

Management

10. 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 individuals, whose performance is measured annually by the CEO. Staff meetings were held



Stephen Sadie, CEO

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 on the tasks accomplished and those which still need to be tackled as per the strategic plan of the Company.

Risk Governance

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

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

The finance and risk committee is responsible for identifying and addressing 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 board and finance and risk committee meeting.

The major risks facing the Company are as follows, together with the relevant risk mitigation processes:

Key risks	Risk analysis	Mitigating controls
Financial sustainability	The recent financial losses incurred by CSSA has placed significant strain on the cash resources available to the institute.	We have planned to generate revenue from training. The Company has appointed a full time training and universities manager who will actively work to create awareness in the market through the use of a training project plan which incorporates workshops, seminars and webinars. Webinars were introduced in August 2017 to cater for members and students who could not access seminars in the metropolitan areas. Twelve webinars and 25 seminars were conducted to generate revenue for the Company. CSSA is also offering in-house training. Expenses are being carefully monitored.
Bad debts	Members were not paying on time and some members ended their membership.	As part of generating revenue, efforts were made to collect bad debts. The finance department sent out accurate statements via email on a monthly basis to collect funds and reduce bad debt. A reconciliation was performed by the financial manager on a monthly basis between the DMS and Evolution system.
Universities	The CSSA qualification is at an NQF 8 level (honours equivalent). Therefore, it is important for universities to provide tuition. Historically, only a few universities have offered our qualification. This could also improve the low pass rate.	The training and universities manager liaised with universities to arrange meetings with the view of having the universities offer the CSSA qualification to their students. A number of universities were visited in 2017. In September 2017, UCT agreed to offer the CSSA qualification. The new curriculum and the new 'Chartered Governance Professional' designation which was voted on by members should help us to attract a wider cohort of students.
New curriculum	The old curriculum was becoming out of date. A new curriculum was developed internationally through the co-ordination of all divisions. The transition to the new curriculum could pose a number of inter-related problems with an increase in the number of board subjects and the addition of completely new subjects. New textbooks, examiners and moderators will be required, and the assessment processes may be disrupted. The QCTO needs to approve the new curriculum. Tuition providers will need to prepare themselves for the changes.	In May 2017, the assessment and accreditation manager submitted all required documents to QCTO. However there was no progress from the QCTO for 6 months due to the QCTO having lost our documents. The new curriculum could thus not be registered timeously. In addition, the QCTO required numerous changes. A consultant was employed to assist with the process. We plan to introduce the new curriculum in January 2019.
International accreditation	We need to maintain international standards to maintain the reputation of the Institute and its qualifications. Quality assurance of assessments are conducted to meet international requirements.	For the sittings in 2017, we have received mainly green ratings from the PSC on our papers except for one paper. We continue to improve on the quality assurance processes on our assessment.
Textbooks	Textbooks must be kept up-to-date which is challenging in an evolving environment. The new curriculum will also impact heavily on the development of new textbooks.	Textbooks need to be ready by January 2019, with the implementation of the new curriculum. The assessment manager conducted searches for two authors for Company Secretarial Practice and Applied Governance. These are niche subjects and these courses are not often taught at universities. The assessment manager must source and review four textbooks for the board programme. Textbooks have been identified for Corporate Law, Risk and Compliance and Development of Strategy.
High failure rate	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.	On a twice yearly basis the student and assessment managers arranged the following: Pre-examination seminars, providing access to past papers on website, examiners and moderators, some tuition providers, international quality assurance, ascertaining the level of students, ensuring compliance with regulations, and facilitating measures to increase the pass rate.
Information management system	The new information management system required continuous updating and maintenance in order to improve service delivery to members and students. The information management system needs to co-ordinate seamlessly with the Evolution accounting package.	There was major expenditure on improving the information management system. The system continued to be updated and improved on a monthly basis. The information management system has been updated with membership, students and finance all being synchronised. Meetings were held between V-Soft and management once every two weeks to discuss progress with regard to the system.

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 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.

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 uses 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 take place once every two weeks to monitor progress on all system developments and/or challenges. Management of the Company are in attendance at these meetings.

There has been a major improvement in 2017 of the information



Dr Yondela Ndema (Sasol Ltd) speaks on compliance at the conference

management systems. The membership, student and financial systems are synchronised.

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. In light of the fact that 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 so as 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. Staff members all receive a CPI linked increase plus a zero, one or two percentage increase based on performance.

Assurance

15. The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Company's external reports

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 internal and 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 all material respects in compliance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and the Companies Act of South Africa. 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. No such services have been provided during the year.

Internal audit

The internal audit function is the ongoing responsibility of the finance and risk committee. BDO was appointed as the internal audit service provider. The internal auditor provides a report at every finance and risk committee meeting. 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. The Company is committed to timely, consistent, open and transparent communication with all relevant stakeholders.

The table on page 39 indicates the various stakeholders, engagement with them and the outcome.

Stakeholder	How we Engage	Outcome
Members	Emails, electronic boardroom magazine, eZine, continuing professional development seminars and webinars, support from technical adviser, technical committee, Professional practice group, annual general meeting, maintenance of professional body accreditation with SAQA, annual integrated reporting awards, annual premier corporate governance conference	<ul style="list-style-type: none"> Continuous improvement in the standard of company secretarial practice Cultivation of a loyal membership base Reliable, accessible and relevant information and advice available from the Company throughout the year
Students	Examinations, assignments, course material, pre-exam seminars and webinars, syllabuses, tuition providers, comprehensive information on website.	<ul style="list-style-type: none"> Maintenance of international standards of education Graduates are equipped to enter the employment market and have a sound knowledge base across different facets of the governance and accounting fields
Business and industry	Representation on various forums such as King committee, CIPC, SARS, Forum of Accounting Bodies, RCB Forum, JSE.	<ul style="list-style-type: none"> Collaboration on matters that benefit business and industry
Board	Quarterly board meetings	<ul style="list-style-type: none"> Satisfactory disclosure to the board to enable it to fulfil its fiduciary duties
Employees	Weekly staff meetings Informal and formal interactions, one-on-one discussions with management on matters affecting individual departments.	<ul style="list-style-type: none"> Staff are kept informed of the Company's activities Cultivation of a committed team
Examiners and moderators	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"> Maintenance and enhancement of international standards in relation to the Company's qualification Compliance with SA regulatory requirements
Tuition providers	Ongoing interaction, provide support materials and ensure quality of tuition meets satisfactory standards. Evaluation of tuition providers	<ul style="list-style-type: none"> Students obtain the best tuition and support materials to achieve their qualifications
Government	Engage with various arms of government on legislative matters	<ul style="list-style-type: none"> The Company influences legislation and policy making which is in the best interests of its membership
Media	Advertising and editorial in numerous magazines, social media – Facebook, LinkedIn. Collateral – banners, pamphlets, posters	<ul style="list-style-type: none"> The Company's high profile is maintained A credible and visible brand is built New marketing campaigns keep the public interest
Professional bodies	Representation on various forums such as Fasset. Close co-operation with like-minded professional bodies.	<ul style="list-style-type: none"> Collaboration where our interests are aligned
Regulators and policy makers	Representation on various bodies, cultivate relationships with key decision makers	<ul style="list-style-type: none"> The Company remains abreast of legislative and governance developments and trends The Company influences legislation and policy making in the best interests of members

**“Good corporate governance is about ‘intellectual honesty’
and not just sticking to rules and regulations”**

– Mervyn King (Chairman: King Committee)



Karen Robinson caps Peter Tshephe (Graduate and Institute Staff member) at the awards ceremony

Human Capital

The Company prioritises ongoing training to facilitate continual development of staff by requiring them to attend relevant seminars, conferences and workshops.

Staff are encouraged to attend seminars which are held at our office.

Staff are also encouraged to pursue the CSSA qualification. There is no charge for staff.

The Company is committed to a safe and healthy working environment and ensures strict compliance with relevant legislation. Matters of employee health and safety are addressed as part of the responsibilities of management.

Summary Financial Information

The annual financial statements are available on the Company's website <http://www.chartsec.co.za/> and have been prepared under the supervision of Jenny Maybery, ACIS, Financial Manager, CSSA. The annual financial statements have been audited in compliance with the Companies Act of 2008.



Statement of Comprehensive Income

for the year ended 31 December 2017

	2017 R	2016 R
Revenue	16 148 676	14 606 782
Operating costs	(17 195 546)	(16 517 349)
<i>Operating deficit</i>	<i>(1 046 870)</i>	<i>(1 910 567)</i>
Other income	40 973	307 357
Investment revenue	599 144	401 602
Finance costs	(104 387)	(114 413)
Deficit for the year	(511 140)	(1 316 021)
Other comprehensive income		
Revaluation – PR Medical Liability	(23 000)	(25 000)
Total comprehensive deficit for the year	(534 140)	(1 341 021)

Statement of Financial Position

for the year ended 31 December 2017

	2017 R	2016 R
ASSETS		
Non-current assets		
Property, plant and equipment	430 783	671 581
Intangible assets	9 000	10 500
	439 783	682 081
Current assets		
Inventories	70 555	183 108
Loans receivable	90 569	–
Trade and other receivables	811 374	749 819
Cash and cash equivalents	5 860 126	6 526 488
	6 832 624	7 459 415
Total assets	7 272 407	8 141 496
EQUITY AND LIABILITIES		
Equity		
Other reserves	392 000	415 000
Retained income	2 318 302	2 829 442
	2 710 302	3 244 442
Non-current liabilities		
Post-retirement medical aid liability	435 460	429 060
Current liabilities		
Trade and other payables	3 808 251	3 942 840
Loans payable	–	266 157
Post Retirement Medical Aid Liability	58 600	54 000
Operating lease liability	259 794	204 997
	4 126 645	4 467 994
Total equity and liabilities	7 272 407	8 141 496

Statement of Changes in Equity

for the year ended 31 December 2017

	Post-retirement Medical aid Reserve R	Retained Income R	Total R
Balance at 1 January 2016	440 000	4 145 463	4 585 463
Deficit for the year	–	(1 316 021)	(1 316 021)
Total other comprehensive income	(25 000)	–	(25 000)
Total comprehensive surplus / (deficit) for the year	(25 000)	(1 316 021)	(1 341 021)
Balance at 31 December 2016	415 000	2 829 442	3 244 442
Deficit for the year	–	(511 140)	(511 140)
Total other comprehensive income	(23 000)	–	(23 000)
Total comprehensive surplus / (deficit) for the year	(23 000)	(511 140)	(534 140)
Balance at 31 December 2017	392 000	2 318 302	2 710 302

Statement of Cash Flows

for the year ended 31 December 2017

	2017 R	2016 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	(909 770)	1 186 926
Investment income	599 144	401 602
Finance costs	(104 387)	(114 413)
<i>Net cash from operating activities</i>	<i>(415 013)</i>	<i>1 474 115</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	(251 349)	(374 535)
Proceeds on disposals of property, plant and equipment	–	8 500
<i>Net cash utilised in investing activities</i>	<i>(251 349)</i>	<i>(366 035)</i>
(Decrease)/Increase in cash and cash equivalents	(666 362)	1 108 080
Cash and cash equivalents at beginning of the year	6 526 488	5 418 408
<i>Cash and cash equivalents at end of the year</i>	<i>5 860 126</i>	<i>6 526 488</i>



The ICSA Council awards Mervyn King honorary fellowship in Johannesburg, March 2017





**Chartered
Secretaries**
Southern Africa

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