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ACCOUNTANCY
SOUTH AFRICA

OCTOBER 2019

MPHC MOOKAPELE

TOP 35-UNDER-35 2019
WINNER

BOLDLY ETHICAL

'One of the greatest challenges in my career was the struggle to pursue my personal dream, especially when mine did not appear as exciting when compared to my peers' dreams.'

CATEGORY WINNERS

LÉAN BOEZAART
STAY FREE AND KEEP
MOVING

LIZE LUBBE
IMPACT INVESTING BRINGING
HOPE FOR AFRICA

RHETT FINCH
THE KING OF INSURANCE

GIDEON BOTHA
A PROFESSIONAL
FUTURIST

HLENGIWE NDLELA
REPLACING FAILURE
WITH SUCCESS

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THIS MONTH'S FOCUS

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EDITORIAL

BEING EXCEPTIONAL

We are bombarded with negative news all day long. We feel disgust and anger about the rising crime rates, the increase in brutal killings and violence against women. We feel angry when we see corporates and public sector companies mismanaging funds and some even fear for the future of our beautiful country.

But then you read the stories of this year's Top 35-under-35 finalists and you feel hopeful.

If you look at the definition of exceptional it means unusual; not typical. The slogan for the Top 35-under-35 competition is: Exceptional, without exception. And as with previous years, each and every finalist is exceptional – without exception.

During the judging process, there were many discussions about what exactly it is that make them stand out from the rest? There might be many answers, but overall their desire and willingness to impact lives and influence others is what gives them the X-factor.

While all of them have demanding careers that they excel in, they still make time to give back, strive to improve others' lives and make a lasting impact.

If all of us can focus on impacting someone's life for the better every day, imagine the difference it will make. To do something with your life that will make not only an impact on you, but have a transformative impact on society as a whole.

Let the stories of each of the finalists inspire you and give you hope, because you can feel reassured that they are the future leaders of our country, our corporates and the public sector. And feel proud that they carry the CA(SA) flag high in the midst of all the negativity and despair. There are countless people working hard to change lives and create a better tomorrow.

Let us all be the co-authors of the next chapters of our future. And with these young leaders as our future, we can feel comforted.

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THE NEW

CONTINUING PROFESSIONAL DEVELOPMENT (CPD) POLICY

WHY HAS THE CPD POLICY BEEN UPDATED?

The CPD policy has been revised to align to adult education principles and amendments to IFAC education standards. These are that members:

- **Know why** they need to learn something (the learning experience must add value and help them achieve their goals);
- **Want to be respected** as a capable learner. This means the adult is given choices and sets their own learning objectives based on what they need to achieve in their specific role;
- **Already** have some experience and they should be encouraged to use these experiences and apply this to new learning opportunities;
- **Want learning** to occur timeously (they are only ready to learn when they have identified something they want to know or become proficient at); and
- **Are motivated** by internal and external factors, for example increased job satisfaction or an increase in pay.

NEW POLICY EFFECTIVE 1 JANUARY 2020

WHAT YOU NEED TO KNOW ABOUT THE UPDATED CPD POLICY

CURRENT POLICY	UPDATED POLICY
Allows measurement through an INPUT (hours) or OUTPUT (competence) method	Only allows measurement through an OUTPUT (competence) method
Can be applied for the last time to the 2019 calendar year	Is applicable for the 2020 calendar year
Drives compliance through measuring hours and encourages the wrong behaviour of only attending courses	Focuses on developing professional competence (as required by the Code of Professional Conduct) and adopting an attitude of lifelong learning

Professional Competence includes the application of role-specific and relevant knowledge, skills, attitudes and behaviours. Professional competence is developed in a number of different ways and over a period of time. Activities that contribute towards the development of professional competence include (but are not limited to) attending courses, seminars and workshops but also includes many other activities such as workplace learning, coaching and self-reflection. Deeper learning can be developed through attending short learning programmes or completing more formal qualifications.

MORE INFORMATION AND FAQs

Visit <http://future.saica.co.za> for more information and FAQs. Alternatively, send an email to newcpdpolicy@saica.co.za

ANNOUNCEMENT OF THE SAICA SPECIAL GENERAL MEETING



A Special General Meeting (SGM) of members of the South African Institute of Chartered Accountants (SAICA) will be held at the SAICA Offices, 17 Fricker Road, Illovo, Johannesburg, Gauteng, on **Wednesday 23 October 2019 at 09:00**.

This SGM is called to attend to the following matters related to the adoption of the new SAICA Constitution:

- The election of the members of the new Board of SAICA, and
- Approval of the board fees

Formal notice of the aforementioned meeting will be provided via the following means:

1. Electronic mail – if you are registered on our database as a member capable of accepting communications from SAICA in this manner, and
2. The SAICA website

Registration and proxy voting via SAICA's e-voting platform will open during the month of **October 2019 – more details on the date and time to be communicated.**

In order to use the e-voting facility, members must register and cast their proxy e-votes and follow the on-screen prompts which will be detailed in the e-voting guidelines. There will be no paper-based proxy voting option and all proxy voting will be conducted through the e-voting system.

Voting will also be possible on the e-voting solution during SGM proceedings on 23 October 2019.

Issued by:
Jaco Snyman
Company Secretary
The South African Institute of Chartered Accountants

5 TIPS FOR WOMEN TO BUILD WEALTH

Thuli Nkomo, a private wealth manager at NFB Private Wealth Management, shares her top five tips for a woman seeking to achieve financial independence and build their wealth for the future:

- Start by paying off debts with high interest rates as quickly as possible – unsecured loans, clothing accounts, credit cards and so on. Try to avoid most debt, apart from healthy debt like your home loan and car instalment.
- Create a savings account to provide for rainy days, so you don't need to turn to a lender in the case of an emergency.
- Consider putting money aside in a dedicated savings or investment account for your children's tertiary education.
- Plan for retirement, making use of the retirement planning tax benefits.
- Live within your means.

THE LONGEST WALK ON EARTH

The longest pedestrian distance between two points on the earth's surface is 14 334 miles and starts at L'Agulhas, South Africa, and ends in Magadan, Russia. It is said to take about three years to complete with a great number of likely hazards to encounter along the way and within every border crossed. It has never been done!



69%

CREDIT CARD

FRAUD VICTIMS ARE ELDERLY PEOPLE ALIENATED BY TECHNOLOGY



USING SOCCER TO UPLIFT JOHANNESBURG YOUTH

Thirty-three-year-old Raymond Ledwaba CA(SA) from Soweto is changing youngsters' lives through soccer. Through Diski Nine9, a not-for-profit organisation (NPO) that he and professional soccer coach Phehello Monamodi founded in 2015, he is giving young people the platform and skills to uplift themselves.

Diski Nine9 is a community project based in Soweto that aims to develop soccer in South Africa's rural and township areas. It aims to become the biggest national youth empowerment programme that leverages the power of soccer to empower the country's young people. One of the NPO's biggest success stories to date is Fezile Hlophe – a young boy who overcame throat cancer to become the country's youngest referee at age 15.



THE AUTHOR WHO SPARKS ELON MUSK'S INSPIRATION

Elon Musk recently unveiled work by his recent Neuralink company that he said could address neurological disorders. The 'neural lace' Musk speaks about is a small device with thousands of electrodes connected by thin threads, which he said had been tested on a primate that was able to control a computer with its brain. Musk has also admitted that it will also be more than just addressing brain disorders and injuries who says AI could eventually overtake humankind has pitched the company's work as 'important at a civilization-level scale'.

Science fiction fans will recognise Elon Musk's name 'neural lace' from the Culture novels of Iain M Banks, a Scottish writer who died in 2013. Musk is not the only Culture fan in Silicon Valley. In 2015 Mark Zuckerberg chose *The Player of Games*, the second Culture novel, for his fortnightly book club. Through his sci-fi novels, author Iain M Banks explored many of the themes that are worrying the tech world at the moment.

RENEWABLE ENERGY COMPANIES LINKED TO HUMAN RIGHTS ABUSE

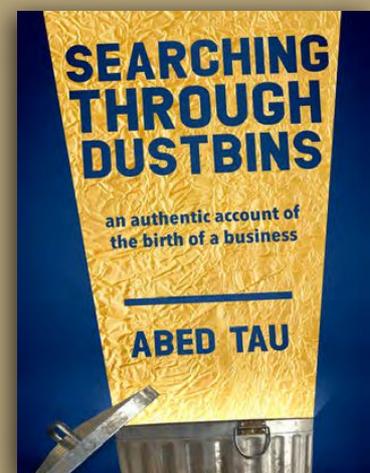
According to Bhekisisa Health Journalism, research has found that a lot of the world's top companies are extracting key minerals for electric vehicles, solar panels and wind turbines and are linked with human rights abuses in their mines.

Copper, which is integral to wind turbines and solar panels, had the second-highest number of human rights abuse allegations. As the global economy switches to low-carbon technologies to combat climate change, demand for minerals could rise by as much as 900% by 2050, according to World Bank estimates.



SEARCHING THROUGH DUSTBINS

While entrepreneurship is richly rewarding, it's important to know some of the challenges upfront. In *Searching Through Dustbins*, Abed Tau CA(SA) shares his experiences with candour and humour, creating an upfront and honest picture of life as an entrepreneur. It's essential reading for any would-be and recently started business owner – not only because it offers a vital insight into what lies in store, but also because it provides useful, pragmatic advice and tips for starting and building a business.



A CLOUD REVOLUTION IN BLOEMFONTEIN

SUPPORTING COMPANIES ACROSS SOUTH AFRICA



Ten years ago, Nicolene Horowitz started her career at accounting practice Core Cloud Accounting. It was a small, budding business. So it didn't take long for the firm to grow its footprint across South Africa.

Fast growth isn't the worst problem to have. But distance was becoming a challenge. The office is in Bloemfontein, where the nearest town is approximately 100 – 200 kilometres away.

As a result, clients had to drive all the way to Bloemfontein to meet the team and drop off their paperwork. This wasn't ideal for all involved, so the team worked to find a solution (without relocating) that would help clients see their money in real-time.

The firm started using Xero in 2016 and never looked back. Working in the cloud meant that the team could show their clients what was happening in their business at any time and, as a result, long-distance travelling was nipped in the bud.

LIFE BEFORE XERO

Before implementing Xero, some clients at Core Cloud Accounting were really struggling with manual tasks.

Four years ago, national retailer Pick n Pay's Brackenfell and Kraaifontein stores (just over 980 km away from

Core's office), were struggling with data processing and other accounting operations. The company was using a desktop-based software program, so every transaction had to be captured manually and put into manual journals. This was a time-consuming task that left a lot of room for error – stores of their size process hundreds of transactions daily.

Sick of spending time and money on manual processes, Pick n Pay challenged the firm to infiltrate the retail sector and address this burden with an effective, long-lasting solution. And that's precisely what they did.

LIFE IN THE CLOUD – A BREEZE

The team at Core Cloud Accounting wasted no time in introducing the retail team to cloud accounting software. They hosted a full day of Xero training and then followed up with the Pick n Pay employees afterwards via Skype. Now, the two stores automate hundreds of transactions, all of which are captured and reconciled directly into Xero.

"The most beneficial part of using Xero, for our clients, is the day-to-day real-time accounting they can do," says Nicolene. And her clients agree. Jenën Swarts, Admin and Financial Manager of the two Pick n Pay franchises in Kraaifontein and Bellville, says that

she now uses her time more wisely, helping to address broader business objectives. 'Its impossible to put a number on the hours that Core Cloud Accounting has saved us. Thanks to Xero, I get to spend more time on the operational side of the business and the day-to-day happenings of the store.'

THE CLOUD GIVES YOU THE GIFT OF TIME

Nicolene cites the firm's strong family spirit as one of the reasons for her staying with the company for a decade. And, working in the cloud has allowed the Core team to champion a work-life balance for their employees. They have fostered a culture that prioritises family time and other leisure activities with their loved ones.

'At Core, we love seeing small businesses grow to their full potential and we love to see the value we can add. Cloud accounting, and in particular, Xero, has changed how we do business and how our clients do business. I just hope that all accounting firms and businesses can find the benefits of working in the cloud, just like we have. I wouldn't work any other way.'

Read further at xero.com



Top 35 Under Thirty5

EXCEPTIONAL. WITHOUT EXCEPTION.

2019 WINNERS

SPONSORED BY



MPHO MOOKAPELE

OVERALL WINNER

CFO AND ACTING CEO: ENERGY AND WATER SETA

“

BOLDNESS IS STREAKED ACROSS MPHO'S CAREER: SHE HAS CONFIDENTLY STEPPED INTO SECTORS THAT AREN'T SO APPEALING TO OTHERS, LIKE THE PUBLIC SECTOR, AND TURNED THEM INTO 'SEXY'. SHE'S NOT AFRAID OF THE UNKNOWN, TAKING CHARGE TO DEVELOP A CAPABLE WORKFORCE WITH THE RIGHT SKILLS IN THE ENERGY AND WATER SECTOR FOR OUR COUNTRY

Mpho Mookapele was born in a small village called Dinokana, Zeerust. While her parents worked in Johannesburg, she was raised by her 14-year-old sister and learned from a young age to be independent. In 1995, in what Mpho describes as the 'Groot Trek', the family headed to settle in Joburg.

When she finished high school, she decided to be bold and approach her father's employer to fund her first year of studies. 'I believe if I didn't take the initiative and the bold step, I would be living a different story today,' says Mpho.

She then registered for a BCom Accounting qualification not really knowing where the road would lead to. It was only in her second year of studies that she found out what a CA really was.

'One of the greatest challenges in my career was the struggle to pursue my personal dream, especially when mine did not appear as exciting when compared to my peers' dreams. My desire to serve the public sector was often frowned upon. I often felt alone in the journey as not many have walked a similar path,' says Mpho.

The first question she asked herself when she qualified as a CA(SA) was 'Now what? How do I use this qualification and the skills to bring about a difference in people's lives?' Her passion for development in the country and in Africa guided her career towards serving in the public space.

'The greatest attributes I have gained from the CA(SA) qualification are professionalism, integrity and analytical, critical and creative thinking skills. I realised that being a CA(SA) is not about attaining a qualification but attaining an enabler. It enables one to open doors and confidently sit at the table and have meaningful discussions and apply my mind to bring about solutions.

'I have also learned early that there is only one Mpho Mookapele and if I for one moment forget to be myself and chase after being someone else, I will be robbing the world from the unique gift that I bring. My desire and passion is always about making a difference in people's lives,' says Mpho.

BRINGING BACK SEXY TO THE PUBLIC SECTOR

'The greatest highlight of my career is being able to see the results of the works of my hands not only benefiting myself but others.'

Mpho's career spans more than 10 years in the finance and regulatory environment in both the private and public sectors. She served in the public space first as a consultant and currently as a public servant. One of the lessons Mpho learned is that the public sector is not 'sexy' enough for trainees; it comes across as being the place for the less ambitious. But most importantly, she learned that CAs(SA) play a critical role in South Africa's growth. She made it her mission to 'bring sexy back' to the public sector.

A career highlight was being promoted to senior manager at Ernst & Young where she led strategic planning and reporting

solutions in the public sector. She facilitated strategic planning sessions for boards and senior management for a number of public entities and assisted with the preparation of strategic plans and annual performance plans.

Mpho thanks the mentor who helped her achieve her dreams and who trusted her with higher responsibilities that built her confidence and often affirmed her motto that 'I CAN'.

'Johan Luface mentored me from a personal development perspective. The greatest lesson I have learnt from him is that I am a unique being created for a purpose and that in all I do I should strive to serve that purpose. Mr Higgins and Mr Colyvas were my directors at EY in the Financial Accounting and Advisory Services division. They were not formal mentors, but they contributed immensely to the woman I am today. I learned from them the importance of supporting and contributing to another person's vision. They identified my passion and my strength and ensured that every opportunity that would grow me toward achieving my purpose they would expose me to. They trusted me with higher responsibilities that built my confidence and often affirmed that I CAN.'

A great milestone was to be appointed CFO of the Energy and Water SETA in 2016. Mpho admits that as CFO, she has encountered opportunities to 'enrich' herself several times at the cost of her moral standards and at the cost of young South Africans' future.

'Each time I was faced with this situation, I chose to do what is right and this speaks volumes to those presenting such opportunities. I work among senior colleagues and stakeholders and at every opportunity given I live and preach integrity.'

She has been acting CEO for the past 10 months, and her executive leadership and accountability to the board has highlighted the importance of strategic leadership governed by ethics.

Mpho thrives in her role as acting CEO through developing a capable workforce with the right skills in the energy and water sector for our country. This enables her to lead and develop others today so that they can lead tomorrow.

'South Africa is facing a number of socio-economic development challenges and high unemployment is at the forefront. My current role allows me to work with





different sectors and partners to develop skills solutions in the utility sector that can increase employability and drive enterprise development that will in turn create job opportunities. This critical and sometimes overwhelming responsibility speaks to my deepest desire to positively impact people's lives. I do it with pride and with joy and with fulfilment,' says Mpho.

MPHO'S DEEP PASSION TO UPLIFT WOMEN

Mpho's journey in life has exposed her to women facing many struggles in their lives that hinder them from achieving more in society. As part of her theology diploma studies, she equipped herself with counselling courses to help these women.

'Seeing women who are broken from different social challenges such as divorce, loss of loved ones, career struggles and even struggling to find a purpose in life has driven me to want to be that agent of relief,' she says.

Mpho is involved in a number of initiatives aimed at capacitating women at different stages in life – from young CAs(SA) who are struggling to define what they want to do, or those who are discouraged by many attempts to qualify, to women who are professionals and are struggling with dealing with traumatic experiences in their lives. She even

recently organised a trip to Durban for women who are mainly unemployed domestic workers or who have low-paying jobs. Some of the women never thought they would see a beach in their lifetime. Mpho organised this holiday to help them dream again and believe that anything is possible.

She also serves on the African Women Chartered Accountants board subcommittee, is involved in her church as a mentor to women, and is a supporter and sponsor of the annual Miss Dinokana pageant.

In her leisure time, Mpho likes to spread her wings and fly to different countries because she says it broadens her perspective of the world and gives her a renewed appreciation of life and of the diverse cultures we have. In the last 10 years she has travelled to 19 countries and has returned to four of the countries twice already.

'My favourite holiday destination is the smooth, sandy and peaceful beaches of Rottneest Island in Perth. There are no cars on the island one uses bikes to get around,' she says.

'I love life and all that life brings around me. I enjoy a good laugh and making those around me laugh. I celebrate every step of my life and I take every challenge in my paths as a steppingstone to higher ground. My spirituality grounds me.'

Where does she see herself in five years' time? 'I see myself continuing to fulfil my purpose, which is to positively impact people's lives. In the long run I want to serve UN women in a strategic role to allow me a wider and international reach.'



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LÉAN BOEZAART

CATEGORY WINNER: DEVELOP

CO-FOUNDER: FREEDOM OF MOVEMENT



FROM A SINGLE LEATHER BAG, LÉAN BOEZAART AND THE TEAM HAVE IGNITED FREEDOM OF MOVEMENT (FOM) TO A PREMIUM SOUTH AFRICAN LIFESTYLE BRAND THAT RANGES FROM THE TRENDIEST LEATHER BAGS AND FOOTWEAR TO AESTHETICS TIMEPIECES. **TODAY THEY PROUDLY BOAST 10 FOM CONCEPT STORES, WITH ONE BASED IN AMSTERDAM**

Léan Boezaart grew up in a house of four boys, all very sociable and profoundly sport driven. As one can imagine, his parents had their hands full more often than not, so to keep things at a 'respectable level of control', his dad introduced the ingenious house rule called 'Freedom of Movement'.

'You earned your right to "Freedom of Movement" through hard work and personal discipline. If your academic performance at school was satisfactory, for instance, you earned "Freedom of Movement" as a sign that you have proven yourself capable of making your own decisions and taking responsibility for your actions.

'This rule generated a foundation for us boys to understand the significance of making decisions and managing our priorities,' says Léan.

'My Dad always encouraged and supported us to chase our dreams, but more specifically to work for ourselves one day. We were extremely fortunate to have loving and supportive parents who gave us the perfect platform to live out our passions,' says Léan.

Léan tells the amusing story of how at varsity, three of his mates and he scraped together all of their savings and organised a house party that attracted more than 600 students. The entry fee was R20. They organised everything: two bars with a temp liquor license, a built stage for the three live bands, right to bouncers.

'We woke up the next morning with a suitcase filled with cash and minimum damage control. I guess this crazy experience sparked the entrepreneurial flame!' says Léan.

In 2011, Léan's childhood dream of being a professional golfer became a reality when right after articles he received a sponsorship from Deloitte. It was an exhilarating time of his life. Turning pro in 2012, Léan gave it his best shot in South Africa and abroad with achievements that he says he will cherish forever – especially the four wins as a professional on the IGT Tour. He also learned to overcome challenges that he found valuable in growing FOM to success.

'I had many near misses in my quest to fulfil my dream of making it as a golf professional. Professional golf is a game of very small margins and if you are on the wrong side of the cut, it can be the most humbling game in the world. All the disappointments in hindsight contributed to the patience and perseverance that were required to get our business to where it is today,' he says.

After he had qualified as a CA(SA) and his brother Roal Boezaart as a civil engineer in 2013, they felt like they had finally earned their freedom to explore new ideas. After they had verified their vision, they scraped together all their savings and started a business, Freedom of Movement, in a small room at the University of Stellenbosch.

'Our vision was to create a proudly South African lifestyle brand based on the core principles of quality, longevity, value and worth. For us, leather was the one raw material that epitomised all four of these principles. Leather is known for its quintessential robust and timeless appeal, and nothing tells a story quite like a well-worn leather bag!' says Léan.

And so they started with only one leatherman craftsman called Benjamin and one antique, traditional leather-stitching machine, and began selling one bag at a time to friends on campus.

'We created something from scratch with very limited knowledge, nor a clear foundation or concept to work from. All we had was a vision to create a proudly South African lifestyle brand. We continuously had to innovate and evolve and have since 2013 been on the never-ending journey of figuring things out.'

After months of hard work and various prototypes, they finally developed two products that met their satisfaction and launched them into the market: the Benjamin, a traditional leather briefcase, and the Bobby, a full-leather adventure backpack.

Six years later they have a product offering that ranges from premium leather bags and footwear to timepieces, sunglasses, clothing and accessories that they sell through online platforms that offer worldwide shipping. They proudly boast 10 FOM Concept stores, with one located internationally, in Amsterdam.

'Our core products all have unique names and identities, as we want our customers to resonate with a product, personally connect with it and allow their newly chosen companion to share in their lifestyle and adventures. We want to inspire others along the way to create their future, dare to dream, and live their lives with true Freedom of Movement: The freedom to dream. The freedom to explore. The freedom to create.'

FOM has recently launched a new shoe, the field green FOM Vellie, with Siya Kolisi and will be using the proceeds to build a new sports field at the Mbewkeni Youth Centre, an underprivileged community outside Paarl in the Western Cape.

And where does Léan see himself in five years' time? Happily married and best friends with his two beautiful daughters.

'Stay free and keep moving!'



LIZE LUBBE

PRINCIPAL: PHATISA



LIZE LUBBE'S PIONEERING SPIRIT HAS LED HER TO DELIBERATELY CHOOSE THE ROAD LESS TRAVELLED AT EVERY PIVOTAL MOMENT. AND WITH INVESTING AND ENTREPRENEURSHIP BEING THE GOLDEN THREAD THAT RUNS THROUGHOUT HER CAREER, THE RESULTS OF HER LEADING HUGE IMPACT INVESTMENT PROJECTS ACROSS THE AFRICAN CONTINENT HAVE BEEN EXTRAORDINARY. IN HER SPARE TIME, SHE IS A PROFESSIONAL MUSICIAN.

With Lize's creative and ambitious personality, she intentionally crafted her career around entrepreneurship and investment the moment she completed her articles. After a few years working in business rescue and restructuring, she was driven by her love for entrepreneurship and left to pursue an adventure in venture capital and impact investing and today is making waves across the African continent.

'Lize Lubbe is an African with so much to give – a brilliant candidate!' remarked Andile Khumalo during her judging session.

CATEGORY WINNER: INFLUENCE

But with the constant scarcity of resources in the venture capital space, Lize set her sights on heading to Silicon Valley to glean as much information as she could about the venture capital space. In 2015, she was ecstatic to find out that she was the only South African selected to participate in the prestigious Frontier Market Scouts Program in California, USA. She was one of 30 participants globally attending this programme to advance high-performing professionals in the field of impact investing and thrived on every moment of this experience of meeting and learning from those at the heartbeat of entrepreneurship and impact investing.

'We collaborated with practitioners from the top impact investing funds in the USA. As part of this programme I completed a research fellowship in impact investing and venture capital in Silicon Valley, New York City and Washington DC to research international best practice with the vision to implement it in an African context,' says Lize.

Returning to South Africa, and after an avid search for a company whose dreams and vision aligned with hers, she joined Phatisa's Africa Agriculture Fund (AFF) in 2016, a fund whose mission is leading impact investing into food and agriculture across Africa.

Lize has been intrinsically part of the African Agriculture Fund impact in delivering 2,6 million tonnes of food and food-related products, supporting more than 9 000 permanent jobs and more than 78 000 small-scale farmers and entrepreneurs in rural communities from investment to date.

'This has been a pivotal moment in my career and has been a wonderful environment to catalyse the large scale impact that I have always dreamed of being part of.'

Lize was soon recognised for her abilities and was appointed a principal of the fund.

'I am the first female principal at Phatisa, which is reflective of an industry that still has a distance to travel regarding gender parity. Rather than my own singular achievement I feel honoured because other young women that will come after me in the organisation now know that it is possible,' says Lize.

Lize loves her job because there is never routine or predictability. Each day is unique bringing along new opportunities for endless learning.

'I love the travel and adventure that comes with investing across our continent. I absolutely love meeting and working with entrepreneurs across our continent.' Says Lize.

Lize credits her CA(SA) qualification for unlocking the amazing opportunities that may have been a lot more difficult without it.

'Pioneering anything is not easy. When one is pioneering and blazing a trail simultaneously one can sometimes feel that have the odds stacked against you. You have no clear path to follow. You mostly go blindly, equipped only with the vision in your mind and the dream in your heart.' This is the way Lize describes her journey in the impact investing industry.

OTHER SUCCESSES

In 2017, Lize was appointed to serve on the board of a leading Malawi-based agricultural equipment and contracting business. Critical to her portfolio was to lead the development of its regional growth strategy into neighbouring countries, from ideation to fundraising and execution.

She also led the successful financial and operational improvement programme in Zambia's largest poultry business at board level. This re-engineering has led to a doubling in profitability and enabled the sale of more than 150 million eggs per year.

'This is a business that targets the "bottom of the pyramid" consumer through the provision of an affordable source of protein, ensuring adequate nutrition for a large part of the population,' she says.

In a previous role, Lize led the innovation and implementation of South Africa's first Uber owner-driver financing scheme. She worked with one of South Africa's big four banks to reinvent their credit scoring system to be based on the Uber driver data and not their credit history.

'We leveraged the Uber technology to enable drivers who did not have a sufficient credit record to qualify for affordable vehicle finance. Consequently, drivers could create their own micro-enterprise through ownership. The project had the capacity to create 1 000 jobs and increase the income of these drivers with up to 300–400%. This project remains one of my most proud achievements as, till this date, I meet drivers that are the proud beneficiaries of this scheme, long after I left my previous organisation.'

Lize is a professional musician, a violinist, and has been a permanent member of the Gauteng Philharmonic Orchestra (GPO) since 2014. The GPO is a professional orchestra and NGO based in Pretoria which aims to promote classical music in the local community and to make it accessible to the previously disadvantaged, the youth and the elderly. They run an outreach programme with the City of Tshwane Municipality to uplift the vulnerable youth and victims of drug and sexual abuse and include them in their activities.

'It is not an easy task to juggle this with my executive role, but fills my life with joy! As a musician, I have learned about leadership from some of the best conductors in the world.'

Lize's ultimate dream is to head her own impact investing fund one day.



RHETT FINCH

CFO: KING PRICE INSURANCE



AS CFO OF KING PRICE INSURANCE, RHETT FINCH HAS SUCCESSFULLY GUIDED THE R100-MILLION START-UP TO A R3,3-BILLION COMPANY IN SIX YEARS. THEIR BUSINESS MODEL HAS SAVED THEIR CLIENTS OVER R150 MILLION IN DECREASING PREMIUMS. AND BEST YET, THEIR 900 STAFF MEMBERS ARE LIKE ONE BIG 'ROYAL' FAMILY WHO ENJOY 'FUN WITH A LITTLE MADNESS' AS A FAMILY VALUE. THEY KIND OF DO EVERYTHING DIFFERENTLY, AND IT'S DEFINITELY WORKING!

Rhett Finch's life took a sharp turn when he met with Gideon Galloway, then CEO of advertising agency ThinkTank, now CEO of King Price, for a random cup of coffee in 2011. Rhett decided right then and there that he wanted to be part of this dream.

Since King Price launched in June 2012, Rhett has helped to achieve year-on-year growth of 75% since year one. He has overseen and grown the finance function from a start-up into a complex, regulated insurance company with a wide variety

CATEGORY WINNER: LEAD

of short-term lines of business that encompass products across the personal, commercial and specialised ambits. As MD of King Price's corporate and broker arm, he oversees the strategy and operations for this side of the business. He recently led an acquisition of an established life insurance company that will enable King Price to extend into the life insurance market from 1 October 2019.

Their vision statement 'Lower premiums: Higher purpose' defines them.

'All of us at King Price work for a greater purpose. Our ethos of #MakingADifference is entrenched in everything we do. For us, people are more important than profit, and the sum of the 900 individuals who make up our team is far greater than the sums that calculate our bottom-line. It's a wonderful testament though, that our bottom-line is as healthy as our team. I really think that our focus on creating and sustaining a vibrant culture that supports entrepreneurship, fun, freedom and responsibility is paying off,' says Rhett.

'My every working hour – and that of each of our 900 staff members – contributes to community upliftment. Our major shareholder, Mertech, a private investment group, uses 70% of its profit, via the Mergon Foundation and NationBuilder, to impact lives in South Africa. So, when King Price officially started generating a bottom-line profit, we could also feel good about our success being part of a greater plan to do great good across South Africa,' says Rhett.

THE ROYAL FAMILY

Most of all Rhett is proud of their 'royal family', who are a team who has grown from 13 to 900 dynamic, entrepreneurial and culture-driven individuals who create a sustainable work force and strong succession plan.

'I love our un-corporate culture, which doesn't make you feel like you're actually at work. Our office is filled with constant positive energy, which our staff both generate and thrive on – our people are happy at work, and we figure that, if we're not having fun at work, we're not doing it right.

'I love that King Price supports our people to achieve their goals, both personal and professional, and to live their dreams. I love that we've never done things how they've always been done. From our world-first business model,

to developing our own IT infrastructure to enable our model and growth, to including “fun with a little madness” as a family value – we do everything differently. And as a strategy, it’s working for us,” he adds.

In 2021 King Price Insurance will be moving into their own building, which is being purpose-built for their needs and designed to grow as they grow.

‘On a sentimental level, our move is an expression that we’re here to stay. We’re putting down roots. We’re creating the kingdom of our dreams. It’s going to be wacky, quirky workspace, filled with toys and inspiration ... It even has a Ferris wheel! But I foresee great work coming out of it. I can’t wait!’ says Rhett excitedly.

ART VERSUS BUSINESS

It was an impulsive moment that led Rhett to choose the CA(SA) route. He can still remember it quite vividly.

‘I was registering for my under-grad degree at Stellenbosch University – literally standing in the queue – and my heart said “study art” but my head said “business is probably a better option”. My uncle, whom I’m very close to and have always looked up to, is a CA in the insurance industry, so I followed his example. And I can’t say that I’ve ever regretted that snap decision!’ he says proudly.

Rhett says he learned pretty fast that everyone starts at the bottom and that no one can expect to be a leader from day one. ‘Respect is earned; it isn’t a given when you get a qualification or a title. So, you need to roll up your sleeves and get stuck into the work. Especially the hard work. Your academic learning is just theory and the real learning happens on the job. It’s also important that you never stop learning. Information becomes redundant very quickly and the workplace changes daily.’

Rhett is the youngest of three boys. His eldest brother is a top exec at Dimension Data in London and his middle brother and his wife are in Cape Town. They own Love Milo, an online store that sells locally sourced sustainable décor items. His parents, Tim and Sonia, are both retired and live close-by in Joburg.

‘My wife-to-be, Megan, is part of the King Price family – luckily for me, as that’s how we met! And then of course there are our “kids” Cody and Nala, our crazy, beautiful springer spaniels.’

Rhett’s hobbies? ‘Anything that involves a wetsuit, a bike and some running shoes, and preferably all of them together. I like the mental challenge inherent to endurance events. I like having big goals and working hard to achieve them.’



GIDEON BOTH A

SIMPLIFYING YOUR SUCCESS AWARD

SENIOR FINANCIAL MANAGER: NEDBANK GROUP

“

GIDEON BOTH A IS A WELL-ROUNDED RESEARCHER AND FUTURIST WITH A BALANCED OUTLOOK ON LIFE. HE IS THAT EXCEPTIONAL EXAMPLE OF AN ACADEMIC WHO INTELLIGENTLY PUTS ALL THE KNOWLEDGE GAINED TO WORK BY ADDRESSING CORE ISSUES IN SOUTH AFRICA'S PRIVATE HEALTH CARE SYSTEM. **AND TO TOP THAT, HE'S PUT A GREAT DEAL OF EFFORT INTO LEADING HIS TEAM AND DEVELOPING THEM TO BE THEIR BEST**

Rooted in his unquenchable desire to grow and learn, after completing his CA(SA) qualification Gideon pushed on to expand his technical capabilities through the completion of two postgraduate degrees while also applying his skills and talents to address core issues in South Africa's private healthcare system. His PhD will offer a framework for the implementation of National Health Insurance.

'I am using my technical skills for the improvement of others by pursuing a PhD that is expressly aimed at making a valuable contribution to the health care system in South Africa and making private health care more affordable and accessible to more people,' says Gideon.

'Gideon Botha is an excellent leader in business and a thought leader who is using his academics to change the world,' said Ayanda Seboni, 2019 Top 35 judge.

Gideon was a Top 4 finalist for the BHF Titanium Young Achiever Award, which celebrates young professionals who have made a notable impact in the healthcare industry. Another proud moment was presenting the results of his master's thesis at the International Academy of Business and Public Administration Disciplines (IABPAD) Conference in Spain, along with the publication of two academic articles that he co-authored.

His PhD titled 'Developing a framework for price tariffs in the costing structures of South African private hospitals' will be completed by December 2019. The aim of his PhD is to recommend a unit costing model and reimbursement model combination that can be used to determine price tariffs in private hospitals in South Africa.

'I believe that my PhD will not only have great significance for private health care in South Africa but will also make a valuable contribution to our country's troubled health care system. It addresses the concerns raised by the Competition Commission and the Department of Health regarding the high cost of private health care by recommending a unit costing and reimbursement model combination that could be used to determine price tariffs in private hospitals,' says Gideon.

'The value of the recommended unit costing and reimbursement model combination lies in the fact that it enables hospitals to calculate an accurate unit cost for a hospital procedure or an episode of care, and then further provides the mechanism to set a price tariff for the given procedure or episode of care. In so doing, it provides more transparency and understanding as to how price tariffs are determined for private hospital procedures, and it enables private hospitals to implement process improvements based on an improved understanding of the different resource usage that applies to the unit cost of treating a patient.'

At the same time, Gideon is completing a postgraduate diploma in Future Studies, which will be concluded in October 2019. He is registered for his master's degree in Future Studies in 2020, in which he will use it to outline

new banking scenarios for Africa and identify mechanisms to make banking more financially inclusive for South Africans.

'At heart, I am an academic who loves to learn and study the latest trends in finance, healthcare and the global economy. As someone who is fascinated by the opportunities the future holds, I'm actively pursuing my development and qualifications as a professional futurist. I also maintain my optimism about the future, as I move forward in faith,' says Gideon.

'Even though I am busy with various projects and studies, my commitment and work ethic relating to my responsibilities and management of my team at Nedbank Home Loans is of the highest calibre, as evidenced by my achievement of "Excels", which is the bank's highest possible performance rating.'

To empower his team of ten, not only does Gideon arrange but personally funds yearly workshops and talks by key motivational speakers. In 2017 he arranged for Dr Johan Beukes, CEO of Harmonie, to conduct a workshop 'Telling and embracing my life story'. In the same year Yeukai Muduzi, a World Bank economist, presented a two-hour talk on the importance of 'knowing your why'. And in 2018 Duncan Stewart, a renowned artist, conducted a two-day creativity workshop with the team. He addressed the factors that limit one's creativity.

This year, athlete and international conference speaker Alex Harris will conduct a day session with the team on how to succeed when facing difficult journeys. In the second half of this year, Yeukai Muduzi will return for a breakfast talk with the ladies in the Nedbank Home Loans Finance team regarding the challenges women face in the workplace and how to overcome them.

Moreover, Gideon gives back to his community through the informal mentorship programme he personally initiated, and by serving on the Nedbank Medical Aid Board in support of his Nedbank colleagues and their families.

And where does he see himself in five years' time? 'As a proud father and committed partner to my fiancée (soon to be wife). Furthermore, I plan to be a C-Suite executive at an organisation that affords me the freedom to apply my skills and acquired knowledge to push the envelope in all aspects of business. I also intend to complete my second PhD, this time in Future Studies, and an undergraduate degree in Economics. And I am preparing to become a leading Future Studies author in the fields of banking, economics and healthcare in South Africa.'



THE POWER OF PROFESSIONAL THINKING AWARD

HLENGIWE NDLELA

**AUDITING LECTURER:
UNIVERSITY OF KWAZULU-
NATAL (UKZN)**

“

GIVING UP IS JUST NEVER AN OPTION FOR HLENGIWE NDLLELA. SHE KNOWS EXACTLY HOW HARD FAILURE CAN KNOCK ONE DOWN. BUT SHE HAS OVERRIDDEN 'FAIL' MULTIPLE TIMES, REPLACING IT WITH THE STAMP OF SUCCESS. **TODAY, SHE MENTORS SCORES OF STUDENTS INTO CONFIDENT PROFESSIONALS BECAUSE SHE KNOWS SOMETIMES ALL YOU NEED IS SOMEONE TO GIVE YOU THAT RAINBOW OF HOPE**

Hlengiwe's vibrant personality spills over into every facet of her life, from the students she inspires to achieve more with their lives right to the bold, beautiful colours of the African attire you will often find her dressed in. She's a humble, yet strong woman who loves nurturing in any space she finds herself.

Hlengiwe Ndlela was raised by her mother in Amatikwe-Inanda with the help of her grandmother and aunts.

'They were all domestic workers. I am very close to my grandmother, and I think this is because of her attitude towards educational excellence. I remember in primary school, as much as she was a stay-in domestic worker, she was always available to attend awards day and supported that part of my life strongly.'

Hlengiwe's mathematics teacher in Grade 6 played a critical role in who she is today. Her uncle, a principal in a school in Pietermaritzburg, was also a role model for her as a youngster, always encouraging her to push for better results.

Besides her analytical abilities that steered her towards the CA profession, it was a woman who presented at a SAICA Development Camp in 2003 who drew Hlengiwe to pursue a career as a CA(SA).

'She was elegant, dressed in a blue suit, calm and confident,' describes Hlengiwe, thinking back.

During the second year of her studies, she fell pregnant and sought support from her family. She promised to be done with studies in 18 months to take over the parenting.

So, when Hlengiwe failed CTA for the first time in 2008, she had no choice but to start work because she had a six-month-old baby and a family that needed her support. She managed to find a job as an accounting teacher for Grades 10 to 12 and did this for years. After failing the CTA exam in two attempts too, the CA(SA) dream began fading, she admits. To make things worse, she was in an environment that had nothing to do with what she was studying.

A phone call from EY Durban changed that. They told her she could start articles while studying towards her CTA.

'It was at this point where I wanted it again. Where I saw myself worthy of the qualification again. Being the fourth attempt, it is easy to lose confidence and self-belief. However, giving up was not an option, especially when I had someone believe in my abilities. Being allowed to study part-time and work in an environment that is relevant for and understand my studies with proper support, I was able to achieve my CTA,' says Hlengiwe.

Today Hlengiwe is an auditing lecturer and researcher in the School of Accounting, Economics and Finance at the University of KwaZulu-Natal's Westville Campus and is

pursuing her PhD at the UKZN. She was also a panellist on the young academics segment of the 2019 Forbes Africa Women Leading Summit.

'I enjoy how exciting lectures can be, how practical I attempt to make auditing. How easy it is for students to come for consultation, and sometimes not necessarily about the module but about their careers in general. It gives me a great position to give mentorship even in an unstructured or informal setting as it changes the lives of the students. Being a lecturer who is "young"; there is an element of relatability and my background gives my students hope.'

Hlengiwe is also a Thuthuka programme manager whose students have achieved a 99% pass rate in the first semester of 2019. In addition, she runs an intervention programme for African CTA students at UKZN.

'My babies, the African and Coloured students funded by the Thuthuka Education Upliftment Fund, call me Mah or Mom due to the relationship we have. It gives me so much joy to have resources to be able to assist our babies to achieve their goals.'

A few of the many other projects she is involved in is 1Woman1Girl mentorship, an NPO that she co-founded with the goal to empower women one girl at a time. She runs Grade 9 career day workshops for over 900 learners as well as collecting donations of sanitary towels for primary school girls in a drive to 'keep-the-girl-in-school' in Inanda North in Durban.

'It gives my African sisters and brothers hope that they, too, can achieve their goals – not only just CA(SA) but whatever goal they seek to achieve regardless of where they come from, how they were raised, how much less they have,' she says.

Hlengiwe sits in the KZN regional committee for the Advancement of Women Chartered Accountants (AWCA) where she looks after student chapters at UKZN. She recently served as the secretary of the KZN region of the Association for the Advancement of Black Accountants of Southern Africa (ABASA) fostering youth development and providing support for aspiring black CAs(SA) in the region. She also volunteers at Meals on Wheels community services KwaZulu-Natal and Free State Area as finance committee chairperson and board member in light of elevating poverty through providing meals for South Africans in need.

Hlengiwe sees herself as Dr Hlengiwe Ndlela in five years' time.



OFFICE ETIQUETTE THE MODERN CA IN THE OFFICE

THIS IS NOT A 'DO' OR 'DON'T' ARTICLE BUT RATHER A THOUGHT-PROVING PIECE ON THE LEVEL OF PROFESSIONALISM REQUIRED OF US AS CURRENT AND FUTURE LEADERS OF THE PROFESSION

Words Pat Mokgatle

Why is office etiquette important? Surely, we can behave, dress and speak the way we want?

Not really – we must consider that we are sharing common areas, from basement parking lots to meeting rooms. There is a certain level of common courtesy that is critical in order

to have a sound and conducive working environment. How we present ourselves speaks volumes in relation to our personal brand.

DRESS CODE

Have sneakers replaced oxfords and T-shirts replaced the cut-away double-cuff Egyptian cotton shirts? Well, it seems that there is an international shift in the way that millennials dress up for business. The world has seen a massive shift from tailored suits to a more relaxed 'dress for your day' approach. We have also seen this phenomenon in professional services firms.

Silicon Valley has seen a boom in the jeans and T-shirt culture. Entrepreneurs such as Richard Branson and Elon Musk are hardly ever spotted in formal wear. The catch is that they are already at the top of the fruit chain when it comes to their respective fields. What I find interesting is that whenever they go for interviews or attend important meetings, they don three-piece suits freshly pressed from the dry cleaners. Even Facebook's Mark Zuckerberg was spotted at a Facebook US Senate hearing in a clean, notch-lapel, French Navy double-vented suit. This is an indicator that when we have important engagements, the 'brand self' dresses up instead of dressing down.

PERCEPTION IS PARAMOUNT

There is a clear psychological impression that we would like to portray by dressing up, but does that mean that dressing down in the office means that you are not taking the business seriously? My humble opinion is that dressing up is a sign of respect and stature within the organisation. It seems we as professionals have lost the brand identity of how a professional should look and behave. I am yet to see a neurologist



THERE IS A CLEAR PSYCHOLOGICAL IMPRESSION THAT WE WOULD LIKE TO PORTRAY BY DRESSING UP, BUT DOES THAT MEAN THAT DRESSING DOWN IN THE OFFICE MEANS THAT YOU ARE NOT TAKING THE BUSINESS SERIOUSLY?

get into the theatre with shorts and a T-shirt because that is what the client usually dresses like. Many times I've had debates with colleagues that argue that clients feel intimidated when they dress up and my answer is consistently, 'As professionals there is an expected level of etiquette and it starts with how we look.'

With the profession being under the microscope, as it is, isn't it time that we take back the professional outlook by walking into our chosen fields of expertise with tailored suits and well-polished shoes? We need to remember that we are not selling audit, tax and advisory, we are selling an experience. People will always remember how you made them feel. It is highly imperative to have consistent professional behaviour, and this starts with our appearance.

GROOMING

The level of grooming has also seen a slump with professionals looking like they are going to a weekend concert

with their friends. Grooming starts with personal hygiene and respecting the fact that we are working with other people within various organisations, including our own. We have fallen into the trap of 'Oh, they millennials' as an excuse for not being well-groomed. In any social stance, there are written and unwritten rules that need to be adhered to in order to have sound social cohesion.

We need to maintain a level of decorum within the business environment in order to be taken seriously. Having understood that there are different generations within the business, namely Generation Xers and millennials, we ought to bring the two together. The age difference has engraved methodologies, but appropriate grooming is a must for both groups.

MANNERS AND LANGUAGE

Manners maketh man. By virtue of us being young professionals, we need to maintain a level of respect within

our organisations. The way we behave needs to be in line with the dress code, grooming, and how we address each other.

Etiquette also relates to the way we write; be it e-mail or even formal letters. We are in an era of SMS language which can be cool for WhatsApp but not necessarily for professional engagement. We should ensure that we always keep the level of professionalism high.

Professional language is equally important as we interact with people from all walks of life. This means that we need to ensure that we always use appropriate professional language. Open and honest communication is critical in order to build a sound work environment.

Remember, it takes years to build a reputation but one moment to lose it all.

AUTHOR | Pat Mokgatle CA(SA) is founder of Decorum Stylists

SOCIAL IMPACT

WHY BRANDS SHOULD BE MOVING FROM 'FOR PROFIT' TO 'FOR BENEFIT' MODEL



BESIDES BEING GOOD FOR YOUR BRAND, **GOOD SOCIAL IMPACT BUSINESS PRACTICES ARE GOOD FOR EVERYBODY!**

Words Greg Viljoen

Social impact is more than just a catchphrase we hear bandied about on special days observed by the United Nations. Social impact is also no longer confined to non-governmental

organisations (NGOs), non-profit organisations (NPOs) or even basic corporate social investment (CSI) campaigns.

While local South African social impact legends such as David Grier, Chris Bertish and others achieve amazing feats to highlight causes, usually with modest backing from the corporate sector, even these types of campaigns are no longer enough for a brand to survive the future.

GENERATION Z

Corporate backing of any noble cause is admirable and indeed, encouraged. However, it is no longer enough to simply 'make a statement' as a big brand if you want Generation Z (Gen Z) to pay attention.

Gen Z have changed the landscape of consumer social impact with their brand engagement. Gen Z consider the citizens of the world responsible for the global problems we face – not NGOs or NPOs.

Being a responsible citizen today means buying responsibly, supporting companies that trade responsibly – in short being a responsible consumer. In fact, a millennial is less interested in a company that donates a percentage



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A MILLENNIAL WILL PROUDLY SUPPORT YOUR PRODUCT AND SHARE THIS WITH THE WORLD IF THEY FEEL IT IDENTIFIES WITH THEIR ETHOS

of its profits to a cause than in one that practices fair trade. Contributing holistically to the greater good of the community and/or world is what counts.

THE 'ME' GENERATION

Millennials are often slated for being narcissistic and referred to as the 'Me generation' as they love to document their lives online via social media. 'Instagram influencer' is now viewed as a desirable vocation by some.

This is a brand's future market, however, and the incredible thing about social media is that while 'fake news' is often highlighted in the media, real news is way easier to digest and spread.

Social impact for brands needs to move beyond ticking a box or beyond a short-term campaign to simply promote a product.

Circa 2019, social impact is about fair trade, good business practice and caring about the communities a brand makes its profits off.

A millennial will proudly support your product and share this with the world if they feel it identifies with their ethos.

WHAT NEXT ...

It starts with a brand taking real meaningful steps to become a socially conscious enterprise. This is not just good for the future survival of a brand and its future market. It is also good for the well-being of the earth and the citizens it employs as well as its customers.

The second step is to shift some of that tight marketing budget from selling benefits of a product to the consumer to the benefits a product or a brand offers to the citizens of the world, community or earth itself.

This is where good storytelling and content marketing in the social impact space becomes important. If your brand or company is doing something meaningful, that story needs to be told and it needs to be engaged with and supported by the next generation of consumers.

AUTHOR | Greg Viljoen is the founder of Bigger than Me

IN SUMMARY

Here are four meaningful take-outs from this article. These will help you to engage better with Gen Z / millennials and future markets in a world that is fast demanding conscious consumerism on all levels:

- Integrate cause into your business model.
- Invite consumers to volunteer alongside you.
- Give consumers a way to see the impact of their purchase.
- Enrol brand ambassadors for your cause.

Establish a clear social message and invite your customers to be a part of your story and your brand will reap the rewards.

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BROADENING THE HORIZONS OF MPUMALANGA'S MATRICS

Peace Mabaso is a shining example of a CA(SA) flourishing in the office while helping others step onto the road to success

AUTHOR Leigh Andrews





WITH A POPULATION OF LESS THAN 4 500 AND ALMOST ZERO ECONOMIC ACTIVITIES IN THE VILLAGE, THE THOUGHT OF AN EDUCATION BEYOND HIGH SCHOOL WAS ONLY A DREAM TO PEACE. INDEED, THE ONLY HIGH-PROFILE CAREERS IN THE COMMUNITY WERE TEACHERS, NURSES AND POLICEMEN

Peace Mabaso CA(SA) is a financial manager at FNB's private bank lending business unit, as well as an executive member of the Ekulindeni Reunion Foundation (ERF). But Peace wouldn't be where he is today without several boosts from SAICA's Thuthuka programmes – the first of these when he was still at school.

FROM RURAL BEGINNINGS TO RELISHING BIG CITY LIFE

Peace ponders: 'Imagine the number of talented rural learners whose potential

is not realised. Could this be the key to fix the skill shortage in our country?' He's living proof that this may well be the answer.

Peace was raised by his grandparents who were small-business owners in Ekulindeni, a small village in Mpumalanga. This because his mom, who had conceived him at the age of 16, left her village to find a job in the city herself the fourth of eight children and the first to complete matric.

With a population of less than 4 500 and almost zero economic activities in the village, the thought of an education beyond high school was only a dream to Peace. Indeed, the only high-profile careers in the community were teachers, nurses and policemen.

That all changed when Peace attended the 2017 Thuthuka development camp in Mpumalanga. While normally an initiative run was for Grade 12s, Peace's maths teacher motivated for his attendance despite him only being in Grade 11.

It was here that Godfrey Legwale, SAICA's project manager running the province's development camp, took a

liking to him, saying: 'Peace, I'm going to make you a CA.'

And thus the starting blocks of this fairy tale fell into place with Peace attending the camp again the following year and scoring top marks among the learners there. He went on to attend two more SAICA development camps as a group leader and another as a guest speaker, describing all five instances as 'incredible'.

The camp's maths and science classes are delivered by some of the best teachers in South Africa, which is crucial, says Peace, as learners from rural areas generally receive below-standard education, with poor infrastructure. The week-long camps go beyond the basics to include exam techniques, as well as fun exercises that instil social skills and the power of teamwork, the importance of a healthy lifestyle, and analytical and soft skills like preparation, which Peace still applies to his everyday life and credits with the reason he achieved 99% for maths in matric maths.

Peace also applied to universities for the first time at the camp and found many of his fellow campers were in the same

4 QUALITY EDUCATION



boat – experiencing in just seven days what learners from cities and private schools experience on a daily basis.

Yet despite this sneak peek and his strong academic skills, Peace struggled with the transition to university life at Wits, missing his home and finding his new city life too busy.

TOOLS IN THE THUTHUKA TOOLKIT: LIFE SKILLS AND MENTORSHIP

In fact, university proved so overwhelming that he dropped out and travelled back home. Lucky for him, he was firmly on SAICA's radar and was contacted by SAICA's Thuthuka Bursary Fund (TBF) about a study opportunity at the University of the Free State the very same day he arrived home. His 'blood has been Thuthuka since that day'.

Thanks to TBF's holistic wrap-around support model, Peace and other beneficiaries like him are effectively 'adopted' by the bursary – which feeds them and gives them shelter and grooms them throughout their studies for life after university. Indeed, explains Peace, TBF even helps secure beneficiaries a job after university by arranging training contracts with their partners – in Peace's case at KPMG – after completing their postgraduate degree.

The transition from university life to the working world was another intimidating one, but once again Peace coped thanks to the TBF support network. He shackled up with fellow Thuthuka alumni until he could afford his own apartment, completed his training, went on to become an audit supervisor at KPMG – the best experience of his life so far. Having passed both his board exams by 2016, Peace registered with SAICA at the beginning of 2017 and thereafter joined FNB as a project accountant. He was promoted to finance manager within 14 months of joining the bank.

Despite his clear capacity for consistent success, Peace humbly points out that he's had a number of real-life guardian angels guiding his career.

That's why mentorship is one of the most important tools he's had access to, as 'walking this journey with

people next to you, rooting for you, is a game-changer'. It means a stumble is just that – something to get up from with the help of others, rather than a journey-ender, whether it's emotional support, advice on your academic performance or being connected with other professionals.

The mentorship he received made such an impact on his life that despite the pressures of his day job, Peace also finds the time to give back to others and is a strong advocate for quality education, mentoring six university students from disadvantaged backgrounds and helping them adjust to and cope with university life, while also giving motivational talks to high school learners from public schools, and tutoring at schools in poor communities.

In addition to his role at ERF – a project close to his heart as it's his home community and aims to improve the quality of education amongst high-performing matric learners in Mpumalanga's rural communities through motivational talks, tutoring and tuition – Peace co-founded the Jabavu Academy, an organisation that provides free afternoon mathematics, accounting and physical science classes in Tembisa, Vosloorus and Olievenhoutbosch.

THE PERSONALLY POWERFUL PUSH TO GIVE BACK

Speaking of the students he's trying to uplift, Peace says: 'They remind me of myself – they're doing well, but have no information about what happens after matric. With very limited resources in rural areas, and with almost zero internet access at the time, my talent would have probably gone unnoticed.

The Thuthuka development camps are where I first met an actuary, industrial engineer and chartered accountants. The most amazing part? They all looked like me. I was introduced to a wide range of careers, which a child from a deep rural area wouldn't even dream about.'

Peace says the problem is compounded by the fact that the majority of parents in rural areas are uneducated and have never left their communities, resulting in a sheltered information cycle. That's why Thuthuka initiatives like school roadshows and the annual development camps are essential to raise awareness and make the communities aware of the funding opportunities out there.

He encourages funders to look beyond the numbers – it's not enough to simply grant funding to learners who meet the academic criteria. Instead, he feels we need to go further for greater impact, as the greatest impact is undoubtedly in poor communities, especially in rural areas.

'Who knew a flower could grow from concrete? That a rural boy would one day sit in a boardroom bigger than the house he grew up in, and advise executives on how to improve their business? My life has been such a complete fairy-tale. I still believe that one day I'll wake up from this dream I'm living,' concludes Peace.

To help turn the fairy tale into a reality for others, who may not otherwise realise the opportunities that await them, Peace says: 'Think about the people that have helped get to where you are right now. Don't you feel indebted to the world? Throughout my short stint in life, I've met incredible people who have laid the foundation on which I am solidly built. Giving back is my offering, my thank you.'

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CALM, BUT NOT SILENT

PUNKI MODISE, CFO OF ABSA RETAIL AND BUSINESS BANKING SA, IS A FORCE TO BE RECKONED WITH

SHE IS THE CALM, FRIENDLY WOMAN WHO ALWAYS ENTERS THE OFFICE WITH A SMILE.

BUT DON'T BE FOOLED. SHE IS ALSO THE ONE ASKING THE TOUGH QUESTIONS IN MEETINGS, REQUESTING CLARIFICATION – ASSERTIVELY REMINDING COLLEAGUES ABOUT THE BANK'S ROADMAP FOR THE NEXT FEW YEARS.



In short, Punki Modise, Chief Financial Officer of Absa's Retail and Business Bank (RBB SA), is a force to be reckoned with. Colleagues describe her as 'hard-working', 'detail-oriented' and 'lucid'. It should come as no surprise that her favourite fictional character is Iron Man. Yet, she also loves Coldplay's music and regrets that she did not master the piano.

From humble beginnings in Soweto and a first job as a personal assistant, she worked her way up the ranks, earning the prestigious CA(SA) qualification along the way. She has always been eager to learn and has fond memories of her time as a student. (She also has a master's degree in financial management.)

But burning the midnight oil during her university years was only the beginning.

After completing her articles at PwC (then PricewaterhouseCoopers), her career path took her to Fedsure and Standard Bank. She joined Absa in 2008, holding various positions along the way – including Head of Transactional Banking, Chief of Staff in Retail Banking, CFO for Distribution Channels, and CFO for Card and Consumer Finance. She was appointed CFO of RBB SA on 1 June 2016.

The past few years have been a time of significant adjustment for the bank. In early 2017, Barclays Africa Group agreed to the terms of its separation from its UK parent, Barclays PLC. Just over a year later, Absa announced a new group strategy. On 27 July 2018, Barclays Africa was officially renamed Absa.

In an effort to become the retail and business bank of choice, RBB SA has embarked on a brand-new path – a few management layers were removed from the business to forge a closer proximity between management and frontline colleagues. Managing executives now have end-to-end control of their business units.

While the realignment has not been without its challenges, the operational changes and a deliberate effort to get closer to customers and colleagues are already bearing fruit. Despite a difficult economic backdrop and an increase in competition, Absa reported a strong set of interim results in August, with revenue jumping 6% to R39,1 billion and headline earnings improving 3% to R8,3 billion. While there was a slight reduction in the bank's return on equity (RoE), it still



THE FOCUS ON REGAINING A LEADING MARKET POSITION IS YIELDING RESULTS

aims to achieve a normalised group RoE of 18% to 20% over the medium term. RBB SA generated more than 60% of the group's income. There was an increase in the value of new loans, supported by improved acquisition strategies and internal processes. The average number of products per customer has grown and retail deposit share has increased. A focus on the customer experience also saw complaints to the Ombudsman decrease from a monthly high of 235 in February 2019 to 89 in June 2019.

'The focus on regaining a leading market position is yielding results,' Modise says.

While she is acutely aware of the responsibility on her shoulders (RBB SA reported annual turnover of around R43,6 billion in 2018 and employs roughly 22 000 people), she is also incredibly excited about the opportunity to empower people to be the best version of themselves. She has played a significant role in the development of many professionals in the bank. To ensure that youngsters are prepared for a changing job market, Modise believes the education system needs to evolve so that learners are equipped for a future that requires advanced technological skills and the ability to solve complex problems as they arise.

Over the next few months, the business will continue its focus on winning market share and even though there is lots of talk about new entrants in the local banking space, Modise is not too concerned.

Armed with her roadmap, she will ensure RBB SA remains on course to become the market leader once more.

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THRIVING AS AN SME

PETER MAGNER – 33
Director: Iridium Business Solutions

OVER THE PAST SIX YEARS, I'VE BEEN IN THE TRENCHES WITH COUNTLESS ENTREPRENEURS HELPING THEM REALISE THEIR DREAMS. HERE IS WHAT I'VE LEARNT FROM WORKING WITH THEM

YOU CANNOT DO IT ALONE

Running a company is TOUGH. Doing it by yourself is even harder. It's important to know your strengths and surround yourself with others who are able to cover your blind spots. The most successful entrepreneurs I've met are humble and willing to accept that they need help in order to drive their business forward.

EMBRACE CHANGE

People are coming up with better ways of doing things every day. Change is all around us and you can either embrace it or fight it. SMEs that are agile and embrace change will survive during the tough times and thrive during good times. It's important to look at all areas of your business and find better, smarter ways of doing things to stay relevant.

OWN YOUR FINANCES

Too many entrepreneurs abdicate responsibility for their finances. Make sure you know your financial responsibilities and your SARS deadlines, and keep yourself and your accountant responsible for meeting them. I'm not saying you need to fully understand the intricacies of the Income Tax Act, but you do need to

know what is required of you as a business owner. After all, you will be the one responsible for picking up the pieces.

NETWORK LIKE YOUR LIFE DEPENDED ON IT

The old adage of 'it's not what you know, it's who you know' carries a lot of weight when you are growing a business. Your business network will help bring new clients through the door, connect you with potential investors and help sell your dream to budding employees. Aggressively grow your network on LinkedIn, Twitter and other forms of social media that make sense for the industry you serve. Attend talks and seminars and don't be afraid to ask questions. Your business network has incredible power if you grow it wisely.

SPEND WISELY

I've encountered far too many tech start-ups that have received funding and suddenly become the 'next Google'. They've taken on too many employees, wasted money on weekly lunches, drinks and team-building events, and bought ping pong tables and other things for their staff lounge. Speaking to them afterwards, they cannot believe how reckless they were. So, if you are



lucky enough to receive funding for your start up, heed my warning. Build out a budget, get your funders, accountant and trusted advisors to give their approval, and closely monitor your spending. It may sound amazing to buy lunch for your team every week, but if you are not yet profitable, it is likely a bad idea.

INVEST IN YOUR PEOPLE

Now this is going to sound contradictory based on my last point, but it is critical to invest in your people. Building a strong company culture that encourages everyone to act for the best interests of each other and for the team will go a long way to building a successful company. Get to know what your team members are passionate about, what they enjoy doing outside of work and where they see themselves in the next five years. Investing in your people is not about how much money you spend on them but rather about showing them that you care for them and care about their wellbeing. So next time you walk into office, take the time to say hi to a colleague, thank someone who helped you last week, and get to know one of your team members a bit better.



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LEADING WITH INTEGRITY

LERATO MSIBI – 34

Senior Manager: Forensic Services and Head of Investigations for the MTN Group

DESPITE MANY ARTICLES WRITTEN AND RESEARCH CONDUCTED ON INTEGRITY AND LEADERSHIP, PALANSKI AND YAMMARIONO CONCLUDED THAT 'EVERYONE SEEMS TO WANT INTEGRITY FROM THEIR LEADERS, BUT ... THERE APPEARS TO BE GREAT CONFUSION ABOUT WHAT IT IS AND HOW TO FOSTER IT.'¹



Integrity is a characteristic that all leaders ascribe to be associated with, but what does it mean to lead with integrity, how can you demonstrate that you are leading with integrity?

Integrity is not a skill that one obtains from passing an exam or test but one that is demonstrated and evaluated, over time, through the decisions we take and the manner in which we behave when faced with challenges. Having been exposed to some great leaders, both current and in the past, I have over the years developed key factors that demonstrate leading with integrity. In this brief article, I will touch on three of these factors, consistency, creating a safe environment, and having genuine empathy and authenticity.

Leaders need to be consistent in both their spoken word and action, do what you said you will do, and keep all the promises that you make, regardless of how big or small. The lack of consistency creates confusion, uncertainty and diminishes trust. As a leader, you need to be able to clearly articulate your vision and its alignment to both your personal values and that of the organisation. This congruency will foster consistency in the spoken word and action taken.

Imagine that you are stuck in a five-storey building that is on fire and the only way

to escape from the burning building is to jump out of the window. The only thing that will break your fall and ensure your safety is the net held by firefighters outside. Would you jump? Leaders need to be firefighters and a safety net for those they lead. We face many challenges in our day-to-day activities and knowing that you have the utmost support and protection of your leader creates a safe environment to learn, make mistakes and grow. This will foster an environment that is free from worry and suspicion and allow people to focus on getting the job done and will, in turn, promote innovation.

Leading with integrity requires genuine empathy for those you lead, having an intrinsic interest in their wellbeing as individuals and not merely treat them as a means to an end. Consider a teacher with a Grade 6 student who cannot read. She takes personal time to tutor the student to bring the student on par with other students. The teacher demonstrates empathy and genuine concern for the holistic well-being of the student, a mark of leading with integrity.

Rick Warren stated that 'Humility is not denying your strengths, humility is being honest about your weaknesses' and leading with integrity requires you to be humble enough to know when you are

wrong. This demonstrates authenticity as a leader.

The profession has come under great scrutiny over the past few years and the integrity of individuals within the profession has been questioned and found wanting. The reason for this scrutiny is due to the general expectation that CAs(SA) should be leading with integrity, which can only be evaluated through their actions. As individuals within the CA(SA) profession it is important that we understand our role in safeguarding the profession's reputation and the importance of leading with integrity.

We are all leaders in our own right, so it is up to all of us to ensure that we embrace the spirit of leading with integrity as our personal brand of leadership, lead by example and continuously use the CA(SA) platform to promote ethical leadership. Failure to do this consistently across the profession will be disastrous to our duty of care and will erode the trust in the designation that took 125 years build.

NOTE

¹ Michael E Palanski and Francis J Yammarino, Integrity and leadership: clearing the conceptual confusion, *European Management Journal*, 25(3/3) (2007):171.

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GROWING THE ECONOMY THROUGH EDUCATION

HLENGIWE NDLELA – 32

Auditing Lecturer: University of KwaZulu-Natal (UKZN)

IT IS AN UNDISPUTED FACT THAT 'WHAT PEOPLE KNOW MATTERS'. EDUCATING THE NATION HOLDS A HUGE BENEFIT FOR THE ECONOMY AS IT ENABLES INDIVIDUALS TO PUT ON THEIR THINKING CAPS, BE INNOVATIVE, AND FIND SOLUTIONS THAT ULTIMATELY LEAD TO ECONOMIC GROWTH

Education increases the population's human capital, which further enhances productivity thus leading to economic growth. Both human capital and physical capital grow as the level of the country's population increases its quality and quantity of education. The workforce with university qualifications tends to be more innovative and generate new ideas to improve productivity. The new knowledge acquired through education and lifelong learning positively influences the development of new technologies, products and processes, which promote economic growth. This is particularly true in the Fourth Industrial Revolution era where automation and newer technologies drive economic growth and development.

Furthermore, the workforce needs education to facilitate the diffusion and transmission of new knowledge required for the processing and understanding of new information that comes with new technologies for economic growth. A wide array of blue and white papers globally acknowledges this phenomenon. In South Africa, the National Development Plan (NDP) emphasises the need for quality education and vocational skills as a springboard to curb inequality, improve social opportunities, and promote a decent standard of living.

Research has found that education improves cognitive skills and leads to higher productivity. For instance, one additional year of schooling leads to an increase in earning capacity and productivity of between 6% and 10%. Economists agree that cognitive skills are important in driving economic growth as the returns accrue more to the economy than the individual who has acquired education and skills. These findings have several implications for South Africa, as some 60% of first-graders drop out of school before completing Grade 12 while only 52% of the age-appropriate population for Grade 12 remain enrolled. The World Economic Forum has consistently ranked South Africa's quality of education among the worst globally (particularly in maths and science) and therefore it is no surprise that the economy has in turn consistently underperformed and failed to take off despite the country's ambitious blueprints.

The country has a large unskilled workforce and compares dismally to its sister nations in the BRICS bloc. According to the World Bank, in 2017 South Africa was ranked 100 out of 137 countries in terms of the availability of scientists and engineers (compared to Brazil = 90, Russia = 50, India = 32 and China = 29). However, South Africa



is ranked 30 out of 137 countries in terms of the capacity for innovation, suggesting that the educated cohort is capable of developing innovative technologies to propel economic growth.

South Africa's liberation icon, President Nelson Mandela, once said: 'No country can really develop unless its citizens are educated.' This assertion is true and is supported by both theory and evidence. According to the World Bank, the South African government's expenditure on education as a percentage of gross domestic product (GDP) is approximately 6,1% compared to the world average of 4,8%. This is clear evidence that the government is placing much emphasis on the quantity and quality of education, and it remains important for the populace to recognise the importance of education not only from a personal skills development point of view but, more importantly, from a macro perspective of opening more opportunities and growing the economy. Education is indeed a catalyst for economic growth and the need for an educated workforce is more pronounced now than ever due to the rapid changes in the economic and technological landscapes.

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INSPIRING GREATNESS

GROW A SUSTAINABLE COMPANY BY KEEPING YOUR SKILLS FOCUSED

JONATHAN DE VRIES – 35

Executive Head of Finance: Econorisk (Pty) Ltd

TO GROW A SUSTAINABLE COMPANY WE NEED TO KEEP OUR SKILLS FOCUSED. WE NEED TO HONE OUR SKILLS AND NOT LET THEM GET DISTRACTED BY FADS, TECHNOLOGY AND BOREDOM

When an entrepreneur, business owner or executive has been successful in one business venture or product line, they often venture out and try out new ideas, diversification, and new ways of doing business – with little success. They think they can do it, but they don't have the necessary skills. They get side-tracked by fads, technology and boredom, to the detriment of the company and its sustainability.

FADS

Once you have been successful as a business it is challenging to keep on being successful over a long period of time. We often forget about our BHAG (Big Hairy Audacious Goal) that made us successful in the first place. We drift away with fads and get caught up in the winds of change. Winston Churchill once said, 'You will never reach your destination if you stop and throw stones at every dog that barks.' Don't get distracted by fads and focus on trends. Fads are short-lived and last a season, whereas trends are long-term influencers on the market and we need to focus our skills there. Use your skills in the long-term trends. An example is where our skill is in music and its composition. It's been delivered via many mediums over time

including vinyl, cassette, CD and MP3. The music is the same, just the way it is delivered is different. To survive we need to focus on the music and not the technology which is the deliverer and enabler.

TECHNOLOGY

If you have been doing business in the traditional sense, without much technology, you often try to use this as a replacement for success rather than an enabler for success and sustainability. Technology is an enabler and not the end result, but most people forget that in a traditionally run company. By traditional company I infer an organisation where the organisational structure is hierarchical, meaning that power flows vertically and upward, and employees are compartmentalised. Technology is limited and on a needs only basis with almost no upgrading being done. All employees follow a chain of command whether in manufacturing, consulting or engineering. Stick to what you are good at. If you are an excellent consulting company and that's what made you successful, don't try to replace yourself with an app or vCard. Use the app as an enabler and not the end result. To be sustainable and continually successful, stick to



the skills you are good at and use technology to support you and not to replace you.

BOREDOM

Often successful business owners and executives have been slogging away for over 10 years in the same role and they get caught up in the dullness and tediousness of work. They then look to other areas of the business where they can 'help' or simply interfere, but they are not using their skills to the greatest advantage. To grow a sustainable company each person must focus on the areas where they can use their skills to advantage. Once again, if you are good at consulting, focus on getting in front of customers more and not in front of the back-office support staff. Let the employees focus their skills in the right areas without much distraction.

Stick to what you are good at and you will see your company grow and sail to new heights.

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LEADING EVEN WHEN NO ONE IS LOOKING

MPHO MOOKAPELE – 35
CFO and Acting CEO: Energy and Water SETA

LEADERSHIP HAS BECOME A TOPICAL ISSUE AROUND THE WORLD. POLITICAL LEADERSHIP, **SELF-LEADERSHIP, SOCIETAL LEADERSHIP AND CORPORATE LEADERSHIP ARE THE CENTRE AND KEY TO THE SUCCESS OF ANY ORGANISATION**



Today, in a world where lifelong learning is critical to enhancing one's knowledge and competitiveness, technical ability and competence is no longer a challenge when seeking leaders. Developing a vision and influencing others to achieve, which speaks to effective leadership, is no longer a rare commodity, but a major challenge we currently face is the moral aspect of leadership, which is ethical leadership.

The importance of leadership in the success and growth of our country is paramount. The number of challenges experienced by our South African state-owned entities is no surprise when one notes the increasing number of vacancies in the leadership roles in these entities.

John C Maxwell said that everything rises and falls on leadership. The dissolution of firms, the retrenchment of employees as a result of poor business decisions, often result from an unethical culture. Some of the climate change issues we see today are the result of effective leadership that led to much-desired profits but at the cost of society. Unethical behaviour is bad for organisations and destroys them.

Leaders who have been entrusted with wealth and livelihood of society have grabbed the opportunity to serve their own desires at the cost of many.

Chartered accountants are often in

leadership roles involving strategic financial decisions. This exposes one to true moral testing that other roles might not directly expose one to. In these roles, doors of opportunity to financially benefit as an individual are presented through the availability of market information and procurement information at one's disposal. A leader's character and one's ability to shut a door of opportunity to self-benefit at the cost of others is tested in these instances. Owing to high competence and skills, CAs(SA) have the ability and knowledge to manipulate accounting systems and processes to their own advantage without anyone noticing, for now. This is the greatest danger of a chartered accountant, the abuse of expertise position. A CA(SA)'s competence and skill should not be used as a tool to destroy but should be used as an opportunity to preserve the integrity and the legitimacy of the profession.

As a CFO and now as acting CEO at an entity where leadership is charged with the responsibility to manage public funds to deliver in line with a mandate, it is easy to employ these funds anyhow one chooses as long as one delivers. Here, integrity is of paramount importance. One is not accountable to a few shareholders but to the citizens of the country, even though they might not directly hold you accountable. I ought to act in the best interest of all

stakeholders. Everyone must come out a winner in the long run.

To my disposal at first hand is information like market information or procurement information that can enrich me and enrich those around me if unethically disseminated and used to benefit a few. But this personal gain is all at the cost of quality in training we provide to students. Being in the space perceived to be corrupt, I am required to be vigilant at all times. My personal values allow me to stand the external (political) pressures that might compromise my integrity.

Building our country requires an army of ethical leaders who are committed to doing the right things even in the opportunity cost of personal benefits, especially when no one is looking. Organisations led by individuals who are pursuing their own interest are destined for failure, no matter how this might increase wealth. This has been noted in many countries: where leaders pursue their own interests, the people suffer.

The character of an ethical leader that goes beyond the boardroom cannot be pretended. A true leader's consistent values are seen in one's personal and daily life. The greatest leadership lesson is not held in the classroom but learnt from a consistent true leader.

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- Generate, articulate and execute a sector skills pipeline with a positive impact on the Government's poverty eradication strategies and economic growth and employment creation policies

SKILLS IN THE SECTOR

- Transformation, particularly in professional and technical occupations is a key challenge for these sectors. Of the 14 800 registered professional engineers, 3% are females, 12% are blacks and 2.4% are persons with disability.
- The sector is heavily dependent on high-level professionals and technicians and the ageing workforce impacts the challenge around hard to fill vacancies (HTFVs)
- There is potential for employment growth and new occupations are emerging (especially in the nuclear, wind and solar energy sub-sectors). To address the opportunities that exist in these areas, focus should be given to developing people and qualifications in these areas of speciality.
- Many workers in the sector are nearing retirement and there is a shortage of experienced people in the pipeline that can fill these positions. This is exacerbated by the fact that not enough people are studying engineering, and those that do graduate in these areas of study require practical skills or experience. There is also a shortage of supply in non-traditional occupations such as nuclear engineers

To meet the pressing skills development needs of the energy and water sector requires co-operation and input from all sector role players. We encourage employers in the sector to be part of the solution.

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WORK SMARTER, NOT HARDER

ROELOF DEDNAM – 34
Financial Director: National Real Estate

HOW UTILISING TECHNOLOGY CAN ASSIST COMPANIES TO BE PROACTIVE, INNOVATIVE AND CONSTANTLY IMPROVE PROCESSES AND STAFF EFFICIENCY IN ORDER TO MAXIMISE PROFITS

Below are four examples of uses of technology that I can testify to having a major impact on a business.

TOOLS IN MICROSOFT EXCEL

Most software is designed to get the job done it was designed to do, but when it comes to monitoring and reporting, you are mostly limited to the few reports the software company has developed. Staff may print or export reports after month-end to check if all clients were billed accurately and annual increases were applied as they should have, but these processes can take hours or days to do manually. Various tools in Microsoft Excel will enable you to carry out these processes in minutes instead of days:

- Formulas like IF, VLOOKUP, CONCATENATE, LEFT, MID, RIGHT, and ISNA make it possible to get the relevant information from different sheets in Excel in one table in order to create a Pivot table with the necessary filters which will show the exceptions you are looking for.
- A time-saving tool when it comes to doing the same steps over and over again is to record a macro which gets linked to a shortcut like CTRL+q. By recording a set of events (editing, formulas and formatting) which might take two hours to do, the macro shortcut enables you to do the same for all future documents in seconds.

- Another very useful tool is to create a direct database connection through excel queries, which means you are not limited to the reports your software allows you to export, but you can draw any information directly from the database tables to create your own reports containing the relevant information you require. Even if it is the same info as what could have been exported from a report, the advantage of an excel query is that the report (including all formulas and pivot tables created) can be refreshed when info has been changed or added to the data then all preparation work doesn't have to be done every single time.

ELECTRONIC WORKFLOW

Have you measured the time spent by an employee to hand-deliver paperwork for approval or processing? Ever considered the time spent when a mistake was made and the paperwork needs to be manually returned, corrected and resubmitted? Often a document gets misplaced or is left for days or weeks before it is attended to. Even emails don't help to manage this process, since inboxes become cluttered quickly and the receiver of an email is the only person who's aware of the task, so when it doesn't get attention or is deleted, this is only realised when the sender starts to follow it up (if he remembers) days or weeks later. Adding



a document to an electronic workflow saves time and paper while being monitored to ensure completion. This is especially useful when employees don't sit in the same office. Information from an e-form can get auto indexed through optical character recognition (OCR), the data can be used to fill any other documents which follow and requires the same info and even automatically get captured on multiple systems through the use application programming interface (API) technology, eliminating double capturing of info.

SKYPE, WEBEX, TEAMS

Connecting to a Skype, WebEx or Teams meeting from wherever you are means files can be shared and the meeting can be recorded to watch afterwards when someone has missed a meeting or want to recap.

WEBSITES AND MOBILE APPLICATIONS

Utilising such applications to make your clients' billing, contact and other information available means that less time is spent by your employees on telephone calls, email requests and walk-in customers.



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HELPING THE NEEDY AND HOMELESS

UNATHI MKIVA – 34

Co-founder and Chief Executive Officer: Vintage Capital (Pty) Ltd

RAISED BY PARENTS WHO INSTILLED VALUES OF SHARING WITH OTHERS, DISCIPLINE, RESPECT AND EMBRACING ONE'S BLESSINGS, I GREW UP IN THE RURAL EASTERN CAPE IN UNDERDEVELOPED AREAS WHERE THE MAJORITY OF PEOPLE RELY ON SOCIAL GRANTS



Owing to circumstances beyond our control, I was not raised solely by my parents but also by extended family who played a pivotal role in teaching me life's values – the same values which have created the leader in business I am today. As a means of giving back, I am actively involved in the Johannesburg and Keiskammahoek communities. In Johannesburg I have a bi-annual Helping the Homeless drive which takes place in June for winter and in December for Christmas. This drive collects clothes, blankets, food, and other necessities from friends, family and clients for the homeless living in the streets or homeless shelters. As charity begins at home, I also support more than 15 families back home in Keiskammahoek by providing Christmas food packs, so these families also enjoy Christmas like others in the neighbourhood.

South Africa continues to experience a lot of challenges including negative/low economic growth, high unemployment rates, and legacy/leadership issues which impact the development of the country socially and economically. The challenges we face have created social and psychological issues in our society at a national and individual level.

The concept of equality is becoming a far-fetched dream for most individuals and families as they must fend for themselves for survival, resulting from limited economic opportunities. Despite all these challenges, I still believe that helping others is a sign of patriotism, good citizenship, accountability, and selflessness. I challenge you to get involved in shaping our country's future by improving the lives of ordinary people. 'In unity, we shall thrive.'

The Helping the Homeless drive aims to be the wheels in motion for our people by igniting Ubuntu and selfless leadership. The objective is to show, encourage and motivate others to share the little they have with those less fortunate than them. As responsible leaders, we need to start looking at our country's challenges as mini-projects that we can resolve ourselves. Those with resources and opportunities should strive to do more. I am aware that many want to help but individually feel that they can't do much. Therefore, I started this initiative so that individuals can contribute towards making a difference. I thank those that have actively helped from last year – 'Umntu ngumntu ngabantu'.

My next projects will be in December for both Johannesburg and Keiskammahoek and I would be honoured if you would join me by Helping the Homeless for Christmas in Johannesburg with clothes, blankets, tinned food, toiletries and other necessities. The drop-off is scheduled for 16 December. Alternatively, please consider contributing to the Christmas food packs initiative where I hand over food packs on 23 December in Keiskammahoek. Food packs per family are R650, and more contributions will mean we reach more families or include more food items on the food packs we already provide. The more families we support, the better we make Christmas for those who wouldn't normally celebrate. The financial contribution (of any amount) for the Christmas food packs can be made directly to a local supermarket where the goods are purchased from. Should you wish to be a part of this or to be contacted, please complete this Contact Form (<https://forms.gle/xP4CuTHTmhU1yQdq7>) and I will get in touch, or you may reach me via email on umkiva@gmail.com.

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OK, GOOGLE, HELP ME FIND NEW CUSTOMERS ONLINE

BRETT PERLSTEIN – 35

Managing Director and Founder: SearchKings Africa

BRETT PERLSTEIN CA(SA), FOUNDER OF SEARCHKINGS AFRICA, TALKS ABOUT HOW TO LEVERAGE GOOGLE TO SHARPEN YOUR MARKETING EDGE AND HAVE CUSTOMERS COME LOOKING FOR YOU

On average 3,5 billion searches are conducted daily on Google, so the only way to win is to be part of today's 2,5 million results delivered in under 0,75 seconds for any given search query.

WHO ARE SEARCHKINGS AFRICA?

SearchKings Africa, a Google Premier Partner and Online Advertising agency, offers a tailored, tech-centric solution for its customers. We position ourselves as your marketing growth partner for business owners, both big and small, who will benefit from leads generated through Google's Advertising platform.

A hyper-focused customer experience is crucial to ensure that every customer understands what they are buying, when they can expect results, and what those results could look like.

WHY ADVERTISE ON GOOGLE?

The advantage of advertising on Google is that it is measurable, targeted, and geographically located.

Imagine the newly qualified tax practitioner looking for customers as tax season hits. Where do you start? If your business was advertising on Google, customers would come looking for you. Everyone is going to Google and search 'help me with my tax return' as SARS starts its annual tax season campaign.

Search Advertising is your digital salesperson driving your marketing solution to connect your business to willing and engaged customers online in their moment of intent. Google is where everyone goes to find the answers. As a business, you need to be top of mind in that crucial moment.

You don't have to do it alone. SearchKings can help by strategically placing banner ads across the Google Display network, a network of three million websites and apps that covers about 90% of the average South African Internet user's journey around the web. It's your digital, targeted, out-of-home marketing solution. The data collected is priceless and will help you understand your business and customers better, ensuring that you make smarter business decisions that impact the bottom line.

Giving customers an in-depth understanding of where online leads come from, what time of day and on which device changes the game. With the correct inbound sales funnels from your Paid Google marketing efforts, you can now work out the return on your marketing investment.

A 'hot lead' generated on Google must be handled by your most proficient salesperson. At SearchKings we pour our expertise into helping business owners



better understand this to help them find the sweet spot between marketing and sales.

A business trying to succeed in today's digital economy must be online – your website is your digital storefront and the first interaction with a potential customer. Ensuring it is built for a mobile-centric audience and keeping it user-friendly for a customer to take action is key. Rather invest in the fundamentals before a flashy web experience.

I'VE ALWAYS MARKETED TRADITIONALLY, SHOULD I BE SCARED OFTAKING MY BUDGET ONLINE?

As a startup business ourselves we understand our clients' challenges. The process of building a business is brutal, but we believed wholly in our value proposition and today we get to help entrepreneurs and business owners plan, build and execute their digital marketing campaigns with remarkable success at scale.

The best advice I can give anyone is to go the distance. You have to be in it to win it. Don't be scared to move marketing spend online or of the data from these marketing efforts to better understand your business and customers.

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DKF

HOPE OF THE FORGOTTEN

NKOSODUMO (DUMO) MFINI – 32
Finance Director: Tiger Brands

DUMEKHAYA FOUNDATION (DKF) IS A VERY SPECIAL INITIATIVE THAT HAS HELPED MANY FAMILIES IN THE EASTERN CAPE NOT ONLY TO HAVE HOPE AGAIN BUT BEING ABLE TO PUT FOOD ON THE TABLE IN A SUSTAINABLE MANNER – A GODSENT FOUNDATION THAT PRODUCES BREADWINNERS ONE FAMILY AT A TIME

Dumekhaya Foundation (DKF) was co-founded by Dumo Mfini and his family and epitomises the saying that 'charity begins at home'. It is an initiative of the Mfini family which was inspired by the lack of development in Dumo's home village called Nkantwini Village in Mbizana, Eastern Cape.

Given the remoteness of the village, the family quickly realised that no one was going to come to the rescue of families that continued to live in dire poverty. In this village, a lot of kids grew up observing their older siblings struggle complete their matric and end up with no meaningful progress beyond that. This became a virus that eroded the drive and hope in many of these kids' hearts. Just like in many villages in Mbizana, in Nkantwini girls were being encouraged by their parents to have as many kids as possible at very young ages so that they can qualify for government grants in order to be able to feed their households or families.

As a family that was seen as having done well in the village, the Mfinis could not help but feel responsible for the development of their community. Knowing that the sporadic handouts to

assist certain families with groceries was not sustainable, Dumo and his family knew that education was the key, and hence DKF was born 10 years ago. The foundation mentors learners from high school, prepares them for tertiary institutions, assists them to source funding, and provides continuous mentoring/coaching in tertiary schools. Additional support on an ad hoc basis is provided when required by the students. The aim of the foundation is to turn dedicated underprivileged kids into educated and self-sustaining bread-winners. Respect, integrity and hard work are the only requirements to become a beneficiary of DKF.

The foundation has expanded to beyond Nkantwini into many other villages in Mbizana and other parts of the Eastern Cape. This has seen DKF grow from strength to strength from two learners in 2009 now boasting 77 beneficiaries and 18 graduates since inception. The foundation has produced graduates in the form of engineers, programmers, chartered accountants, educators, and HR specialists, to name just a few.

This is what Yanga Nqambi (one of the foundation's beneficiaries from



Nkantwini) had to say about DKF: 'DKF was my guiding hand since high school. I was always positive because I knew I had a secondary family that helped me navigate the process and university. All I needed to do was to work hard. Through DKF I was able to obtain a National Skills Funds bursary and complete my BTech in software development in 2017. Now I'm very excited that I'm working full time doing what I love, and studied for in a big company. I'm a software QA analyst at Altron Bytes Systems Integration. I'm very grateful to DKF and promise to continue being involved in the foundation and assist other disadvantaged kids.' Yanga's story is even more inspiring, as she also motivated her mother to recently complete her BEd at the age of 52.

This is just one of many inspirational stories that keep Dumo and his family invested in this foundation and doing their part in shaping the future of our country, regardless of the fact that DKF has no sponsors and has only one fulltime volunteer (Zolly Mfini, who is Dumo's mother).



Being part of Tiger Brands means being connected to something extraordinary

Tiger Brands offers SAICA CA(SA) Articles through the Commerce and Industry (C&I) Programme

Tiger Brands offers aspiring CA's the opportunity to enter into our C&I programme with a leading food manufacturing company in Africa. An added advantage to this programme is that these graduates also get to be part of an award winning management trainee programme which accelerates their development into a leadership role (The Tiger Brands Management Trainee programme was voted number 2 top employer within the FMCG industry in 2018 and 2019 SAGEA Awards). This unique combined programme positions us favourably to attract talented and increasingly scarce resources. The C&I Programme gives us an opportunity to build skills within our own business environment, which will enable our CA's greater insight and knowledge, whilst living the spirit of the Skills Development Act.

To be eligible for the C&I programme, graduates must have a Certificate in the Theory of Accounting (CTA) or equivalent. The programme is endorsed by Group Executive team and is sponsored by the Group CFO Noel Doyle.

For more details on the programme please see the Tiger Brands website www.tigerbrands.com/careers/opportunities

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Ignite **OUR** Tomorrow
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#Explore #Grow #Roar

AT KING PRICE, CULTURE EATS STRATEGY FOR BREAKFAST

RHETT FINCH – 34
CFO: King Price Insurance

A COMPANY'S BIGGEST COMPETITIVE ADVANTAGE IN COMING YEARS ISN'T GOING TO BE BIG DATA, AI, INNOVATIVE MARKETING, SLICK APPS OR EVEN SUPERIOR SERVICE. THE REAL EDGE IS GOING TO COME FROM YOUR PEOPLE AND YOUR COMPANY CULTURE. AT KING PRICE, WE BELIEVE THAT A DYNAMIC, HAPPY CULTURE DRIVES SUSTAINABLE PERFORMANCE FAR MORE EFFECTIVELY THAN STRATEGY. IN FACT, WE BELIEVE THAT CULTURE EATS STRATEGY FOR BREAKFAST, LUNCH, SUPPER AND DESSERT!



It's common knowledge that industry in general, and the insurance industry in particular, is going through huge disruption, which is tech-driven. That's true. But everybody has the latest tech. It just depends on how much time and money you're prepared to spend on it. What truly makes you stand out is your culture, and the environment you create, which motivates your people to embrace innovation and get closer to your clients.

King Price is known for being people centric. We even have a full-time team that's mandated to make sure that 900 healthy, happy individuals turn up for work every day and live our vision of 'Lower premiums: Higher purpose'.

Most people who visit our kingdom for the first time are wowed by the ping-pong tables, Segway tracks, Lego walls, arcade games, quirky décor and slushy machines. No one has a private office, and every floor has at least one communal space for coffee chats and

team lunches. Each and every team live our culture, under their own initiative, without prompting from anyone.

The slushies are free and so's the popcorn. Get to work early enough, and you get free breakfast. All our managers get unlimited leave. And, if you really don't like being insurance royalty, you get a quitting bonus of R30 000. (To date, only one person has taken it.)

But that's just the expression of our culture. All great cultures are built on a clear, powerful purpose. At King Price, our entire company is built around our purpose of #MakingADifference and changing people's lives. When our people understand this, and buy into it, they become engaged and creative. They take accountability. They know what's expected, and they live it.

We focus on purpose and people, starting with what we call 'the insider process' – creating insiders, as it were, from the day that someone decides

to apply for a job with us. We've then got a clear process that keeps them engaged through the key milestones in their employee journey: onboarding and induction, their first 90 days, ongoing training and, ultimately, leadership coaching. We even get all new employees to come and spend a day with us before they join, to make sure there's a culture fit.

Building this culture isn't something that happens by accident, though. It starts with the leadership, and our commitment to our purpose and the values. Every leader drives and sustains our inclusive, energetic un-corporate culture – and every single staff member makes it their own.

Many people think a business' primary function is to make money. That's a given. The real question is, how are we going to make the money ... And what will we do with it when we do? That's where our purpose comes in. That's what really makes us unique.



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EMPOWERMENT = BEAUTY + EXCELLENCE

GIDEON BOTHA – 35

Senior Financial Manager: Nedbank Group

TEAMS HAVE BECOME LEARNING UNITS WHILE OFFERING THEIR MEMBERS A SENSE OF SELF, A SENSE OF IDENTITY. AS A LEADER I EMPOWER MY TEAM BY ENCOURAGING THEM TO EMBRACE THE PRINCIPLES OF BEAUTY AND EXCELLENCE IN EQUAL TENSION, AS A BIRD REQUIRES BOTH WINGS TO BE IN EQUAL TENSION TO FLY STRAIGHT



The principles of beauty and excellence are supported by creating an enabling environment where team members feel a sense of belonging, of meaning and of a future, all while managing the team as a complex system.

Encouraging my team to adopt the principle of beauty empowers them to find creative and innovative solutions to the problems they seek to solve, while the principle of excellence empowers them as they are also held accountable for deliverables. If one of the two principles is out of tension, the team will be like a bird whose wings are not in balance and thus flies in circles. Holding these two principles in equal tension creates a psychological safety net within the team and thus removes the fear of failure.

The team's psychological safety net is further enhanced by addressing three ingrained human needs: a sense of belonging, a sense of meaning, and a sense of a future. Addressing the sense of belonging for each team member creates a sense of being valued and accepted within the team, which makes team members want to go the extra mile as they do not want to let the

team down. The sense of meaning is addressed by explaining the importance of each team member's work in terms of the bigger organisation and also by disseminating information that generates a high level of energy and focus to the team as they find a sense of purpose to their work and understand its importance. Uncertainty of the future creates fear within a team, especially with the current rate of change. Providing a sense of a future to the team members decreases their fear of what is to come and increases their vision for the future, thus also reinforcing their sense of belonging and meaning. The sense of the future stimulates the team, as they can see the path forward and the goal to work toward.

The last key element that supports the empowerment of my team is to view them as a social system, and thus a complex system, which has the following attributes: complex systems are resultant from the numerous interactions within the network by the different elements and thus cannot be individually distinguished; the system needs to be addressed in its entirety and cannot be addressed in a reductionist way; small

inputs could result in disproportionate effects; problems that the system presents cannot be solved once and for all but rather require to be managed systematically and any intervention tends to morph into new problems as a result of the interventions; and thus, relevant systems cannot be controlled and at best can only be influenced.¹

Viewing my team through the lens of a complex system lens provides me with the ability to observe the emergence of the unintended patterns and behaviours that cannot be foreseen and are impossible to attribute to any of the constituents within the systems.² Taking into account the attributes of a complex system enables patterns or behaviours to be addressed in a systematic way and further provides a richer understanding of team dynamics as a whole while encouraging continual learning and improvement within the system.

NOTES

- 1 P. Roberto, A note on the difference between complicated and complex social systems, *Cadmus* 2(1):142–147, October 2013.
- 2 P. Checkland, Soft systems methodology: a thirty year retrospective, *Systems Research and Behavioral Science* 17(S1):S11–S58, November 2000.

EDUCATION IS THE PLATFORM

THAT MAKES IT POSSIBLE TO OVERCOME BARRIERS

DESIDRE COOPASAMY – 33
Senior Lecturer: Rhodes University

EDUCATING AND EMPOWERING SOUTH AFRICA'S YOUTH IS A BROAD TOPIC. SOME YOUTH ARE STILL IN SCHOOL, SOME ARE AT TERTIARY INSTITUTIONS, AND OTHERS ARE UNEMPLOYED. **FOR PURPOSES OF THIS ARTICLE, MORE FOCUS HAS BEEN PLACED ON STUDENTS INTENDING ON STUDYING AT TERTIARY INSTITUTIONS**



It is important to take note that students from varying primary and secondary schooling backgrounds are entering tertiary institutions. The National Benchmark (NBT) tests were first introduced in 2005 and give an indication whether prospective first-year students are ready for higher education.

The NBT assesses three criteria: academic literacy, quantitative literacy, and mathematical ability. Based on the 2017 NBT, the demographics of the 85 024 students that wrote the academic literacy component comprised 56 442 black, 14 449 white, 8 858 coloured and 5,275 Indian or other. The breakdown of the student demographics was similar compared to the students that wrote the quantitative literacy and mathematics components. Based on the results of the students: for academic literacy 20% were classified as being proficient, 10% were considered being proficient in quantitative literacy, and just under 9% were proficient in mathematics. From the results it is evident that tertiary institutions need to be prepared to provide support to these students), especially in quantitative literacy and mathematics. If the tertiary institutions

fail to provide adequate support, these students are at risk of not completing their qualifications.

From the statistics survey conducted in 2016, the major factor for students not completing their degrees at tertiary institutions was a lack of funding. There has been a distinct increase in available funding, especially after the 2016 Fees Must Fall protest. The additional funding available is good as this has created opportunities for the many disadvantaged students.

That being said, funding is not the only contributor to the students not completing their qualifications, but also the lack of support. A good support structure should be established to promote suitable scaffolding for the students to assist them in reaching their full potential. An example of this scaffolding could be additional tutorials, workshops, augmented courses, and language-intensive workshops. And it is important to take note that the educator in the tertiary sphere's role has evolved in the past ten and even five years – we are no longer just educators; we now are parents, teachers, motivators, mentors, councillors. There's a need to

be cognisant that the majority of our students are not from affluent homes but sometimes are the first generation to enter the tertiary education continuum. The common saying goes, 'It takes a village to raise a child'. If this saying holds true, by the time a child leaves the village and attends university does it not take a village to educate a child? Do they not need the same support if not more?

It is important to be honest to the students. For example, the road to become a CA(SA) is not an easy journey. Having more experienced individuals from industry share their knowledge and experiences through guest lectures will not only inspire the students but also keep the content relevant.

Anatole France described nine-tenths of education as being encouragement. This is very important, as a child seeks approval. But the responsibility of empowering and educating our youth does not only lie with the parents of the child: it also lies with the community and their educators. It is important not to lose focus. The ultimate beneficiaries are the youth – a well-educated youth will have numerous benefits for the individual, their families, the community and the nation.

CA(SA)

AN IMPERATIVE IN THE PUBLIC SECTOR

THEMBELIHLE MBATHA – 32

Chief Financial Officer: Inkomati-Usuthu Catchment Management Agency

THE REFERENCE TO 'PUBLIC SECTOR' IS DAUNTING IN THE CURRENT ECONOMIC AND POLITICAL CLIMATE OF THE COUNTRY. AND THE PUBLIC SECTOR LOOKS EVEN LESS ATTRACTIVE TO A CA(SA) WITH A STERLING TRACK RECORD OF UNQUALIFIED AUDIT OUTCOMES AT THE END OF THE EXTERNAL AUDIT OUTCOMES EACH FINANCIAL YEAR

Historically, government had a technical focus (engineering, medicine, education, etc) and only democratic South Africa has accountability in service delivery been linked to financial and performance targets which must yield socio-economic impact on society. This, then, is the crux of the need for CAs(SA) in the public service in external, internal audit and risk management, which were historically placed in the private sector and outsourced.

The current context is that public servants are frustrated with their executives and vice versa. Thus, this presents an opportune time for CAs to join the public sector and influence the space by developing and providing ethical leadership, especially in this turbulent financial space where they could play a role in governance structures such as audit committees and in executive roles such as that of the chief financial officer (CFO).

Thus the CA(SA) can make an impact in this public sector space in providing leadership, guidance, training and development, should one not wish to be part of operations. I would, from experience, say that it's best to get an introduction to the public sector through

governance structures like audit or risk committees. This allows one to gain insight into various challenges and to propose solutions through our expert advice as CAs(SA) as well as insight when engaging in these platforms. This would prompt one's passion to see a positive change and then one can move into the operations of being the 'fixer' or implementer of recommendations and resolutions coming from these platforms. One can then lead by example and 'lead the change you want to see'.

I developed a passion for the public sector late in my external audit days, once I stepped into the supervisory role of public sector audits and realised that it is not so much that the work that we did as external audit assurance providers was impossible, but that there was a gap in providing leadership and guidance in terms of how to 'get things right'. Thus, I chose to move from just being an observer to an implementer to test if these so-called 'audit recommendations' were practical and implementable. I am proud to say in the last six years it has been a reality, and this is what can turn around the perception and view of public sector by investors and society to a positive one.



It is most fulfilling to see whatever has come out of internal or external audit findings being translated into either missing internal controls, input to what could have been an outdated policy hampering service delivery, or compliance checklists that eventually translate into 'clean' administrative and unqualified audit outcomes. Even more remarkable is to see a tangible difference in the space where your presence and contribution yields visible results. It gives more fulfilment than a paycheck at the end of the month when you see the final product, being service delivery and a transparent and well-accounted-for public purse. It gives confidence not only to your key stakeholders but also to the CA(SA) brand, the organisation and the political leadership, the executive authority over the entity.

Therefore, I believe that if more CAs(SA) join the public sector with the motive of bringing change and a visible impact in this sphere of influence, this would lead to a positive ripple effect that can eventually impact the fiscal confidence of investors in our economy and make a positive contribution towards nation-building and combating the notion of public funds wastage.

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Beautiful business



CRACKING THE NUT

RIKUS VISSER – 34

Chief Financial Officer: Crossgate Technologies

I THINK WE WILL ALL AGREE THAT THE JOURNEY TO QUALIFYING AS A CA(SA) IS CERTAINLY NOT AN EASY ONE. LATE NIGHTS OF STUDYING, HARD WORK AND SACRIFICING FAMILY TIME ARE JUST SOME OF THE CHALLENGES WE HAD TO ENDURE. BESIDES ALL THE TECHNICAL STANDARDS THAT WE HAD TO MASTER, DID THE JOURNEY TEACH US SOMETHING ELSE ABOUT OURSELVES?

I regard myself as a natural leader and I really enjoyed my time in practice, leading and developing young trainees. I experienced a form of accomplishment when I witnessed their development first-hand. In 2015 it was time to explore the world outside practice and I joined Crossgate Technologies as CFO. With hard work and dedication, I was soon regarded as an instrumental member of the executive committee. I had a lot to learn about the ever-changing IT services and banking world, but I was always open to learning something new every day. Since I am a very proud and passionate individual, failure was never an option for me. Even at varsity I knew that I might not be the most intelligent person in the room, but I am certainly going to be the hardest-working individual.

I have a huge passion for cars and regard myself as a true petrolhead, although my wife does not always

understand what that means. In 2016 we entered the Nuts and Bolts rally travelling across some of South Africa's most arduous and unthinkable gravel roads in a cheap and old jalopy over four days stretching 1 200 km. The proceeds of the rally were donated to South Africa's only testicular cancer awareness campaign, the Love Your Nuts foundation. The aim of the rally is to mimic the tough road of surviving testicular cancer. Sometimes you are going to break down but then you need the support of friends and family to help you make it to the end. At the start of the rally, the founder of the foundation gave an educational speech in which he explained the risks and signs of testicular cancer and, of course, we were slightly embarrassed to be lectured on this sensitive topic.

Four months later I was diagnosed with testicular cancer and had to undergo an emergency operation.



At the time my son was two months old and I feared the worst. I knew I had to work hard, keep focus and persevere, characteristics which I believe the journey to qualifying as a CA(SA) installed in me. I was appointed as a trustee of the Love Your Nuts Foundation, to which I offer my time and skills free of charge. Our aim is to educate young men about the 'cancer men do not talk about', because early detection saves lives. Testicular cancer is one of the most common cancers in males aged 15–39, which are young teenagers and their fathers. The youngest 'man' we assisted thus far was 12 years old when he was diagnosed with testicular cancer.

Today I am cancer-free and a proud father of a beautiful three-year-old boy. The early detection of cancer, as well as hard work, focus and perseverance, saved my life.



WALKERSONS



HOTEL & SPA

COTTAGES

The 22-year old Walkersons Hotel & Spa near Dullstroom is a perfect blend of elegance and charm with its historic-looking main buildings fully up to date with all the modern amenities. Located on 800 hectares of peaceful countryside, Walkersons boasts 27 private hotel rooms — two of which, the Family and Manor Suites, are suitable for families — and six self-catering family cottages. Available to guests and day visitors, its delicious gourmet country cuisine has long been one of Walkersons' significant attractions, along with the unspoiled scenery, its luxurious Spa and the chance to fly-fish in Dullstroom's famous trout dams. Recipient of the Trip Advisor Certificate of Excellence awards from 2013 to 2018, the hotel is ideal for exclusive weekend breaks and weddings and business conferences.

**For more information please visit
www.walkersons.co.za**

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JUST START

LÉAN BOEZAART – 34
Co-founder: Freedom of Movement

YOU DON'T HAVE TO HAVE IT ALL FIGURED OUT TO START AND GROW A SUCCESSFUL BUSINESS VENTURE

When I was first asked to do an article on 'Tips on how to start a successful business venture', I immediately thought that the topic has been covered in pretty much every way, shape and form. Tips are helpful, and although I do feel that I can probably refer to a couple of pointers that helped to establish and grow our business, I feel that most of these 'tips' can be found in multiple forms of literature. A quick introspection also supports the fact that I am by no means the genius to challenge any of the business brains of the world and probably won't be able to share a game-changing tip that has not yet been published.

I figured that a perspective from a slightly different angle could possibly add more value here and hopefully inspire one or two of the readers who managed to make it past the first paragraph and are keen to start their own business venture. So, instead of sharing tips on how to start a successful business venture, I thought I would point out some of the so to speak 'tips / key ingredients' to success that we as a start-up most definitely didn't have (and to a degree still don't have) and how we managed to get around it.

YOU NEED A UNIQUELY BRILLIANT IDEA / SERVICE OFFERING

We didn't have a uniquely brilliant idea, but this didn't stop of from starting. As a civil engineer and a qualified CA(SA) respectively, my brother Roal and I really had no right to take on the retail industry.

- We started our business with a long-term vision to create a proudly South African lifestyle brand with a feel-good story. This 'one-liner' is literally all we had. Driven by this 'one-liner' we identified leather to be a good raw material to use as a base from which to build a premium brand. We then proceeded to buy a leather machine, sourced the best leather craftsman we could find and launched our business with two leather bags: the Benjamin (a leather briefcase), and the Bobby (a leather adventure backpack).
- I think the one thing that we did get right from the start was to nurture that intricate connection between our customers and an authentic product that they can use with pride. Our products are more than just a bag or accessory, they are lifestyle companions made with meaning.



YOU NEED A FULLY-FLEDGED BUSINESS PLAN

We didn't have one, not even remotely close to one. I feel that sometimes this could be the biggest obstacle to anybody with a dream to start a business, and especially to CAs(SA). We tend to overanalyse and will without fail find multiple reasons why NOT to pursue an idea.

- I personally take the following from the above, and from our Freedom of Movement journey. All you really need is to 'start' – you don't have to have it all figured out. Phil Knight didn't build Nike on a piece of paper or an Excel spreadsheet, he started by selling shoes out of the boot of his car. What you do need is a 'one-liner' that defines your purpose, brand identity and vision. The rest, if you give yourself the opportunity to 'start' and to get stuck in, can be chopped/changed/multiplied throughout the journey.

This country is in desperate need of entrepreneurship, and I am hoping that our story will inspire others to just 'start'.

Stay free and keep moving.

USING INNOVATION TO KEEP LESOTHO CLEAN

LIKELELI MONYAMANE – 30
Director at Inspire Innovation Business
Consultants



EVER SINCE MOVING BACK TO LESOTHO, I HAVE BEEN AWARE OF THE PROBLEMS THAT EXIST IN OUR COMMUNITY AND CHALLENGED TO TAKE PART IN BEING PART OF THE SOLUTION

Having studied at the Kigali campus of African Leadership University (ALU) in Rwanda, a city that is hailed as the cleanest city in Africa, I became inspired to organise a team to address the waste management issue in Maseru.

When considering a solution to the problem, I had to think about the right problem-solving model to choose. The traditional model of problem-solving applied to social issues in Africa is to make assumptions about why a problem exists, based on experiences, perceptions and biases about the problem, and then coming up with a solution based on these. The result is that problems are misdiagnosed, and the solutions implemented lack the ability to address the real issues at hand. Consequently, these solutions fail to be adopted by the stakeholders.

I therefore chose to avoid the traditional approach and instead opted to apply the concept of design thinking, which I was introduced to in my entrepreneurship and innovation class at ALU. Design

thinking is a problem-solving framework that entails the following steps: Empathise, Define, Ideate, Prototype, and Test.

In order to define the problem, a group of us decided to begin cleaning campaigns once a month to clean up the bus stop areas in Maseru. In so doing we got an opportunity to engage with the problem directly and to interact with the users of the bus stops – vendors, taxi drivers and commuters – to understand why there was such a great waste problem before trying to come up with ideas of about solving the problem. This approach allowed us to challenge assumptions that we had about the problem such as a lack of education, the uncleanliness of people in the area, and the lack of dustbins in the area.

We found that there were in fact dustbins in the area but that these were vandalised by people seeking to keep warm during winter or to use the steel for other purposes. We also discovered that one of the areas was subject to

an ownership dispute between two entities resulting in no one taking responsibility for maintaining cleanliness and collecting the waste. Furthermore we removed a pile of dirt in the middle of the bus stop, only to experience backlash from the vendors because they had put it there deliberately to redirect water originating from a sewerage leakage at a nearby property.

Through this experience we redefined the problem from 'Basotho people don't know how to take care of their environment' to 'Lesotho needs an integrated environmental management approach in order to solve the waste management issue'. Our next step will be to bring together a number of stakeholders in various forums and platforms in order to start ideating on solutions that can be prototyped and tested based on users'/stakeholders' feedback until we get to the right solution.

PRACTICAL WAYS

A COMPANY CAN DRIVE BUDGET EFFICIENCIES AND OPTIMISE RESOURCES

NYASHA MADAVO – 35

CFO: Black Umbrellas

AGAINST THE BACKDROP OF A CHALLENGING ECONOMIC ENVIRONMENT, MANY ORGANISATIONS FIND THEMSELVES UNDER PRESSURE, BE IT FROM STAKEHOLDERS OR FUNDERS, TO DO MORE WITH THE SAME FUNDING BUDGETS, IF NOT SMALLER BUDGETS. **MANAGING AN ORGANISATION'S LIMITED RESOURCES WELL THUS BECOMES VERY CRITICAL AND BUSINESS LEADERS ARE CHALLENGED TO CONTINUE TO LOOK FOR SMARTER WAYS TO SURVIVE AND THRIVE**

Setting the right tone for responsible spending is important and the organisation's governance framework is core to this from board level all the way down. Establishing a risk-based internal control framework consisting of general purchasing and fixed assets policies and procedures, among others, ensures that the pricing for goods and services is not only competitive but that what is procured is of good quality and adds value to the organisation. Having an effective delegation of authority framework in place, as another aspect of the corporate internal control framework, enables regular monitoring and reporting on key operational and capital expenditure while keeping management and the board informed about any areas that need attention. Systematically monitoring internal controls enables the organisation to check adherence to processes and policy on a continuous basis and to timeously implement remedial actions where necessary. Internal and external assurance providers all play an important role in terms of ensuring that key internal controls are designed well and continue to operate effectively in mitigating key risks.

The annual planning and budgeting process are also core to managing organisational expenditure. The finance team plays a key role in setting the tone, guiding the thinking around budget development, being a sounding board and overseeing the annual budgeting cycle. Entrenching business unit/divisional ownership of budgets not only supports the development of budgets that are realistic, but it also increases ownership of the budgets by the relevant internal stakeholders and increases overall accountability.

Adopting zero-based budgeting principles is a good place from which to start the annual budgeting process. It is important to prompt teams to start by interrogating prior year expenses and asking themselves if they are spending in value-adding areas. Discussing smarter and more cost-effective ways to still achieve the organisation's key objectives is beneficial and this can only be done with an understanding of the organisation's core value drivers. Considering centralising certain core expenditures, where practical, can enable the benefits of more competitive pricing. A rapidly changing environment requires constant innovation and re-evaluation of business



services to see how to optimise current revenue generation, find new ways to generate revenue while considering the organisation's risk appetite and long-term organisational sustainability. Following the budget approval process, the continuous process of comparing and tracking actuals to budget, as frequently as is required for the specific environment (for example on a monthly or bi-monthly basis) enables timeous identification of challenges as they arise and better enables early rectification of problem areas. Another upside is early identification of new risk opportunities to take advantage of and possibly leverage for new revenue generation or cost optimisation. The close monitoring of and reporting on expenditure relative to income and incorporating cashflows are important activities for the broader management and finance teams to conduct on a regular basis.

In summary, it requires an organisation-wide effort, on a continuous basis, to manage organisational resources as effectively as possible and it is important that these efforts be supported by an effective governance framework which sets the right tone.



THANDA SAFARI
PRIVATE GAME RESERVE

Thanda Safari is a Big Five game reserve situated on 14 000 hectares in the heart of Zululand, KwaZulu Natal owned by Swedish philanthropists Christin and Dan Olofsson. It offers an authentic South African wildlife experience with excellent game viewing all year round, and has a sincere commitment to the Zulu culture and conservation of the environment; actively involved in conservation and wildlife research, it works to uplift the local communities through 'Star for Life' and other projects. Meaning 'love' in isiZulu, Thanda is a proud member of The Leading Hotels of the World and multiple winner of The World's Leading Luxury Lodge.

Thanda Safari offers three different accommodation types, Thanda Safari Lodge, Villa iZulu and Thanda Tented Camp.

- Thanda Safari Lodge has nine bush suites - shaped like a traditional Zulu homestead, the suites have panoramic views of the surrounding game reserve;
- Villa iZulu is an outstanding safari hideaway for families, holidaymakers and wedding parties wanting privacy - situated amidst lush green lawns and surrounded by expanses of wild African bush, Villa iZulu can accommodate 10 guests in five suites.
- Thanda's Tented Camp, with 15 colonial safari-style tents, each with its own viewing deck and en-suite bathrooms.

Thanda Safari is situated 23km north of Hluhluwe on the N2 approximately 220km north of Durban and is easily accessible from the N2 by gravel road (no 4x4 required). Richards Bay is the closest commercial airport, with King Shaka International Airport, Durban being the closest international airport. Road transfers are available from and to Durban and Richards Bay Airports.

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STEIN-ON, STEINHOFF

LUYANDA GIDINI – 34

Acting CFO: Metropolitan Trading Company (MTC)

ACCORDING TO TRANSPARENCY INTERNATIONAL, CORRUPTION IS THE ABUSE OF ENTRUSTED POWER FOR PRIVATE GAIN. IT CAN BE CLASSIFIED AS GRAND, PETTY OR POLITICAL DEPENDING ON THE AMOUNT OF MONEY LOST AND THE SECTOR WHERE IT OCCURS



The accounting profession has had more than its fair share of real-life stories giving rise to a perception of a lack of ethical leadership, as well as corrupt activity. Although corruption is usually associated with the public sector, the infamous case of Steinhoff has shown that all sectors may fall prey to this disease. And it appears no matter how the company may try to get the *Stein(h)-off* (read 'stain off'), it just *Steins-on*. (Think 'wax on, wax off', but I will get to that point later.)

Any allegation of corruption, fraudulent activity or any malicious action by a company/individual has a lasting – if not a lifelong – impact on one's reputation. As Warren Buffett once said, 'It takes 20 years to build a reputation and five minutes to ruin it.'

Some of the more infamous cases which have exposed such incidences of corruption in recent times are:

- The leak of the Panama Papers in 2016, which started raising eyebrows regarding the secret dealings of Steinhoff, in particular the financial dealings its CEO (a chartered accountant by profession no less ...) had with some of the company's target subsidiaries.
- The Public Protector's State of Capture report – also in 2016 – which exposed the Gupta family's relationship with the previous national president.
- Then, of course, more recently

evidence before the Zondo Commission which has unearthed alarming controversies –for example about Bosasa under the leadership of Angelo Agrizzi and Gary Watson, which managed to shed some doubt on the Thuma Mina election campaign funding.

It appears that Lord Acton's assertion that 'Power tends to corrupt and absolute power corrupts absolutely' rings true in the South African landscape and the apparent lack of ethical leadership in both the public and private sectors. It is likely that no amount of philanthropic activity, charity work or governance structure reforms that may be done, Steinhoff's (just like others') *Stein-on* society (read 'a stain on society') will unlikely have the *Stein(h)-off* any time soon.

'What hands are here! Ha! They pluck out mine eyes. Will all great Neptune's ocean wash this blood clean from my hand?' William Shakespeare's tragic hero Macbeth best describes how any illicit activity will always remain in one's consciousness, and no amount of Neptune's ocean will make one clean again.

Now let me get back to the memorable phrase 'wax on, wax off'. This phrase emanates from the original *Karate Kid* movie made in 1984 about a boy named Daniel who learns karate from an unlikely teacher, a quiet and eccentric apartment handyman named Mr Miyagi.

'Wax on, wax off' is a rich multi-layered metaphor that is profoundly beautiful and meaningful.¹

In today's economic climate, leaders of business and society are often under great pressure to deliver under very difficult conditions. With South Africa having the highest youth unemployment rate in the world (according to the International Labour Organisation) and being the most unequal country in the world (according to the World Bank), this creates a most undesirable environment to compete in and deliver high growth returns to demanding investors and improved service delivery to impoverished citizens. Is it difficult to believe that, most of the time, some of the best performing individuals during such trying times are just faking it till they make it?

But the essence of 'wax on, wax off' is that one can learn valuable lessons from seemingly simple or mundane tasks. Leaders of today can evoke more ethical leadership and eliminate corruption in their organisations by simply promoting good conduct by exhibiting exemplary behaviour and leading in a principled and just manner. Simple and mundane activities like the 'wax-on, wax-off' exercise may be the solution to ensure that the *Stein-on* society get the *Steins-hoff*!

NOTE

¹ <https://atkinsbookshelf.wordpress.com/2015/10/27/what-is-the-meaning-of-wax-on-wax-off/>.

A SUSTAINABLE FUTURE FOR YOUR BUSINESS

HITEN KESHAVE – 32
Chief Financial Officer: PRP Solutions



IN THE TRUE SENSE OF THE WORD, SUSTAINABLE MEANS 'THE CAPACITY TO ENDURE'. IN BUSINESS, THAT MEANS YOU'RE IN IT FOR THE LONG HAUL. IT MEANS SETTING UP A BUSINESS THAT WILL BE RESILIENT AND WILL THRIVE IN THE LONG TERM

Sustainable business mindset

To be sustainable, your strategy sessions need to include a proactive futuristic mindset, that is, strategies that set you up for fewer crises, and a less frequent need to scramble. I am not saying running a business is difficult and a matter of survival, but rather plan carefully and monitor conscientiously what's happening both externally and internally. By thinking ahead and staying on top of internal and external threats, you pre-empt what could shake up your hard-earned stability.

Here are a few guidelines I share from experience that can enable you to shape a more sustainable future for your business.

1 Embrace change

When you change and act fast, you can be the biggest, boldest and brightest unicorn, but if you don't change and adapt to what's happening out there, then you are as close to extinction as you can. (Remember, Kodak...?)

2 Innovation

Staying ahead of the curve requires re-inventing what you do and reimagining how you do it. Through customer engagement, employee engagement and

industry analysis, the introduction of new products, services, or processes opens opportunities for growth. To be a high-growth business, you need to show a consistent affinity for using an aggressive innovation strategy.

3 Create a value proposition

Figure out your go-to-market strategy that drives value, and how you address current (and potential) customer pain points. Don't ever lose sight of the fact that business is about driving value for your customers.

4 Diversification

Think of your business model as a stock portfolio. When investing your personal funds with a financial planner, s/he emphasises a spread of investments. Similarly, if your business offers a range of products to a broad range of customers, you insulate yourself when the financial climate is cold and unkind to any one of your revenue streams. Even if you're satisfied with your current business profitability, proactive futuristic thinking and pre-empting new hurdles will sustain you in the future.

5 Stabilise your costs

Increasing revenue is of limited use if costs increase at the same rate. Analyse

your business and stabilise your costs to allow your revenue growth to be greater than your cost growth. Think of ways to improve production efficiencies: lower cost materials, supplier negotiations etc. This is very different to just cutting costs!

6 Cash in king!

No matter how brilliant your idea/s, you won't be able to implement them unless your working capital covers your fixed costs. If you have an 'eye-catching' business that's in start-up phase, consider investors who can provide a cash injection needed to spike that untapped potential growth. Remember, small slice of a big pie, OR big slice of a small pie ...

7 Leadership executive team

We all talk about 'your team is only as strong as its weakest link'. That's old school! Build a team that compensates for each other's weaknesses and leverages off each other's strengths. In that way, your team is as strong as compensating its weakest link!

Take the time to analyse where you are in your business today and discover which of the above may be applicable to you. By acting upon those, your business is likely to become more effective and sustainable than those of your competitors.

YOU DON'T HAVE TO ACT LIKE A MAN LEAD AS A WOMAN

ASHANIKA PERIMAL – 35

Director/Senior Manager Finance: FedEx Express
South Africa

AM I REALLY LEADING IN A MAN'S WORLD? NO, I AM LEADING IN THIS WORLD, LEADING IN MY WORLD

Let me tell you how changing my perspective on this much-debated subject grew my self-respect and confidence. Before you accuse me of naivety, make no mistake, I am conscious that even today while the world is evolving and considerable focus is placed on gender diversity, women still have to overcome many obstacles before taking hold of leadership roles in business. I am very aware of the tribulations women face in business, but do I let it stop me, or slow me down?

No. The world is tough, but so am I.

As women, we have so many integral unique strengths, and our various roles in society have only cemented these strengths. As mothers, wives, sisters, daughters, confidants and career women, we juggle all the expectations and demands of these roles and relationships. These roles empower us to be strong, passionate, emotionally intelligent, generous yet fair, brave, and even inspirational. Have you ever negotiated with a three-year-old and won? Man or woman, this takes talent, a whole lot of patience and some excellent conflict resolution skills. So, there you have it: talent, patience and skill. These qualities bode well for collaborative styles of working and leading. They are profoundly admired traits of leaders, and as women these

skills come naturally to many of us, so why this constant debate about whether women have what it takes?

We should celebrate our distinctive qualities, not just using them but showing them off. Show off ability to speak with confidence and flair, show off your multidimensional skills of courage and compassion with professional integrity. Start showing it to yourself; others will appreciate it too.

While there is a long way to go to correct the disparity on women in business and especially those in leadership, there are many admirable initiatives and businesses that both empower and value women. Whatever your career may be, it is important to join organisations that support the core values of people appreciation, diversity and inclusion. In doing so, the likelihood of emphasis on gender over talent will be insignificant.

Leaders should be measured on their merits of leadership style and results regardless of gender, yet even today society stumbles by placing importance on gender first. We think we need to justify our actions and reactions. I say, don't take the bait! I say, let our achievements speak for themselves. If you place power and importance on being judged by your gender, don't expect those around you not to do the same.



Be your original self, be authentic. Establish your personal brand of integrity. We encourage excellence within ourselves, and that translates almost automatically to those around us. We must focus on the things within our control, our attitude and actions. Avoid getting caught up in your own perceived imperfections, otherwise you are letting best get in the way of better. Honour who you are and your core values behind the choices you make.

Women must recognise that we need to empower each other and celebrate our success. Don't be another woman's critic. Women must not make it harder for women to succeed in business and society; there is enough with the battle of the sexes.

Let's focus on the establishment of a network of support for each other and coin a new phrase, 'behind every successful woman is a pack of women cheering her on!' Be a leader in your world.

CFO OF THE FUTURE TAKE CHARGE OF COMPLIANCE

CHRISTIAAN BARNARD – 31
CFO: Spear REIT Limited



**THE DAYS OF CFOs BEING PURELY FINANCE PEOPLE
ARE LONG PAST AND THE ROLE OF THE CFO HAS
AND SHOULD EVOLVE DRASTICALLY**

In the ever-developing and fast-changing business environment, a company can't just rely on its CEO to lead the way in setting the strategy, compliance, corporate governance, and information technology needs. Few individuals within a company are required to understand and wear as many different hats as the CFO. The 16 principles of King IV explain so many of these roles, duties and functions, and who better to ensure compliance than the individual that is integral to the overall strategy but also actively involved in the daily operations of any organisation.

CFOs take responsibility for setting the strategy in terms of financial controls, but the world has evolved and when it comes to corporate governance, IT and cybersecurity, for example, the CFO plays a critical role. This is because the CFO of the future has an integrated role within an organisation to prevent and detect risks, error and fraud from outside and inside each organisation.

CFO of the future should be the driver and leader of compliance, development and implementation of controls within any organisation – both financial and corporate governance. I believe

people with unethical characteristics can't be changed and that they will always only act in their personal best interest, but the next step to root out fraud is the audit of the corporate governance principles together with financial controls and results and documentation thereof. Corporate governance guidelines are so beautifully and detailed documented in each company's annual report, but are they actually adhered to and complied with? Who is responsible for ensuring adherence and compliance and that the findings are in fact disclosed to stakeholders?

We have seen a significant increase in fraud and error in corporate South Africa. This can be blamed on a variety of reasons other than greed and unethical behaviour, but when we look at this in detail, the strategy of those organisations was set by power-hungry CEOs that forced their unethical values on executives. Were the CFOs merely 'yes people' that did not play the role they should have in setting and ensuring adherence to corporate governance? Did the chairman and board ask the right questions and make issues known

to the stakeholders timeously? If corporate governance was tested in as much detail as the financial results and controls, could any of this have been prevented or detected earlier to limit the damage caused?

CFOs of the future must have the power to implement and develop controls and corporate governance principles and should be given the power by the CEOs and boards of companies to have these controls tested/audited and reported on. This will ensure that responsibility is shared by the CEO, CFO and other executives. Non-executives serving on board sub-committees should be more active and diligent in their roles and work with the CFO to develop and implement controls within the boundaries of the respective committees they serve on.

CFOs of the future have a huge responsibility and should ensure that when compliance is discussed, this includes both financial and corporate governance compliance. CFOs of the future must take compliance on their shoulders to ensure that all stakeholders are protected.

CHANGING THE PUBLIC SECTOR NARRATIVE

BONGANI HABILE – 33

Head of Strategic Audit Projects (StrAP): Auditor-General of South Africa

THE PUBLIC SECTOR STRUGGLES TO ATTRACT THE APPROPRIATE COMPETENCE, SKILLS AND EXPERTISE TO ENSURE EFFECTIVE AND EFFICIENT SERVICE PROVISION TO THE BROADER PUBLIC, WHICH IS ITS PRIMARY MANDATE. THIS IS DESPITE THESE PUBLIC ENTITIES BEING FUNDED THROUGH THE PUBLIC THAT IS TAXPAYERS AS ONE WOULD NATURALLY EXPECT THAT FUNDERS WOULD BE INTERESTED IN BEING PART OF THE SOLUTION TO HELP TURNAROUND THESE ENTITIES



Our country has diverse skills and expertise concentrated in the private sector, with an unwillingness to cross over. To change the narrative of the public sector on being corrupt, government has to create an environment where professionals feel they can contribute positively to the public sector without having to compromise their integrity due to political influence on these public entities. Politicians must focus on macro strategic plans and policies and allow professionals to execute those plans and policies using their skills and expertise while keeping their integrity intact. Currently, poor governance practices, unethical behaviour, lack of appropriate skills and lack of consequence management within the public sector are the major contributors to corrupt activities.

Secondly, cadre deployment results in unjust expectations from those that deploy cadres to senior management and executive positions. This has a major impact on the effective and efficient management of public sector entities.

Thirdly, poor leadership and financial management skills also contribute to the challenges in the management of public entities. For an example, boards do not have the appropriate sector skills, leadership skills, and capacity, and do not remain for the duration of their term, which impacts stability in boards and/or board member positions. Public entities are impacted by instability in

the executive management positions because of suspensions, dismissals and resignations, which are encouraged by golden handshakes before the end of the contract term. In addition, there is a high degree of a lack of co-operation between the boards and the executive committees, coupled with instability in exco members' positions, specifically the position of chief executive officer and chief financial officer. The appointment of inexperienced executive members results into non-performing senior management who are also not held accountable due to the lack of prompt corrective action that addresses non-performance.

Finally, the ageing infrastructure, bribery, and a tender system surrounded by weak controls have an impact on service delivery and overall profitability of various public entities, which in turn raises going concern challenges that end up requiring government bailouts. Officials under leadership guidance and supervision continue to flout laws and regulations governing procurement of goods and services.

The business modelling of these entities and their mandate on commercial activities versus social responsibility need to include long-term strategies that will enable service delivery and sustainable financial health. Their organisational structures need to link effectively to these business models.

Stable board leadership that has a

successful track record with clear performance incentives are needed, together with experienced senior management to execute leadership direction. Solid performance and consequence management systems must be introduced. Accountability for non-performance should form an integral part of the performance management system with a specific focus on accountability from board level right through to senior management. Experienced and skilled board members and staff must be employed to manage finances, which will facilitate accurate reporting and forecasting for decision-making and management of cash flows. This will organically improve internal controls and significantly prevent corrupt activities.

In summary, enhanced governance oversight at board level, simplified and transparent decision-making matrices within public entities, appropriate skills deployment at senior management level for critical roles, implementation of appropriate performance management systems, as well as appointment of ethical leaders will be a first step to positively changing the public sector narrative. Therefore, increased involvement of professionals with private sector experience will bring prosperity in the management of public entities and growth of the South African economy.



BRAHMAN HILLS
 — Creating harmony, together —

Brahman Hills Hotel, Cottages & Spa

Situated in the heart of the KwaZulu-Natal Midlands in the 1000 hectare Blue Crane Reserve, Brahman Hills Hotel, Cottages & Spa is a destination of choice for weddings, conferences and idyllic country escapes. The 4-star hotel offers a range of accommodation – 30 elegant rooms and 12 self-catering cottages - and now, adding another dimension are the new exclusive Springholm Cottages just 4.5 kms from the hotel. Its extensive facilities include two restaurants - 89 on Copper and Brahman Café - a coffee bar Cappuccino, two unique chapels – the Glass Chapel overlooking a lake, and the new Valley View Chapel, built partially underground; a variety of eventing venues seating up to 400 people and the Agility Hub, a purpose-built venue for conferences and private functions with its own restaurant, The Stables and a state-of-the-art Spa. Nestled amongst rolling hills as far as the eye can see, yet just a stone’s throw away from the N3 Highway, Brahman Hills is easily accessible and central to the famous Midlands Meander and the neighbouring The Windmill Kitchen.

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LEADING

SOUTH AFRICA'S YOUTH DIFFERENTLY

JABU MPHAMBO – 32

Head of Mergers and Acquisitions: Transaction Capital Risk Services

AFRICA IS RICH WITH NATURAL RESOURCES AND A GROWING YOUNG POPULATION. THE YOUTH REPRESENT ONE OF OUR GREATEST RESOURCES AND ASSETS AS A COUNTRY. **LEADERS NEED TO FIND WAYS TO INSPIRE, CHALLENGE AND EMPOWER YOUNG SOUTH AFRICANS TO INNOVATE, DREAM AND CONTINUALLY UPSKILL IN ORDER TO BE GLOBALLY COMPETITIVE**

Given the generation of youth we have now, it is imperative for leaders to think differently as they lead this generation.

UNDERSTAND THEIR CHALLENGES AND DREAMS

Emotional intelligence teaches us that the best way to connect with people is to focus on them and their interests. One leadership expert says that people don't care what you know until they know that you care. I fully agree with this. Connecting with South African youth to help them move forward and contribute meaningfully in our nation will require leaders to first understand their challenges and dreams, and to appreciate the validity of such challenges and dreams from the youth's perspective. Context matters. It is from this position that we can then navigate our way to inspire, challenge and empower youth. Appreciation of their reality is key. It requires an open mind and a non-judgemental attitude. Without this as a first step, it will be difficult to connect at a level where the youth will be receptive. We need to communicate at their level first before we can move them to a different level and viewpoint.

PRESENT A COMPELLING REASON FOR ANY PROPOSAL

In this day and age, one thing we

are not short of is information. Many things compete for our attention every single day. Whatever wins us as individuals must be compelling enough. To inspire, challenge and empower youth, leaders need to offer compelling propositions. What's our compelling proposition for youth to pursue a certain course of study that will elevate our country to be globally competitive? What's our compelling proposition for the youth to be at the centre of the Fourth Industrial Revolution? What's our compelling proposition for the youth to give more than expected to deliver exceptional value? What's our compelling proposition for the youth to be environmentally conscious?

CREATE AN OPPORTUNITY FOR YOUTH TO GET INVOLVED AND BE INNOVATIVE

Many young people want to actualise themselves. They want to prove they can do it. It's not enough for them to cheer from the benches. They want an opportunity to be involved. This stirs their creative juices and produces novel ideas for the greater good. Unfortunately, by the same token, there are many young people who prefer to sit on the benches waiting and doing little or nothing. How do we get these



involved? We should leverage on their peers to challenge them to action. People are likely to easily listen to their friends or peers than they are to their parents or seniors. By creating opportunities for the action-oriented, we indirectly create an opportunity to challenge the phlegmatic into action.

FIND CREATIVE WAYS TO INSTIL TESTED AND ENDURING VALUES

Values are a foundation and are key to ensuring stability and durability. Most people would agree that values such as hard work, integrity, discipline and focus are key to success. Unfortunately, to some young people, these values may come across as 'old-fashioned'. So, the challenge is to instil these 'old-fashioned' values in a manner that they can be readily embraced. This is where the importance of collaboration comes into play. Intentional collaboration between the old and the young. This will facilitate cross-pollination of ideas and values. Furthermore, rewarding the practice of desired values is critical to encourage the adoption thereof.

HOW CAN A CA(SA) REMAIN RELEVANT FOR THE FUTURE?

DAVID ABBEY – 33

Acquisition and Leveraged Finance
Transactor, Rand Merchant Bank



THIS IS A PERTINENT QUESTION AT A TIME OF ACCELERATING CHANGE AND TRANSFORMATIVE POSSIBILITIES

In order to determine how a CA(SA) can remain relevant for the future, it is necessary to see what the future could possibly be like.

Technology is seen as the most radical driver of change, from new realities such as augmented reality and virtual reality to digital mobility and virtual collaboration. The age of 4IR powered by 5G is upon us. And although it's possible that predictions of autonomous cars, screenless displays and quantum computing will have become our lifestyle realities in the next decade, the one area which complete transformation is guaranteed is the world of work.

A decade ago, you'd have had a tough time convincing anyone that they would be 'employed' through an app on their phone. And yet, in a short space of time, the emergence and evolution of the capabilities of the smartphone have enabled the gig economy to flourish into a multi-trillion-dollar global market.

Most analysts broadly agree that workplace changes are inevitable, but futurists appear unable to reach consensus about what the stellar advances in artificial intelligence and robotic process automation will mean

for us. What is known, however, is that technological advances have allowed workplaces to adopt new means of production, markets to expand, and societies to evolve. New technologies enable more efficient use of capital, overcome information barriers, increase productivity, swift innovation and ensure the migration of skills up the knowledge curve.

In today's economy, market opportunities are growing for all participants and the pace at which the world changes every day is guaranteed to keep increasing.

CAs(SA) are finance and business leaders whose skills are widely applicable across the business world. Yes, technology will bring about disruptive change, but with it, opportunities. Opportunities for the leading profession to play a role in shaping change and leading the impact.

Effects of technology will include changing skills, new and adaptive ways of engagement and increased productivity, which will require re-skilling and continuous learning. Future CAs(SA) will have to be multi-skilled – a combination of skills allows the CA(SA) to continue to perform at a high level in a high-tech environment which will migrate

tasks from mundane to highly intellectual ones with high execution capabilities.

Change is happening now. The key point is how quickly the CA(SA) can respond to and adapt to such changes in order to bring meaningful value to a changing landscape.

The question is no longer if, or even when, CAs(SA) and their regulating body have to be relevant. It is a professional and societal imperative.

The future will require enhanced human 'soft' skills. Skills such as EQ and SQ will become even more highly valued. The development and reward of human skills will be effective leadership and impactful innovation, while contribution and value will be amplified.

CAs(SA) will need to continually be trusted by society. CAs(SA) will need to hold themselves to a high standard of professional conduct and, in addition, personal conduct.

The CA(SA) of the future will bear relevance as an integrous leader who is not bound by dated approaches but is adaptable, multi-skilled, and inspires confidence and trust.

PEOPLE REALLY DO MATTER

KARABO KEKANA – 30

Senior Lecturer: University of Johannesburg

IT SEEMS SO STRANGE THAT ONE HAS TO EVEN CONSIDER WRITING AN ARTICLE THAT SPEAKS OF THE IMPORTANCE OF HUMAN BEINGS. IT SHOULD BE A GIVEN THAT THE ONE THING WE CAN ALL AGREE ON IS THAT PEOPLE REALLY MATTER

Without people there would be no organisations, without organisations there is no work, without work we cannot even begin to define purpose. The work that matters most has to be the work of investing in people.

In an age where technology has taken over, and we are constantly bombarded with thought leadership material on the Fourth Industrial Revolution, artificial intelligence, blockchain, and big data, I cannot help but wonder where the human being belongs. Technology has brought with it a variety of advantages – making the world one global citizen. Through technology distance is no longer an issue, time and costs are saved, and there are better means of communication. Technology has also been blamed for the surge in anxiety, depression, and suicide rates, especially amongst millennials. Technology has also resulted in isolation of people as organisations and people in the organisations are fixated on their devices. This increased use of technology by organisations emphasises the importance for any

organisation to ensure that their biggest capital investment – human capital – is not neglected.

Danny Steele, Assistant Professor of Instructional Leadership at the University of Montevallo, tweeted the following: ‘You don’t change culture through emails and memos. You change it through relationships. One conversation at a time.’ Meaningful relationships require communication, support, and encouragement. It requires that we are aware of those around us and aren’t simply asking ‘how are you?’ so we can get on with our mundane lives. Meaningful relationships require that we sometimes put our phones down and focus on the individuals sitting next to us.

Recently a good friend of mine randomly sent me a text asking me how I am really doing. I must say I was taken aback by the message because I, and am sure like many others, have become accustomed to not giving this question much thought. In that moment that she sent me that text,



I was really in need of a friend and was so grateful that she asked me that. This got me thinking about that popular saying that we all need to be kind to each other because we do not know what someone is facing.

I know and understand that we are constantly chasing a deadline and naturally that work needs to get done, but I want to challenge us all to consider the importance of the people around us. I want to challenge that we ask our colleagues how they are genuinely doing? Because as Einstein said: ‘Only a life lived for others is a life worthwhile.’

TIPS FOR GROWING YOUR BUSINESS

GRANT GREEFF – 28
Chief Executive Officer: EHIRE

IN OUR BUSINESS, EHIRE, WE'VE GONE FROM EMPLOYING 19 TO 40 PEOPLE IN THE SPACE OF TWO YEARS. **IT'S BEEN AN INTERESTING TIME SCALING UP OUR BUSINESS TO BE THE MOST TRUSTED EVENT HIRING COMPANY IN SOUTH AFRICA**



To make it easier for our team at EHIRE to understand core principles, we use the analogy of travelling in a vehicle. Here are our top four tips to grow your business:

1 WHERE PEOPLE SIT MATTERS

We don't want a driver to fall asleep at the wheel. Yet in our businesses, we often forget to ask the simple question: 'Do you still want to drive?'

At least three times a year have an individual development catch-up with each team member to reassess their seating position. Chat about where your colleagues see themselves in the next four months (by the next catch up), twelve months, and five years. Document all comments and goals and create a plan to help support them in getting there.

You cannot force empowerment on anyone. Focus on creating the most optimal environment with the relevant tools, feedback, and space for people to empower themselves.

2 STAY IN YOUR LANE

Would you drive if I told you that it was likely that oncoming traffic would drive into your lane? No, I hope not. We drive with confidence that our fellow drivers

are in control of their vehicle and will stay in their lane.

Grab a pen right now and write down what you actually do on a daily basis. Then ask your partner or colleague to do the same. Is there an overlap in what you do? If yes, assign the task to the best person out of the two of you. Repeat this until you are 100% responsible for a particular lane of tasks. When everyone knows exactly what is in each person's lane, people hold each other accountable and you will find they work with more confidence knowing that nobody is going to swerve into their lane. And if someone does, simply say, 'Stay in your lane.'

3 PETROL WILL ALWAYS BE PETROL

Let's say that the closest Engen garage close to you is selling petrol for R12 a litre and 5 km down the road another Engen is selling petrol for R6 a litre; you'd most likely travel the extra 5 km. Petrol is a commodity. Demand for a commodity is mostly determined by the price.

So, what is the commodity in your business? In other words, what product or service would your customers stop using if a competitor offered a 50%

discount on your price? Write down how much of your time is currently being spent on attending to this commodity per day, per week. Ultimately, focus less time on that commodity and more on areas of your business that create value for your customer. (Real value cannot be dictated purely by price.)

4 ROUTINELY LOOK AT YOUR SPEEDOMETER

Is your speedometer measured in kilometres per hour or miles per hour? And what speed do you want to achieve at each stage in your trip?

In today's fast-paced and disruptive business environment, real-time data is everything when setting business goals and making decisions that lead to success or failure.

Use Excel to create pivot tables and graphs or use Google Data Studio linked to Google Sheets. This is super powerful; hence we use it at EHIRE. Whatever report or information you create in your analysis, ask yourself the following: 'Will this data allow me to make actionable decisions, or is it just nice to know?'

THERE ARE JOBS AVAILABLE IN SOUTH AFRICA

HEINE BELLINGAN - 27
Co-CEO: JOBJACK

WE LIVE IN A COUNTRY WITH THE HIGHEST UNEMPLOYMENT RATE IN THE WORLD (EXCEPT OF COURSE FOR THE LIKES OF PALESTINE AND SYRIA, BUT I GUESS BEING A SOLDIER DOES NOT COUNT AS A JOB)

It comes as a shock that thousands of available positions in South Africa remain unfilled due to a lack of relevant candidates. Not only is this a problem affecting large companies, but it is also evident in the 129 306 unfilled positions in the South African government.

Some companies attempt to 'solve' this problem by turning to outsourcing agencies, unfortunately to the detriment of everyone involved. The employees most often earn a minimum wage and companies pay a 50% to 100% premium for the service. Having worked with many of these large companies, I know that if they were able to hire relevant employees directly, they would.

The norm for job seekers in South Africa is to print paper CVs, walk or take a taxi to local businesses and deliver their paper CVs – all in the hope that these businesses are hiring. This is ineffective, as only five to ten businesses are reached, but it is the eleventh (unreached) business that actually has an available position.

Not only is this ineffective, but also expensive. According to *City Press* and *The Economist*, the average entry-level job seeker spends R550 per month on printing, transport and Internet costs in search of a job. With six million entry-level job seekers in South Africa spending R550 per month over 12 months, up to R40 billion is wasted annually on job searching. These job seekers obviously do not have R40 billion to waste, resulting in them sitting at home because they simply cannot afford to look for a job.

The solution? Optimise and digitalise our ineffective job market. Create accessibility and equal opportunity for all job seekers to view and apply for available jobs. Let us fill the available jobs at hand by creating a bridge between companies and job seekers.

JOBJACK, the online marketplace for entry-level jobs, strives to do exactly that. Job seekers use a phone with a web browser to sign up to the platform. No PDF or paper CVs are accepted – the platform guides job seekers with questions to capture



all the necessary data in order to match them with relevant jobs nearby. (Nearby, because yes – transport cost is a whole other problem.) Job seekers can browse available entry-level jobs at little to no cost from the comfort of their own homes.

In most cases JOBJACK is able to find relevant candidates for companies within 24 hours by working with nearby communities in various ways. 65% of the job seekers placed through JOBJACK stated that they could not afford to print and drop off paper CVs looking for a job and therefore would not have had the opportunity to apply for the job if it wasn't for JOBJACK.

However, this is not a problem that can be addressed by one initiative alone. Let us stand together to fill the jobs already available. Back companies like JOBJACK to make jobs accessible to all relevant job seekers – not only those who can afford it.

SOUTH AFRICA: WHAT'S IN IT FOR ME?

LINDA KELETSO MOTEA – 32
Associate Director: EY

WHAT'S IN IT FOR ME? THIS IS THE QUESTION WE OFTEN ASK BEFORE WE INVEST OUR EFFORTS INTO SOMETHING. HOWEVER, IF WE WANT SOUTH AFRICA TO BE A BETTER PLACE, PERHAPS WE SHOULD BE ASKING THE QUESTION, WHAT'S IN IT FOR MY COUNTRY?

We find ourselves in a dysfunctional country where the roles and responsibilities of the state, civil society, and private sector are blurred. We are in a position where civil society is dealing with issues of public service, where there is alleged state failure. The state which should be focusing on matters of public interest finds itself being dragged to the Constitutional Court by civil society organisations for the non-performance of state duties. At the same time, civil society feels it is not empowered to deal with the societal issues because the powers have been eroded by the state. The private sector has then had to intervene to close the gap, whereas they should be focusing on the economy and growing the country. All these organisations are meant to function in cohesive ecosystem each executing on its mandate. That, however, is not the case.

To resolve this, we need to empower civil society to hold the state responsible for providing basic services such as healthcare, education and employment opportunities. The unemployment rate in South Africa has reached critical levels of 27,6% in 2019, the majority of which comprises youth who remain unskilled and underutilised. The impact

is that idle minds and hands fall easily into all sorts of mischief, which leads to crime, corruption and substance abuse. The lack of income leads the youth to be despondent and helpless. What further intensifies the problem is the constant pressure to be successful. With the advent of social media where this success is increasingly associated with wealth and a flashy lifestyle, the youth are then pressured to attain this lifestyle even if it means engaging in unethical practices. This results in all sorts of protests as the youth feel that they are not heard and that the state isn't doing anything about it.

Despite the general unemployment rate, graduate unemployment is still at lower levels, meaning education is still critical for the youth to be successful in the labour market. Education and skills development play a crucial role in job creation and developing the type of leaders we want to lead our country. However, our youth don't have access to the type of education that will equip them with the necessary skills to be leaders of the state or private sector. Young people need to be equipped with the 21st-century skills of critical thinking, collaboration, creativity and communication. This will empower them

with the necessary skills not only to be employable but to also create employment opportunities. We need to train our young people not only to be writers of CVs but also to be readers of CVs.

How can you contribute to making South Africa a better a place? The answer is, in the words of Tyler Perry, 'Help somebody cross'. Make a difference in the space where you are to uplift somebody. We all have a responsibility to be active citizens. If we adopt an attitude of helping somebody, an attitude that denounces self-gratification and promotes selflessness, a culture that is progressive, one that enables, that builds, that nourishes, we would resolve many of the problems that cause us to be a dysfunctional country. The state will be led by individuals with the appropriate skills, and therefore be able to properly execute its mandate. Civil society would focus on local issues and hold the state accountable, and the private sector would focus on growing the economy to be world class and be able to compete at a global level.

So, what's in for you? A better functional, focused, fierce and fiery, mighty South Africa.



CULTIVATING A CFO MINDSET

NILZA MNGOMEZULU – 27

Chief Financial Officer: Global Alliance Seguros
Mozambique



ACCEPTING A CFO ROLE AT 26 YEARS OF AGE AND IN A FOREIGN COUNTRY WAS ONE OF THE MOST COURAGEOUS DECISIONS I HAVE EVER TAKEN IN MY LIFE. HERE ARE SOME TRAITS AND SKILLS THAT CONTRIBUTED TO ME ATTAINING THE ROLE AND BEING ABLE TO EXECUTE SUCCESSFULLY

MAINTAIN THE HIGHEST STANDARDS OF INTEGRITY POSSIBLE

No matter how much the CFO's job changes, integrity will always be at the forefront and continue to be the foundation of the job. CFOs have a responsibility to protect and maintain their professional standards by representing true and accurate information at all times. It is imperative that they are truth-tellers to the CEO, the board and company investors, by combining the traits of ethical responsibility and courage to stand for what is right. Their decision impacts a host of stakeholders, including employees, shareholders, analysts, customers and regulators. Integrity and high ethical standards will therefore always remain imperative to the job.

DEVELOP A STRATEGIC MINDSET

Nowadays, CFO candidates are expected to bring strategic skills to the table. To cultivate a strategic mindset can be challenging given the CFO's responsibilities to keep the company within its guardrails. CFOs should be strategic thinkers, capable of making the tough and timely decisions with available, uncertain and partial information while executing them and overseeing the

company's financial health. For Global Alliance Seguros Mozambique my key responsibility is to drive profitability and sustainable shareholder value.

BEING A GOOD LISTENER AND APPROACHABLE

It is particularly important for all stakeholders, finance and/or other staff to feel comfortable to communicate freely with the CFO. This enables team development, coaching and unlocking of their full potential. It is every leader's desire to have a high-performing team. I invest 30% of my time coaching and holding forums with the team where we share knowledge and brainstorm for more effective and innovative ways of executing our tasks. I am passionate about mentorship and I believe this is the key to building a pipeline of future leaders

COMMUNICATE EFFECTIVELY

Whether communicating with employees, the board, shareholders, analysts, or regulators, it is important to tailor messaging and dialogue with each set of stakeholders while also ensuring that the communications are clear, accurate, and consistent. As CFO, you should possess and be able to convey a sense of authority, wisdom, and depth of knowledge of the business

when discussing and deciding on issues of great importance for the company. Strengthening those skills is crucial for any CFO, especially now that more is expected of CFOs as their roles become increasingly strategic and public-facing. In preparation for this role I attended a power-speaking course offered by The Voice Clinic. I was fascinated by how many other leaders struggle with communication skills. Cultivating a calm and confident image is vital for CFOs, and any leader for that matter; luckily it can be achieved through practice.

COURAGE

This trait is needed to take some calculated career risks and willingness to face uncertainty. If you aspire to be a CFO, you have to stretch yourself and be open to opportunities outside your comfort zone that could broaden your skills and experiences. The courageous mindset often requires an optimism that sees the possibilities and benefits beyond the immediate risks.

As Oprah Winfrey once said: 'You must feed your mind with reading material, thoughts and ideas that open you to new possibilities,' and it is by adhering to this principle that I am here today.

IMPACT INVESTING UNLOCKING A MULTI-BILLION- DOLLAR INDUSTRY

LIZE LUBBE – 32

Principal: Phatisa

IMPACT INVESTING IS ONE OF THE NEW BUZZWORDS IN THE INDUSTRY. IS THIS NEW ASSET CLASS JUST ANOTHER BANDWAGON OR CAN IT REALLY CHANGE THE WORLD?

Impact investing has taken the world by storm. This US\$500-billion¹ industry has doubled in size for two years consecutively since 2017, and this trend is expected to continue.²

Impact investing is defined as ‘investing with the intent to contribute to measurable positive social, economic and environmental impact alongside financial returns’.³ This is different to SR⁴ or ESG⁵ investing, which only applies screening criteria to investments, for example not investing in tobacco products. The key differentiator is an active intent to generate a positive impact.

Financial returns for impact investing can be in line with traditional investing, which differentiates it from philanthropy. It includes a wide spectrum of returns, from more patient to risk-adjusted market-related returns. Instruments cover the full continuum including grants, debt and equity, and everything in between, also referred to as ‘blended capital’. Investments can be made into businesses ranging from very early to later more established stages.

Impact investing is directed at solving the world’s main social and environmental challenges. The UN has defined the global sustainable development goals (SDGs) for 2030, an ambitious blueprint for a world without poverty or inequality. The SDGs have become a guideline to initiate, drive and measure impact. There is, however, still a US\$2,5-trillion annual funding gap to achieve these goals, which can be bridged

through partnerships between public, private and donor funders.

While impact investing is still nascent, it constitutes one of the most proactive approaches and opportunities to contribute to the implementation of the SDGs on home soil. Key focus areas to catalyse this industry are highlighted below.

UNLOCKING THE CAPITAL

To create long-term economic, social and environmental sustainability our country requires investing with an active intent to make a difference. Creating impact and generating market-related financial returns are no longer considered mutually exclusive concepts. This thinking requires a paradigm shift in capital providers, from large companies to banks to foreign investors to government and developmental institutions. In South Africa, we can unlock impact capital through existing structures such as enterprise and supplier development, Regulation 28 (investing in alternative assets) and Section 12J (investing in venture capital).

INVESTING FOR IMPACT

This impact capital would necessitate a new generation of asset managers, with impact as part of their core values, working harmoniously alongside generating market-related financial returns. For these managers, impact would be integral to every stage of the investment process, from origination to exit, as described in the IFC’s operating principles for impact management. This



includes accurate measurement and disclosure of impact in line with global impact measurement standards such as GIIRS or IRIS.

CREATING A CONDUCIVE ECOSYSTEM

An effective ecosystem is essential for investments to flourish and generate solid financial returns. This requires strong support from stakeholders such as government, industry bodies, universities and service providers. Examples of initiatives that create a conducive ecosystem include patient capital at an early stage, funding capacity-building, skills development, business support and building an enabling policy and legislative environment. A prime example of such an ecosystem is Silicon Valley, which is underpinned by government funding, solid research institutions, entrepreneurs who become venture investors, enabling policies and legislation as well as strong business support.

Impact investing is here to stay. Everyone can participate in this movement to bring about positive social and environmental change that bequeaths to future generations a legacy of investors who are driven by values that are impact-centred and who work towards a greater good.

NOTES

- 1 Global Impact Investing Network, 2019.
- 2 JP Morgan.
- 3 International Finance Corporation (IFC).
- 4 Socially responsible.
- 5 Environmental, social and governance.

SEVEN BRICKS WITHOUT LIMITS

HENNIE MEEDING – 33
Chief Technology Officer: Laxton Group



ADAPTING AND BUILDING A BUSINESS IN A CULTURE THAT IS DIFFERENT FROM THE ONE WE ARE ACCUSTOMED IS NOT REALLY THAT DIFFERENT FROM BUILDING A BUSINESS IN SOUTH AFRICA

At our company's main Research and Development centre and production facility in Guangzhou, China, we have a company entertainment area on the roof of the building. The name of this area is 'Sevens' and the slogan is 'Seven bricks without limits'.

Before opening, we sat together to decide on a name for this area. And, as difficult it is to decide on a name for your children, we found this equally difficult. After a long debate we settled on 'Sevens' with 'Seven bricks without limits' being the tagline. The tagline encapsulates some of the key principles we have instilled in the company over the years to create a successful global company and how we had to adapt and build a business in a culture that is substantially different from the one we are accustomed to.

Seven is our lucky number and is a number that has featured everywhere since the inception of our company. There are traces of the number seven everywhere.

Then, bricks. We all know that there are no shortcuts to building a business and this process follows a similar method to building a house – brick by brick. We have key pillars that assisted us in creating a global business.

First, apart from the hard work and time commitment required to establish a global business, to build anything requires a strong and committed team to assist in doing the heavy lifting. Thus, it starts with identifying key resources, ensuring that they are stimulated by the tasks given to them as well as ensuring they are well looked after.

In addition, operating in a culture different from the one we are accustomed to starts with learning the language. Mandarin is a complex language and is difficult to learn if you are not studying it full time. However, as a minimum getting to know the daily phrases to make conversation goes a long way. Breaking down this barrier is the first step in understanding the culture and a very important brick.

Furthermore, treating all of your staff with equal respect, regardless of their position, title or job grade, is equally important. The Chinese culture is rich with history that spans thousands of years. Knowing that and respecting that, asking out about it, is very important and goes a long way.

The timeless wisdom from Maslow's hierarchy of needs is still very applicable and doesn't really change substantially across borders or cultures. Therefore,

listening to your team members and trying to understand their position is a vital part. Moving over to action and actually adhering to their needs or explaining why it is not possible to achieve it is very important.

And finally, career growth, upskilling and training is a brick that cannot be overlooked. Delegating tasks in a meaningful manner and ensuring your team members can use that to improve their skills is an exceptionally valuable tool to ensure career growth.

The closing part of the tagline is 'without limits'. There is no hidden meaning to this – the sky is the limit; dream big, and stop at nothing in trying to achieve the goals set out. At a minimum, this requires patience and taking risks. Look past the elements which appear to limit one's ability to create something big.

In summary: every now and then you need a bit of luck ('Seven'), but as a team there are no shortcuts to building it brick by brick ('bricks'). The key values provided through SAICA's training programme and life-long learning as well as a no-limit attitude allows CAs(SA) to dream big and succeed globally ('without limits').

WHAT A SPELLING BEE COMPETITION HAS TAUGHT ME

NKATEKO MATHEBULA – 29

MD: Master Spelling Bee

ON THE SPORTS FIELD, FROM A YOUNG AGE WE LEARN TO DEAL WITH WINNING, LOSING, PEOPLE AND MORE. WE ARE CELEBRATED BY THE ENTIRE SCHOOL IN VICTORY AND IN THE PROCESS OF DEALING WITH ALL THE ATTENTION, LEARN SOFT SKILLS. ACADEMICALLY INCLINED LEARNERS ARE OFTEN LEFT OUT OF THESE LESSONS. BUILDING THIS COMPETITION INTO A PLATFORM FOR ACADEMICS TO EXCEL HAS TAUGHT ME A FEW LESSONS



We have a school system that leaves much to be desired in terms of structure, expectation and service delivery. Plagued by a culture of low literacy levels and decreasing language proficiency, we find ourselves trying to find ways to engage with the upcoming generations. Emails heavy with spelling mistakes or communications written almost entirely in shorthand are the order of the day, but the problem we face is not the use of such jargon but the fact that they see no issue with it in a professional setting.

The education system is not ours to rectify, but the education ecosystem is ours to influence. And Master Spelling Bee is a vehicle of influence.

A FEW LESSONS LEARNT

- *Expect greatness.* With our first word book, I thought about how I was expecting learners to know words I didn't even know. But they surpassed expectations. Sometimes, people don't perform because we didn't expect greatness from them. When we communicate that our expectations include excellence, it may take them a while but they rise to the occasion.
- *Racial and status lines are dissolving.* This competition is game day. They

all get given the same word book, so preparation is up to them – will they put their best foot forward? Deciding to pit an affluent learner against a learner from a rural school can seem considerate at face value, but the more I examined it, the more I found that I too would be feeding the danger of a single story. On stage, where you come from, how much you have, etc, don't matter and winning on this platform builds confidence across racial and social lines.

- *Learning from learners.* A mother once laughingly told me that she must now watch her language around her daughter because if not, she receives correction in public. Other stories include learners taking up reading as a hobby to improve their knowledge of the language and stories of improved self-esteem and excitement for literacy are consistently being sent.
- *Access and exposure to opportunity.* I remember the first national competition we had was at the University of Pretoria. I saw a little girl overwhelmed by the experience of being on a university campus and when I heard her tell her mom that she would make it there one day, my

heart sank. Opportunities differ for everyone and exposure can open the mind to so much more. The fact that being on that campus could motivate such a discussion between a 12-year-old and her guardian refuelled my desire to help make every opportunity available to those around me. This is why I am so insistent on using volunteers. The variety of professionals that the learners engage with during competition exposes them to 'who' they want to be one day. From medical doctors to accountants, teachers, artists, lawyers and many more, learners are encouraged to interact with them and professionals are given the opportunity to give back to various communities. Finally, the different stages of the competition allow learners the opportunity to travel and experience different cities.

At some stage in the competition, every learner, teacher, parent, volunteer, and staff member is challenged to add to the narrative being written in our education ecosystem, and when I look back at the victories and successes we have had and will still have on this journey, the possibilities excite me.

AUTHENTIC LEADERSHIP

THE FREEDOM TO BE CONGRUENT

RACHEL NKGODI – 34
Deputy Group CFO: Alexander Forbes

VERY OFTEN THE TERM 'AUTHENTIC LEADERSHIP' IS BANDIED ABOUT AS IF AUTHENTICITY IS A STATE TO BE ACHIEVED AS OPPOSED TO A STATE OF BEING. WHAT WOULD HAPPEN IF LEADERS ALLOWED THEMSELVES TO BE EXPERIENCED JUST AS THEY ARE BY THOSE THEY LEAD – WITHOUT THE MASKS AND THE CLICHÉS THAT ARE SYNONYMOUS WITH 'LEADERSHIP'?

Having studied to be an accountant and trained to be professional, problem-solving and solutions-oriented, one would think that one would hardly ever have to deal with people, let alone lead them. However, the world in which we operate currently stands and falls on the kind of leadership that is in place, whether it is in business or in civil society. I realised early on in my career that the power to influence is rooted in one's style of leadership. Based on the leadership that I experienced in my formative years, I soon realised that I valued leaders that were real, open, raw and vulnerable. Leaders who had the courage to tell it like it is, but doing it from a place of wholeheartedness and worthiness. This, of course, comes with the hefty price tag called vulnerability.

The concept of vulnerability in leadership is often associated with weakness. As leaders, we would rather strive for perfection and not realise that it has nothing to do with healthy striving but a tool with which we protect ourselves. Just recently, at a women's day event hosted by my organisation, I came head to head with the 'authentic' in

authentic leadership. Our auditorium was filled with women in our organisation from all walks of life who hoped that this women's day event would be fresh and different from the ones they experienced previously. I was one of the panellists – a power-packed panel, if I might add. It was clear that each of us wanted to share openly about our life journeys, challenges, joys, as well as high and lows. I got a sense that these women wanted to make an impact that demonstrates that congruency in every aspect of our lives was the thing that had brought us freedom; it was the thing that we practised to unapologetically give others the space to accept us for who we are. This experience left me speechless as I could have taken the stance that I am new in this organisation and I should just take it easy and not give too much away in terms of who I am; but true to form, I showed up fully as I am and might have shared too much in other people's view. For me, therein lies the power of congruency and authenticity – the ability to create meaningful human connections. After the event, the feedback was humbling. Those women in that auditorium appreciated the candour



and authenticity of the conversations.

So, what is it about authentic leadership that resonates with most people? People have a need to know that they are fully seen. They have a need to know that although they might not get something right a hundred per cent of the time, the culture and the leaders within the environment have the courage to work with failure to create something that leads to success instead of punishment. As leaders, it is important to be aware that we cannot pretend that what we do does not have an impact on the people that we lead in our organisations.

For me, the freedom to be congruent is what authentic leadership is about. It is letting those you lead know that they are enough because they are, they are striving to become, to be better, to be a step farther than they were yesterday. All they need is a place, a person and an environment that helps them strip away the pretence so they can fully show up as they are and channel their talents to the betterment of themselves, their families, communities and society.

RENEWABLE ENERGY

EMPOWERING A CONTINENT

JULIAN JOHNSON – 35
Chief Operating Officer and Chief Financial Officer:
BioTherm Energy



ENERGY IS A DRIVING FORCE BEHIND ECONOMIES, DEVELOPMENT AND SOCIAL WELFARE. **CONSEQUENTLY, WE SHOULD PRIORITISE THE SUPPLY AND MANAGEMENT OF ENERGY RESOURCES WITHOUT DELAY**

Energy is defined as the ability to do work and provides us with the capability to operate mines, factories and cities, all of which creates jobs, homes, and improved living standards. Within emerging economies, there has been an improvement in access to electricity. However, the rate at which sub-Saharan Africa is able to provide universal access to electricity has been uneven and population growth rates have outpaced access rollout.

To enable communities, schools, hospitals and businesses to operate and grow, a reliable and cost-effective electricity supply is required. Where steep tariff hikes are levied to a point that is unsustainable for business, especially for energy-intensive users who employ a large proportion of blue-collar labour, the risk of job losses is high. With South Africa's already burgeoning unemployment rate, the country can ill afford any further net job losses.

Africa has access to significant biomass, geothermal, hydropower, solar and wind resources and available land on which to construct renewable energy facilities. Adding renewable energy into the energy mix as a meaningful component will assist the continent with its current needs and

ever-growing demand for electrification. Solar, as an example, could meet current demands of energy-intensive industries by providing cheaper energy to meet their production needs reducing their cost base with the positive knock-on impact on jobs and job security. With a reliable and cost-effective electricity supply, we could attract energy-intensive industries to Africa. This would create a positive impact on job creation, inflow of foreign direct investment, and growth of the economy.

Renewable energy is cost-effective with electricity prices from solar and wind energy consistently decreasing. It is quicker to construct and supply to off-takers compared to traditional forms of energy. Has a reduced impact on the environment and creates jobs and sustainable advances in often remote areas. Jobs are created across the value chain including component manufacture with skills development, knowledge share and further foreign direct investment in manufacturing facilities.

The cost to construct renewable energy facilities has fallen dramatically in recent years. This has contributed positively to the reduction in tariffs and is now in many instances cheaper than traditional energy

facilities.

Due to scalable technology, the construction of PV solar and onshore wind energy facilities takes significantly less time than the construction of more traditional energy facilities. It can therefore reach the market and consumers quicker, which will enable a more immediate impact on economic development.

Jobs are created through the construction and operations of renewable facilities, with local community involvement and ownership in these projects. A percentage of revenue is often earmarked for meaningful social and economic development programmes aimed at sustainable development and the upliftment of communities. 'Teach a man [and woman] to fish, and you feed him [her] for a lifetime.'

Renewable energy is cheaper to provide, faster to implement and better for the environment, consequently renewable energy can provide the electricity required to empower Africa.

All views expressed by the author are his own and do not represent the opinions of any entity whatsoever with which he has been, now or will be affiliated.

TRADITIONAL ACCOUNTING FIRMS

WHY CHANGE THE WAY WE DO THINGS?

WELMA DU PREEZ – 35

MD of Burger & Buurman Inc & My Digital Accountant (Pty) Ltd and Founder of My Digital Accountant (Pty) Ltd

I CAN ABSOLUTELY SEE A SUSTAINABLE FUTURE FOR TRADITIONAL ACCOUNTING FIRMS IN SOUTH AFRICA. HOWEVER, IN ORDER TO REMAIN RELEVANT, WE NEED TO MAKE SOME DRASTIC CHANGES

Traditional firms, in my opinion, are the firms that have been servicing their clients in a certain manner over many years. They are quite comfortable in doing things a certain way and are mainly focused on 'once a year' accounting and compliance work.

Our clients' needs are changing, and millennials will most probably be the majority of our client base in the near future – and they have different expectations. They want information at their fingertips and technology runs through their veins.

Traditionally our services are based around compliance. New start-up firms use new processes and technology to provide basic services at more affordable rates. That is why we need to offer more value to our clients. To be able to do this, we require up to date data. The way to achieve this is to have the right systems in place that will ensure that we are in control of obtaining that data from the relevant sources.

Manual processes take more than double the time of those driven by technology. We need to automate as much as we can and strive to go digital wherever possible.

The initial steps that practice owners will have to take are to accept that change is necessary and to embrace technology. Practice owners should take on the mindset of business owners and move out of the accountant's seat in order to have the time to drive change. It is essential that we do away with the 'once a year' mentality and acknowledge that up-to-date, timely reporting offers the client the opportunity to make better decisions, thus better value.

Digital and cloud-based automated applications allow us to work smarter and increase our efficiency. This leaves us with the time to supply more valued services to our clients and to build deeper relationships with them. Once we have established our clients' needs, we are in a position to create a solid client experience for them.

Our staff are obliged to be digitally aware and they should understand the need for these changes. Without a positive team supporting us during this transitioning, our efforts might deliver poor results. The vision of the entire team should be aligned as we work towards the same goals. A well-defined and appealing business culture and environment support the practice's vision and must appeal to staff and potential employees.



It is advisable to share our journey with our clients to enable them to understand the benefits and earn their trust that these changes will be beneficial to them. Digital transformation places us in a position to build on client relationships and offer more valued services.

Basic systems to start out with might include cloud-based workflow management applications and cloud-based bookkeeping systems which integrate with source document capturing applications. However, every firm is different and choosing where to start forms part of the initial planning and goal-setting process.

I am a firm believer that every good leader requires a mentor or coach to guide and motivate them through change. Even though it is possible to go through such a transition without the necessary guidance and support, establishing a support system that is able to guide you through change and hold you accountable on reaching your goals will have fruitful results in the long term.

As the Chinese proverb says: 'When the wind of change blows, some build walls while others build windmills.'

UPSKILLING FOR MILLENNIALS

Here are seven ways in which millennial CAs(SA) can upskill themselves to remain relevant in the SME space

The Fourth Industrial Revolution has changed how small medium enterprises (SMEs) operate, grow and scale. The skills that got us this far will not take us all the way into the future as business as we know it changes. But there are several ways in which to upskill yourselves:

- *Get cloud savvy.* Cloud accounting software like Xero (www.xero.com) is redefining how accountants perform their duties - making use of latest technology to simplify accounting. Its industry-specific Accounting Software App Marketplace allows scaling businesses to build world class finance functions at affordable costs using new cloud tools. As a CA(SA), move away from number crunching to interpreting dashboards for managers to make more informed business decisions to grow their businesses optimally.
- *Build your post-audit skillset.* It is important to have financial manager experience post audit articles. Get exposure in performing granular accounting and tax duties, as well as presenting management reports and cash flow forecasts to board of directors. These skills are vital in the workplace – and often missed out on while gaining audit experience.
- *Learn how to market and sell.* Growing SMEs require more from their CFO than just managing the finances. Contribute to the sales of the business by understanding how to market to your different customer segments and selling your product or service offering. This helps drive numbers instead of just reporting on them.
- *Understand innovative business models.* Industries have been disrupted by businesses with innovative business models. Become familiar with the different ways how tech and innovative businesses scale. Business Model Canvas is a great place to start.
- *Upskill on fundraising techniques.* Growing SMEs always require funding necessary to finance scaling opportunities. Business owners turn to their CFOs to assist with identifying scaling opportunities, identifying investors who have an appetite for investment as well as presenting these opportunities to investors for funding. Understand the fundraising landscape by sharpening your fundraising techniques and by broadening your network of potential funders.
- *Cost accounting and financial management are for decision-making.* Management needs to make informed business decisions necessary to scale the business optimally. Use cost accounting and financial management tools practically in the business to assist with this decision-making.
- *Grow your network.* The network partners of a business is important for the business to scale. Grow the businesses you work in and your career through meeting new people and growing your network intentionally.



Fund Raising Specialist

DANA PRETORIUS CA(SA)

Co-founder and director at Outsourced CFO

IN BRIEF

South Africa has an abundance of opportunities where CAs(SA) can add value to the SME community that will unlock growth, increase employment and contribute to the South African economy. Make sure you are on trend!



Business Innovator and Catalyst
PAUL PLUMMER CA(SA)
Founding Member of Blackslope

XENNIALS

The substance over form debate should explore the ingrained characteristics of the micro-generation of people currently in their thirties and falling in-between Generation X and the Millennials. The Xennials, being the first generation of Millennials, have a very different substance to the overall Millennial group.

THE MILLENNIAL MYTH

Why all this fuss about Millennials? It seems that every second culture expert and global study has a new solution for this very 'special' subset of our human race. Millennials include quite a diverse collection of micro-generations, the first of which tends to be quite relatable and old school

Daily we come across articles such as 'How Millennials need to be treated' and 'The way your organisation needs to adjust for Millennials'. If you get too caught up in all this Millennialism, you may find yourself erroneously reverse engineering your organisation to fit in with the perception of how this generation is made up of affirmation-seeking, flexi-hour-working job hoppers.

Thought leaders are pushing us to believe that this generation is unnecessarily needy, and come with much admin. When I say 'this generation', according to the experts I should technically be saying 'our generation' because if you, like me, are anywhere in your thirties, the chances are that you have been neologically typecast in the Millennial role.

All the Top 35-under-35ers in this issue would meet the 'Millennial' technical age requirements. But this can't be right: surely substance should take precedence over form?

The substance over form rule purports that we should explore the ingrained characteristics rather than using a blanket classification as we have done for Millennials. For example, the 'micro-generation' of people currently in their early and mid-thirties and falling directly after Generation X (born between 1961 and 1981), and technically classified as Millennials (born between 1982 and 1996), have a very different substance to the overall 'Millennial' classification. This first generation of Millennials (let us call them the Xennials) generally maintain the old-school work hard and survive attitude of the Xers whilst remaining as socially conscious and tech-savvy as Millennials.

They act as the double adapters of the generations adjacent to them and are able to easily communicate and work with both. The Xennials have an uncanny ability to deal with ambiguity and adopt and drive change, as this has been ingrained in them through-out their lives' circumstantial experiences.

Xennials went from calling home telephones to check with their friends' parents (who had M-Net) if they could visit to watch Will Smith in *Fresh Prince of Bel-Air*, to using the next generation iPhone to book and pay for Imax tickets to catch Will Smith in *I, Robot*. South African Xennials observed the Yes/No vote and the subsequent democratisation of South Africa under Madiba. As CAs(SA), the Xennial generation promptly ushered in IFRS, SOX, King, etc.

The diversity and extent of existential change that has shaped the Xennial generation has given birth to very effective communicators and relationship builders, which they can do both in real life or virtually. Xennials are relators, empathisers and agents of change. They are at their best when they can work hard and play hard whilst making a difference. Before you make any changes for Millennials, check first if they haven't already made the change themselves and brought the team along, because then chances are that they are a Xennial and you may not need to bother about treating them as a 'special' class.

THE 'ADULTING MAFIA'

7 January 2008 – a first-year CA trainee at Investec, bubbling with excitement. I was finally an adult! Finally! I was free to fulfil all my dreams! I could buy my dream car! I could buy ALL my groceries from Woolworths!



Life Coach

WADZANAI MABUTO CA(SA)

*Senior Lecturer at the Department
of Accounting at UJ*

When I completed my CTA year, I was convinced that a luminous pink unicorn would come down from the heavens, accompanied by symphonic melodies, to congratulate me. Instead, I was roundhouse kicked by an organised crime syndicate called the 'Adulging Mafia'.

The Adulging Mafia is a family that consists of five brothers that go by the names tax, medical aid, pension fund, life insurance, and the last-born called UIF. This family sounded all too familiar – I read about them all throughout my university studies. But I thought it was all fiction! This family actually exists in real life and is unapologetic about taking the first fruits of my hard-earned money!

Just as I was recovering from the reality of the permanent existence of this family in my working life, I was introduced to the fact that the Adulging Mafia have wives that also wanted to enjoy my money. Their wives went by the names of overdraft repayment for car deposit, car loan instalment, comprehensive car insurance, fuel and maintenance, rent, food, clothing, and basic upkeep. Yes, some brothers have more than one wife!

It was at this point that I had a sudden reality check and I had to adjust my dreams. A second-hand green Ford Fiesta would have to do (at least it had air conditioning) and a bag of golden delicious apples from Woolworths would suffice. Being an adult had become a non-event; I had even started craving the long hours spent studying in the University of Cape Town library.

This month, we focus on Millennials, a group of individuals that are either entering into adulthood or have been adulging for at least ten years. I form part of the latter group and I often reflect on what I could have done differently during my induction into adulging. I often take these reflections and embed them in my lecturing content as I grapple with financial principles with my students. I am a firm believer in standing on the shoulders of giants that have gone before you and to not repeat the same mistakes as your predecessors, or at least be more equipped to tackle the realities of life and adulging. Adulging is a huge shock to the system and involves many more complexities than just managing your finances well. Adulging presents a whole set of rules that are not mentioned in any textbook but that one needs to be prepared for or at least willing to accept that they are there.

THE ADULTING GUIDEBOOK

- Surround yourself with people who are in the same life stage as you. Sometimes all you need to know is that you are not alone.
- Talk to people that have gone ahead of you and ask them to share their insight into how they have tackled various aspects of life.
- Come up with a system that enables you to accomplish the various demands that adulging presents you with. Something as simple as drawing up a grocery list goes a long way.
- Draw up a budget and stick to it!

TRUST YOUR GUT

Today's business environment values data. We talk about the need to be data-driven, to drill down into the data, to harness the power of big data. And it's true – good data and data analysis can be invaluable. But sometimes our obsession with numbers and hard facts mean we neglect another powerful tool – our instincts

Words FR (Rhys) Robinson

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IN THE BUSINESS CONTEXT, TAPPING INTO THE POWER OF INTUITION CAN HELP PREVENT ANALYSIS PARALYSIS AND OVERTHINKING. IT DOESN'T MEAN THROWING OUT DATA – IT MEANS PAIRING IT WITH INSTINCT

We've all experienced a gut feeling. It might be an immediate reaction to a new colleague, a sudden insight into a problem, or a sneaking suspicion that something isn't quite right on a report. People like Richard Branson have famously been guided by instinct in taking investment decisions. In fact, there's even a documentary about him called *Raw Instinct*.

Whatever you call these instincts – gut feel, following your heart, or intuition – they can play a valuable role in the workplace. In fact, Gerd Gigerenzer, director of the Harding Center for Risk Literacy at the Max Planck Institute for Human Development in Berlin, says that in his work, he's found that roughly 50% of all business decisions boil down to gut feel. He says, 'Gut feelings are tools for an uncertain world. They're not caprice. They are not a sixth sense or God's voice. They are based on lots of experience, an unconscious form of intelligence.'

In a study published in *Current Biology* by researchers at University College London (UCL), participants were given a computer-based task and performed better when they were given less time to make their decisions. According to Dr Li Zhaoping of UCL's



of experience in making a certain type of judgement call. You're essentially running a situation and your response decisions through your internal database of similar experiences. For example, parents quickly become experts at spotting whether a child is legitimately ill enough to stay home from school or just looking for an excuse to bunk.

In the business context, tapping into the power of intuition can help prevent analysis paralysis and overthinking. It doesn't mean throwing out data – it means pairing it with instinct.

This plays out in being willing to take risks, which is how great businesses like Apple and Discovery have achieved success, and in giving credence to emotional and intuitive responses as well as purely logical ones. If your hiring manager has a strong gut feel about a candidate, it's a good starting point. He can then seek to back that response up with facts.

Instinct might be a starting point, but it doesn't negate research and attention to detail in implementation. You might have a hunch that a new service will be attractive to clients. The next step is then to test that hunch to see whether or not it's valid. You may have a feeling that there's something off about a set of financials. The next step is then to comb through them to try to pinpoint what that might be.

My point is that it's important not to discredit your gut feel, and to give yourself room to explore your intuition, while also gauging how it stands up to logic and the data available. I've seen this play out in business many times.

When my business partners and I first started our company, we did so based on a hunch that we could fill a need in the market. That was followed by market research, product development and lots of hard work. Ultimately, our gut feel proved true.

Tapping into your instinct instead of suppressing it can give you an edge and improve your decision-making. It can also save you from making mistakes and help you to respond more quickly. Next time your gut speaks up, honour it.

AUTHOR | FR (Rhys) Robinson PhD is the executive director of Infinitus Reporting Solutions (Pty) Ltd

Department of Psychology, 'Falling back on our inbuilt, involuntary subconscious processes for certain tasks is actually more effective than using our higher-level cognitive functions.'

That doesn't mean we should let our gut feelings dictate all decisions, however. Massimo Pigliucci, author of *Answers for Aristotle: how science and philosophy can lead us to a more meaningful life*, cautions that intuition is domain-specific. For example, a designer might rely on intuition in selecting between two layout options, but his intuition won't necessarily serve him as well when it comes to selecting equities. A professional tennis player will

rely on instinct to predict her opponent's next shot, but that doesn't mean she can predict a winning horse at the races.

Gut feelings are most useful for snap decisions relating to subjective or open-ended problems – for example if you need to choose between two styles of report formatting or if you have to decide who to partner with on a team project. Gut feelings are less helpful for complex, rational tasks, such as drafting a legal framework or drawing up a budget.

University of Hildesheim psychologist Carina Remmers says that you should also trust your gut when you've had a great deal



ReceiptBank™

Millennials now make up the largest single generation, which means they are the future of the accounting industry, both as clients, and as talent. Is your practice ready to attract the team to power your future?

You've heard the term millennial used but who actually qualifies as one? Technically, according to Pew, Millennials are those individuals born between 1981 and 1996, therefore ranging in age from 22 to 37 in 2018. More importantly though, these individuals are digital natives who grew up in the age of information.

Millennials have been in the workforce for 15 years now plus they also make up the largest part of the current workforce, so they have the power to transform the landscape by standing up for what they want. While research from IBM's Institute for Business value shows that their workplace needs are largely the same as their Gen X and Baby Boomer colleagues, they do unfortunately face several stereotypes.

The truth, according to a 2018 Deloitte report, is much simpler: millennials are tech-savvy and eager to contribute meaningfully in the workplace. Because

this generation has grown up in the age of information they are accustomed to having information at their fingertips. This translates to the ability to work remotely, find answers quickly and efficiently, and excel in an environment where they are responsible for the quality of their outputs.

In order for your firm to attract and retain top tier talent, it's important to take the needs of millennials into consideration. Here's how you can prepare your firm for the next generation, and attract the very best talent.

WHAT DO MILLENNIALS WANT IN THE WORKPLACE?

According to Deloitte's 7th annual millennial survey, the ability to attract and retain millennial talent is shaped by workplace culture, specifically flexibility and purpose.

In fact, 50% of participants identified flexibility (i.e. hours and location) as "very important" when choosing to work for an organization.

This same report shows that your next generation of talent values not being held to a strict schedule or fixed location. They also value trust, exhibited by firm owners and leaders when that sort of workplace flexibility is offered. Further, feeling trusted contributes to increased employee loyalty.

When it comes to a "purpose culture," this research shows that millennials want to feel like they are having an impact with the work they are doing. So, if you are looking to hire someone to drive all over town to collect shoeboxes of slips from clients and then sort, organize, and enter the data manually, on the whole millennials are simply not interested. This is where technology can do the heavy lifting for them, and for you.

PREPARE FOR THE FUTURE OF YOUR FIRM

Setting the tone for a flexible and purposeful work environment is crucial to meeting the needs of the next generation of talent within your firm. So, how can you establish these two values within your firm's culture? Technology goes hand in hand with flexibility and purpose.

Consider prioritizing integrated technology systems within your practice. Are you 100% on the cloud and using connected apps like Receipt Bank? If so, then you are probably already aware of how

easy it is for your team to do their job from just about anywhere, as long as they have their laptop and wifi. But if you haven't yet embraced technology, there's no better time to start than now.

Here's how you can use technology to attract (and retain) top tier talent from the millennial generation.

1. **Eliminate Geographic Restrictions:** Physical boundaries in accounting are receding. Many of our partner firms offer remote working options for their teams, giving them access to a larger pool of talent but also enabling a more cohesive team environment. Using technology to fully capitalize on the virtual flexibility opportunity, enables you to have the competitive advantage in attracting the best talent.
2. **Emphasize Productivity:** Instead of tracking hours worked, or employee inputs, monitor your team's outputs. This is a very compelling perk to candidates from the millennial generation who have a strong desire to be trusted in the workplace. Trust and empowerment can transform not only productivity, but also accountability for projects and client relationships.
3. **Establish a Firm for the Future:** Technology plays a major role in helping accountants and bookkeepers take their firm to the next level in today's ever-evolving society. Are your favourite clients the ones who you have to chase for paper receipts and invoices? Probably not. But those that run a digital back office make your job so much easier and allow you to provide services around

interpreting the data, instead of collecting it.

Because we are in the age of information, clients expect to have answers and access to financial data on demand. That same holds true to the next generation of talent. Millennials are not interested in chasing paper documents from clients or capturing data into a spreadsheet. Instead, they see value in having access to that data on demand so that they can focus on the more challenging and interesting areas of accounting.

Adriaan Basson and his team at Wingman Accounting emphasizes the importance of integrated cloud technology within their practice, "Cloud tech gives us the ability to tailor services to millennials, both as clients and as staff members." They know that millennials seek meaningful work. For them, the solution to meeting the needs of their next generation of talent was implementing Receipt Bank.

"Our last job advert got almost 600 applications. In the advert, we loudly proclaimed our use of cloud accounting software and Receipt Bank," says Adriaan.

The power to attract top-tier talent is at your fingertips. With a commitment to technology and an innovative mindset, you can seal the deal on the attracting millennial talent, and invest in your firm's future success.

Learn how you can implement our technology to go paperless, attract top tier talent, and set your firm up for success.

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THE STATE OF THE AUDITING PROFESSION WHERE TO FROM HERE?

The auditing profession has received a considerable amount of undesirable attention of late. Owing to the numerous recent corporate collapses and significant financial losses, the public is seeking answers and auditors have come under intensive scrutiny and criticism. Some believe that this may be due to an expectation gap that has developed between the users of the financial statements that are subject to the audit and the auditors who have clear roles and responsibilities

Words Hayley Barker Hoogwerf CA(SA)

MISCONCEPTIONS ABOUT THE ROLES AND RESPONSIBILITIES OF THE AUDITOR

After the financial crisis experienced at the dawn of the 21st century, and in response to the more recent corporate collapses, a question about why the auditors did not identify or give an indication of the early warning signs of these collapses has been raised. But, is this the role and responsibility of the auditor? Is it fair that the auditing profession is being slated for these corporate shortcomings? The current state that the profession finds itself in may very well be as a result of a lack of understanding of the role and responsibilities of an auditor.

An audit is not a guarantee against all things that can go wrong in the operations of an entity. According to the International Standards on Auditing (ISA), the auditor's opinion does not assure the future viability of the entity or the efficiency or effectiveness with which management

has conducted the affairs of the entity. An audit also does not assure the company's financial status, including items of a financial, risk, management or regulatory nature.

These misconceptions around the role and responsibilities of the auditor carry real risk to the economy.

There is a significant amount of focus on whether the level of audit quality has improved since the global financial crisis that was experienced in 2007. However, the question is whether a poor level of audit quality was responsible for this global financial crisis to begin with, or was this rather as a result of a market crisis, or even perhaps a failure of corporate governance?

This is also true for the more recent corporate collapses that the market has seen. What was the actual cause of these collapses? Was an audit failure the root cause of the collapse, and if so, was the root cause of the audit failure a gap in the standards or human/behavioural error? Or was this a failure of corporate governance, which could have included unethical behaviour of parties involved?

Nevertheless, with the revised SAICA Code of Professional Conduct having just come into effect in June 2019, it is a good time to remind ourselves that a distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. All chartered accountants (CAs(SA)) are obligated to comply with the requirements contained in the SAICA Code to fulfil and uphold their responsibility to act in the public interest.

LESSONS LEARNT

Management are ultimately responsible for preparing financial statements that fairly present the state of affairs and having a system of internal controls necessary to achieve this. An important lesson learnt from the financial crisis is that an audit performed in accordance with the desired level of audit quality cannot be expected to compensate for weaknesses in management taking responsibility and being accountable. A quality audit can also not be expected to address flaws in the

business model or the implementation of an inadequate risk management process.

All CAs(SA), including members in public practice (MIPP) and members in business (MIB), should take equal responsibility and should be equally accountable in terms of complying with the fundamental principles of an audit. Both MIPP and MIB are subject to the same standards of professionalism and ethics. As an example, auditors must be diligent in performing their work in accordance with the relevant codes, standards and laws and regulations. Similarly, preparers of financial statements, boards of directors, and the management and employees of organisations must be ethical in their business dealings.

A positive outcome of the corporate collapses was that it highlighted that the general public expects auditors to communicate more. The general public expects the communication of the auditor to provide a glimpse into the inside operations of an entity and where necessary, early warning signs of failures.

MANAGEMENT'S RESPONSIBILITIES

In addition to the misconceptions highlighted above, certain preparers of financial statements believe that the auditor is responsible for ensuring that the entity arrives at the right answer in finalising the preparation of the financial statements. However, this is the responsibility of management. The financial statements subject to audit are those of the entity, prepared by management of the entity with oversight from those charged with governance. The auditor is only responsible for expressing an opinion on the preparation and fair presentation of the financial statements. In many instances, management and the audit committee are at the forefront of this expectation; yet they maintain a strong view that auditors are independent.

The ISAs do not impose responsibilities on management and do not override laws and regulations that govern their responsibilities. However, an audit in accordance with ISAs is performed on the premise that management have acknowledged certain responsibilities that are fundamental to the conduct of the audit. The audit of the financial statements does not relieve management

or those charged with governance of their responsibilities.

Furthermore, the auditor's report includes a statement of management responsibilities, where it is stated that the directors are responsible for the preparation and fair presentation of the financial statements and such internal controls as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is therefore responsible for the design and implementation of a system of internal controls necessary to enable the preparation of financial statements that are free from material misstatement.

CURRENT WEAKNESSES OF AN AUDIT

Although an audit does have the effect of reducing the cost of capital, since the audit only deals with historical financial information, audited historical financial information is of less relevance and little value to capital markets. Investors are more interested in facts that have an impact on the share price and organisational value than in annual reports that include financial information on the past performance of the entity.

In terms of the requirements of the ISAs, the auditor must obtain an understanding of the entity's business strategy and system of internal controls. There is, however, no requirement for the auditor to communicate these in the auditor's report. This information may be useful to the market and perhaps more transparency around reporting on these will enhance the perceived value of an audit.

There is a tension between the need for the auditor to ask the difficult questions and exercise professional scepticism in assessing management's response thereto and maintain positive relations with the entity as a business client. The existence of an independent audit committee relieves this tension to some extent.

The increased complexities of accounting standards, as well as the drive towards auditing towards a single set of standards to achieve a consistently high audit quality, have resulted in a disproportionate amount of time being spent on compliance. This has hindered professionals with

questioning minds from either entering the profession or, once in the profession, from using their initiative in determining the best audit approach.

THE FUTURE OF THE AUDITING PROFESSION

An audit performed in accordance with the applicable pronouncements, including relevant quality control standards and the respective codes of conduct of SAICA and the Independent Regulatory Board for Auditors, is designed to enhance the degree of confidence of the intended users about whether the financial statements fairly present, in all material respects of the financial position, financial performance and cash flows for the period under review.

For the auditing profession to remain relevant in serving the public interest by enhancing the trust and credibility of financial information, it is imperative that the profession continues to perform audits that achieve the desired level of audit quality.

A question has been raised as to whether an audit invented today would take the same form as the audit as we know it today.

In terms of the current scope of an audit as prescribed by the ISAs, the auditor is not responsible for the detection of fraud. Is it time for the scope of an audit to be amended to include this? Should the nature of an audit transform to a continuous process which is performed throughout the period? Should the auditor focus on forward-looking information that is of more relevance to the capital markets?

It is time for the difficult questions to be raised by the stakeholders and answered by the auditing profession. If the current nature and scope of the audit of historical financial information needs to change to meet the expectations of the stakeholders, regulators and other professional bodies need to invest the time in understanding the needs of the market, including the expectations and take the appropriate action to address these needs.

AUTHOR | Hayley Barker Hoogwerf CA(SA) is a Project Director: Assurance at SAICA



BMW X5

M50d

BMW HAS LAUNCHED THE ALL-NEW X5 EARLIER THIS YEAR IN SOUTH AFRICA. THIS NEW X5 HAS A NEW CHASSIS SET, NOT TO MENTION A WHOLE NEW LOOK

Up front, the most noticeable change in the new X5 is the updated grill, which is much larger, and a new, sharper bonnet, which has much more distinctive lines. The new headlights have optional laser lights. From the side view, the X5 still retains its boxy presence and a rather high stance. The front-wheel archers now incorporate an air duct that is used to improve aerodynamics while giving the vehicle a sportier look. The largest change is to the rear, which has a totally new façade. This new taillight cluster has an American look. It has become much more rectangular, which does lend an air of sophistication to the vehicle.

The split rear tailgate, which is an X5 trademark, now has an optional electronic opening and closing for both top and bottom opening.

The new interior also takes things to the next level. The first thing your eye catches is the optional extra Swarovski crystal gearshift. As you hop into the super-soft seats, you can only but feel like you have arrived. The new dash layout has a full digital display for the instrument cluster and a large centre display that is now seamlessly incorporated into the dashboard. The test vehicle had the M sport steering wheel, which is always sporty and chunky, making it easy to manoeuvre the vehicle at higher speeds. The updated i-Drive system now has a number of shortcuts to ensure ease of use while driving. The vehicle also came with an Apple play system which worked



ENGINE
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well when it connected. What I did find, though, is that there were times when you had to manually connect the phone and the system. This did become a bit annoying, as you assumed that it did connect. That said, I believe that BMW has sorted the issue out since.

The rear space is massive and very comfortable for up to three adults. The wide-opening doors make getting in and out of the vehicle easy. The boot space is decent as well, with a new feature of having the split tailgate fully electric. Simply put, when loading items, a simple press of a button or swiping your foot below the tailgate and the top and bottom section of the tailgate opens and then a simple press of the button and both close simultaneously. Another cool feature that is available on the X5 is the mobile key, which means

you or anyone who has the mobile key can use the vehicle. The master mobile key holder can simply message a temporary or permanent key to anyone from anywhere as long as they have mobile connectivity. Once you have the key, it is just a matter of holding the phone close to the door handle and it unlocks. Then jump in and press the start button. The rest, as they say, is history, just like the future of physical keys.

On the road, the new X5 is simply brilliant. The sound deadening has been taken to a new level with very little to no noise entering the cabin except for the growl of the engine. In the 50d guise, this 3,0-litre motor instantly activates your goosebumps while your ears cannot believe that this is a diesel motor. This is possibly the

best-sounding diesel I have ever driven. What's even more is that there is ample power and grit to match the growl.

So, whether you are racing between traffic lights or just need additional towing power, this vehicle can do it all. Even though the majority of owners of this vehicle will never take it off-road, the new xDrive system does make this a rather capable vehicle off the beaten track.

On the whole, the new X5 has definitely raised the bar in the luxury SUV market, not just in styling and design but in function and technology as well.

AUTHOR | Torque Talk is a member of SAGMJ

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TERRITORIALITY PART 1

THE STATUTORY RESIDENCE TEST

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60 MIN



**IN THIS MONTH'S ISSUE,
WE'RE TAKING UP THE THEME
OF TERRITORIALITY WITH THE
FIRST IN A SERIES OF PIECES
ON THIS TOPIC**

In this issue, we'll be focusing on the UK's statutory residence test (SRT), which is used to assess if an individual is UK resident for income tax and capital gains tax purposes. Different rules apply when examining if a company or trust is UK resident for tax purposes.

The SRT is also relevant to the concept of deemed domicile for inheritance tax which we'll be looking at in a later issue.

Residence and domicile are important connecting factors for UK tax purposes – we'll be examining domicile in more detail next month.

OVERVIEW OF THE SRT

The SRT legislation was introduced in the Finance Act 2013 and was designed to provide individual taxpayers with certainty over their UK tax residence position. The UK comprises England, Scotland, Wales and Northern Ireland, and includes its territorial waters and designated continental shelf. However, the UK does not include the Isle of Man or the Channel Islands.

The SRT legislation comprises three components which should be considered systematically and in the specific order set out below:

- The automatic overseas test
- The automatic UK test, and
- The sufficient ties test

If, for a given tax year, an individual meets any of the automatic overseas tests, they will be treated as non-UK resident for the tax year in question even if they also meet one of the automatic UK tests (such cases would be rare). The automatic overseas test is therefore the first component which should be considered.

If none of the automatic overseas tests is met, then the automatic UK tests should be considered. An individual is deemed UK resident if any of the automatic UK tests apply.

If an individual does not satisfy either the automatic overseas test or the automatic UK test, the sufficient ties test is then considered. The individual will be UK resident if they have sufficient ties for the tax year when combined with the number of days spent in the UK.



Note that an individual's residence is determined for each tax year separately. Therefore residency status must be re-assessed every year, meaning an individual's status will depend on the facts and circumstances of that particular year.

DAYS SPENT IN THE UK

As set out below, all the SRT tests require an individual to count the number of days they have spent in the UK in the particular tax year. The general rule is that if someone is in the UK at the end of the day, that is midnight, then that is considered a day spent in the UK.

However, certain transit days and a maximum of 60 days of exceptional circumstances (where an individual has no choice concerning the length of time they spend in the UK) are not counted as UK days. A 'deeming rule' should also be considered, which means that, if certain conditions are met, an individual can be treated as being in the UK for a day even though they were not present in the UK at midnight.

AUTOMATIC OVERSEAS TEST

An individual will be treated as non-resident if any of the following three automatic overseas tests are met:

- **First automatic overseas test** The individual was resident in the UK for one or more of the previous three tax years but, in the relevant tax year, they spent less than 16 days in the UK.
- **Second automatic overseas test** The individual was not resident in the UK for any of the previous three tax years and spent less than 46 days in the UK in the relevant tax year.
- **Third automatic overseas test** In the relevant tax year the individual 'works full time overseas' (as specifically defined).

If the individual does not meet any of the automatic overseas tests, the automatic UK tests are considered next.

AUTOMATIC UK TEST

An individual will be treated as UK resident if any of the following three automatic UK tests are met:

- **First automatic UK test** The individual spent at least 183 days in the UK in the tax year.
- **Second automatic UK test** This test applies if the individual 'has a home in the UK' (as specifically defined) for all or part of the tax year.

TERRITORIALITY PART 1

THE STATUTORY RESIDENCE TEST

- **Third automatic UK test** The individual ‘works full time in the UK’ (as specifically defined) for any period of 365 days.

If the individual died in the relevant tax year, some additional specific tests for deceased persons may require consideration under both the automatic overseas test and the automatic UK test.

SUFFICIENT TIES TEST

If the individual does not meet any of the automatic overseas tests or any of the automatic UK tests, the ‘sufficient ties test’ must finally be used to determine whether the individual is resident or non-resident in the UK.

This test seeks to establish the level of connection (that is, the number of ties) an individual has to the UK. If sufficient ties are recognised, when combined with the individual’s UK day count in the relevant tax year, then the individual is considered resident in the UK. The ties which must be considered are:

- **Family tie** Satisfied if their spouse/ civil partner, partner or minor child are UK resident in the relevant tax year.
- **Accommodation tie** Satisfied if they have a ‘place to live’ (as specifically defined) in the UK.
- **Work** Satisfied if they ‘work in the UK’ (as specifically defined) for at least 40 days in the tax year (whether continuously or intermittently).
- **90-day tie** Satisfied if an individual spent more than 90 days in the UK in one or both of the previous two tax years, and
- **Country tie** Satisfied if the individual spent more days in the UK than in any other country during the tax year (only relevant if the individual is a leaver who was UK resident for one or more of the previous three tax years)

Residency status under this test is determined by the number of days spent in the UK and the number of ties that must apply as set out in the table above which has been adapted from HMRC’s guidance in this area:

DAYS SPENT IN THE UK	ARRIVERS*	LEAVERS**
Less than 16 days	Always non-resident	Always non-resident
16–45 days	Always non-resident	UK resident if at least four ties apply
46–90 days	UK resident if all four ties apply	UK resident if at least three ties apply
91–120 days	UK resident if at least three ties apply	UK resident if at least two ties apply
121–182 days	UK resident if at least two ties apply	UK resident if at least one tie applies
183 or more days	Always UK resident	Always UK resident

*Country tie is not relevant.

**UK resident in one or more of the previous three tax years – country tie must also be considered.

This test therefore distinguishes between individuals who were resident in the UK in any of the previous three tax years and those who were not. As a result, if someone was resident in one or more of the previous three years, there is a higher chance of being classed as resident in the current tax year compared to someone who was not resident in any of the three preceding tax years.

As set out in the table, the more days an individual has spent in the UK, the fewer number of ties are needed to be treated as UK resident, and vice versa.

SPLIT-YEAR TREATMENT

Typically, if a person is deemed to be UK resident under the SRT, they are treated as resident for the full tax year. However, in certain circumstances it is possible to split the tax year into two parts – one part where the individual is treated as UK resident and the other where they are treated as non-UK resident. This is known as split-year treatment (SYT). However, SYT does not apply to an individual who is non-UK resident.

HMRC has identified the following eight circumstances, or cases, when the SYT can apply:

- If leaving the UK:
 - ▶ Case 1 – starting full-time work overseas
 - ▶ Case 2 – accompanying a partner overseas, and
 - ▶ Case 3 – ceasing to have a home in the UK
- If arriving in the UK:
 - ▶ Case 4 – starting to have a home in the UK only
 - ▶ Case 5 – starting full-time work in the UK
 - ▶ Case 6 – ceasing full-time work overseas
 - ▶ Case 7 – returning/relocating to the UK with your partner, and
 - ▶ Case 8 – starting to have a home in the UK

Each case has specific and detailed conditions that need to be met. If the conditions for any of the cases are met, SYT applies automatically. It is therefore not possible to elect out of SYT. The legislation also sets out the priority for cases, where the conditions for more than one SYT case are satisfied.

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VALUE MISMATCHES

IN ASSET-FOR-SHARE TRANSACTIONS

CPD
60 MIN

THIS ARTICLE EXPLORES THE VALUE-MISMATCH ISSUES IN RESPECT OF SPECIFIC ASSET-FOR-SHARE TRANSACTIONS

Companies often finance the acquisition of assets through the issue of their own shares. From a normal tax point of view, this will not have consequences for the company issuing the shares. The person disposing of the asset, on the other hand, to a company in exchange for a share issue generally realises a capital gain or loss in respect of capital assets (and gross income in the case of trading stock assets).

South Africa introduced special rules, or the corporate rollover rules as they are colloquially known, to provide relief for the tax consequences that arise where assets are disposed of to a company in exchange for shares. The 2002 Explanatory Memorandum (to the amendment bill) explained that internationally these measures 'are generally based on the view that where the group or the shareholders have retained a substantial interest in the assets transferred, it is appropriate to permit the tax-free transfer of assets to the entity where they can be most efficiently used for business purposes'.

It was assumed that asset-for-share transactions are performed on a value-for-value basis, but it was recognised that schemes with uneven exchanges will allow for value to be transferred without triggering tax consequences.

THE ASSET-FOR-SHARE TRANSACTION

It is appropriate to explain when a transfer of an asset will constitute an asset-for-share transaction. The asset-for-share transaction applies where assets are disposed of to a company under certain specific circumstances. This is defined in section 42 of the Income Tax Act 58 of 1962 (the Act). For the purposes of section 42,

'[An] "asset-for-share transaction" means any transaction –

- (i) in terms of which a person disposes of an asset (other



than an asset which constitutes a restraint of trade or personal goodwill), the market value of which is equal to or exceeds –

- (aa) in the case of an asset held as a capital asset, the base cost of that asset on the date of that disposal; or
- (bb) in the case of an asset held as trading stock, the amount taken into account in respect of that asset in terms of section 11(a) or 22(1) or (2),

to a company which is a resident, in exchange for the issue of an equity share in that company and that person –

- (A) at the close of the day on which that asset is disposed of, holds a qualifying interest in that company; or
 - (B) is a natural person who will be engaged on a full-time basis in the business of that company ... of rendering a service; and
- (ii) as a result of which that company acquires that asset from that person –
 - (aa) as trading stock, where that person holds it as trading stock;
 - (bb) as a capital asset, where that person holds it as a capital asset; or



(cc) as trading stock, where that person holds it as a capital asset and

that company and that person do not form part of the same group of companies ...'

The asset-for-share transaction, in its simplest form, is a barter transaction. The one party (person) to the transaction must be a company which is a resident of the RSA (or a portfolio of a collective investment scheme). The other party, the person disposing of the asset, can be a company, a natural person or a trust. This article will not deal with hybrid transactions: a disposal of an asset in exchange for equity shares together with any other consideration, or the assumption of debt.

The special rules apply where the person has a substantial interest in the company. This

substantial interest is referred to, for purposes of the asset-for-share transaction, as a 'qualifying interest'. For purposes of this article, a 'qualifying interest' of a person means equity shares held by that person in a company that constitute at least 10% of the equity shares and that confer at least 10% of the voting rights in that company. For the transaction to be an asset-for-share transaction, the person (who disposed of the shares) must, at the close of the day on which that asset is disposed of, hold a qualifying interest in that company.

THE NORMAL TAX CONSEQUENCES OF THE ASSET-FOR-SHARE TRANSACTION

Section 42 applies to the disposal of an asset by a person to a company unless the person and the company agree in writing that this section does not apply – see section 42(8A)(a). But how is the tax-free transfer of assets to the entity achieved if the parties didn't opt out of the application of section 42?

The person who disposes of the asset to a company in terms of an asset-for-share transaction is deemed to have disposed of that asset for an amount equal to the base cost of that asset on the date of that disposal; and, as far as trading stock is concerned, for its section 11(a) or 22(1) or (2) value, and in the case of such livestock or produce, the amount taken into account in respect thereof in

VALUE MISMATCHES

IN ASSET-FOR-SHARE TRANSACTIONS

terms of paragraph 5(1) or 9 of the First Schedule.

There are some special principles that apply when, for instance, an election in respect of an asset has been made under paragraph 65 or 66 of the Eighth Schedule, but it will not be dealt with in this article.

For the person disposing of the assets in exchange for the shares of the company, the rollover (or so-called 'tax-free' result) follows from the fact that the proceeds or amount received is deemed to be the same as the base cost or cost, respectively. It is not that the asset-for-share transaction is 'tax-free', there is just no capital gain or recoupment at the time. The tax consequences are postponed until the person disposes of the equity shares.

Of course, if the company subsequently disposes of the assets, capital gains or recoupments would accrue to the company. There are some anti-avoidance provisions here, but for purposes of this article, they are not covered as they are not relevant to the issue. The principle is that the company acquires the assets, or trading stock, at the base cost or cost thereof from the disposer – the company effectively steps into the shoes of the disposer in this respect (they are treated as one and the same persons).

CONTRIBUTED TAX CAPITAL

It is important to understand how the value of the contributed tax capital is determined in respect of the equity shares issued to the person who disposed of the assets to the company.

Section 42(3A) deals with this and reads as follows:

'For the purposes of the definition of 'contributed tax capital', if an asset is disposed of by a person to a company in terms of an asset-for-share transaction [as defined above] and that person at the close of the day on which that asset is disposed of holds a qualifying interest [at least 10% per cent of the equity shares and that confer at least 10% per cent of the voting rights in that company], the amount received by or accrued to the company for the issue of the shares is deemed to be equal to –

(a) if the asset is trading stock, the amount taken into account by that

person in respect of the asset in terms of section 11(a) or 22(1) or (2); or

(b) if the asset is an asset other than trading stock, the base cost of that asset determined at the time of that disposal in relation to the person disposing of that asset.'

The above doesn't apply in respect of any asset-for-share transaction in terms of which a person disposes of an equity share in a listed company or in a portfolio of a collective investment scheme in securities to any other company under certain circumstance or disposes of an asset to a portfolio of a hedge fund collective investment scheme. They are however not dealt with in this article.

Section 42(3A) also specifically deals with an asset-for-share transaction where the person is a natural person who will be engaged on a full-time basis in the business of that company or a controlled group company in relation to that company of rendering a service. But that is also not relevant to this article and the contributed tax capital under those circumstances will not be dealt with in this article.

SO, WHERE DOES THE VALUE-MISMATCH THEN ARISE?

As was explained above, under an asset-for-share transaction, the principle is that the transaction happens at cost. The tax consequences for the parties to the asset-for-share transaction are therefore determined with reference to this cost. Another important requirement for the transaction to be an asset-for-share transaction is that the market value of the asset exchanged for equity shares is equal to or exceeds its base cost or cost (trading stock or livestock). The value mismatch would then arise if the market value of that asset and the market value of the equity shares acquired differs.

The general principle with regard to the valuation of an amount for purposes of a barter transaction (and applicable to transactions for income tax purposes) was stated by Judge Binns-Ward in the South Atlantic Jazz Festival case as follows:

'In an ordinary arms' length barter transaction, the value that the parties to it have attributed to the goods or supplies that are exchanged seems to me, in the absence of any contrary indication, to be a reliable indicator of their market value.'

Section 24BA of the Act was introduced to specifically deal with value-mismatches. When the section was introduced into the Act it was stated, in the 2012 Explanatory Memorandum, that 'the transferor is deemed to have disposed of the asset for an amount equal to the market value of the shares after the acquisition'. This statement was made with reference to the now-deleted section 24B. It was explained that, as 'a matter of principle, the provisions of section 24B generally assume that asset-for-share transactions are performed on a value-for-value basis. However, schemes with uneven exchanges allegedly allow for value to be transferred without triggering the appropriate tax due.'

The Eighth Schedule contains rules dealing with value shifting arrangements. The primary purpose of these rules is to prevent the shifting of value between shareholders (as well as beneficial owners of trusts and partnerships) without constituting a disposal for capital gain purposes. These value shifting rules will often not apply to an asset-for-share transaction. This will be where the asset-for-share transaction is used in a company formation transaction and the transferor didn't hold shares in the company prior to the transaction; or 'a formal "connected person" relationship is often lacking in many anti-avoidance transactions of this nature' – the latter is according to the Explanatory Memorandum.

Section 24BA(2) is really the operative section in this respect and reads as follows:

'Subject to subsection (4), this section applies where –

(a) in terms of any transaction, a company, for consideration, acquires an



asset from a person in exchange for the issue by that company to that person of shares in that company; and

- (b) the consideration contemplated in paragraph (a) is (before taking into account any other transaction, operation, scheme, agreement or understanding that directly or indirectly affects that consideration) different from the consideration that would have applied had that asset been acquired in exchange for the issue of those shares in terms of a transaction between independent persons dealing at arm's length.'

It introduces the 'consideration that would have applied had the person been independent persons dealing at arm's length' principle.

Section 24BA(4) provides for the instances where section 24BA(2) (or the arm's length consideration) doesn't have to be applied. Subsection (4) reads as follows:

'Section 24BA must not apply where a company acquires an asset from a person as contemplated in subsection (2)(a) if –

- (a) (i) that company and that person form part of the same group of companies immediately after that company acquires that asset; or
- (ii) that person holds all the shares in that company immediately after that company acquires that asset; or
- (b) paragraph 38 of the Eighth Schedule applies.'

With respect to the exclusion in a 'same group of companies', it is important to note that the determination of whether the parties form part of the same group of companies is made immediately after the company acquired the asset. The important principle is that the section 24BA anti-avoidance rules do not apply to transactions occurring between companies within the same group.

A special exception is also made for wholly owned subsidiaries. According to the 2013 Explanatory Memorandum, 'the fair market

value mismatch rules do not apply if any person [not just a company] transfers assets to a wholly owned subsidiary [meaning that individuals or trusts making a transfer of this nature are now free from the fair market value mismatch rules]'. The word 'subsidiary' is generally not used where the holder of shares is an individual or a trust, but the part in brackets confirm that section 24BA would not apply if the individual or trust holds all the shares in the transferee company.

Paragraph 38 applies, relevant to this article, where a person disposed of an asset by means of a donation or for a consideration not measurable in money or to a person who is a connected person in relation to that person for a consideration which does not reflect an arm's length price. It is explained, in the 2013 Explanatory Memorandum, that 'the deemed market rules of paragraph 38 of the Eighth Schedule take precedence over the new anti-avoidance rules. Hence, if a disposal is deemed to occur at fair market value under paragraph 38, the new fair market value mismatch rules do not apply.'

WHAT ARE THE TAX CONSEQUENCES WHEN SECTION 24BA DOES APPLY?

Section 24BA(3) states that:

'[W]here a company acquires an asset from a person in exchange for the issue by that company to that person of shares in that company ... and the market value of –

- (a) that asset immediately before that disposal exceeds the market value of the shares immediately after that issue, the amount of the excess must –
- (i) be deemed to be a capital gain in respect of a disposal by that company of the shares; and
- (ii) where those shares are acquired by that person as-
- (aa) a capital asset, be applied to reduce any amount of expenditure incurred by that person in acquiring those shares that is allowable in terms of paragraph 20 of the Eighth Schedule; or
- (bb) trading stock, be applied to reduce any amount that must be taken into account by the person in respect of the shares in terms of section 11(a) or 22(1) or (2); or
- (b) the shares immediately after that issue exceeds the market value of that asset immediately before the disposal, the amount of the excess must, for the purposes of Part VIII, be deemed to be a dividend as defined in section 64D that –
- (i) consists of a distribution of an asset in specie; and
- (ii) is paid by the company on the date of that issue.'

This will therefore result in normal tax or dividend tax consequences. It should be noted that this expenditure incurred is not subject to adjust by the share value mismatch rules.

CONCLUSION

It follows that value-mismatches should be considered where the qualifying interest, after the asset-for-share transaction, is less than 100%. Irrespective of the value of the 'contributed tax capital', where there is a difference between the value of the asset and the value of the shares, determined on an arm's length basis, there will be tax consequences for the parties and it will not be a 'tax-free transaction'.

THE NEW EXPAT TAX

ON INCOME EARNED ABROAD

AUTHOR | LAMEEZ ARENDSE, TAX COMPLIANCE CONSULTANT, RSM SOUTH AFRICA

FROM 1 MARCH 2020, SOUTH AFRICAN RESIDENTS WHO SPEND MORE THAN 183 DAYS IN EMPLOYMENT OUTSIDE THE COUNTRY WILL BE SUBJECT TO TAXATION, IN SOUTH AFRICA, ON ANY FOREIGN EMPLOYMENT INCOME THAT EXCEEDS R1 MILLION (PROVIDED THAT ALL OTHER CONDITIONS ARE MET). WHAT WILL BE THE TRUE COST OF THIS AMENDMENT FOR ORDINARY SOUTH AFRICAN EXPATS)

Her South African tax position can be analysed as follows:

	SA TAX POSITION: pre-amendment	SA TAX POSITION: post-amendment
Earnings	AED400 000	AED400 000
Estimated rate of conversion	AED1: ZAR4,06	AED1: ZAR4,06
Earnings in ZAR	R1 624 000	R1 624 000
Less: Foreign service exemption	(R1 624 000)	(R1 000 000)
Taxable income	R0	R624 000*
Normal tax payable	R0	R174 567
Less: Primary rebate	(R14 220)	(R14 220)
Less: Foreign tax credits	(R0)	(R0)
Tax payable for the year	R0	R160 347

*This calculation was prepared using tax rates applicable to the 2020 year of assessment.

The South African expatriate population consists mainly of students and skilled individuals who seek opportunities to gain international experience. Countries such as Australia, the United Kingdom (UK) and the United Arab Emirates (UAE) have proven to be attractive employment destinations and are known to host some of the largest South African expat communities.

It is commonly known that while many expats look forward to better job prospects and an increased standard of living, the vast majority are still required to provide financial assistance to their families who remain behind in South Africa. Ordinary South African expats may therefore be faced with a further financial burden on the basis that they may be required to settle an additional tax bill.

Consider the following scenario:

Ms X is a 38-year-old South African tax resident who renders employment services in Dubai. In addition to satisfying her own costs of living, she regularly transfers amounts to her elderly South African parents to assist them in meeting their obligations.

Ms X does not derive income from any other sources and does not qualify for any additional tax deductions.

From the above it is evident that going forward, Ms X will be required to set aside a substantial amount to cover her South African tax expense. More specifically, expats working in other zero or low tax jurisdictions may suffer a similar fate when it comes to their South African tax costs.

The volatile nature of the economy further raises concerns regarding exchange rate fluctuations. An expat may end up with a higher tax liability as a result of a weaker rand. In addition, the extent to which foreign tax credits may be claimed (in instances where the expat has already paid tax on the same income in a foreign jurisdiction) is unclear at this stage and may cause a sense of uncertainty as it relates to an expat's true tax position.

Both National Treasury and the South African Revenue Service (SARS) have expressed their commitment to working through such uncertainties before the effective date.

CONCLUSION

Inflated tax costs together with a high cost of living, compulsory social security contributions (for which no credits are granted in SA) and the maintenance of a family may render an expat in a less than favourable financial position. Adequate financial and tax planning is, therefore, essential.

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market related. Corporate finance positions available at highly reputable corporate finance advisory firms and investment banks. CA(SA) / CFA / similar with min 3 yrs comprehensive deal-making exposure, transaction knowledge (M&A, listings, capital markets, BEE etc.), valuations and advanced financial modelling exp. Strong academic track records. melanie.smit@adcorpgroup.com

Advisory and Investments

TECHNICAL ANALYST

R800K - R700K. CA(SA) with excellent academic grades and technical accounting exp with knowledge of IFRS and accounting best practices including IFRS 17. Provide specialist advice and guidance on IFRS, external reporting trends and best accounting standards. Rewarding environment for subject matter expert. lori.dezorzi@adcorpgroup.com

Finance and Auditing

FINANCE BUSINESS PLANNING ANALYST

R1.3m - R1m. Well-established pharmaceutical company is looking for a vibrant CA(SA) with 5-7 yrs post articles exp from pharmaceutical / FMCG environment. All-encompassing role requiring a strong understanding of manufacturing and distribution. Hands-on, detailed orientated individual to assume responsibility for forecasting, business analysis, expense monitoring and strategy. High level of SAP and Excel knowledge ess. The ideal candidate will be required to report to stakeholders. karabo.mahlakwane@adcorpgroup.com

FINANCIAL ACCOUNTANT

R900K - R600K. Exciting opportunity for an energetic professional to join a large well-established global organisation. Your solid accounting skills coupled with extensive SAP (GUI) experience will make you a viable candidate for this exciting opportunity. Full accounting function up to financial statements. International exposure will be beneficial. CA(SA) / CIMA or equivalent. melanie.smit@adcorpgroup.com

IT AUDIT MANAGER - BANKING

R750K neg. This senior IT audit role requires working closely with the head of internal audit and taking a lead in ensuring the maintenance of the internal audit universe, in particular the application of the IT audit framework. BCom IS / Hons / CISA / CISM with 4-6 yrs IT audit exp in banking. Hands-on role requiring a knowledge of application control reviews, general controls, information security testing and data analytics pref. A solid understanding of the banking environ and a reasonable understanding of relevant regulations adv. Streamlined banking environment for a 21st century auditor. lori.dezorzi@adcorpgroup.com

Finance and Auditing

FINANCIAL MANAGER

R850K neg + bonus. Hands on CA(SA) with 4-5 years commercial exp for thriving niche business owned by renowned investment holding company. Work closely with the CFO & COO to drive business process improvements and efficiencies including streamlining reporting processes and identifying cost saving opportunities for the business. Assist with M&A projects. rick.branca@adcorpgroup.com

Finance

FINANCIAL MANAGER: INVESTMENTS

R700K neg. BCom (Hons) with 7 yrs exp in financial management pref investments. Be responsible for year-end audit and shareholder reporting, monthly and quarterly preparation of financials and reporting thereof, board minutes and adhoc projects. Work with a small and specialised team. jann.barron@adcorpgroup.com

Recent CAs

FINANCIAL MANAGER

R720K - R630K. A reputable financial services firm is looking for an energetic and outgoing CA(SA) with 0-2 yrs post articles exp to join the team. SQL exposure as well as a strong eye for detail and the ability to learn quickly will add value to the small but high achieving team. karabo.mahlakwane@adcorpgroup.com

PROJECT ACCOUNTANT - RETAIL BANKING

R600K + bonus. Newly qualified CA(SA) with strong communication skills and academic track record for banking giant. Provide end-to-end financial support to several business units including the preparation and analysis of management accounts. Ad hoc projects including competitor analysis and business process enhancement will ensure constant challenges. EE pref. rick.branca@adcorpgroup.com

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