



Members' Update – September 2004

Recent highlights

The Minister of Finance, Mr Trevor Manuel, presented ACCA's inaugural Sustainability Reporting Awards at a ceremony in July. To extensive media coverage, Anglo Platinum received the award for Best Sustainability Report. British American Tobacco took top honours in the social category, winning the Best Reporting in Stakeholder Engagement Process. Sasol was awarded the Runner Up, Best Sustainability Report and MTN received a commendation for Sustainability Reporting.

ACCA South Africa's Centenary Business Seminar on "The future of corporate reporting" took place on 29 July. The media covered the points made at the conference by Phil Armstrong, the main editor of the King Report on Corporate Governance, as well as comments by Roger Adams, ACCA's Executive Director: Technical. The event was preceded by a special survey in Business Day on ACCA and the centenary, as well as its achievements in the ten years since re-establishment in South Africa.

ACCA was the main sponsor of the bi-annual conference of the South African Accounting Academics Association (SAAA), held in Durban during July. There were over 400 delegates, including many from foreign countries, as the event was combined with the conference of the International Association of Accountancy Education and Research (IAAER). ACCA was represented at the conference by Roger Adams, ACCA's Executive Director: Technical and Mike Walsh, Director of Special Projects as well as staff of ACCA South Africa.

Derek Hanekom, deputy minister of science and technology, encouraged matriculants to follow careers in maths, science, technology and accounting during his address at a career convention on the 24th August in Witbank, Mpumalanga Province.

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The convention was organised by GIDE, a leading youth development organisation, supported by ACCA and large employers including Capitec Bank and Sentech. ACCA addressed 1000 matriculants at this event and a further 500 were reached through a joint event with ABASA, the Association of Black Accountants of South Africa.

More information and photo's at www.accaglobal.com/southafrica.

Draft Accountancy Profession Bill

According to the National Treasury, the redrafted Accountancy Profession Bill is shortly to be released for public comment. ACCA will submit its comment as soon as the draft legislation becomes available.

ACCA in the media

ACCA's exposure in the South African media has now broadened to include trade and professional media as well as titles that seldom feature the accountancy profession. An article on how to obtain finance when starting a business appeared in Fair Lady Magazine. An article in a legal magazine is to follow.

Substantial coverage of ACCA in the business media continues, including:

Classic FM interviewing Simon Burdett (Head of Corporate Development - Southern Africa) on the ACCA Sustainability Reporting Awards 2003;

Classic FM interviewing Paul Kapelus (Director of the African Institute of Corporate Citizenship - AICC) on the ACCA Sustainability Reporting Awards 2003;

Radio Today interviewing Paul Brogan (Head of sustainable business strategy, Anglo Platinum) on the ACCA Sustainability Reporting Awards 2003;

Radio Today interviewing Rachel Jackson (Head of Sustainable Development, ACCA) on the ACCA Sustainability Reporting Awards

Business Day in "MTN gets top accolade", on the results of the ACCA Sustainability Reporting Awards 2003;



Business Day in “Manuel challenges SA companies to embrace sustainability reporting”, on Minister Trevor Manuel’s presentation of the ACCA Sustainability Reporting Awards 2003 and quoting ACCA on the importance and development of sustainability reporting in South Africa;

Summit TV interviewed Roger Adams (ACCA Executive Director: Technical) on matters around the future of corporate reporting. The interview was re-broadcast three times.

Business Day (4 August) in “Regulations mean sleepless nights”, quoting the remarks made by Phil Armstrong and Roger Adams, at the ACCA Centenary Business Seminar.

Links to these articles and the press releases at www.accaglobal.com/southafrica

Exemption for members

Exemption has been obtained for ACCA members from the Estate Agency Affairs Board examination. Many thanks to ACCA member Simon Padgett for assisting in this matter.

Should you have any queries on this please contact Irene Christopher, ACCA’s Head of Policy Development at (011) 537 1760.

ACCA Centenary Business Seminar

ACCA South Africa’s Centenary Business Seminar at the end of July was a great success, thanks to a number of high level speakers who addressed our theme: the future of corporate reporting.

Phil Armstrong, the main editor of the 2002 King Report on Corporate Governance laid great emphasis on the moral responsibility of boards and directors, adding that corporate South Africa should be looking for people to bring knowledge, expertise and most of all integrity to the board. He also called for South Africa to adopt ‘smart’ laws which were friendlier to small business and which in turn would encourage growth.

Roger Adams, ACCA Executive Director: Technical said at the seminar that with stakeholders making wider demands from company reports, corporate South Africa needed to ensure that the non-financial information the reports contained went beyond legal compliance and addressed stakeholder requirements.



Other prominent speakers included Paul Brogan, Head of Anglo Platinum's sustainable business strategy, who presented a Global Reporting Initiative (GRI) case study entitled "the Platinum Highway"; Paul Kapelus, co-founder of the African Institute of Corporate Citizenship, who spoke on "Corporate Responsibility and Competitiveness: the New Reporting Paradigm"; Shireen Naidoo from KPMG Sustainability Services, who dealt with "the Assurance of Sustainability Reporting"; and Dan Sonnenberg, the joint founder of Sustainability Research & Intelligence (SR&I), who addressed "What is the JSE SRI Index?".

Regional Centenary Celebration Event

The Centenary Celebration Event for the Southern African Region will be held in Gaborone, Botswana on the evening of 8 October 2004. All ACCA members are invited to attend. Please contact Melanie Williams at ACCA South Africa Office if you would like to attend.

Company Law Reform

The reform of South Africa's company law is long overdue and will have some far-reaching implications for the accounting profession. The Department of Trade and Industry has issued a consultative document for public comment. This initiative follows a number of comparable exercises, which have taken place in the recent past in the USA, Europe and other jurisdictions.

One of the main objectives of the law reform process is to simplify the law and to harmonise South African corporate law with international best practice. Furthermore, providing legal backing for accounting standards and setting clear reporting frameworks for companies are critical components of the company reform objectives.

There are possible implications for small businesses as the paper envisages a single corporate vehicle, which could put an end to close corporations.

ACCA will be offering comments on the consultative document to the Department of Trade and Industry in the coming weeks.



ACCA South Africa Sustainability Reporting Awards 2003

Speaking at the Awards ceremony held during July, Minister of Finance Trevor Manuel called for a dramatic improvement in the level of sustainability reporting from South African corporates. He congratulated the winners and ACCA for introducing the Awards to South Africa.

“We all know that companies who take sustainability reporting seriously have the advantage of a more integrated strategic understanding of their business and all the various stakeholders that they are required to interact with. It is not just about brand management. It is about a commitment to doing the right thing”, said the Minister.

On the matter of sustainability performance, the Minister noted that less than half of the 161 JSE listed companies met the criteria for inclusion in the JSE’s index for Socially Responsible Investment (SRI). “This must improve dramatically”, he said. The Minister noted with approval that 19 mid and small cap companies are amongst the 74 SRI companies. “Size does not matter when it comes to doing the right thing”, he said.

Four South African corporates were honoured by ACCA at the Awards in recognition of the quality of their reporting on social and environmental impact:

Anglo Platinum received the award for Best Sustainability Report, in the judges’ view demonstrating its commitment to sustainability by addressing the environmental impacts associated with their business, including the areas of non-compliance and their corrective action measures. Anglo Platinum also clearly defined stakeholders and benchmarked its data against others in the sector for industry comparison.

British American Tobacco took top honours in the social category winning the Best Reporting in Stakeholder Engagement Process. The judges recognised British American Tobacco for clearly identifying their stakeholders and engaging with them in a comprehensive manner with the use of professional external verification.

Sasol was awarded the Runner Up, Best Sustainability Report. The judges noted the emphasis in its report on the company’s progress towards previously set targets and on publicly reported commitments.



MTN received a commendation for Sustainability Reporting.

ACCA has been encouraging and developing effective environmental, social and sustainability reporting for over a decade, with over 20 ACCA award schemes operating around the world, including Europe, the USA, the Asia Pacific region and now in South Africa.

ACCA responded to the Minister's comments by supporting his call for improvements in the take-up of sustainability reporting. A key aim of the ACCA Sustainability Reporting Awards is to raise awareness about this form of reporting and from the success of this year's Awards, ACCA expects an even larger and more diverse field of entrants next year.

ACCA is currently preparing for next year's Awards. All organisations that disclose environmental, social or full sustainability information are invited to participate in the ACCA South Africa Awards for Sustainability Reporting 2004. The closing date for entries is 28 February 2005

For more information on the event visit www.accaglobal.com/southafrica

ACCA's International Assembly Member for South Africa

Kholeka Mzondeki FCCA, who qualified in 1993, is ACCA's International Assembly member for South Africa.

Her work experience includes senior positions at two utility companies and until recently, Kholeka was the General Manager - Finance and a director of 3M South Africa. She is presently the General Manager: Corporate Services (which includes finance) at Mintek.

Kholeka was influenced by her sister to enter the accountancy profession. At the time, she was working for a company as a trainee accountant and was recommended by her employer to take up study towards the ACCA professional qualification. She was attracted to ACCA by the high reputation of the qualification as well as seeing it as a stepping-stone to executive management.

Kholeka had the opportunity to study ACCA in the UK and values the opportunity that she had of meeting people from diverse countries & backgrounds. She attributes her independence of mind to this formative period in her life.

Kholeka recognizes the need to have the right skills in order to move away from protectionism and to join the fast-paced globalisation process. In South Africa, a country previously closed to international contact, ACCA is in an exciting position to influence that process.

As part of her contribution to raising ACCA's profile, Kholeka would like to foster recognition of the high standards of ACCA, both as an organization and as the leading international professional accountancy qualification. Though there is healthy competition with other accountancy bodies, Kholeka believes that this will encourage continuous high standards in accountancy as well as the opportunity to learn from one another. She is passionate about the development of our people and correcting the imbalances caused by years of apartheid.

The International Assembly acts in an advisory capacity to ACCA's Council. The terms of reference of the Assembly includes:

- contributing to the formulation and development of Council's strategy through a system of reporting to Council and receiving reports from Council
- advising the Council about the sorts of services which ACCA should be providing to members and ways of enhancing the ACCA profile
- facilitating the sharing of information, ideas and experience from region to region
- acting as a sounding board for Council and a 'test-bed' for ideas

Conclusion

Thanks for reading this edition of the Members' Update. If you have received this in the post, please send us your e-mail address so that we may ensure more effective communication in future.

With very best wishes

A handwritten signature in black ink, appearing to be 'S. Burdett', is located below the text 'With very best wishes'.

Simon Burdett
Head of Corporate Development – Southern Africa