



Mazars House, 54 Glenhove Road  
Melrose Estate, 2196  
PO Box 6697, Johannesburg, 2000  
Docex 703 Johannesburg

Tel: +27 11 547 4000  
Fax: +27 11 484 7864  
Email: [jhb@mazars.co.za](mailto:jhb@mazars.co.za)  
[www.mazars.co.za](http://www.mazars.co.za)

**The South African Institute of Chartered Accountants (NPO) Group**  
**17 Fricker Road**  
**Illovo**  
**Johannesburg**  
**South Africa**  
**2196**

## Independent Auditor's Report

*To the Members of The South African Institute of Chartered Accountants (NPO) Group*

# Report on the Audit of the Consolidated and Separate Financial Statements

## Opinion

We have audited the consolidated and separate financial statements of The South African Institute of Chartered Accountants (NPO) Group ("the Group and the Institute") set out on pages 11 to 58, which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of surplus or deficit and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The South African Institute of Chartered Accountants (NPO) Group as at 31 December 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the constitution of the Institute.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the institute in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222  
Partners: MV Ninan (National Co-CEO), MC Olickers (National Co-CEO), SJ Adlam, H Burger, JC Combrink,  
GJ De Beer, G Deva, Y Dockrat, JJ Eloff, MH Fisher, D Keeve, N Mayat, R Murugan, MV Patel, N Ravele,  
E Sibanda, M Snow, DM Tekie, S Truter, S Vorster  
A full list of national partners is available on request or at [www.mazars.co.za](http://www.mazars.co.za)

Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MATTER	AUDIT RESPONSE
<p><b>Recognition of revenue and revenue received in advance.</b>  <b>Refer to note 17 to the financial statements.</b></p> <p>As per ISA 240 there is a presumed risk of fraud in revenue recognition. Subscription and professional development fees are material sources of revenue for the Institute. Revenue is invoiced on the Integrated Management Information System (iMIS) system and recognised to the extent that it is probable that the economic benefits will flow to the Institute when there is certainty that the consideration will be received. The Training Contract Management System (TCMS) is the system used for registration and management of training contracts. It is the front-end system for trainees which has its own database, and relevant data is shared and updated on iMIS.</p> <p>Due to the high volume of subscription and professional development fees, a potential risk exists that revenue and revenue received in advance may be recognised in the incorrect financial period.</p> <p>Recognition of revenue and revenue received in advance were considered to be key audit matters due to the significance of the balances, the reliance placed on the iMIS and TCMS systems, the significant volume of subscriptions and professional development fees processed during the year and the extent of audit work required to be performed by the audit team.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• documenting and assessing the design, implementation and operating effectiveness of relevant key controls;</li> <li>• utilising our IT specialists to test the application controls around the completeness of invoicing recorded on the iMIS and TCMS systems;</li> <li>• agreeing a sample of subscriptions and professional development fee invoices to rates approved by the SAICA Group Board to verify that the revenue was recognised at the correct value;</li> <li>• agreeing a sample of the sales invoices recorded as revenue in the financial statements to the supporting invoice and bank statements to verify that the revenue occurred;</li> <li>• performing substantive test of detail in relation to the recognition of revenue, by selecting a sample of subscription and professional development fees and agreeing to the relevant supporting documents to confirm they are correctly classified and recognised as revenue in terms of IFRS 15.</li> <li>• verifying a sample of cash receipts from the bank statement prior to year-end and agreeing this to the iMIS (Subscription fees) and TCMS (Professional Development fees) invoice listings to confirm that only revenue received in advance is correctly calculated and recognised as a liability at year end;</li> <li>• evaluating that the revenue recognition accounting policy and related disclosures included in the annual financial statements comply with IFRS 15.</li> </ul>

<p><b>Donor funding income and project expenditure recognition.</b> Refer to notes 18 and 21 to the financial statements.</p> <p>Project and Donation income is recognised when there is reasonable assurance that the entity will comply with the conditions per contractual agreements and the income will be received.</p> <p>Project expenditure is recognised subject to the conditions that are attached to the respective donor funding contractual agreements.</p> <p>Due to the conditions attached to donor funding contracts, a risk exists that:</p> <ul style="list-style-type: none"> <li>• Restrictions on the use of project income are not complied with;</li> <li>• Donor funding income may be recognised prior to all conditions being met; and</li> <li>• Excess funding may not be accounted for correctly in the accounting records.</li> </ul> <p>The recognition of donor funding income and the related project expenditure are considered to be key audit matters, due to the extent of audit work required to be performed by the audit team, as well as the risk that the conditions attached to the donor funding agreements are not complied with.</p>	<p>The entity receives project income and donations either directly or through entities deemed to be controlled by it (see note 7). We have applied a substantive approach and performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• compared the 2020 and 2021 list of donors and projects. Material variances were investigated, and explanations obtained and referenced where possible to the current year minutes;</li> <li>• : agreeing a sample of project expenditures to the source documents to assess whether the supporting documents used as evidence indicates through appropriate description that the expenditure was incurred for the purpose set out in the donor funding agreement;</li> <li>• for the SAICA institute: agreeing a sample of project expenditures to the memorandum of agreements and the project budgets to assess whether the expenditure has been incurred for the purpose set out in the donor funding agreement;</li> <li>• evaluating whether the accounting treatment and disclosures for donor funding income and project expenditure in the financial statements were in accordance with the financial reporting standards; and</li> <li>• evaluating the completeness of deferred income at year end by comparing the total funding income to project expenditure incurred for all projects still in progress at year end.</li> </ul>
---	---

**Other Information**

The Board members are responsible for the other information. The other information comprises the information included in the document titled The South African Institute of Chartered Accountants (NPO) Group and Institute Annual Financial Statements for the year ended 31 December 2021, which includes the Board’s Report, the Audit Committee’s Report, the Certificate by the Institute Secretary, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon on.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.  
In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board Members for the Consolidated and Separate Financial Statements

The board members are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the constitution of the Institute, and for such internal control as the board members determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the board members are responsible for assessing the group's and the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the group and / or the Institute or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group or institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or institute to cease to continue as a going concern.

## mazars

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board members, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of The South African Institute of Chartered Accountants (NPO) Group as at 31 December 2021 for 4 years



**Mazars**  
**Partner: Susan Truter**  
**Registered Auditor**  
**Date: 29 April 2022**  
**Melrose Estate**