



# INTEGRATED REPORT

PREPARED BY

**THE ASSOCIATION OF  
CERTIFIED FRAUD EXAMINERS**

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**1 AUGUST 2021 - 31 JULY 2022**

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## INTRODUCTION

# ABOUT THE INTEGRATED REPORT

The Association of Certified Fraud Examiners (ACFE SA) is committed to transparent reporting and aims to provide information to its stakeholders that will allow them to make informed decisions about the Organisation's ability to create value by following best practices and international standards when compiling our Integrated Report. Integrated reporting is a process founded on integrated thinking that results in a periodic integrated

report by an organisation about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. (IR Framework, 2021)

## SCOPE OF THE REPORT

THE SCOPE OF THIS REPORT IS TO

Illustrate the ACFE SA's value creation process and strategic thinking for the period 1 August 2021 to 31 July 2022.

Cover the risks, opportunities and outcomes attributable to the ACFE SA and its stakeholders that have a significant effect on the ability of the ACFE SA and its service offering.

## PREPARATION OF THE INTEGRATED REPORT

The following reporting requirements, guidelines and frameworks were considered when preparing this report:

- The Companies Act of South Africa;
- The principles of the King IV Report on Corporate Governance™ or King IV™ (King IV)\*; and
- International Financial Reporting Standards (IFRS).

The ACFE SA continues to progress on the journey outlined by King IV, while ensuring increased integration of reported financial, social, governance and environmental information. The ACFE SA uses the concepts, guiding principles and content elements contained in the Framework as a platform for this integrated report.

### MATERIALITY

The ACFE SA's integrated report focuses on information that is material to ACFE SA. It provides a concise overview of the ACFE SA's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account and all material information has been included in this report.

### FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements which are based on assumptions and management's view of the ACFE SA's future performance. Such statements are, by their nature, estimates, subject to risks and uncertainties, which may result in ACFE SA's actual performance being different from that expressed or implied in any forward-looking statements. These statements have not been audited by ACFE SA's external auditors.

### BOARD RESPONSIBILITY

The Board acknowledges overall responsibility and accountability for the integrity of this report and has applied its collective mind to the preparation and presentation of this report. The Board believes that this report is a balanced and appropriate representation of the financial and operational performance of the ACFE SA. Upon recommendation from the finance and audit committee, the Board approved this report on 9 September 2022.

### ASSURANCE

The ACFE SA is on a journey of maturity with regards to combined assurance and is in its infancy of having a mature combined assurance model. The Board of directors of the ACFE SA (the Board), assisted by the Finance and Audit Committee, is responsible for ensuring the integrity of the integrated report and validation of the financial statements. Accordingly, the ACFE SA applies a combined assurance model which incorporates and optimises all assurance services and functions to enable an effective control environment, to support the integrity of information used for internal decision making by management, the governing body and its committees and also supports the integrity of the organisation's external reports. The ACFE SA's financial, operating, compliance and risk management controls are assessed by the ACFE SA's Finance and Audit Committee. The audit opinion expressed by the external auditors is included in this report as part of the Consolidated Annual Financial Statements.



**DE WET FERREIRA**

President of the ACFE SA





# MESSAGE FROM THE CEO

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Dear members,

During the past year we have seen an increase in demand for professionals. Not only did various ministers and even the president raise concerns pertaining to the lack of skilled staff within government, but the question again were raised as to why companies do not employ professionals internally to mitigate their internal risks. Various scandals were highlighted where senior and executive personnel provided false information pertaining their prior experience and qualifications which lead to questions as to who was responsible for conducting due diligence/ background checks. Would it have changed matters in companies such as Steynhoff and SAA? I believe so.

The JSE is the premier African exchange and partnered with companies raising over R14 trillion in capital, across 11 industries over the past 10 years, many not employing CFEs nor making use of companies as consultants who employ CFEs as recommended in the King IV report. It is thus clear we still have a lot of work to do to ensure we create more opportunities for our members, and ensure that we grow the brand of CFE within SA. Internationally we have seen that the demand for CFEs have increased and, in a recent salary survey, that salaries of CFEs increased globally with is welcome news.

Locally the ACFE SA played an important role during 2021/22 to assist students with various work placement programs. We participated ourselves in FASSETs work placement program taking in 6 students. Of the 6 students 4 received placements at companies proving that the system work and that the ACFE SA is trusted as a platform to teach students the basic skills needed to do what is required within companies. The ACFE SA also received grants to train 30 unemployed graduates to write the CFE exam and completed the training end 2021. Many of these students were also employed helping to elevate already high unemployment burden.

As a board we need to ensure that we look after our brand, succession planning, the sustainability of the organisation, the reputation of our profession, identify current and upcoming risks, and many more. We also need to look at the membership, their needs and expectations. For that reason we decided to not increase the membership fees for the the fourth year in a row and further also keep the conference fees the same than that of the previous year.

For those running their own businesses you will appreciate the effect this has on an organisation as you keep your income more or less the same while all your operation costs increase. Through carefully and strategically changing the way we have done business over



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**As a member organisation we pride ourselves in that we listen to our members' needs and requests**



the past years we managed to still make a, although smaller surplus but still a surplus. This helped us to assist members who were retrenched again this year to attend this years conferenced sponsored buy the Chapter.

As a member organisation we pride ourselves in that we listen to our members' needs and requests. This year we still will be holding our conference and most events virtual due to a member survey completed by the members requesting same, BUT next year we will be turning 25 years as an organisation and will be returning to Sandton convention Centre to have a conference to be remembered for the next 25 years. Make sure you book your seat...

Lastly, I want to thank the amazing ACFE SA staff and Board team for all the success stories captured in this report. The staff worked tirelessly to ensure they meet member expectations, provide a professional service to members, and look for new opportunities to grow the brand in South Africa and Africa. Many forget that those sitting on our Board do so as volunteers, going that extra mile in their spare time and do not receive any monetary compensation for helping us drive the ACFE, ACFE SA and our profession forward.

THANK YOU!

Hope you enjoy the conference and our 2022 ACFE Integrated Report.

Till we meet again  
Jaco





# LETTER FROM THE PRESIDENT



**The ACFE SA remains committed to advocating the key role that corporate governance, ethical and effective leadership can and must play in returning our country and its institutions to sound financial and ethical health**



Dear fellow ACFE and ACFE SA members, colleagues, sponsors, speakers and guests. Welcome to the 15th Africa Anti-Fraud Conference that also celebrates the 24th anniversary of the ACFE SA this year. This year we celebrate the 15th successful conference with more than 1 200 delegates in attendance from 16 countries, and speakers from 11 countries; truly invigorating the standard of learning and networking every year.

The success of the 2021 conference was justly welcomed and appreciated by all the responses and compliments received from people and businesses all over the world, and I personally want to thank Jaco and the team for the immense amount of time and effort they put into something totally new, challenging and difficult to comprehend. With more than 1005 people in attendance, attending sessions presented by speakers from all over the globe over three days, we again managed to meet the quality and standard that we hold for ourselves, and expectations from those attending the conference. We again want to thank PWC as platinum sponsor of the 2021 conference and sponsors for helping us make it a reality. We also celebrate and welcome the

recognition we recently received from the ACFE International about the progress, contribution and outstanding work being done by the SA Chapter.

With already more than 1 140 registration received for this year's conference and the support of this year's Platinum Sponsors BDO and Hosi Technologies, I know that attendees are in for another successful ACFE Conference with loads of networking opportunities and sponsor giveaways.

During the 2021 conference we recognised the fact that many companies did not make it through the pandemic, and a lot of people were retrenched forcing members to make alternative arrangements to maintain income and to support their families. We assisted close to 25 members to attend the 2021 and helping them with membership fees to alleviate their stress and financial position also ensuring they maintain their qualifications and membership. This year, we are proud to state that we assisted only four members which tells the story of members again being appointed within companies confirming the need for CFEs. We are here to serve and do so proudly.

This year we embarked on a couple of key initiatives to keep the professionalisation and the CFE credential in high regard, as well as offering our members more. During the 2022 Imbizo, we received the go-ahead to proceed with the compilation of the POPIA Code / Guidelines for Fraud Examiners and reached out to various industry role-players, POPIA experts, and those identified as key stakeholders, including the ICFP, to assist with the compilation of such a code.

We also looked at the PSIR Act and communicated with both PSIRA and relevant parties in altering the PSIR Act to recognise Fraud Examiners formally and exclude them from the Act.

The biggest initiative or project we took on during 2021 as a Board was the changing of the Memorandum of Incorporation (Moi) to comply with the legislative changes in various acts including the recommendations of King IV. All the recommended changes were implemented during 2022 to ensure that we lead the way as a Board and a business after receiving formal approval from the members who attended the 2021 AGM. The ACFE SA remains committed to advocating the key role that corporate governance, and ethical and effective leadership can and must play in returning our country and its institutions to sound financial and ethical health. Our aim as directors remains to ensure an ethical culture, sustainability on the board and within the

organisation, adequate and effective controls within the ACFE SA, and that we protect and build trust for our profession. Our focus also ensured that we acquire board members to sit on our board to cater for specific skill sets we lack or to provide guidance on skill sets identified by our auditors or the consultants. We further changed the board terms of current board members to ensure succession planning and to ensure continued oversight of digital innovation and improvements.

In order to drive succession planning, continuity, and the strategic objectives emanating from the Imbizo, the Board also co-opted Lt.Genl Charles Mosipi (DPCI), Adv. Andy Mothibi (SIU), and Selvan Naidu (Standard Bank) to our board for the next year. We are excited and look forward to their contributions, initiatives and new ideas especially the focus on public and private sector collaboration.

As President of the ACFE SA, I am proud to release this ACFE SA 2022 Integrated Report and want to thank my fellow Board members and ACFE SA staff for making this another successful year. I look forward to welcoming you to this year's ACFE African Conference and setting our successes and strategies at the AGM on the 13th of September 2022.

Best regards  
De Wet Ferreira



# ABOUT THE ACFE

## ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

With headquarters based in Austin, Texas, the ACFE supports members in over 180 countries. Since the launch of the ACFE in Texas by Dr Joseph T Wells in 1988, the ACFE and CFE designations have been globally recognised. Members include CPAs, auditors, lawyers, investigators, law enforcement officers, security professionals, executives, managers and anyone whose job involves preventing, detecting or deterring fraud. The ACFE is home to CFEs who come from diverse professional and personal backgrounds, and serve in nearly every sector and industry around the world.

### The ACFE:

- is the world's largest anti-fraud organisation
- delivers best-in-class training
- offers the CFE credential
- fosters a dynamic, global community of anti-fraud professionals
- reduces business fraud worldwide
- inspires public confidence in the integrity and objectivity within the profession

95 000+

MEMBERS

60 000

CFES

190+

CHAPTERS





# ABOUT THE ACFE SA

The ACFE SA is a recognised non-statutory professional body with the South African Qualifications Authority (SAQA), that represents fraud examination professionals in South Africa. Together with nearly 7,000 national members, the ACFE SA reduces business fraud on a national and international level.

The ACFE SA was formally recognised as an ACFE Chapter in 1998 and has since been tasked with maintaining ethical and professional standards in South Africa and the African countries it supports.

- Non-profit company with members.
- Surplus not distributed for financial gain, but used towards reducing incidence of fraud and white-collar crime.
- SAQA recognised non-statutory professional body.
- Professional designations: Certified Fraud Examiner (CFE).
- Main sources of revenue: membership and conference fees.

## FIGHTING FRAUD: BY THE NUMBERS

### ACFE GLOBAL

MORE THAN **95,000** MEMBERS WORLDWIDE

MORE THAN **190** ACFE CHAPTERS WORLDWIDE

MORE THAN **190** ACFE CHAPTERS WORLDWIDE

### ACFE SA

MORE THAN **7,000** NATIONAL MEMBERS

MORE THAN **99** CORPORATE SPONSORS

MORE THAN **8** ACFE AFRICA CHAPTERS SUPPORTED



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# ACFE MISSION & GOALS

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The mission of the ACFE SA is to reduce the incidence of fraud and white-collar crime and to assist the members in fraud detection and deterrence. This ACFE SA's mission is to provide a community environment in which local fraud examination professionals can associate. Our goal is to help, encourage and create an ethical, value-driven environment in reducing the incidence of fraud and white-collar crime in our daily working environment.

## **OUR IMMEDIATE, SPECIFIC GOALS**

### **INCLUDE:**

- Networking opportunities
- Continuous Professional Education/Development
- Technical updates
- Ongoing updates of what is happening in the forensic industry and the situation we are currently facing
- Regulation of the Fraud Examination Professionals
- The setting of ethical and professional standards

## **TO ACCOMPLISH OUR MISSION, THE ACFE:**

- Provides bona fide qualifications for Certified Fraud Examiners through administration of the CFE Exam.
- Sets high standards for admission, including demonstrated competence through mandatory continuing professional education.
- Requires Certified Fraud Examiners to adhere to a strict code of ethics and professional standards.
- Serves as the international representative for Certified Fraud Examiners to business, government and academic institutions.
- Provides leadership to inspire public confidence in the integrity, objectivity and professionalism of Certified Fraud Examiners.
- The ACFE SA provides preferred rates to its members with the respective Credit Bureaus including CPB and XDS, offering them access to various services.

## OUR STRATEGIC PLAN & OBJECTIVES

The Board establishes the organisation's strategic direction and provides continuous oversight of material matters, risks, opportunities, and the strategic allocation of resources. The Board is the custodian of good corporate governance and encourages an ethical and cohesive organisational culture, effective control, compliance, accountability, and responsive and transparent stakeholder engagement. Despite a challenging year, the ACFE SA has made significant strides toward building a sustainable organisation while navigating the negative impact of the pandemic since establishing its strategy in 2019.

| OUR STRATEGIC OBJECTIVES  | ACTIVITIES AND OUTPUT  | INTO THE FUTURE  |
|---|--|--|
| <p><b>MEMBERSHIP DEVELOPMENT</b></p> <p><i>We prioritise member development</i></p>   | <ul style="list-style-type: none"> <li>• Underlying qualification and professional designation recognised by SAQA</li> <li>• Designation awarded</li> <li>• Membership subscriptions</li> <li>• Quality training and required CPE points awarded</li> <li>• Ex Officio Commissioner of Oath status for CFEs</li> </ul>   | <ul style="list-style-type: none"> <li>• Allocate time and resources to the youth.</li> <li>• Create an entry level qualifications/progression path to enable school leavers to ultimately become CFEs</li> <li>• Strengthen the disciplinary and sanctions processes</li> </ul>   |
| <p><b>GOVERNANCE AND TRANSFORMATION</b></p> <p><i>We ensure long-term sustainability through proper governance structures and the transformation of the ACFE SA</i></p> | <ul style="list-style-type: none"> <li>• Ensured long-term sustainability through governance framework, structure and succession planning</li> <li>• Focused on the overall diversity of the ACFE SA</li> </ul>  | <ul style="list-style-type: none"> <li>• Create a comprehensive stakeholder engagement model that focuses on alliance and fosters collaboration without compromising independence</li> <li>• Transformation of the profession</li> <li>• Facilitate board evaluations</li> </ul>   |
| <p><b>SUSTAINABLE FUNDING MODEL</b></p> <p><i>We create new funding models to assist with the reduction of membership and training fees</i></p>                         | <ul style="list-style-type: none"> <li>• Negotiated a one-fee structure with the ACFE International</li> <li>• Created a new funding model to assist in reducing membership and training fees</li> </ul>   | <ul style="list-style-type: none"> <li>• Optimise the funding and human resources capacity of the ACFE SA</li> <li>• Apply for funding from the SETAs</li> <li>• Apply for funding from international sponsors to assist other African countries to train CFEs</li> </ul>  |
| <p><b>MARKETING</b></p> <p><i>We create more awareness about the ACFE and our profession throughout Africa</i></p>  | <ul style="list-style-type: none"> <li>• Media exposure</li> <li>• Media releases produced</li> <li>• Monthly newsletters and/or Veritas Magazines</li> </ul>  | <ul style="list-style-type: none"> <li>• Expand the ACFE footprint</li> <li>• Allocate time and resources to the Africa Countries</li> </ul>   |
| <p><b>TRAINING</b></p> <p><i>We provide quality and appropriate training</i></p>  | <ul style="list-style-type: none"> <li>• Hosted quality and appropriate training</li> <li>• Ensured that trainers and content meet international standards</li> <li>• Vetted all service providers and ensured that those appointed meet and adhere to the Standards set by the ACFE, ACFE SA, SAQA and QCTO</li> <li>• Developed new material and programmes</li> </ul> | <ul style="list-style-type: none"> <li>• Ensure that the value proposition relates to the needs and expectations of our members and the general public</li> <li>• Uphold a high, international standard of pre- and post-qualification education</li> <li>• CPE that ensure that focusses on developmental opportunities that will equip members</li> <li>• benchmarked training events that meet the highest local and international standards</li> </ul> |

| OUR STRATEGIC OBJECTIVES   | ACTIVITIES AND OUTPUT   | INTO THE FUTURE   |
|--|---|---|
| <p><b>ADVOCACY</b></p> <p><i>We influence industry standards and legislation</i></p>   | <ul style="list-style-type: none"> <li>• Stakeholder engagement – establishing and maintaining partnerships</li> <li>• Founding and executive members of the AEPF forum</li> <li>• Sits on various committees such as the ISO and King Committee</li> <li>• Issued and endorsed industry standards</li> </ul>   | <ul style="list-style-type: none"> <li>• Create a cohesive voice for the profession</li> <li>• Create a community of prestigious and valued professionals that is respected, recognised and relevant that is held to a high ethical standard and making a difference in society</li> <li>• Strengthen the ACFE brand to ensure it becomes standard practice to appoint CFEs</li> </ul>  |
| <p><b>ANNUAL CONFERENCE</b></p> <p><i>We ensure that the event meets international standards</i></p>                                       | <ul style="list-style-type: none"> <li>• Selected quality/high calibre speakers for the conference, to ensure value for money and quality and appropriate training</li> <li>• Hosted the second virtual conference</li> </ul>   | <ul style="list-style-type: none"> <li>• Ensure attendance from Africa and the rest of the world, creating awareness</li> <li>• Ensure speaker representation and participation from other Africa countries</li> </ul>  |
| <p><b>REGULATORY</b></p> <p><i>We ensure that we comply with legislation as well as the requirements set by the ACFE International</i></p> | <ul style="list-style-type: none"> <li>• ACFE SA members receive an exemption from paying PSIRA membership fees</li> <li>• ACFE SA disciplinary procedure has been amended and ensures that the ACFE SA complies with legislation as well as the requirements set by the ACFE International</li> <li>• Commentary on proposed amendments to various legislations</li> </ul> | <ul style="list-style-type: none"> <li>• Act in the public interest and safeguard the fraud examination profession</li> <li>• Continue to engage with stakeholders on the framework for comprehensive regulation</li> <li>• Advocate for the amendment of the PSIRA Act</li> <li>• Create awareness of members legal responsibilities</li> <li>• Recognition as a regulatory body for the forensic industry</li> <li>• Create a guideline for fraud examination professionals on POPIA</li> <li>• Apply for additional powers for CFEs</li> </ul> |
| <p><b>INTERNATIONAL</b></p> <p><i>We focus more and more on the participation of the respective Africa countries</i></p>                   | <ul style="list-style-type: none"> <li>• Supported and administered 8 other ACFE Africa Chapters</li> <li>• Provided the Africa Chapters with time and resources to grow the local chapter and the ACFE Chapter By-laws requirements</li> </ul>   | <ul style="list-style-type: none"> <li>• Increase international mobility by strengthening strategic and global partnerships</li> <li>• Increase awareness regarding the profession and the need for specialist fraud examiners to the public and private world</li> <li>• Focus on the participation of the respective African countries</li> <li>• Invest time and resources into African Countries</li> </ul>   |



# THE CFE CREDENTIAL

The Certified Fraud Examiner (CFE) credential denotes proven expertise in fraud prevention, detection and deterrence. CFEs are trained to identify the warning signs and red flags that indicate evidence of fraud and fraud risk. CFEs around the world help protect the global economy by uncovering fraud and implementing processes to prevent fraud from occurring in the first place. CFEs have a unique set of skills that are not found in any other career field or discipline; they combine knowledge of complex financial transactions with an understanding of methods, law, and how to resolve allegations of fraud.

## RECOGNISED AS THE “GOLD STANDARD”

According to the 2020 Compensation Guide for Anti-Fraud Professionals, CFEs earn 34 per cent more than their non-certified colleagues. In a recent study by Robert Half International, a leading specialist in financial staffing, the CFE is listed as one of the most marketable credentials today. ACFE research indicates that organizations with CFEs on staff uncover fraud 50 per cent sooner and experience fraud losses that are 62 per cent smaller than organisations that do not have CFEs on staff.

The CFE credential is recognised in the hiring and promotion policies of leading organisations, including the FBI, the U.S. Department of Defense, and the Forensic Audits and Special Investigations Units of the U.S. Government Accountability Office.

“CFEs Are Leading the Fight Against Fraud Worldwide”.



**the CFE has emerged as the gold standard in the area of fraud.**

*A.E. Feldman - a leading executive search firm*



**Bringing staff with the CFE on board enables employers to develop a more skilled workforce.**

**Professionals who earn and maintain this accreditation establish themselves as leaders in their field and gain insight into industry trends and best practices in the process**

*said DeLynn Senna, executive director of Finance & Accounting at Robert Half International.*



## SETTING HIGH STANDARDS FOR THE ANTI-FRAUD PROFESSION

To become a CFE, an individual must pass a rigorous test on the four major disciplines that comprise the fraud examination body of knowledge:

- Fraud Prevention and Deterrence
- Financial Transactions and Fraud Schemes
- Investigation
- Law

Prospective CFEs must also meet high professional, educational and ethical standards, as well as continuing professional education requirements.

## ACFE CODE OF ETHICS & PROFESSIONAL STANDARDS

The ACFE's Research and Knowledge base is of the highest standards and is continually being updated. The ACFE Code of Ethics and Professional Standards are internationally accepted, and all members are obligated to adhere to these standards. Chapter participation allows members to meet other anti-fraud professionals in their area who are facing the same challenges. Sharing insights, techniques and experience, in addition to

promoting fraud awareness, is invaluable to the global fight against fraud.

All ACFE Members must meet the rigorous criteria for admission to the ACFE. Thereafter, they must exemplify the highest moral and ethical standards and must agree to abide by the bylaws of the ACFE and the ACFE Code of Professional Ethics.

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# ACFE SA GOVERNANCE

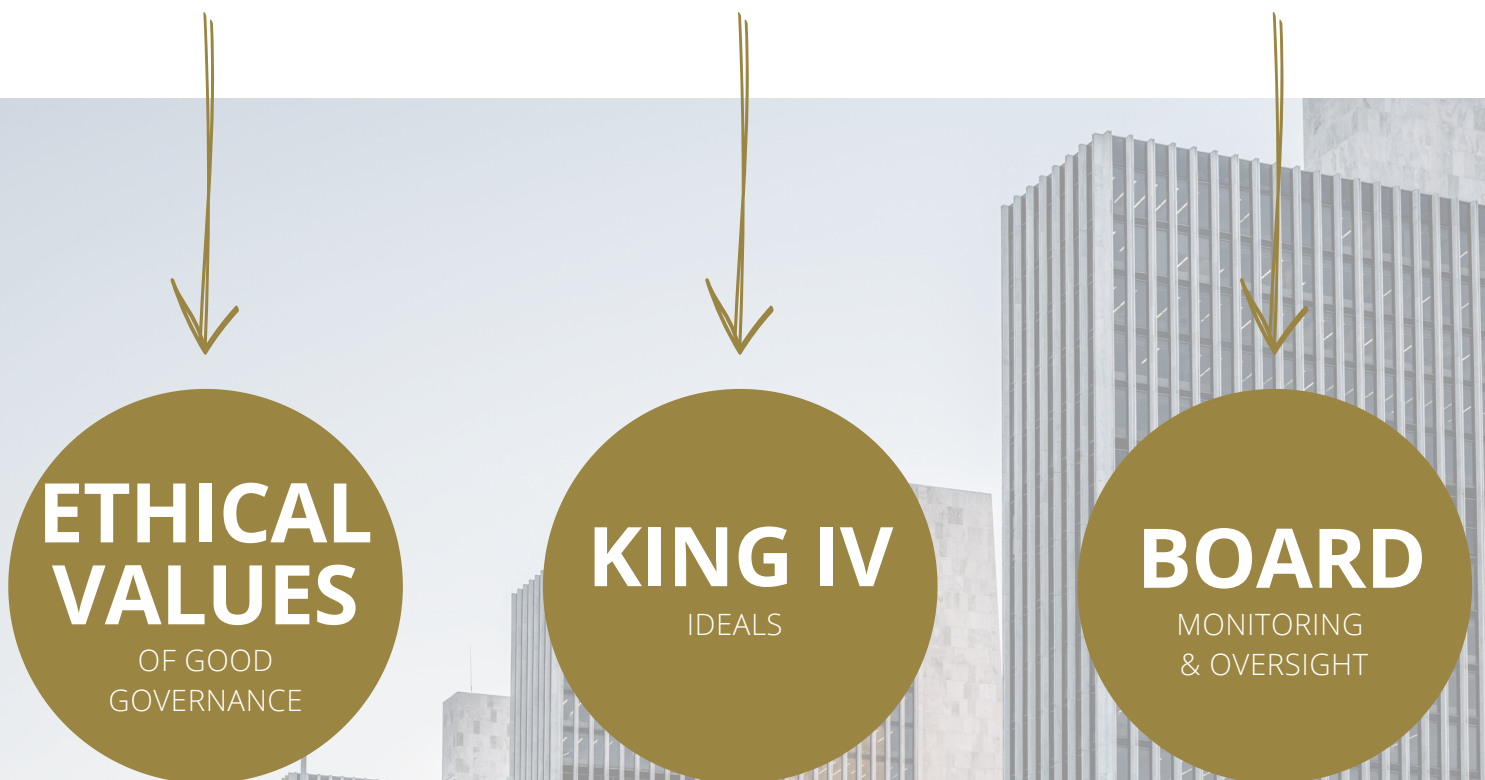
The ACFE SA is committed to the highest **governance standards**, ensuring the organisation and the profession's long-term sustainability and creating long-term stakeholder value. The Board enables the creation of value for ACFE SA stakeholders on a fair and equitable basis by instilling a positive culture of ethics and values.

The Board is the core of our **governance structure** and aligns with our organisation's unique value proposition and addresses relevant issues while embracing opportunities to protect the public interest, advance the ACFE SA membership and meet the profession's needs.

The ACFE SA's **governance framework** arises from the fiduciary obligations and responsibilities of Board as defined in the Companies Act and King IV best practice principles of oversight and control. It is based on the accountability and line of authority to ensure the governance objectives are met. The pillars of ACFE SA's governance framework represent the key processes or mechanisms applied to effectively uphold, sustain, defend and enforce the ethical values of good governance throughout the organisation.

The ACFE SA upholds the principles of the King IV and strives, through ethical and effective leadership, to achieve the governance outcomes of an ethical culture, good performance, effective control and legitimacy. We feel that by adopting the King IV principles and practice suggestions while taking into account proportionality in terms of our size, resources, and the complexity of our activities, we are able to preserve the ideals of King IV and achieve the needed governance objectives.

The Board is composed of seven leaders in the profession and the public, representing the diverse perspectives and expertise of the membership and stakeholders we serve. They extensively monitor the external environment and key trends that could have the most significant implications for the profession and organisation in the future. With that insight, they help shape and ultimately oversee the development and approval of the ACFE SA's 3-year strategic plan and budget, monitor performance against goals and provide overall enterprise risk management.





# THE BOARD OF DIRECTORS

| <b>DE WET FERREIRA<br/>PRESIDENT</b>   | <b>JACO DE JAGER<br/>CHIEF EXECUTIVE OFFICER</b>  | <b>JONATHAN LE ROUX<br/>PAST PRESIDENT</b>  | <b>LEN COETZEE<br/>VICE-PRESIDENT</b>  | <b>RAJ DHANLALL<br/>FINANCE DIRECTOR</b>   | <b>THANDI MAZIBUKO</b>  | <b>YVETTE BOTHA</b>  |
|--|---|---|--|--|---|--|
| <b>Independent Non-executive director</b>  | <b>Executive director</b>   | <b>Independent Non-executive director</b>   | <b>Independent Non-executive director</b>  | <b>Independent Non-executive director</b>  | <b>Independent Non-executive director</b>   | <b>Independent Non-executive director</b>  |
| <b>Board Experience</b><br>9 years   | <b>Board Experience</b><br>14 years   | <b>Board Experience</b><br>8 years  | <b>Board Experience</b><br>17 years  | <b>Board Experience</b><br>24 years  | <b>Board Experience</b><br>3 years  | <b>Board Experience</b><br>3 years   |
| <b>Board Committees</b> <ul style="list-style-type: none"> <li>• Chair of the Board of Directors</li> <li>• Chair of the Nominations Committee</li> <li>• Chair of the Remuneration Committee</li> </ul>                                     | <b>Board Committees</b> <ul style="list-style-type: none"> <li>• On invitation</li> </ul>   | <b>Board Committees</b> <ul style="list-style-type: none"> <li>• Chair of the General Counsel Committee</li> <li>• Chair of the Disciplinary Committee</li> <li>• Member of the Nominations Committee</li> <li>• Member of the Remuneration Committee</li> <li>• Member of the Governance, Risk and Compliance Committee</li> </ul> | <b>Board Committees</b> <ul style="list-style-type: none"> <li>• Member of the Nominations Committee</li> <li>• Member of the Remuneration Committee</li> <li>• Chair of the KZN Regional Committee</li> </ul> | <b>Board Committees</b> <ul style="list-style-type: none"> <li>• Chair of the Audit Committee</li> <li>• Chair of the Governance, Risk and Compliance Committee</li> <li>• Member of the Remuneration Committee</li> </ul> | <b>Board Committees</b> <ul style="list-style-type: none"> <li>• Chair of the Africa Chapters Committee</li> <li>• Member of the Audit Committee</li> <li>• Member of the Governance, Risk and Compliance Committee</li> <li>• Chair of the Central Regional Committee</li> </ul> | <b>Board Committees</b> <ul style="list-style-type: none"> <li>• Member of the Disciplinary Committee</li> <li>• Member of the Governance, Risk and Compliance Committee</li> <li>• Chair of the Gauteng Regional Committee</li> </ul> |
| <b>Designations and qualifications</b><br>CFE<br>Certificate Programme in Fraud Examination<br>Certificate Programme in Advanced Fraud Examination<br>B-Tech Forensic Investigation (Hon)<br>M-Tech Forensic Investigation (Master's Degree) | <b>Designations and qualifications</b><br>CFE<br>BCom Law Post Grad in Forensic Accounting and Investigation<br>Higher Diploma in Fraud Examination<br>Moderation of Outcome-Based Assessment<br>Outcome-Based Assessment | <b>Designations and qualifications</b><br>CFE<br>Certified Ethics Officer<br>Post Graduate Diploma in Management Practices<br>National Diploma Internal Auditing  | <b>Designations and qualifications</b><br>CFE<br>National Diploma Police Management Management Advancement Programme   | <b>Designations and qualifications</b><br>CFE<br>CA (SA)<br>Certified Internal Auditor (CIA)<br>Bachelor of Accounting (UKZN)<br>Certificate in Forensic Accounting<br><br>Higher Diploma in Fraud Examination (UP)        | <b>Designations and qualifications</b><br>CFE<br>BCom   | <b>Designations and qualifications</b><br>CFE<br>PIA<br>BCom Internal Audit  |

|  |   |  |  |  |  |  |
|--|---|--|--|--|--|--|
| <b>Other Professional body membership</b>                              | <b>Other Professional body membership</b><br>EPA<br>IoD SA<br>SAPFED    | <b>Other Professional body membership</b><br>BCI<br>IRMSA<br>TEI       | <b>Other Professional body membership</b><br>None                      | <b>Other Professional body membership</b><br>IRBA<br>SAICA<br>IIA SA   | <b>Other Professional body membership</b>                              | <b>Other Professional body membership</b><br>IIA SA<br>CISA            |
| <b>Attendance Board meetings:</b><br>5 out of 5<br><b>Events:</b><br>8 | <b>Attendance Board meetings:</b><br>5 out of 5<br><b>Events:</b><br>11 | <b>Attendance Board meetings:</b><br>5 out of 5<br><b>Events:</b><br>2 | <b>Attendance Board meetings:</b><br>5 out of 5<br><b>Events:</b><br>5 | <b>Attendance Board meetings:</b><br>5 out of 5<br><b>Events:</b><br>3 | <b>Attendance Board meetings:</b><br>4 out of 5<br><b>Events:</b><br>2 | <b>Attendance Board meetings:</b><br>4 out of 5<br><b>Events:</b><br>7 |

# STATE OF GOVERNANCE

The Board started to explore new avenues for the organisation and approached independent consultants to review the ACFE SA Governance framework, structure and Mol in 2021. After an independent facilitated review in 2021, key changes to the ACFE SA's Governance framework, structure and Mol were made to ensure efficiency, objectivity and independence of the board.

## BOARD ACCOUNTABILITY & RESPONSIBILITIES

### **The Board's accountability includes four overarching responsibilities:**

- Steering the organisation and setting its strategic direction;
- Approving policy and planning that give effect to the direction provided;
- Overseeing and monitoring implementation and execution by management; and
- Ensuring accountability for performance by means of, among others, reporting and disclosure.

### **The Board aims to achieve the following beneficial governance outcomes for the organisation:**

- An ethical culture;
- Sustainable performance and value-creation;
- Adequate and effective control of the organisation by the Board; and
- Protecting and building trust in the organisation, its reputation and legitimacy.

# RESPONSIBILITIES OF THE BOARD



## **IN ADDITION TO THE BOARD'S OVERARCHING RESPONSIBILITIES, THE BOARD ASSUMES THE RESPONSIBILITIES TO:**

- Act in the best interests of the organisation;
  - Serve as the focal point and custodian for corporate governance in the organisation;
  - In fulfilling its function, at all times apply the 16 principles of the King IV Code;
  - Oversee the establishment and implementation of a Corporate Governance Framework and review the effectiveness of its implementation;
  - Approve and annually review a Delegation of Authority Framework that articulates and sets direction on reservation and delegation of power;
  - Oversee that key management functions are headed by individuals with the necessary competence, that authority and responsibilities are effectively delegated and that the functions are adequately resourced;
- 
- Appoint the CEO;
  - Formally evaluate the performance of the CEO annually against agreed performance measures and targets;
  - Ensure that a suitable succession plan is in place for the CEO and periodically review this plan;
  - Adopt a Remuneration Policy which is fair, responsible and aligned with the objectives and purpose of the organisation while linked to individual performance; and
  - Ensure that the solvency and liquidity of the organisation is continuously monitored and reported.
  - Conduct themselves in a professional manner;
  - Disclose real or perceived conflicts of interests to the Board and deal with them accordingly;
  - Disclose any information that they may be aware of that is material to the organisation and of which the Board is not aware, unless bound by ethical or contractual obligations of non-disclosure;
  - Only use their powers for the purposes for which they were conferred upon them and not gain advantage for themselves or a third party or to harm the organisation in any way;



- Only act within their powers as formally delegated by the Board;
- Keep all information learned in their capacity as a Director, strictly confidential;
- Use their best endeavours to attend Board meetings where at all possible and devote appropriate preparation time ahead of each meeting to ensure that they are in a position to contribute to discussions and to make informed decisions on matters before the Board;
- Exhibit the degree of skill and care as may be reasonably expected of a person of their skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after their own affairs;
- Actively participate in and contribute to Board deliberations in a constructive and frank manner under the leadership and guidance of the Chairman; and
- Exercise their right to have access, at reasonable times, to all relevant information and to management, where such access is arranged through the Chairman or the CEO.

# CORPORATE GOVERNANCE FRAMEWORK

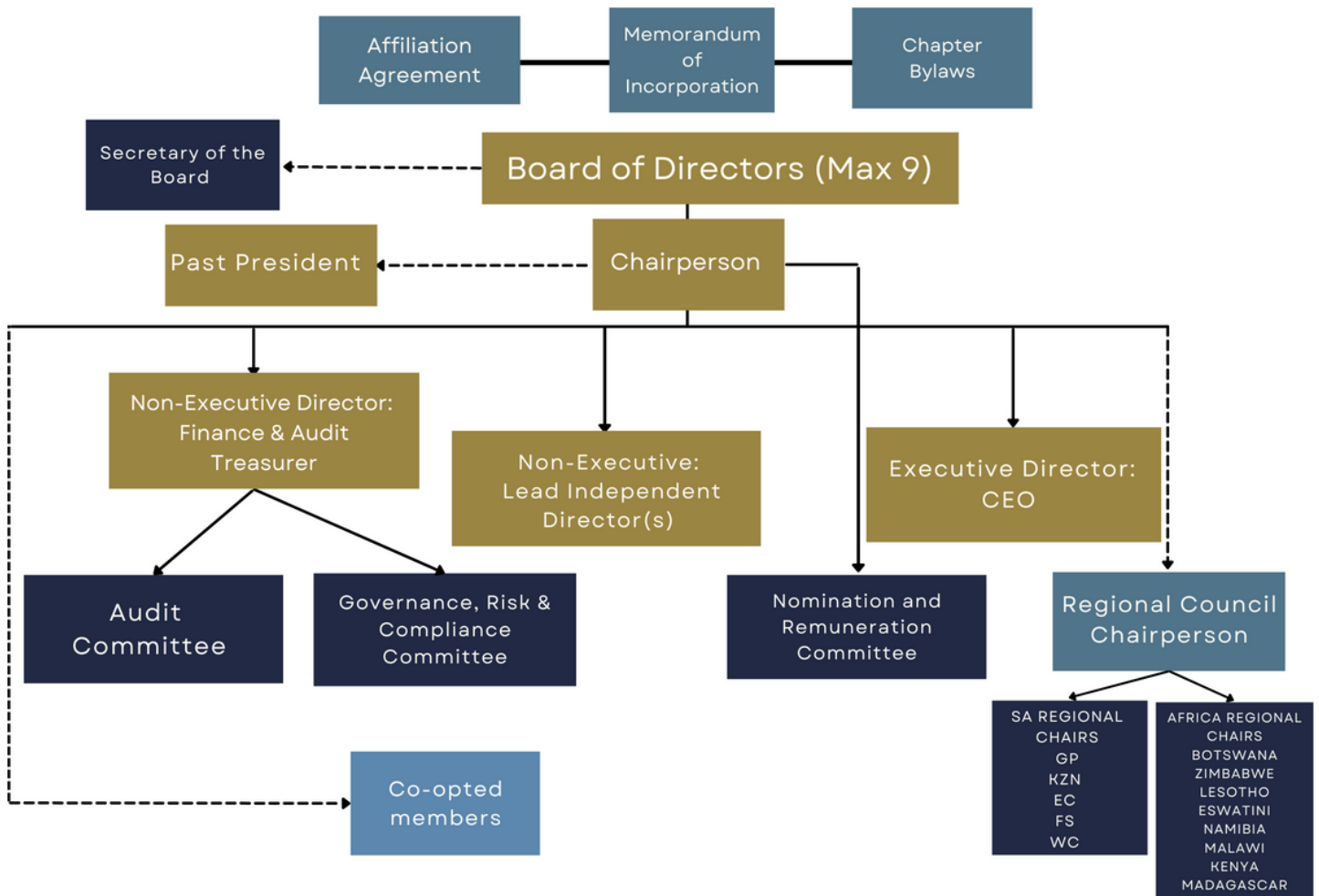
The ACFE SA is an autonomous legal entity, incorporated in South Africa, which has entered into an Affiliation Agreement with the ACFE International, a legal entity incorporated in the state of Texas, United States of America. In terms of this Affiliation Agreement, the ACFE SA not only complies with the South African Companies Act 71 of 2008 as amended, but also with the ACFE Bylaws, Chapter Handbook and other applicable requirements.

Within this context, the Board determines what is required to effectively govern the ACFE SA in the context within which it operates. This framework is further based on the principles and practices detailed in King IV™ and ISO 31000.

# FRAMEWORK

The design for the corporate governance of the ACFE SA is depicted:

## ACFE SA BOARD OF DIRECTORS



# IMPLEMENTATION, MONITORING & REVIEW

The President is accountable for the implementation of this Corporate Governance Framework. The Board supports the President in the implementation of this framework and authorises the CEO to assist in this regard. The Board reviews this Corporate Governance Framework, its Board Terms of Reference, Governance Policies, Committee Terms of References and the CEO's documented and agreed responsibilities at least every second year, making use of independent assistance when deemed necessary.



# BOARD REPORT SUMMARY

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As part of the ongoing process of ensuring governance through all our interactions, the following serves as a summary of the initiatives, guidance and associated actions that continue to enhance the roles and responsibilities that the Board are required to fulfil.

## **RECURRING ITEMS ON THE BOARD'S AGENDA**

- Consideration of Board composition and succession.
- Approval of candidates for board vacancies and AGM notice
- Approval of Board committees, including re-structuring and discontinuation of certain existing Committee.
- Approval of each Board committee's terms of references.
- Approval of Corporate Governance Framework.
- Approval of delegation of authority.
- Actual, potential and/or perceived conflict of interest.
- Consideration of legal/reputational matters
- Discussion on Board performance and attendance for 2021.
- Approval of Integrated Report and Annual Financial Statements.
- Approval of 2022 business plan and budget.
- Oversight of tax exemption status.
- Approval of relevant policies.
- Overview of key stakeholder relationships.
- Review of CEO's performance.
- Ratification of awards.
- Member disciplinary sanctions.
- Risk register updates of the ACFE SA and overall performance.

### **WE, AS A BOARD, ARE SATISFIED:**

- That good corporate governance is appropriately applied.
- That the ACFE SA's Governance framework and structure aligns with the Companies Act, King IV and best practice.
- With the quality of key strategic relationships.
- With the level of integrity and ethics in the organisation.
- That we ensured access to strategic resources needed to achieve the organisation's strategy objectives.
- That we have promoted an enabling environment for the organisation, under the leadership of the CEO.
- That we have fulfilled our fiduciary duties and responsibilities in accordance with the ACFE Chapter Bylaws, Board Terms of Reference and Mol.
- That the Board and each Board Committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively.

### **ADDITIONAL CONTRIBUTIONS BY THE BOARD:**

- Raised awareness of the fraud examination profession and the ACFE SA as a professional body.
- Contributed to the overall increase of membership and CFEs in South Africa and other African countries.
- Active participation in ACFE SA Regional Committee Activities.
- Ensured that members received relevant and appropriate training.
- Active member of several international forums, where we have participated in knowledge-sharing and global standard-setting.
- Implemented strategies within the organisation to ensure that ACFE SA employees receive the necessary training for detecting and preventing fraud.
- Provided a forum for professionals from all sectors to share ideas and network.
- Ensured continuous engagement and dialogue between key strategic stakeholders.
- Promoted collaboration with other institutions in all sectors to raise awareness to ultimately achieve the goal of a corruption-free environment.
- Ensured the successful execution of the International Fraud Awareness Week ("IFAW") and to use own initiatives to further create awareness within their own industries and companies.
- Mentored and advised upcoming youth who have shown an interest in fraud examination profession.
- Established the young CFE Award for CFEs under 35.
- Ensured the successful execution of Regional Events.

### **MATERIAL PRE-IDENTIFIED BOARD FOCUS AREAS FOR 2022/2023 ARE:**

- Acquiring board members with skills/experience
- Board succession planning
- Continued oversight of digital innovation and improvements



# LEGAL AND DISCIPLINE FEEDBACK

BY JONATHAN LE ROUX



The ACFE SA protects the public by exercising professional authority over its members, and by ensuring Continuing Professional Education ("CPE") and professional oversight. The ACFE SA ensures the continuous development of its members' competencies. The ACFE SA's disciplinary procedure plays a crucial role in maintaining the integrity of the profession and protecting the public interest.

Members of the Chapter must at all times display responsible, professional, and socially acceptable behaviour in the execution of their duties.

Members of the Chapter must at all times adhere to the ACFE Rules of Conduct, and the applicable legislation in the execution of their duties.

The ACFE SA, more so than most organisations, require consistent legal oversight and advice. In an ever-changing legal landscape, it is imperative to keep up with the pace of change. In the prevailing economic conditions, the Disciplinary Committee has found itself reviewing an upward trend of matters concerning our member's professional practice and conduct, necessitating consultation and, in some cases, handing these matters over to ACFE International for review and disciplinary sanction.

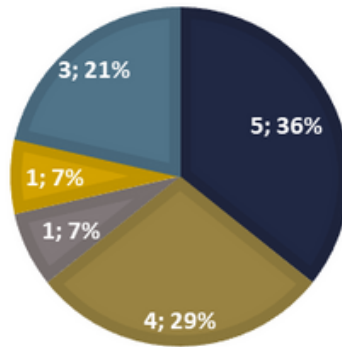
The Disciplinary Committee fulfils a role in overall legal services of the ACFE SA, mainly to monitor the professional practice and conduct of its members. The Disciplinary Committee adjudicates reports and complaints to ensure that the behaviour of our members and their actions respect the ACFE Code of Ethics and Professional Standards.

## MATTERS REPORTED

Whilst the Disciplinary Committee had a balance of five (5) matters that rolled over from the previous reporting period, a total of fourteen (14) new matters were reported to the ACFE SA during the past financial year.

## CATEGORY BREAKDOWN ON REPORTED MATTERS JULY 2021 - AUGUST 2022

- Conduct unbecoming of and contrary to the code of ACFE Ethics
- Misrepresentation of ACFE SA membership status
- Misrepresentation and unauthorised use of ACFE Seal
- Labour Dispute
- Alleged unfounded statements/findings in report



The majority of newly reported matters relate to labour disputes, membership misrepresentation and unethical conduct. Furthermore, out of a total of nineteen (19) matters, fifteen (15) were closed, leaving four (4) active cases.

The four (4) cases are at different disciplinary review stages, namely:

### Stage 3:

Forward implicated member's response to the complainant for final input and comments  
- one (1) case

### Stage 5:

Recommendation of the legal practitioner sent to the DC for the final decision (Formal disciplinary hearing, refer to ACFE International or close matter) - two (2) cases

### Stage 6:

Disciplinary hearing - one (1) case

# USE OF ACFE MATERIALS, SEAL AND COPYRIGHT

We have seen an increase in unauthorised trainers who are violating ACFE's intellectual property rights (infringing on ACFE copyrights and trademarks). This extends to the distribution of unauthorized copies of the Fraud Examiners Manual and/or use of ACFE copyrighted materials in any course and the use of the CFE Seal.

# INCURRED COSTS DUE TO DISCIPLINARY ACTIONS

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During the reporting period, a formal disciplinary hearing was initiated by the ACFE SA against two ACFE SA members, which resulted in additional costs, time and resources being incurred by the ACFE SA, which were not budgeted for.

The Disciplinary Committee has reviewed and considered the possibility of introducing Cost Orders to recover costs from members found guilty of misconduct. This is based on the principle that the majority of members should not be required to subsidise the minority who have been subjected to disciplinary proceedings due to their own misconduct.

After careful consideration the position of the ACFE SA is that a member who has been found guilty of an allegation should pay the reasonable and proportionate costs of the ACFE SA bringing the case. It is critical to bear in mind that an award of costs is not a sanction, but rather the result of a finding that allegations are proven (in whole or in part) or an unsuccessful appeal. When a member is ordered to pay Chapter's costs, it is to compensate the Chapter and thus the membership as a whole for the reasonable costs incurred by the Chapter in bringing the proceedings.

This Cost Order provision has been updated in our disciplinary code, whereby if a ACFE SA member has been found guilty of an allegation, that they should pay the reasonable and proportionate costs of the ACFE SA Chapter bringing the case.





# TRAINING LANDSCAPE

The Training and Development department manages member CPE, drives industry transformation, and houses funding initiatives that support social contribution. We create a pipeline of ethical and highly competent future members by encouraging and supporting aspirant CFEs while upholding industry standards through the CFE exams. Our transformation initiatives generate opportunities and drive industry transformation to ensure that the industry remains relevant and increasingly representative.

The ACFE training is benchmarked to the highest local and international standards and is recognised as such. This is proven by the high attendance rates at all our events, with some universities already using the ACFE material, other higher education institutions are increasingly looking to incorporate it into their curriculum.

The ACFE SA, in recognition of the need expressed by members, is pursuing the creation of further specialist qualifications. Our research and knowledge base is of the highest standard and is being continually updated to keep abreast with the latest trends, legislation, and technology. Through the various ACFE SA Industry Forums, the ACFE SA accepted and endorsed various industry standards which can be viewed on our website. The Forum committees are currently pursuing academic accreditation for the material developed thereby creating further career and specialisation paths for members.

The CFE designation remains sought after as can be seen from the increased demand for the CFE training course. Over the past year, we have seen more than 269 attend the CFE course thanks to the ACFE SA's sister company, the AFRICA Training Academy, and companies supporting the profession through further skills development. Going forward, the ACFE SA will move into a more governing/regulating role.

We do anticipate a decrease in membership numbers by the end of the following year due to non-compliance to CPE requirements, however, it remains our responsibility to protect the reputation of our profession, the ACFE SA, our members who do comply, as well as the general public. Members not in good standing will also be removed from the SAQA NLRD list not to reflect as professional fraud examiners.



**... some universities already using the ACFE material, other higher education institutions are increasingly looking to incorporate it into their curriculum.**





# REGIONAL COMMITTEES

The objective and mandate for ACFE SA Regional Committees are not to create separate Chapters or legal entities but to simply facilitate activities/events and networking in certain geographical areas, supported by the ACFE SA. The Regional Committees' mission is to promote member interaction and Contribute to the Common Body of Knowledge (CBOK).

## **The ACFE SA has five (5) Regional Committees:**

- Gauteng Regional Committee\*
- KwaZulu-Natal Regional committee
- Eastern Cape Regional Committee
- Cape Town Regional Committee
- Central Regional Committee

*\* The previously known Johannesburg and Pretoria Committees merged in 2021 and are now the Gauteng Committee.*

In 2021, the Gauteng and Cape Town Regional Committees established a Shadow Committee. These Regional Committees recognised the abilities and ideas young CFEs could bring to the table. Eight young professional CFEs (35 and younger) were appointed to the Gauteng Committee's Shadow Committee. These individuals participated in the mentoring programme to gain experience on the decision-making processes during meetings, attend and help organise events, and gain valuable insight into the operations of the ACFE SA.

To engage scholars and young adults, these Shadow Committees are working towards establishing ACFE Student Chapters. Since the formation of the Shadow Committee, they attended meetings, established relationships between the ACFE SA and their alumni universities, and they created a project plan with a list of open days at educational institutions, such as universities and schools, which can be attended to raise awareness. The first open day took place on 2 August 2022, when the Gauteng Shadow Committee attended the Forensic open day at North-West University (Potchefstroom) in collaboration with the ACFE SA and Gauteng Committee, and it was a huge success.

Regional Committees are mainly expected to arrange and host two virtual or face-to-face (when so required) events per financial year. Regional Committees are encouraged to host events during the IFAW, involving the public and the private sector. The events hosted provided opportunities for members to earn CPE credits. After each event, a survey/questionnaire is distributed to all attendees to identify education issues/needs within the membership and to ensure the events meet the ACFE SA members' standards. All attendees receive a certificate as proof of attendance and proof of CPE credits awarded.

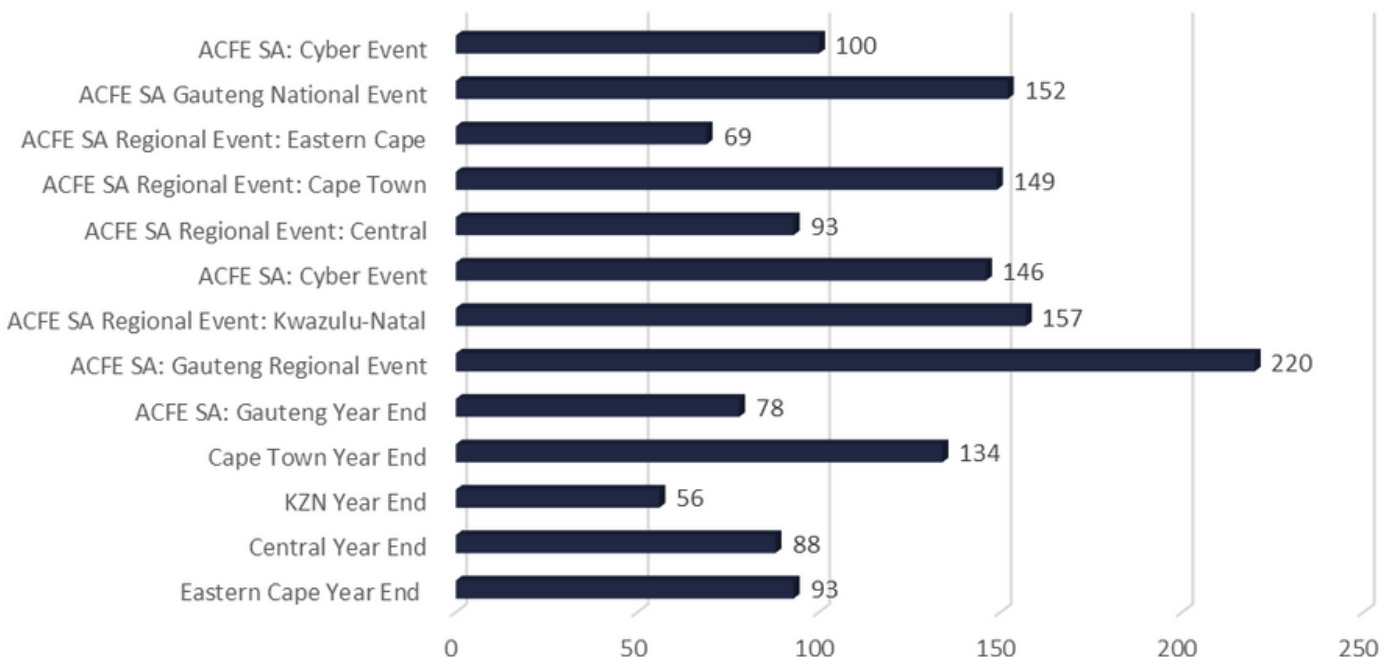
# TRAINING AND DEVELOPMENT REPORT



This report has been compiled to provide an overview of all ACFE SA training sessions hosted during the 2021-2022 financial year. Data has been collected from the surveys completed by delegates to provide the key stakeholders with feedback on the impact of the training offered, as well as to make informed decisions on the planning of training in the next financial year.

During this reporting period, a total number of thirteen (13) regional training sessions were hosted. All these events were virtual as a result of the global pandemic. A total number of 1 535 delegates attended these sessions hosted by the various regional committees with a total of 15 CPE credits issued. Two of the listed year-end events were 2 hours in duration and as result, delegates earned 2 CPE credits. The ACFE SA Regional events are open to non-SA citizens.

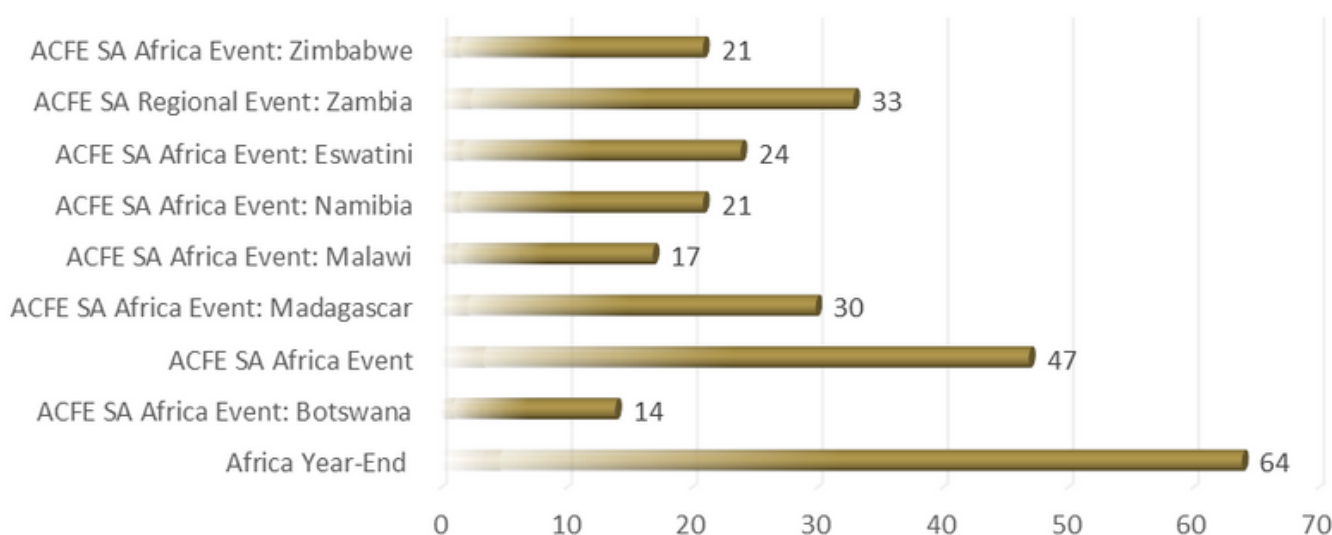
## OVERALL ATTENDANCE OF ACFE SA REGIONAL EVENTS



A total of 9 ACFE SA Africa training sessions were hosted by the various ACFE Africa Chapters and committees. A total number of 271 delegates attended these sessions and a total of 9 CPE credits were assigned. These sessions are not open to SA citizens and as a result justifies the low delegate attendance. Many of the Africa Chapters have reported that delegates experience difficulty settling the required fees for these sessions. As shown in the graph below, the following events were offered for free and as a result more delegates were able to attend:

- Africa Year End event (March 2021)
- Africa event (March 2022)
- ACFE SA Madagascar event (March 2022)

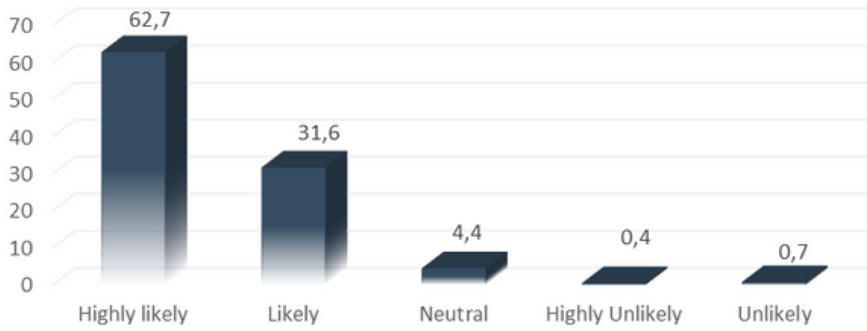
## OVERALL ATTENDANCE OF ACFE SA AFRICA EVENTS



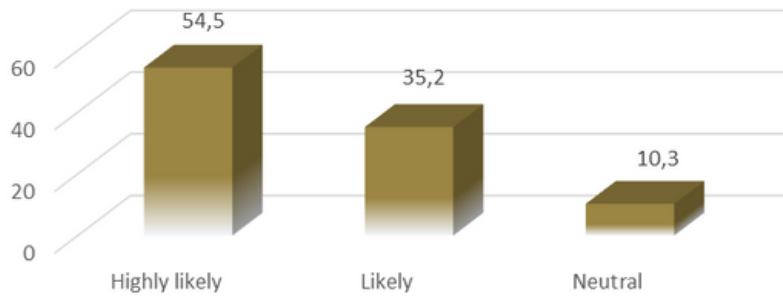
The following graphs provide information on the data received from the various surveys that were sent to delegates after each event. Delegates are required to complete and submit the required questionnaire and survey forms to receive the assigned CPE credits allocated for each event.

From the graphs below, it is clear that the majority of delegates who attended the Regional (94,3%) as well as Africa (89,7%) events, were generally satisfied with the training sessions offered, and indicated that they would recommend the sessions to a friend/colleague.

**SUMMARY: ACFE SA REGIONAL EVENTS  
HOW LIKELY IS IT THAT YOU WOULD  
RECOMMEND THIS EVENT TO A  
FRIEND/COLLEAGUE?**

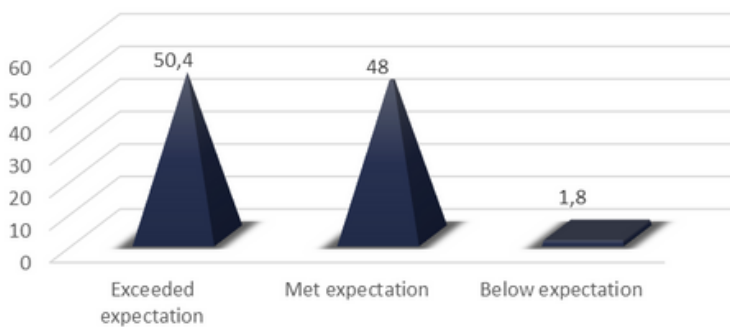


**SUMMARY: ACFE SA AFRICA EVENTS  
HOW LIKELY IS IT THAT YOU WOULD RECOMMEND  
THIS EVENT TO A FRIEND OR COLLEAGUE?**

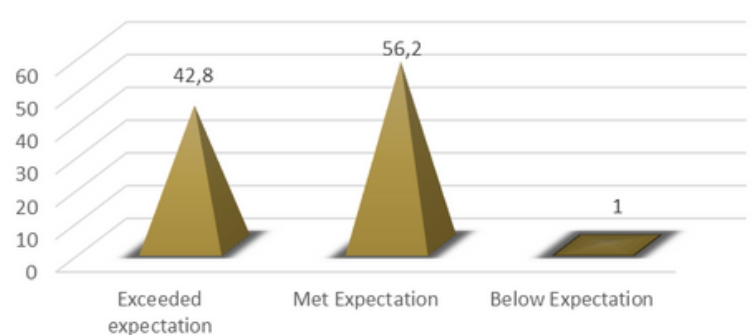


The speakers identified by the various regional committees were well received by most delegates. An average of 89,7 % of all delegates who attended the various regional training sessions, and an average of 99% of all delegates who attended the ACFE SA Africa sessions, indicated that the speakers either exceeded, or met their expectation.

**SUMMARY: ACFE SA REGIONAL EVENTS  
HOW WOULD YOU RATE THE SPEAKER  
OVERALL?**



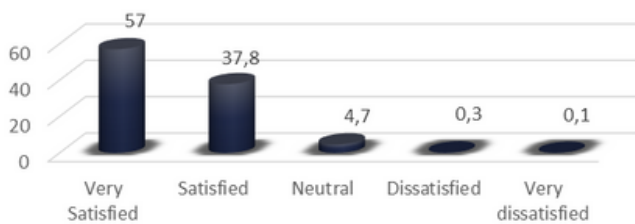
**SUMMARY: ACFE SA AFRICA EVENTS  
HOW WOULD YOU RATE THE SPEAKER  
OVERALL?**



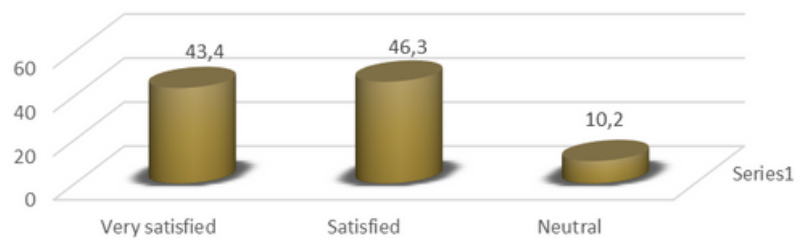


The following two graphs reflect that the majority of delegates are satisfied with the topics identified by the various regional committees and Africa Chapters. A total of 94,8% delegates who attended the regional training sessions, were very satisfied/satisfied with the selected topics. A total of 89,7% of all delegates who attended the Africa training sessions were very satisfied/satisfied with the selected topics.

**SUMMARY: ACFE SA REGIONAL EVENTS  
OVERALL, HOW SATISFIED OR DISSATISFIED ARE YOU WITH THE TOPIC?**

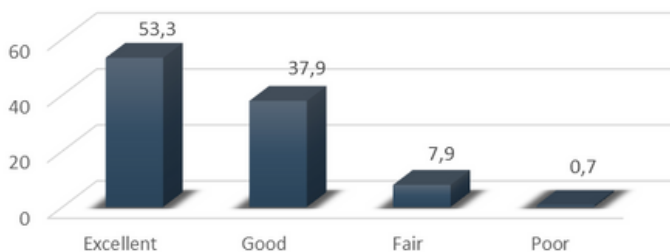


**SUMMARY: ACFE SA AFRICA EVENTS  
OVERALL, HOW SATISFIED, OR DISSATISFIED ARE YOU WITH THE TOPIC?**

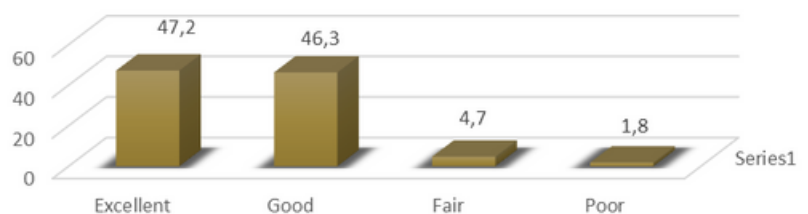


In the graphs below, it is further clear that the delegates who attended the regional (91,2%) and Africa (93,5%) training sessions, are satisfied that the identified topics met their individual needs to improve their skills and expertise as investigators and CFEs.

**SUMMARY: ACFE SA REGIONAL EVENTS  
HOW WELL DOES THE TOPIC MEET YOUR NEEDS?**



**SUMMARY: ACFE SA AFRICA EVENTS  
HOW WELL DOES THE TOPIC MEET YOUR NEEDS?**

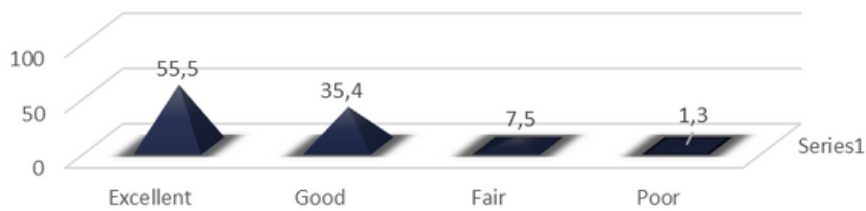


The following graph confirms that most delegates who attended the regional training sessions are of the opinion that the training sessions are excellent/good value for money (90,9%).

Note that since 2019, no price increase occurred, providing members with the opportunity to attend training while being supported by the Chapter.

## SUMMARY: ACFE SA REGIONAL EVENTS

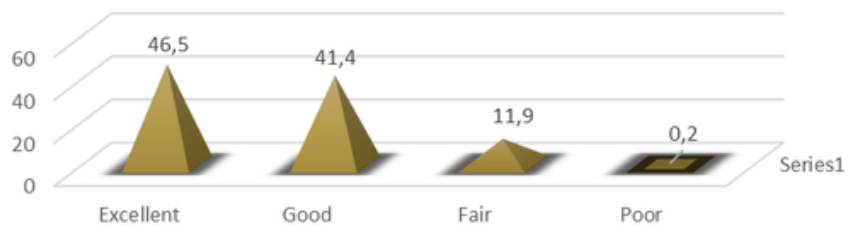
### HOW WOULD YOU RATE THE VALUE FOR MONEY OF THE EVENT?



Delegates who attended the Africa training sessions had a slightly different opinion on the same survey question. An astonishing 87,9% of delegates are of the opinion that the training sessions are excellent/good value for money, whilst only 12,1% of the delegates are of the opinion that the value for money is rather less favourable.

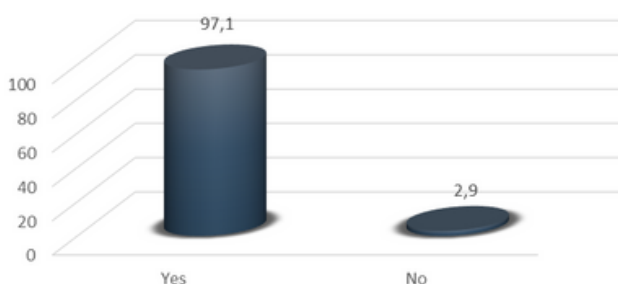
## SUMMARY: ACFE SA AFRICA EVENTS

### HOW WOULD YOU RATE THE VALUE FOR MONEY OF THE EVENT?

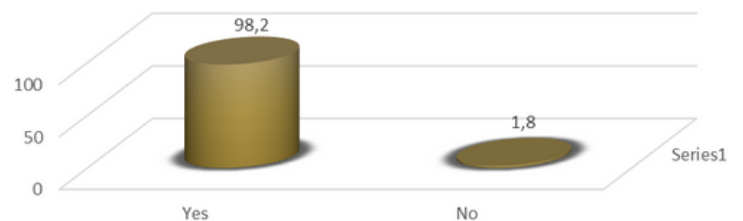


Although the ACFE SA is ready to return to in-person and hybrid events, most delegates who attended the regional sessions during the reporting period, (97,1%) were still of the opinion that future events should be virtual. This figure is almost in line with the Africa countries where 98,2 % of delegates vote for virtual events.

### SUMMARY: ACFE SA REGIONAL EVENTS IN FUTURE, WOULD YOU PREFER VIRTUAL EVENTS?

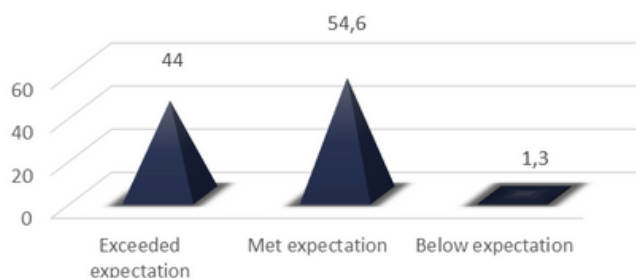


### SUMMARY: ACFE SA AFRICA EVENTS IN FUTURE, WOULD YOU PREFER VIRTUAL EVENTS?



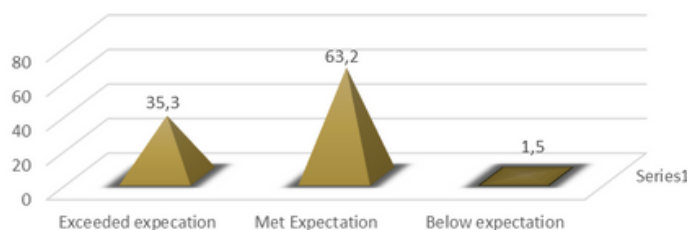
The following two graphs provide delegates' feedback on how the platform meets their expectation. 98,6% of the delegates who attended the regional events were of the opinion that the platform met their expectation.

### SUMMARY: ACFE SA REGIONAL EVENTS HOW DOES THE PLATFORM MEET YOUR EXPECTATION?



Although 98,7% of delegates who attended the Africa events were of the opinion that the platform met their expectation, there was a slight discrepancy in the number of delegates who selected "exceeding expectation" and "met expectation". This discrepancy might be due to network issues experienced by delegates in the various African countries.

### SUMMARY: ACFE SA AFRICA EVENTS HOW DOES THE PLATFORM MEET YOUR EXPECTATIONS?



## FINAL COMMENTS

- All training sessions were successfully delivered as per the training calendar set for the 2021-2022 financial year,
- A total of 1 806 delegates attended the sessions offered by both the regional as well as Africa Chapters/committees,
- The majority of delegates expressed their satisfaction with the topics and speakers selected for the training sessions,
- The majority of delegates agree that the fees for training sessions are good value for money,
- Most delegates are satisfied with the platform used for virtual training sessions,
- Most delegates are still preferring online training sessions.

# ANNUAL CONFERENCE



The Annual ACFE Africa Conference & Exhibition is recognised as Africa's largest anti-fraud event and the world's second largest, bringing together hundreds of anti-fraud professionals from over 20 countries. The ACFE South Africa hosted the 14th Annual ACFE Africa Conference & Exhibition as a virtual event for the second time from September 13-15, 2021.

Following the hard lockdown, it was decided not to host a face-to-face conference in 2021, despite the relaxation of some COVID safety protocols and the success of the virtual 13th Annual ACFE Conference & Exhibition in 2020. As a result, the Conference was more successful than the previous year, with attendance increasing from 760 delegates the previous year to 1 004 delegates in 2021.

With a total of 44 distinguished guest speakers and 3 tracks hosted over 3 days, 22 CPE credits were available to our members to ensure that they maintain their CFE status. We had 23 exhibitors and would like to thank them as well as our sponsors, who support the conference year after year.

The third virtual annual conference will be held from September 12-14, 2022, and we are thrilled that registrations are on track to exceed 1 000 delegates. This year's 15th Annual Conference offers 20 CPE credits for the 40 sessions to be held over three days. This event will feature a number of distinguished global keynote and guest speakers.

For the second year in a row, all retrenched CFEs may attend this year's conference free of charge and earn the CPEs required to maintain their CFE status. We have also discounted group bookings to further assist our members and corporate clients.

We hope to provide delegates with not only quality training, but also an opportunity to network with other delegates, speakers, exhibitors, sponsors, ACFE SA Board members, and ACFE SA staff on a more robust platform.



# 2021 CONFERENCE AT A GLANCE

**1004**

REGISTERED  
ATTENDEES

**44**

SPEAKERS

**22**

CPEs

**23**

EXHIBITORS

**BEST-RATED**

**SPEAKERS:**

Dr Kamil Reddy  
Justice Zak Yacoob  
Michael "Bret" Hood

**SPONSORS:**

Platinum: PwC  
Gold: SAS  
Silver: ACCA & UNISA  
Bronze: AGSA

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## INTERNATIONAL FRAUD AWARENESS WEEK

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The ACFE SA is a proud supporter of the annual International Fraud Awareness Week (IFAW). Every year, we join the global effort to reduce the impact of fraud by promoting anti-fraud awareness and education. The ACFE SA hosted a one-day virtual event on 15 November, 2021, for members, business owners, and the general public. We'd like to thank all 928 people who took the time to take part in this global campaign. The first step toward change is becoming aware!

We hosted a number of successful events in collaboration with Regional Committees, as well as several ACFE Africa Chapters and National Committees. We hope that the

virtual event inspired the "man on the street" to contribute to the cause. The speakers educated the public on relevant and everyday topics, free of charge.

During IFAW, official supporters around the world participated in a variety of activities, such as hosting fraud awareness training for employees and/or the community, conducting employee surveys to assess levels of fraud awareness within their organisation, posting articles on company websites and newsletters, and collaborating with local media to highlight the ongoing problem of fraud.

We would like to thank all of the companies that participated and supported this week for their role in educating others and combating fraud.

## LIFELONG LEARNING OPPORTUNITY

On March 16, 2022, the ACFE SA hosted a Lifelong Learning event sponsored by FASSET. The event was free and open to all ACFE SA members and FASSET sector employees. While the event was free, the value of the training was R2 500.00 per person. The event focused on Fraud, Governance and Ethics, and 5 CPE credits were awarded to those who attended the event. The event, which drew a total of 1 838 delegates, was a huge success.

## QCTO

The ACFE SA has worked closely with the QCTO regarding the re-alignment of the NQF 7 qualification (Advanced Certificate: Fraud Examination). On 16 July 2021, the ACFE SA was informed that the NQF 7 qualification was re-registered by SAQA, based on a recommendation received from QCTO.

FASSET continues as the ETQA (Education and Training Quality Assurance Body) for the NQF 7 qualification. The ACFE SA will continue to initiate processes to review this qualification to ensure its continuation.

In addition to the above, our training provider, the AFRICA Training Academy, now received approval to offer the NQF 8 qualification (Occupational Certificate: Fraud Examiner) and has started training the first groups in 2022.

# OPPORTUNITIES & SUCCESS

## PROFESSIONAL BODY STATUS

The ACFE SA was first recognised as a professional body with SAQA on 8 October 2012, and its professional body status was subsequently confirmed every 5 years.

"The South African Qualifications Authority (SAQA) has a statutory responsibility to administer and conduct a monitoring and evaluation process as indicated in the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the purposes of the National Qualifications Framework Act, Act 67 of 2008 (as amended, March 2018)."

Section 24 of the aforesaid policy and criteria stipulates that: A body that meets the criteria for recognition as a professional body by SAQA is recognised for an initial period of five (5) years, renewable for subsequent five (5) year periods, subject to the favourable outcome of a monitoring and evaluation process conducted by SAQA. We at the ACFE SA are committed to achieving excellence in assisting our members, and the public and private sectors in giving them the resources they need to combat fraud.

SAQA re-recognised the ACFE SA as a non-statutory professional body and its CFE designation on an NQF level 7 on 2 November 2021. For the third term, SAQA confirmed that the ACFE SA was found to be compliant with SAQA's Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation. This illustrates our dedication to the industry, and we hope to continue proving to you that we are committed to you, to the industry, and to fighting fraud globally.

The renewal and recognition as a professional body benefit the profession, the ACFE SA, and contributes to skills development and professional service delivery in South Africa. Additionally, with the ACFE being internationally accepted as a professional entity, it provides our South African members access to a global network.

RE-  
RECOGNISED

NON-  
STATUTORY

PROFESSIONAL  
BODY

PROFESSIONAL  
DESIGNATION

## **ACFE SA & ACFE INTERNATIONAL INVOICES COMBINED FOR CORPORATE SPONSORS:**

The ACFE SA makes use of a combined invoicing system that is used by several corporate companies. This system combines members' ACFE SA and ACFE International fees. Corporations pay the ACFE SA directly, and we ensure that all international fees are paid over to the ACFE International. The advantage of this one-fee structure is that members pay their local and international fees in local currency with the same renewal date in their respective company.



## **INTEGRATED MEMBERSHIP MANAGEMENT SYSTEM:**

The Wild Apricot Website was implemented in February 2016 to host the Chapter's Integrated Membership Management System. Wild Apricot has been working hard on our wish list to offer the clients (users) new services. Wild Apricot allows us to release bulk emails directly from the Website and enables us to draft the respective surveys/polls, making it much easier to have all these services available on one platform. We have seen that this has made a huge difference and that we receive more responses from members when using the Wild Apricot bulk emails than using our previous system. Members can log into their profile at any time and update all their personal information, from the comfort of their homes or offices. We have also recently launched a mobile app through Wild Apricot that allows members to access their profiles and other features from their mobile devices.



## **ONLINE PAYMENT VIA THE ACFE SA'S WEBSITE:**

All Associate and CFE Members may renew their membership online at [www.acfe.com](http://www.acfe.com). After many difficulties with Wild Apricot's currency compatibility, we were able to connect our system to the Wild Apricot payment system and now offer the following online payment options: Affiliate and student members can pay their dues online or by EFT. The annual conference is open to both members and non-members and the online store accepts online payments as well as delivery/collection options. Our website also allows members to update and renew their membership.



# CREATING NEW STANDARDS

The ACFE SA is an association of professionals committed to performing at the highest level of ethical conduct. Members of the association pledge themselves to act with integrity and to perform their work in a professional manner. Members have a professional responsibility to their employers, clients, public interest, as well as to each other; a responsibility that requires subordinating self-interest to the interests of those served.

These standards express the basic principles of ethical behaviour to guide members in fulfilling their duties and obligations. By following these standards, all members specialising in these professions will be expected to demonstrate their commitment to excellence in service and professional conduct. These standards further provide the general public with guidance in appointing suitable professionals for specific functions.

With that said, the ACFE SA and ACFE SA Forensic Standard Forum have been working together on this project and have released various professional and academic standards with the assistance of industry experts. These standards have been uploaded on the website throughout the year after public comment was received, reviewed, discussed and implemented by the respective committees.

We are proud to announce that the following standards have been accepted and endorsed by the ACFE SA and can be viewed on the ACFE SA's website:

## **ACFE SA Professional Standards finalised**

- Digital Forensic Standard
- Health Fraud Examiner Standard
- Forensic Document Examiner Standard
- Forensic Standards for Polygraph Examiners
- Layered Voice Analysis (LVA)
- Pen-testing Standard
- Voice Stress Detection (VSD)
- Technical Surveillance Counter Measurements Standard

**Click here** to view the respective finalised Professional Standards.

## **Professional Standards in the process of being finalised**

- Forensic Accounting Standard and Qualifying Criteria
- Standard for Whistle-Blowing Management Systems and their Providers in South Africa
- Forensic Fire Investigator Standard

*Once the Professional Standards are finalised and adopted, the respective committees will finalise the Academic Standards linked to the respective industries, thereby creating new career paths and work opportunities.*

# OCCUPATIONAL FRAMEWORK (OFO)



The ACFE SA has registered the following specialisation fields under the OFO Code 'Fraud Examiner':

- Polygraph Examiner

The ACFE SA is in the process of registering the following specialisations under the OFO Code 'Fraud Examiner':

- Forensic Document Examiner
- Anti-Money Laundering Specialist
- Health Fraud Examiner
- Data Analyst
- Forensic Accountant
- Forensic Auditor

## FUNDING

The ACFE SA took the initiative to encourage all professional bodies that are currently registered as Levy Paying Employers to apply for funding with their respective SETAs in order to ensure their employees/members receive CFE training funded by the respective SETAs.

The Forensic Accountant is now formally recognised as an occupation and a scarce skill and is registered on the OFO Framework.

|                    |                            |
|--------------------|----------------------------|
| <b>2019-241108</b> | <b>Forensic Accountant</b> |
|                    | Specialisations:           |
|                    | Investigating Accountant   |

|                    |                       |
|--------------------|-----------------------|
| <b>2019-242215</b> | <b>Fraud Examiner</b> |
|                    | Alternate Titles:     |
|                    | Fraud Investigator    |
|                    | Fraud Analyst         |
|                    | Specialisation:       |
|                    | Polygraph Examiner    |

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# PSIRA EXEMPTION

Members in good standing are exempted from PSiRA membership fees. This exemption was announced in the Government Gazette on 24 January 2020. All ACFE SA members must adhere to PSiRA's Code of Conduct - Chapter 3 Regulation 15, as set out in Section 8 of the Private Security Regulatory Authority Regulations, and the ACFE SA will act against those members who do not adhere to the respective Code of Conduct.

We complied with the requirements set out in the Government Gazette by providing a member list to PSIRA. We have taken POPIA and other legislation into consideration and only provided them with selected information as per our agreement with PSIRA. The exemption only applies to individual members and not companies.

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## QUALITY ASSURANCE ASSESSMENT PROGRAMME

To support the mission of reducing the incidence of fraud and white-collar crime and to provide leadership to inspire public confidence, the ACFE SA embarked on the Quality Assurance journey in 2020, which places an emphasis, not only on the professionalism of the individual Fraud Examiner but also more pertinently on the Fraud Examination functions operating within large corporate entities. Quality Assurance is already employed by several professional organisations in related industries to support the objectives of high professional standards, ethics and competence. Quality Assurance serves to enhance compliance with standards and create public confidence in professions.

The ACFE SA team has made significant progress with the program. We are looking forward to the new year and have a few assessments already confirmed.

# IMBIZO



The Imbizo is an opportunity for business leaders to come together and assess the fraud risks and challenges facing the industry - an opportunity to step out of the “crisis management” space and exercise thought leadership.

While the ACFE provides the platform for discussion at the Imbizo, with more than 100 companies and leaders present, it is the leaders who assist the ACFE SA in the implementation of decisions made during the discussions. The ACFE SA may support that process but it will not take over that role.

The 2021 Imbizo was held virtually, however, the lockdown level relaxation and regulations allowed us to host an in-person event once more in 2022. For the purpose of the Imbizo which consists of interactive sessions and table discussions, an in-person event is invaluable. While the virtual event in 2021 was a success, the value that attendees got from the networking and face-to-face discussions was lacking. The 2022 Imbizo took place on 14 March at the Garden Court, O.R. Tambo International Airport.

90 Delegates confirmed their attendance, however, many had to cancel on short notice due to airline challenges and flights being cancelled. With 77 people in attendance, it remained a productive event. We want to thank this year's speakers for their contribution: Jaco de Jager, De Wet Ferreira, Colonel MB Monyane, Adv. Ronél de Jager and Servaas du Plessis, all ensured that the topics enable the ACFE SA to work towards its goal of preventing and resolving white-collar crime, mapping and strategising the way forward for our profession.

The following topics were discussed: *Section 205 Feedback, PSiRA and Formal Regulation; Collaboration between the Public and the Private Sector to Improve Outcomes of the Criminal Justice System; the POPI Codes of Conduct; Collaboration Between Public and Private Sector - The Way Forward.* The DPCI presented statistics and criteria for interested members becoming reservists to assist the DPCI with the investigation of cases.

We look forward to continuous collaboration with all stakeholders, working on finding solutions to the challenges, finding new opportunities and building a more positive future. As we progress, we will keep you updated and we hope that we as the ACFE SA can add value to the anti-fraud industry.





## **TOPICS THAT WERE DISCUSSED DURING THE 2021 IMBIZO:**

TOPIC 1: Quality Assurance

TOPIC 2: Impact of the "unconstitutional" RICA

TOPIC 3: Section 205 application feedback

TOPIC 4: POPI - Effect on Fraud Examiners (FEs)

TOPIC 5: A futuristic look at post-COVID CFEs



## **THE FOLLOWING 2021 RESOLUTIONS WERE IDENTIFIED:**

### **RESOLUTION 1:**

The Heads decided that the ACFE SA needed to proceed to, if possible, get CFEs to apply directly for Section 205 at court. It was further suggested that members be allowed to act as peace officers with limited search and seizure and arrest capabilities.

### **RESOLUTION 2:**

The heads agreed that companies would focus more to upskill staff to become CFEs. Further, companies will ensure that it becomes a standard tender requirement for those conducting forensic work to be CFEs.

### **RESOLUTION 3:**

Information on various platforms were shared during the IMBIZO, amongst attendees to assist others to track employees, cases, and activities, ensuring efficient operational management.

### **RESOLUTION 4:**

It was decided that the ACFE SA become more actively involved in providing legal guidance on issues such as POPIA and any other legislation that might impact members. The need for the ACFE SA Quality Assurance program was confirmed.



## **TOPICS THAT WERE DISCUSSED DURING THE 2022 IMBIZO:**

TOPIC 1: Section 205 Feedback

TOPIC 2: PSiRA and Formal Regulation

TOPIC 3: Collaboration between the Public and Private Sector to Improve Outcomes of the Criminal Justice System

TOPIC 4: POPI Codes of Conduct

## THE FOLLOWING 2021 RESOLUTIONS WERE IDENTIFIED:

### RESOLUTION 1:

Additional Powers for CFEs:

It was determined that there is a need for different stakeholders to work together to help the South African Police Service (SAPS) combat crime. The heads agreed that CFEs are well positioned to assist the SAPS. The heads considered two possible avenues to acquire these additional powers: the processes in section 205, and section 334 of the Criminal Procedure Act, No. 51 of 1977 (CPA). It was agreed that the ACFE SA should continue to engage with various key stakeholders and make this a reality for CFEs.

### RESOLUTION 2:

PSiRA and Formal Regulation:

It was agreed that the ACFE SA would formally apply for amendment of the PSiR Act in order to ensure that CFEs are exempted.

### RESOLUTION 3:

The ACFE SA should work towards collaboration between the Public and Private Sectors to Improve Outcomes of the Criminal Justice System.

### RESOLUTION 4:

It was determined that the ACFE SA should proceed to develop a POPIA guideline for the fraud examination profession.

# DANIE DU PLESSIS FOUNDATION

## INCOME TAX EXEMPTION APPROVED

The South African Revenue Service (SARS) approved the Danie du Plessis ACFE SA Foundation's ("Foundation") application for income tax exemption that meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act). The Income Tax Exemption has been granted with effect from 15 March 2022.

### The Foundation has been approved for the following public benefit activities:

- Educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- The provision of scholarships, bursaries, awards and loans for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the Gazette.
- The provision of funds, assets, services or other resources by way of donation.

# DANIE DU PLESSIS

Foundation

## SHARE CERTIFICATE

No. OF CERTIFICATE

2

No. OF SHARES

1000

Ordinary Par Value

**ANTI FRAUD RISK INVESTIGATIONS AND COMPLIANCE ACADEMY (PTY)LTD**

Registration No 2018/095537/07

*This is to certify that*

**DANIE DU PLESSIS ACFE SA FOUNDATION NPC**

Registration No 2020/082007/08

*is the Registered Proprietor of*

**\*\*\* ONE THOUSAND \*\*\***

*Fully Paid Shares of*

**\*\*\* One Rand \*\*\***

*each*

| DISTINCTIVE NUMBERS (INCLUSIVE) |      | NUMBER OF SHARES |
|---------------------------------|------|------------------|
| FROM                            | TO   |                  |
| 1                               | 1000 | 1000             |

*Each numbered as per margin inclusive, is the above named Company, subject to the Memorandum of Incorporation and the Rules and Regulations of the Company.*

*Gives at*

**PRETORIA**

*this*

**31ST day of March 2020**

Director

Shareholder



# CHALLENGES

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Each organisation has its own challenges, which force a company to rethink its strategy and the reason for currently facing these challenges. The ACFE SA is facing the following challenges and is constantly looking at the various tools and options available to change the challenges into opportunities.

## GLOBAL PANDEMIC & ECONOMIC PRESSURE

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With the pandemic now in its third year and the fourth wave of infections behind us, as well as the state of disaster lifted, there is renewed optimism that we are on the verge of seeing the end of the global pandemic. The economic impact on developing countries, such as South Africa, has been particularly severe, as evidenced by reduced economic activity, per capita income below pre-pandemic levels, and rising unemployment.

Ongoing economic pressure caused by the global pandemic uncertainty, as well as recent global events, is likely to continue to have an impact on the discretionary spend of our members, which may result in challenges in growing our membership, and in earning revenue. Non-paying members are deactivated on the ACFE SA database, which lead to a significant drop in membership figures. There is also uncertainty around inflation and supply chain security. The work of the Zondo Commission has highlighted governance failures in private and public institutions and emphasised the need to review the role of the fraud examination profession in preventing and detecting fraud.





## OUR RESPONSE:

We are dependent on member fees for revenue and donations to fund projects addressing national imperatives. Pressure on business and members represent a risk in accessing sufficient financial capital to execute our strategy. Where necessary, we engage with members to address non-payment of fees. We emphasise the importance of the sustainability of the profession on society and our strategic focus on contributing to national imperatives.

Protocols remain in place to safeguard the safety and well-being of our employees, members, and other stakeholders. This fiscal year, all training events were virtual, and the 15th Annual ACFE Africa Conference & Exhibition will be virtual for the third consecutive year. We believe that the fraud examination profession has a key role to play in the economic recovery of the country and we continue to explore ways to support members, government and other stakeholders throughout the pandemic.

Through engagement with government as a key stakeholder, we initiated a number of projects to support the effectiveness of the public sector. We amended the ACFE SA Disciplinary Procedure, 14 disciplinary cases were concluded during the year, and we continue to follow up on allegations of those involved in corruption arising from the Zondo Commission report. We intend to remain innovative and price-sensitive, displaying value in our offerings.

New regulations and proposed changes to current regulations increase the complexity of doing business and can negatively affect business confidence and reduce capital investment. Policy changes are likely to bring about risks and opportunities on our ability to grow our membership. We intend to continue advocating for policy changes aimed at reducing and eliminating instances of fraud and white-collar crime.

# CHANGES IN REGULATORY ENVIRONMENT

## OUR RESPONSE

We engage with regulators and government to understand the impact of proposed regulations and changes, provide input and advocate for members' interests where necessary. We provide guidance for members on the implications of upcoming regulations and the requirements to ensure compliance. We are in the process of developing a Guideline for our members on POPIA.



# PACE OF TECHNOLOGICAL ADVANCEMENTS

The rate of technological advancement may put our ability to innovate at risk. Many of the trends already in place before 2020 were accelerated by the global pandemic, including increased use of digital platforms to reach customers, automating operations, and the start of a shift towards remote working and learning. Cybercriminals have been quick to exploit these developments and the shift to remote working, with cyberattacks increasing in sophistication and frequency.

## OUR RESPONSE

Cybercrime is recognised as a top risk and controls are in place to maintain ACFE SA's defense, recovery and business continuity systems. We plan to prioritise time and resources for digital innovation. We aim to improve member value, increase efficiencies within the ACFE SA, and ensure that we keep up to date with technological developments ensuring the integrity and security of our data.

# CONDUCT OF MEMBERS

Members' conduct could potentially impact the ACFE SA credibility.

## OUR RESPONSE

Members are being held accountable for their conduct nationally and internationally. We intend to continue to advocate for ethical and effective leadership; and hold our members to account against the ACFE Code of Ethics and Professional Standards.



# KEY VALUE ATTRIBUTES

## HUMAN CAPITAL

The objective of the ACFE SA is to develop a leadership brand that attracts the top candidates whilst strengthening performance culture, and linking it to reward and recognition to create an environment where people are motivated to serve and grow.

We want to provide meaningful roles aligned with the organisation's objectives, to build an environment where employees can be recognised, properly compensated and to develop brand ambassadors.

The ACFE SA remuneration philosophy is to ensure a comprehensive and transparent remuneration policy, that supports the implementation of the organisation's objectives in a sustainable and ethical manner, resulting in a high-performing culture.

The entire team surpassed their individual and combined goals. The team endeavoured to meet all of the stakeholders' expectations and targets while being faced with many challenges. Their hard work and dedication contributed to the team's overall success.

## REMUNERATION OF EMPLOYEES

BY LEN COETZEE



An external remuneration benchmarking exercise was conducted to enable improved attraction and retention of key employees. This resulted in some ad-hoc salary adjustments from 2019, as well as changes to salary bands. The CEO presents to the Board variable salaries and bonuses, each year in line with the benchmarked proposal which is then discussed and debated at Board level. Before deciding on salary increases and bonuses, the following factors are considered:

- Performance of the employee during the year
- Employee KPAs, Leadership or Managerial KPAs
- Market-related salaries
- Retention of key employees
- Increased economic pressure
- Impact of the global pandemic
- CPI

Employee salary increases and bonuses for 2022 were approved by the Board after careful consideration and deliberation.

## INDIVIDUAL

Individual performance is monitored on a day-to-day basis at the operational level against the employees' KPIs, as they execute strategic initiatives. Formal performance reviews are carried out bi-annually in July and November.

## MANCO

The CEO and management meet monthly to discuss progress on strategic initiatives, identify root causes of any performance issues, ensure that the initiatives are still delivering as intended, and identify early warning indicators for corrective actions where necessary to ensure successful outcomes.

The President included the Vice-President and Past President to assess the CEO's OKR and determine whether he met the objectives and targets set. The final decision on the CEO's salary increase was made by the Board after receiving a recommendation from REMCO. The Board decided in November 2019 that the CEO would no longer receive an annual bonus, but would instead receive market-related salary increases. Annual increases are active from the 1st of August of each year and bonuses are paid at the end of November at the discretion of the Board.

The ACFE SA contributes the following to its employees' salaries:

- Basic salary
- Employee and employer deductions, as required by law (e.g., PAYE & UIF)
- Bonus - dependent on economic climate, KPAs and the company's discretion
- Travelling expenses incurred due to work commitments.

Employees are responsible for their own personal medical aid, personal pension fund, and other non-salary benefits.

# MEET THE TEAM:

ACFE SA's employees are the primary source of value for our members. We restructured the operating model to improve efficiency. We focused on improving retention and succession planning.

**Our staff consists of:**





**Jaco de Jager, CFE** | Chief Executive Officer



**Anita Nel**  
Training Officer



**Chantell Boshoff, CFE**  
Administration Officer



**Happygirl Motaung**  
Office Custodian



**Katleho Seqapotsa**  
Branding Assistant



**Melanie Venter, CFE**  
Finance Officer



**Adv. Minette Niemann, CFE**  
Legal Officer



**Nelly Khoza**  
Membership Officer



**Portia Mphagi**  
Training Assistant



**Zanél Jordaan**  
Branding Officer

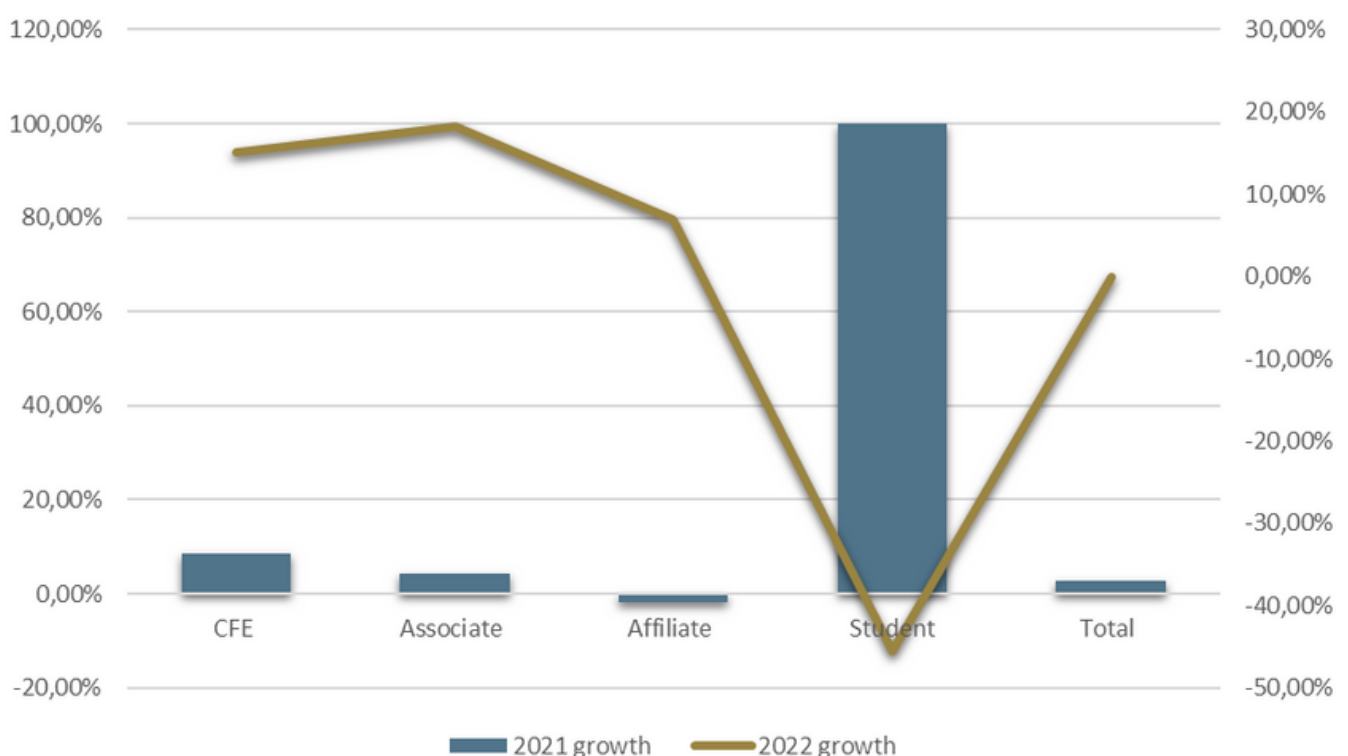
# MEMBERSHIP FOOTPRINT

## Annual figures from 30 July 2021 - 30 July 2022:

Last year, we expressed the relief that the economy felt when escaping the tight tentacles of the global pandemic, and on 4 April 2022, 750 days after the National State of Disaster was implemented, the president finally ushered the country out of the National State of Disaster. However, it seems the economy was long eager to jump right on the bandwagon because South Africa's unemployment rate decreased by 0.8% in the first quarter of 2022, bringing the unemployment rate down to 34,5%. We still have a long way to go but as the adage goes, "a journey of a thousand miles begins with a single step". Based on Statistics South Africa's (StatsSA) findings, close to 400 000 new jobs were created between the fourth quarter of 2021 and the first quarter of 2022.

When looking at our membership figures, it is advisable to note that they tend to be directly proportional to the economic state of the country. So, it is not surprising to see that the ACFE SA experienced an overall growth of 11.78% in membership. Moreover, CFEs increased by 15%, Associates by 18% while we witnessed a 7% increase in Affiliates. The students, however, dipped by 46%. Most students register as "Student Associates" to later become Associate members. Hence, this can be attributed to the decline in student membership numbers.

## MEMBERSHIP GROWTH

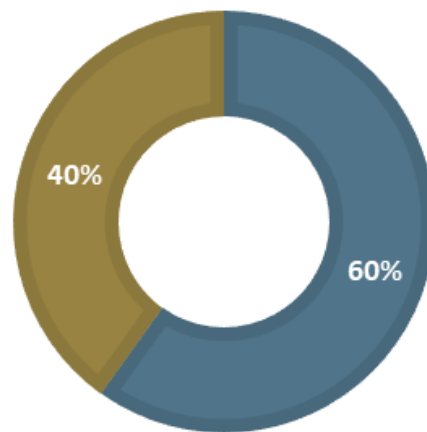


The ACFE SA had formal engagements with many universities to strengthen the relationship and opportunities for students. The ACFE SA has come up with initiatives to retain and increase student membership through initiatives such as attending career expos at both secondary school and tertiary levels. In addition, we had an array of specials for university students where we offered free regional training to final-year students and postgraduates in specific study fields.

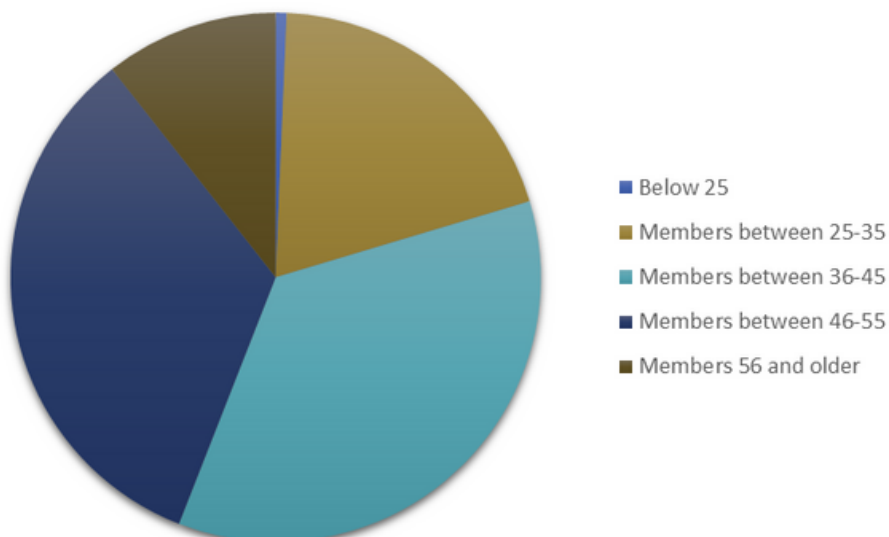
Moving over to the demographics, 60% of our members comprise of males while females make up 40%.

## GENDER

■ Male Members   ■ Female Members



With regards to the age groups, 36% of our members are between the ages of 36–45. A further 33.47% are between 46–55 years of age. The 25–35 age group takes up 19.70% while those 56 and above take up 10.56%. Those below 25 years of age account for less than 1% of membership.



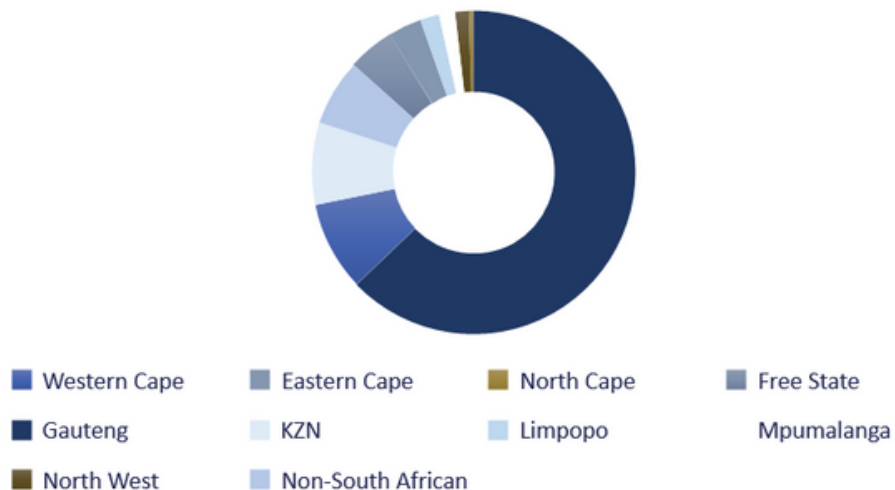


## AGE



Our regional statistics illustrated that once again, the epicentre of our membership lies within the Gauteng province which makes up 62,88%, followed by Western Cape (8.91%) then KwaZulu-Natal with 8.25%. The Free State takes up 4,7%, followed by the Eastern Cape with 3,3%, Limpopo (1,87%), Mpumalanga (1,66%), North-West (1,36%) and lastly, the Northern Cape accounting for 0,48%. Our international members make up 6,62% of ACFE SA's membership.

## PROVINCES



The ACFE International determines CFE and Associate international membership fees, while the ACFE SA determines Affiliate membership fees and the Corporate Sponsorship fee structure. To assist our members who were unable to pay their fees once-off, the ACFE SA implemented a payment plan that allowed members to pay fees in installments and decided not to raise local membership fees for the FOURTH year in a row. With the newly implemented dual membership rate, we have further reduced membership fees for both local and international members, saving them nearly R1 200 per year. All retrenched CFEs may attend this year's conference at no cost to earn the required amount of CPEs to keep their CFE status.



With that said, the ACFE SA does not allow unpaid membership fees to exceed the 90-day notice period, and as a result, cancelled several members' membership where they were employed but refused to make payment. The ACFE SA adopted a zero-tolerance approach in 2018 towards those who made use of the ACFE SA benefits but refused to pay for the services rendered. The ACFE SA made arrangements that allow certain members to pay their annual fees in installments. It remains the responsibility of the member to make arrangements with the ACFE SA regarding any outstanding accounts; to comply with the CPE requirements; and to adhere to the ACFE Code of Ethics and Professional Standards.

The zero-tolerance approach also applies to all training and conference fees. A quote or invoice to attend upcoming events will only be sent if all accounts for previously attended events have been settled. The global pandemic and current economy and retrenchments within various companies had a negative impact on our membership numbers. Some corporate members cancelled their membership and informed staff to take individual membership. The high demand for CFEs, motivated several new and current Affiliates members to become Associate Members, and Associates to become CFEs. The main focus for the ACFE SA remains to encourage all members to write the CFE exam and become CFEs. Having approximately 1 831 CFEs in SA for the 57 million population, there is an ever-increasing need for more specialisation and professionalisation in our country and in Africa.

In the past, the ACFE SA offered training through workshops, and in 2018 the ACFE SA's sister Company took over this role. The AFRICA Training Academy is fully equipped to provide training on all the latest international material and is the only service provider approved by the ACFE SA, and ACFE International to train the CFE Review and Preparation Course. We have seen an increase in requests from both private and public entities, for in-house training from the AFRICA Training Academy. This is a clear indication that there is a need for continued skills development within companies.

The ACFE SA provides companies with the opportunity to take corporate sponsorship with the benefit of registering their employees with the ACFE SA and paying a reduced annual fee. In doing so, companies provide their employees with the opportunity to belong to a professional body and receive training at a discounted rate. The ACFE SA offers numerous corporate sponsors the opportunity to request a combined invoice, allowing them to pay their ACFE SA and ACFE membership through the ACFE SA in local currency. Our members and corporate sponsors receive member benefits including:

- Access to a network of experienced local and international professionals
- A training framework for practitioners with "how to" guidance and formal standards
- Upon successful completion of the CFE Course, you obtain access to the Occupational Certificate Fraud Examination (NQF 8) registered with the QCTO
- Regular discussion forums on issues relevant to the local profession
- Discounted participation at many CFE-endorsed conferences and training seminars

- Regular training that qualifies for CPE/CPD (continuing professional education/ development) points
- A monthly electronic newsletter
- A Career Centre
- Seminars and conferences at a fraction of the cost
- Ex Officio Commissioner of Oath status to all CFEs
- CFEs belonging to the local chapter are also uploaded onto the National Professional Database hosted by SAQA





# CORPORATE SPONSORS

ABSA

Afrocentric Health

Amanda Greene Trading t/a NMK Forensics

Analytical Forensic Investigation Service

AngloGold Ashanti Ltd

Arms-audit and risk management Solutions Pty Ltd

Auditor General of South Africa

Auxano Business Consulting (PTY) Ltd

AVSAPRO Global (SAPAVSA)

Bangindawo Services

Basileus Consilium Professional Services (PTY) ltd

Bayport Financial Services

BDO FS Advisory PTY Ltd

Bowman Gilfillan Incorporated

CA JV (PTY) LTD

Cell C Ltd

Central Bank of Lesotho

City of Johannesburg

City of Tshwane

Combined Private Investigations (Pty) Ltd

Consumer profile Bureau (Pty) Ltd

CYANRE The Digital Forensic Lab (PTY) LTD

Deloitte & Touche

Department of Labour

Department of Rural Development & Land Reform

Discovery

Duja Consulting (PTY) LTD

ENS Forensics (Pty) Ltd

Eskom Holdings Ltd

EtheKwini Municipality(City Integrity & Investigations Unit)

Ernst & Young

Financial Intelligence Centre

First National Bank

Forensic Investigation Risk and Recovery Management  
(PTY) LTD

Fraudsmiths (PTY) Ltd

Free State Provincial Treasury

FTI Consulting South Africa PTY LTD

Fundudzi Forensic Services (Pty) Ltd

G M Solutions (PTY) Ltd

Gauteng Provincial Treasury/Gauteng Department of e-  
Government

Gobodo Forensic Investigative Accounting (Pty) Ltd

Government Pension Administration Agency

Hmash Forensic Services

Hollard Life Assurance Co Ltd

Ideco Biometric Security Solutions

KMT Security Services and Events Management

KPMG Service (Pty) Ltd

KZN Provincial Treasury

Liberty Group Ltd

Ligwa Advisory Services (PTY) LTD

Magma Risk Solutions

|  |   |
|--|---|
| Makhubela Attorneys INC                      | SAICB   |
| Masa Risk Advisory Services                  | SANDF   |
| Mazars Forensic Services (Pty) Ltd           | Sanlam  |
| Mdledle Incorporated                         | Santam  |
| Mera Ketso Business Solutions                | SekelaXabiso CA Incorporated                      |
| Morar Incorporated                           | SITA SOC Ltd Internal Audit                       |
| Mphokane Attorneys INC                       | SNG Grant Thornton Advisory Services              |
| Nexia-SABT                                   | South African Police Service                      |
| Nexus Forensic Services (Pty) Ltd            | South African Revenue Services                    |
| Nudent (PTY) Ltd                             | Special Investigating Unit                        |
| Office of the Auditor-General ( Namibia)     | SSG SECURITY SOLUTIONS (PTY) LTD                  |
| Old Mutual                                   | Standard Bank of SA Ltd                           |
| Open Water Advanced Risk Solutions (PTY) Ltd | Telkom SA Ltd                                     |
| Outsurance                                   | TFS Africa (Pty) Ltd                              |
| Poswa Incorporated                           | The iFirm Trading & Projects (PTY) Ltd            |
| Prodogy                                      | Transnet SOC                                      |
| PSIRA  | TSU Investigation Services (PTY) Ltd              |
| PSMA Consulting                              | Ubuntu Business Advisory and Consulting (Pty) Ltd |
| PWC  | Vodacom   |
| Qhubeka Forensic Services                    | Webber Wentzel                                    |
| RMG Forensic Services (Pty) Ltd              | Western Cape Government                           |
| Road Accident Fund                           | XTND (PTY) LTD                                    |
| Rads Authority                               |   |
| SABRIC                                       |   |



# KEY STAKEHOLDERS AND PARTNERS

## **STAKEHOLDERS ENGAGEMENTS**

Stakeholder engagement is a key aspect of the ACFE SA's activities, not only in terms of our advocacy role, but also in establishing and managing the partnerships that allow us to deliver on our projects and strategic initiatives. Our goal is to keep good relationships with all our key stakeholders in order to foster a strong collaborative value creation environment.

The ACFE SA regards engagement with all stakeholders as an integral part of the organisation and a crucial ingredient in building a collaborative and constructive relationship that can benefit all stakeholders.

The Stakeholders of the ACFE SA include the Board, members and employees. We continue to engage with all our stakeholders and are humbled by the contributions made by each and every ACFE SA stakeholder.

The ACFE SA is dependent on the support of our stakeholders which continue to surpass all expectations. Our members' knowledge and dedication to the organisation are truly inspiring and the hours of participation and training do not go unnoticed.

## **PARTICIPANTS IN THE RESPECTIVE INDUSTRIES:**

The ACFE SA has been involved in playing an integral role within various committees. The ACFE SA is involved in the King IV Committee, which released the King IV report six years ago. We have a seat on this committee and actively partake in various discussions relating to good corporate governance and integrated reporting. The ACFE SA is an active participant and has an Executive seat on the Anti-Intimidation and Ethical Practices Forum (AEPF), an initiative aimed at dealing with, among others, challenges faced by members who became whistleblowers in South Africa.

The ACFE SA further sits on the ISO Standards Committee looking into developing various new ISO standards, which amongst others, deal with anti-bribery, corporate governance, corruption investigations and reporting, as well as whistleblowing. The ACFE SA is also one of the supporting members of the Good Governance Academy. This Academy has been established to collaborate globally with business schools, institutions and universities to share information on critical governance and business science issues, in line with the Sustainable Development Goals 4 (education) and 17 (collaboration).

# CONNECTIVITY OBJECTIVES

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- To create a framework and principles for all our members detecting fraud and white-collar crime.
- To support all Associate members in registering to write the CFE exams and to strive to create an enabling environment that allows investigators and other related investigation entities, to grow and contribute to the detection of fraud activities taking place in our daily working environment.
- Issuing and continuously improving our standards for all our training material being presented.
- Maintaining good corporate governance.



## STRATEGIC ALLIANCE PARTNERSHIPS

Over the past few years, we have realised the importance of our relationships with those who believe in the same things that the ACFE SA believes in and strives for. To this end, we have built partnerships with several professional bodies. We have decided to partner only with those recognised as professional bodies, meeting SAQA's requirement, as per the NQF Act.

Our success further lies in those entities that assist us in sponsoring venues for our meetings and have gone so far as to cover our catering expenses and more. This assists us in creating opportunities to reduce our training costs and, in some instances, even host fully sponsored events (free to members).

## TRANSPARENCY

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As a professional body, the ACFE SA strives towards being transparent in our interactions with relevant stakeholders and members, and recognise our accountability to the members of the ACFE SA and the general public of South Africa. Everything done within the ACFE SA will be open to anyone who has questions or inquiries regarding the actions taken by the ACFE SA. Inquiries can be addressed directly to the President, CEO and/or Legal Officer.

# ADVOCACY

During the past few years, the ACFE SA has dedicated a large amount of time towards growing the brand of the ACFE across South Africa and Africa. Over the past year, the ACFE SA has been reigniting existing partnerships such as BACSA, and forging various partnerships in Africa, such as the IOD in Lesotho, and the IIA in Lesotho, Namibia and Eswatini. The respective partnerships ensure that we assist and work together where needed, thereby growing the ACFE brand and creating awareness where it is much needed.

The ACFE SA endeavours to provide comment and input on material legal changes that might affect our members. Focus areas for the year included:

- Commentary submission on the proposed changes to the Companies Amendment Bill
- Commentary submission on the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the National Qualifications Framework Act, Act 67 of 2008 (as amended, 2020)
- Commentary on the Critical Skills List (Government Gazette 47182)
- Hosting the Annual Imbizo

## MOU PARTNERS

The ACFE SA has signed MoUs with over 32 companies on a local and international level. The ACFE SA and its partners agree to collaborate where the organisations' strategic objectives align and it is mutually beneficial to agree, promote, and participate in the design and delivery of activities.

## ACFE AFRICA CHAPTERS

BY THANDI MAZIBUKO



The ACFE SA supported various countries in Africa to drive awareness of the ACFE, the CFE designation and the ACFE Code of Ethics and Professional Standards. The ACFE SA supports and administers a total of eight ACFE Africa Chapters and National Committees. These Chapters and National Committees comprise of the following countries: Botswana, Eswatini, Lesotho, Madagascar, Malawi, Namibia, Zambia and Zimbabwe.

The ACFE SA engaged with the ACFE Africa Chapters and National Committees on numerous occasions throughout the year. During the financial year, we hosted an Africa Chapter Leader Meeting on 6 July 2022, where the following Chapters were invited:

|            |          |           |
|------------|----------|-----------|
| Botswana   | Cameroon | Eswatini  |
| Ghana      | Kenya    | Lesotho   |
| Madagascar | Malawi   | Mauritius |
| Namibia    | Nigeria  | Rwanda    |
| Tanzania   | Uganda   | Zambia    |
| Zimbabwe   |          |           |

Various items were discussed by the Chapters such as the ACFE Chapter Bylaws and obligations; changes to the new CFE Exam; 2022-2024 strategic objectives; and challenges experienced by Chapters.

#### 2022-2024 STRATEGIC OBJECTIVES:

1. Building a strong brand in Africa
2. Training more CFEs
3. Registering qualifications in your country
4. Becoming info hubs to fight fraud - share fraud-related info
5. Future training events in Africa
6. Chapter collaboration

Due to economic pressures and the global pandemic, membership in the Africa Chapters has stagnated and there has been no significant growth.



**By continuing to host events within the countries more awareness is created and slowly but surely growth is seen**





| COUNTRY    | ASSOCIATE | CFE |
|------------|-----------|-----|
| Botswana   | 76        | 40  |
| Eswatini   | 9         | 10  |
| Lesotho    | 10        | 7   |
| Madagascar | 5         | 30  |
| Malawi     | 23        | 28  |
| Namibia    | 14        | 22  |
| Zambia     | 47        | 35  |
| Zimbabwe   | 91        | 57  |

The Chapter Leaders and Committee members play a critical role in the growth in respective Africa countries. Most of the ACFE Chapters and National Committees are completely reliant on the assistance of volunteers. The latest committee to be appointed was the ACFE Lesotho Committee which was announced in May 2022. All committees held quarterly meetings during the current financial year.

Although the countries cannot be compared, they all faced similar challenges and obstacles, such as limited resources, financial constraints, high exchange rate and low attendance. By continuing to host events within the countries more awareness is created and slowly but surely growth is seen. The ACFE SA received some additional feedback from the Africa Chapters that can be seen on the next page.

- 
- Financial or income generation
  - Visibility and creating brand awareness
  - Registration and recognition of the CFE qualification and designation
  - Completely reliant on volunteers
  - Attendance at training events was low, with only a few members attending despite the fact that some of the events were free.
- 

## CHALLENGES

## SUCCESSSES

- 
- Successfully hosted training events for Chapter members
  - Some Chapters were successful in establishing collaborations with key strategic partners/stakeholders.
- 

- 
- Registration and recognition of the CFE qualification with relevant authorities.
  - Well-established office and key personnel.
  - Amendment of the legislation to allow CFEs to be recognised and be able to fully practice in the respective countries without any hurdles.

We will continue to expand the ACFE footprint into Africa and allocate time and the necessary resources to assist the respective Chapters.

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## INTO THE FUTURE

# FINANCE DIRECTOR REPORT

OVERALL FINANCIAL REPORT - YEAR ENDED 31 JULY 2022  
BY RAJ DHANLALL



## OPERATIONS

### Income

The Chapter's primary sources of income continue to be membership fees (2022: 30.1%; 2021: 29.8%); and conference revenue (2022: 28.2%; 2021: 26.4%). However, in the year under review, revenue generated through sponsorships, donations and fundraising has increased from R2.0 million in 2021 to R4.5 million in 2022 and now constitutes 29.8% (2021: 16.3%) of income. Revenue from Membership fees increased by 21.9% mainly due to membership growth and a 49.8% increase in the international membership fees received for onward payment to the US body.

Core revenue which relates to membership fees, meetings and training sessions and AGM and Annual Conference Fees showed an overall increase of 2% over the prior year at R10.2m (2021: R9.96m). Conference Fees increased to R4.25m from R3.2m on the back of a record attendance at the 2021 virtual Annual Africa Conference, maintaining the trend of continued growth in attendees from year to year.

The core revenue included a charge of R1.1m (2021: R2.5m) to the Anti Fraud Risk Investigations and Compliance Academy (Pty) Limited (AFRICA Training Academy), being a recovery of costs for resources utilised during the year.

Other sources of income increased by 95.7% over the previous year mainly due to increased revenue in sponsorships, donations and fundraising which include incentive and support fees received from ACFE Membership, Inc. Sales of ACFE manuals remain constant, but an increase in the interest rate and astute management of cash balances on hand have had a positive impact on investment income from R421K to R724K.

Total income, excluding interest, was R15.01m, being an overall increase of 20.86% over the prior year which was at R12.46m.

## **Expenditure**

Expenditure totaled R 13.97m (2021: R10.01m), reflecting an increase of 39.49% over the prior year. The main contributor to the overall increase in expenditure was in terms of travel and training costs of R2.25m incurred in the year as the face-to-face engagements recommenced post-COVID-19. A further impact on costs was the tail end of the roll-out of salaries being aligned to the market in a three-year roll-out strategy. In addition, bonuses for staff were muted in the 2020 and 2021 financial years to keep in check spending considering the uncertainty of the impact of COVID-19 on the operations of the ACFE SA. This was addressed in the current year and contributed to an overall increase in employee costs of 24.56% over the prior year. A further contributor to the increased employee costs was the retention of 2 out of 6 students engaged in terms of the FASSET Work Placement Programme upon conclusion of their learnership with two finding full-time employment with other employers due to the experience attained at the ACFE SA. Employee costs totalled R6.83m (2021: R5.48m) and represent 48.87% of total expenditure for the year (2021: 54.73%).

As the ACFE continues to build credibility in the marketplace and maintain the brand, the unpleasant, but necessary task of dealing with disciplinary matters has resulted in increased legal costs, considering some matters being technically challenging and, in a bid to ensure even-handedness in dealing with some very sensitive matters. Consequently, legal expenses increased to R482K from R34K in the prior year.

## **Surplus**

The Chapter's net result for the year was that it incurred a surplus of R1.82m (2021: R2.87m).

Surpluses are the result of astute cost containment, balanced with the need to ensure maximum value for members of the ACFE. Costs to deliver these services continue to be more than the fees charged as total core revenue (membership and other fees charged for events). Core revenue for the year as a percentage of costs were 72.74% (2021: 99.44%). The shortfall incurred in terms of fees charged is thus funded mainly through the generosity of sponsors and astute financial management.



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# FINANCIAL POSITION

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## Equity

The Chapter's accumulated surplus available to fund further development initiatives and future operations amount to R16.59m (2021: R14.78m).

## Liabilities

Trade and other payables relate to accounts outstanding at year-end which would have been incurred in the ordinary course of operations and amount to R18K (2021: R69K).

The balance of the amount reflected under current liabilities relates to income received in respect of annual membership renewals for the 2022/3 year and Conference Fees received in advance. These amounts will be released into income in the new financial year.

## Assets

Trade and other receivables comprise current and prior year membership, training and conference fees receivable and prepaid expenses of R1.76m (2021: R153K). The level of receivables has increased when compared to last year due to amounts owed by various members for conference and membership dues, the bulk of which have been collected after the year-end. Provision for Bad and Doubtful debts has also decreased by R415K in the current year.

The Chapter's cash balances at year-end amounted to a healthy R18.96m (2021: R14.14m) which is held in a combination of the Chapter's current account and money-market account based on the relevant cash flow needs to maximize the interest revenue; as well as a US based dollar account for payments from ACFE Membership, Inc.

## OTHER MATTERS

### Taxation

The Chapter is registered as a Non-For-Profit Organisation (NPO) with the South African Revenue Services (SARS) for tax purposes and is as a result exempt from paying tax in terms of the Income Tax Act.

### Going concern

The ability of the Chapter to continue is dependent on the interest shown by members and the continued financial support of all stakeholders. The Board of Directors has devised plans together with the CEO and his team to continue to have member-focused, value-adding programmes in place to ensure a sustainable entity and a profession that one can belong to with pride.

The efforts in ensuring administrative and financial stability by the CEO and his team, my fellow Board members and the various members and external stakeholders is what will ensure a sustainable Chapter. Thank you to each one of you for your sterling and selfless contributions.

The 2022 audited Financial Statements are available at the ACFE SA offices.

# MATERIAL MATTERS

## RISK REPORT

Our most material matters are those factors that have the greatest potential impact on our ability to create value as an organisation. These are the issues that most affect our long-term sustainability and the interests of our members.

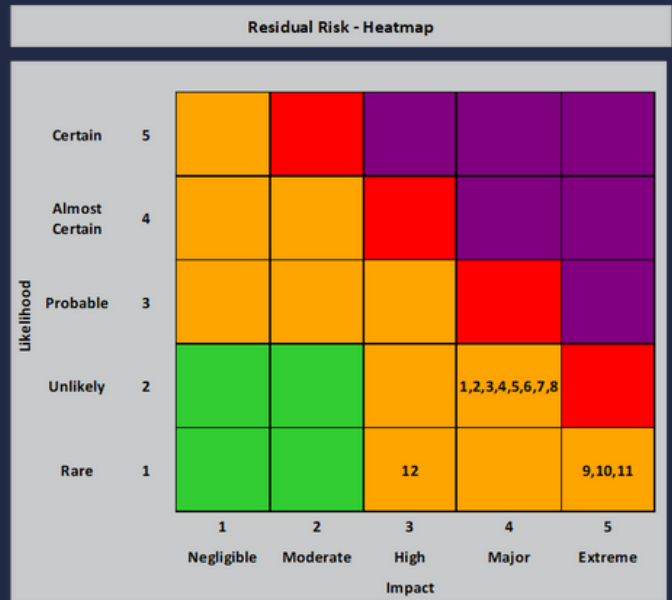
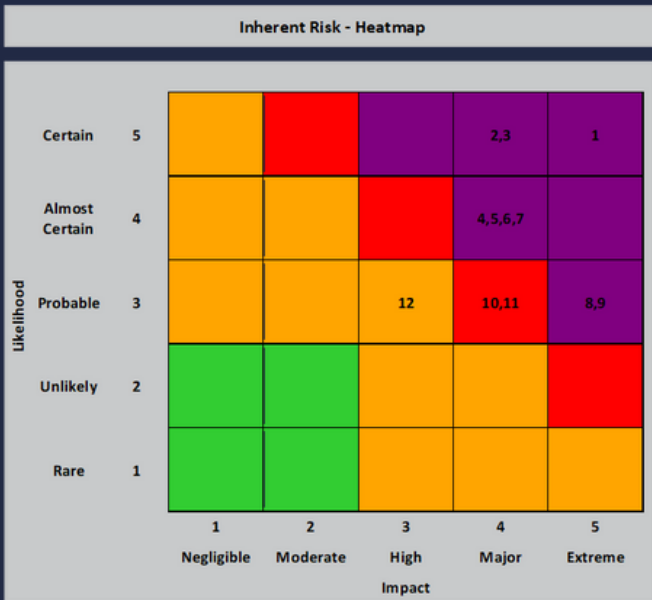
Material matters are determined by assessing the financial and non-financial risks, opportunities and other factors that influence our strategy, performance, prospects and governance activities. These matters are identified and prioritised by considering information from a range of sources, including:

- Discussion at Board and Board sub-committee levels
- Formal and informal engagement with members
- Applicable legislation and guidelines

The Board oversees the risk management process to ensure that the risks taken to create value remain within the risk appetite and tolerance parameters. The strategic and performance objectives are in sync with the processes, risks, and controls.

To transition the ACFE SA to a more robust and automated Governance, Risk and Compliance (GRC) framework, the ACFE SA has implemented the CURA GRC software solution. The use of CURA allows the ACFE SA to have an improved view of our risks and the associated controls to mitigate and/or reduce the risk to an acceptable risk tolerance.

The Residual Risk Heatmap and Risk Name graphics below serves to highlight the evolving nature of risk management, of which all risks are currently rated as 'Cautionary'. The 'Cautionary' rating was as a result of compensating preventative and detective controls in place that have been in existence for some time, allowing the control environment to mature.



Inherent risk is an assessed level of raw or untreated risk. It is the natural level of risk inherent in a process before applying controls to prevent and mitigate the risk.

The residual risk is the amount of risk or danger associated with an action or event remaining after natural or inherent risks have been reduced by risk controls.

| Risk Information  |                         |
|---|-------------------------|
| Risk Name and Description                                 | Inherent Risk           |
| 1. Inability to retain and grow membership                | Critical (I)<br>25      |
| 2. Health risk due to infectious diseases                 | Critical (I)<br>20      |
| 3. Lack of financial oversight                            | Critical (I)<br>20      |
| 4. Inadequate security safeguard measures                 | Critical (I)<br>16      |
| 5. Lack of adequate human resources                       | Critical (I)<br>16      |
| 6. Loss of revenue due to adverse economic conditions     | Critical (I)<br>16      |
| 7. Non-compliance with POPIA                              | Critical (I)<br>16      |
| 8. Lack of business integrity                             | Critical (I)<br>15      |
| 9. Loss of professional body recognition with SAQA        | Critical (I)<br>15      |
| 10. Inadequate and ineffective internal control framework | Unacceptable (II)<br>12 |
| 11. Ineffective board governance                          | Unacceptable (II)<br>12 |

| Risk Information   |                       |
|--|-----------------------|
| Risk Name and Description                                | Residual Risk Rating  |
| 1. Health risk due to infectious diseases                | Cautionary (III)<br>8 |
| 2. Inadequate and ineffective internal control framework | Cautionary (III)<br>8 |
| 3. Inadequate security safeguard measures                | Cautionary (III)<br>8 |
| 4. Ineffective board governance                          | Cautionary (III)<br>8 |
| 5. Lack of adequate human resources                      | Cautionary (III)<br>8 |
| 6. Lack of financial oversight                           | Cautionary (III)<br>8 |
| 7. Loss of revenue due to adverse economic conditions    | Cautionary (III)<br>8 |
| 8. Non-compliance with POPIA                             | Cautionary (III)<br>8 |
| 9. Inability to retain and grow membership               | Cautionary (III)<br>5 |
| 10. Lack of business integrity                           | Cautionary (III)<br>5 |
| 11. Loss of professional body recognition with SAQA      | Cautionary (III)<br>5 |

Considering the economic climate and financial pressure on our members to pay their membership and attend training events to attain their CPE, the ACFE SA managed its financial and membership risk in an exemplary manner. An emerging risk that has been identified and is being monitored is the unauthorised use of the ACFE and ACFE SA's intellectual property.



## OTHER MATTERS:

The ACFE SA scored a 99% rating on its Health and Safety assessment.

# THANK YOU



# ACFE<sup>®</sup>

Association of Certified Fraud Examiners

## South Africa Chapter