



**Water Institute of  
Southern Africa**



# **Water Institute of Southern Africa Annual Report 2015**

**Presented to the AGM held on 16 May 2016 at**

**Hall 2C - Inkosi Albert Luthuli ICC, Durban**





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# Chairman's Report

The prime objective is to summarise major developments since the previous AGM and hence this information has been reported previously, at Board or Council meetings, or both.

## Board and Council Training

Governance training for the board and HO senior staff took place on 22<sup>nd</sup> July 2015. The training was a one day course delivered by Ricardo Wyngaard. The course was extremely valuable and informative, and it was decided that something similar should be provided to chairmen of the branches and divisions, to enable them to better understand the legal requirements of volunteering for WISA.

## Financial Year End

Without repeating Mr Padiaychee's report, I would just like to congratulate the HO team and Finance, Risk & Audit Portfolio Committee on navigating WISA to the year end.

## Expansion of WISA's Partners

Work to bring relevant government departments into the WISA community is going in the right direction, if slower than we would like. We have also developed better (closer) relationships with similar organisations, such as the Geological Society of SA, where partnership with their Ground Water Division helps WISA cover a breadth of the water community not currently served by a WISA division.

## Contribution to SACNASP (South African Council for Natural Scientific Professions)

The South African Council for Natural Scientific Professions compiled a report to the Minister of Science and Technology, the Hon Naledi Pandor MP, based on a request from the Minister at the inauguration of the new council that SACNASP "should also help DST to enhance South Africa's standing insofar as the natural scientific professions are concerned." WISA was invited to contribute to this report and further assist SACNASP to compile a list of the key issues affecting the various fields of natural science in South Africa.

## Personal Note of Thanks

This will be my last meeting as the Chairman, and I would like to offer heartfelt thanks to the WISA HO staff, and the members of this Board and Council, for the outstanding team spirit and sense of camaraderie. It has been a privilege - in fact, it has been like this: *There go the people. I must follow them, for I am their leader* (French politician Alexandre Auguste Ledru-Rollin, 1807 – 1874).

Dr Jo Burgess

Chairman of the WISA Board

# Chairman of Finance, Risk and Audit Portfolio Committee's Report

## Overview

The audited Annual Financial Statements for the year ended 31 December 2015, were approved by the Board of Directors on 7 April, 2016 without reservation. An unqualified audit opinion was achieved for the year under review. There were no items raised in the audit report as emphasis of matter.

The financial year was characterised by the development of new and enhancement of existing systems and internal controls in various areas, thus contributing to a reduction in financial risks, the more significant of which were:

- The permanent appointment of appropriately skilled staff in key positions in the finance department the critical review of the entire billing value chain for all areas of the business, and the identification of weaknesses;
- The implementation of revised operating procedures for the entire membership value chain from invoicing to the receipt of payment;
- The implementation of revised operating procedures relating to conference activities, and more significantly the biennial conference;
- A revision to the processes relating to the procurement value chain, ensuring the implementation and successful management of the accrual basis of accounting; and
- The development and implementation of systems to support the effective management of debt collection, particularly old outstanding debt.

The Company recorded a deficit for the year of R1.4 million. This was an improvement on the budgeted deficit of R1.5 million, despite a significant increase in the bad debt provision for the year, compared to budget. Excluding the bad debt provision, the performance for the year is a net deficit of R751 000 compared to a budgeted deficit of R1.3 million, which is a substantial positive variance of R588 000 or 43.9%.

Compared to the prior year, the deficit of R1.4 million was significantly higher than the R543 000 deficit for 2014. Last year however, included a net income from the WISA 2014 biennial conference, of R1.5 million. Adjusting for this, the 2014 deficit increases to R2 million, which exceeds the current year deficit by R619 000 or 30.2%. The positive variance is an indication of the impact of the improvements in the management and controls introduced during 2015.

It is envisaged that the revised systems and controls introduced during the 2015 financial year will not only substantially improve the surplus for the 2016 WISA conference, but will also ensure that the cash collection process is efficient and effective

## Revenue

Total revenue for the year of R4.3 million was R673 000 or 13.5% below budget. The main contributor to the adverse variance was the lower than expected income from subscriptions

(R685 000u). In addition, R300 000 income budgeted for the MWQ conference, that did not take place did not materialise. The MWQ conference, which requires the consent and initiation from the Department of Water and Sanitation, scheduled for July 2015, was not provided. Consequently, the conference did not take place.

The lower subscription income was largely the result of aggressive budgeting in anticipation of an increase in membership generally, including applications for Professional Process Controller membership. Compared to last year, total revenue excluding the WISA 2014 conference, recorded an increase of R471 000 (12.2%). Subscription income was R225 000 (7%) and PCO and Other Income was considerably higher.

## Expenditure

Total operating expenditure of R6.9 million exceeded budget by R133 000 (1.9%). The main reason for the over expenditure was the increase in the bad debt provision which was R681 000 versus a budgeted R200 000. Adjusting for this, expenditure was R349 000 or 5.3% better than budget. The purpose of the high bad debt provision is in the interest of expediency. Efforts to collect old outstanding debt will continue, where practical.

The increase in total operating expenditure compared to last year is a mere 5.9%, despite the high bad debt provision. Adjusting for the provision, the 2015 expenditure records a decline of R126 000 compared to 2014.

## Other

- Trade and other receivables recorded a decline of R681 000 compared to last year, as a result of the new systems and credit control processes introduced.
- The prepayments in 2015 relating to the WISA 2016 conference amounted to R2.5 million. The cash and cash equivalents remained in line with last year at R3.2 million, despite the significant prepayment.
- Cash received in advance relating to 2016 membership subscriptions and the WISA conference amounted to R2.2 million, which contributed positively to the 2015 cash flow position. The amounts received in advance are an indication of the positive effects of the newly introduced invoicing and collection processes.
- The issues affecting VAT and the R471 000 recorded as receivable, relating to 2014 and prior, were finally resolved and the amount received during 2015. Controls have been introduced to ensure that VAT is now properly managed and correctly computed.

Mr Manu Padiaychee  
WISA Treasurer

# Chief Executive Officer's Report 2014/ 2015

## Overview

WISA has a critical role to play in the Water Sector of South Africa, and along with its members, should ensure that it maximises synergy between sector stakeholders.

Some accepted challenges facing the water sector include:

- Universal access to water and sanitation;
- Unacceptable low levels of service ,and inadequate access to water and sanitation in informal settlements;
- Constitutional obligations;
- public health risks, and
- environmental degradation caused by contaminated urban run-off.

Infrastructural planning of housing, commerce, industry and agriculture will require adequate and prompt provision of bulk water and waste-water infrastructure. In addition, municipalities face unaccounted for water which is higher than best practice.

Crumbling infrastructure contributes to leaks and bursts, and these need to need to be addressed with properly resourced asset management programmes and technical capability. Any non-compliance of effluent from treatment works needs to be addressed. The contamination of catchments and ground water resources is an ongoing concern

The sector's technical skills to mitigate some of these challenges outlined above, will need to be critically reviewed, and requires a substantial investment of time and resources. We have some recent programmes that invest in training, but they have to expanded, and require sector input. The Water Sector also has play a critical role working in a coordinated and integrated manner with other sectors to achieve these ends.

There is a need for all spheres of society to play their role from government, the private sector in terms of advisory, consulting, skills development and infrastructure, and the public in terms of awareness, participation, and accountability oversight.

As WISA, we have the membership that can, and does make a difference. However, we need to ensure that our organisational structure is able to leverage our member's skills. Hence, Branches and Divisions have to increase their effectiveness and efficiency. This provides opportunity to our members, which hopefully will increase prosperity within our membership and our sector. We would like to see more technical skills filtering through from our membership, to the communities they serve, whilst also ensuring that we improve the communal environment. This is the challenge we accept at WISA, and the one we will works towards.

The last AGM was held on 21 May 2015, and this review covers the period since.

Highlights during this period are as follows:

- Consolidation of our Finance Department, with improvements in policies and procedures.

- Improvement in our Membership Administration and subsequent improvements in our client care processes. We have communicated our commitment to our members, by formalising our Client Care Policy, and communication this to our members. We can never be perfect in this regard, but we will always strive to treat our members with dignity, respect and professionalism.
- Improving our Governance, through formal training with Board and Staff, and lengthy subsequent analysis and discourse. A specialist consultant is providing advice and assistance in this regard.
- Improving our stakeholder relations- we have signed new MOUs with the LGSETA, SABI, and renewed some existing MOUs. We anticipate having representation on our structures from DWS, DST and DEA, and we know that this will lead to improved credibility and impact for our members.
- We are focusing on sustainability, and currently have a three year rolling budget, which addresses revenue diversification and risk mitigation.
- We have launched a Gauteng Branch, to address the specific needs of all our Gauteng members.
- We received compliments from SAQA, after our successful Professional Body mid-term review.
- We have developed a Biennial Conference guideline through a professional and well governed WISA 2016 LOC.

I sincerely thank the office-bearers, committee members and volunteers of the various WISA organisational structures for their devotion and commitment to WISA. Without volunteers of their calibre, WISA could never hope to achieve its Vision of “Promoting professional excellence in the water sector through building expertise, sharing knowledge and improving quality of life”. We acknowledge the volunteers from the past, who have successfully brought WISA to this point. Without them, we would not have anything to build on. Change though, is essential, as our environment is constantly changing and evolving, and we request that change is always given a chance.

I thank the WISA Head Office staff, for their commitment to learning and change. I have seen staff grow and develop, and take on proud and confident new personas. WISA is a team, and I am proud of the Head Office team. “We are not a team because we work together. We are a team because we respect, trust and care for each other”-Vale Anshar

Dr Lester Goldman  
WISA CEO

# Who We Are

## Our Vision

The promotion of professional excellence in the water sector, through building expertise, sharing knowledge and improving quality of life.

Short form: 'Promoting professional excellence in the water sector.'

## Our Mission

WISA, your professional, comprehensive, independent, volunteer, water sector community institution, that provides diverse membership benefits, and support the Africa water sector in a representative and effective way. It strives to be an effective and efficient organization, subscribing to the principles of its memorandum of incorporation and complying with process of good corporate governance.

## Our Values

- Integrity  
We are transparent, committed and fair. We accept accountability
- Professional  
We strive for excellence and professionalism. We are respectful of one another.
- Community  
We are inclusive of all people. We facilitate connectivity.
- Trustworthy  
We are honest and reliable
- Innovative  
We do things differently

## Our Strategic Goals

- Ensure that all Members experience WISA's value proposition
- Develop and operationalize a rolling 5 year strategy
- Grow WISA's strategic partnership with the sector – under this objective the tasks of:
  - Mutually beneficial stakeholder map of strategic partners exists
  - Active MoAs exist with strategic partners
- Grow WISA membership, regionally and nationally:
  - Grow a diverse and representative WISA membership
  - Suite of offerings customized to membership categories or status exists
  - Detailed members and volunteers database exists and used
  - Members careers advance in the water sector
  - Strengthen Branches and Division
- Improve financial sustainability
- Improve corporate governance

# Corporate Governance Report

WISA is committed to maintaining a high standard of corporate governance and the Board is fully committed to creating value for members in a balanced, ethical and sustainable manner. The Board seeks to ensure that good governance is practiced at all levels and that it is an integral part of WISA's operations. Patient

## Application of and compliance with King III

The Board endorses the principle of openness, integrity, sustainability, transparency, fairness, responsibility and accountability advocated by the King Code of Governance for South Africa, King III.

## The Board

### Board Composition

The Board members as at 31 December 2015 comprises the following:



Dr J Burgess (Chairman)



Dr V Naidoo (Vice Chairman)



Mr R Brown



Mr J Shilowa



Mr A Wurster



Ms S Nienaber



Mr M Padiaychee (Treasurer)



Prof D Taylor

The Chairman is responsible for leadership of the Board and for ensuring that the Board plays an effective role. She ensures appropriate communication with stakeholders and facilitates constructive relations between management and the Board.

### Power, Authority and Role of the Board

The Board derives its power and authority to direct WISA towards the achievement of WISA's strategy and operational objectives from its Constitution and By-Laws. The Board is accountable for the development and execution of WISA's strategy, operational performance and financial results. Its primary responsibilities include determining WISA's purpose and values, providing strategic direction to WISA, identifying and mitigating key risk areas, key performance areas of WISA business, monitoring WISA's performance against agreed objectives, deciding on significant financial matters and reviewing the performance of executive management against defined objectives. The Board meets quarterly. Additional Board meetings, apart from those planned, are convened as circumstances dictate.

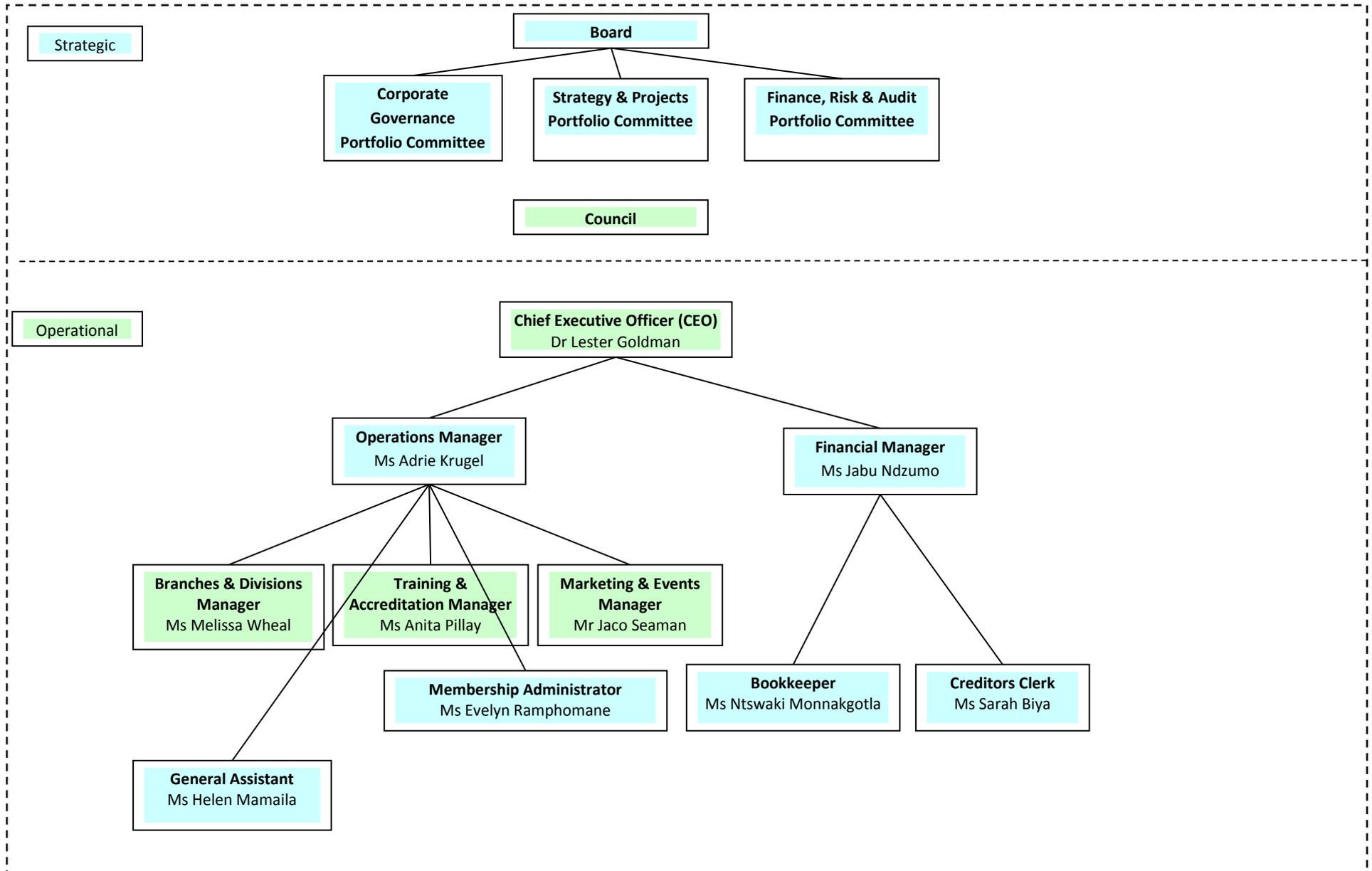
The Board has unrestricted access to all WISA information, records, documents and resources to enable it to properly discharge its responsibilities. Management is tasked with ensuring that Board members are provided with all relevant information and facts to enable the Board to reach objective and informed decisions.

Board members are kept informed of key developments affecting WISA between Board meetings.

### Board Appointments

The Board consists of eight members, who are South African residents. Board members are appointed at the Annual General Meeting (AGM).

# WISA Organogram



# Board Committees

The primary purpose of the Portfolio Committees is to ensure that the workload and critical tasks relating to governance and oversight of WISA are managed and processed in the most effective and efficient manner. Further, the concept of Portfolio Committees ensures that strategic challenges facing WISA are well researched and debated before appropriate recommendations are tabled before the Board for final decision-making. This approach further allows the Board or Council to engage in constructive discussion and debate which subsequently facilitates and expedites the decision-making process.

## Corporate Governance

This portfolio committee has the task of overseeing the corporate governance and ethics of the institute.

Members – Prof D Taylor (Chair) and Mr R Brown

## Finance, Risk and Audit Portfolio Committee

This portfolio committee has the task of overseeing the risks and financial aspects of the institute, this includes the auditing of all aspects of WISA.

Members – Mr M Padiaychee (Chair) and Dr J Burgess

## Strategy and Projects Portfolio Committee

This portfolio committee has the task of overseeing the strategic plan and various projects of the institute.

Members – Dr V Naidoo (Chair), Ms S Nienaber, Mr P Shilowa and Mr A Wurster

# Management Team

WISA has a highly motivated and committed management team who come with a diverse and wealth of experience.



From left to right top: Jabu Ndzumo (Financial Manager), Adrie Krugel (Operations Manager), Sarah Biya (Credit Controller), Anita Pillay (Training and Accreditations Manager), Helen Mamaila (General assistant), Ntswaki Monnakgotla (Bookkeeper) and Melissa Wheal (Branches and Divisions Manager).

From left to right bottom: Jaco Seaman (Marketing and Events Manager) and Dr Lester Goldman (Chief Executive Officer).

Absent: Evelyn Ramphomane (Membership Administrator)

## Staff Development

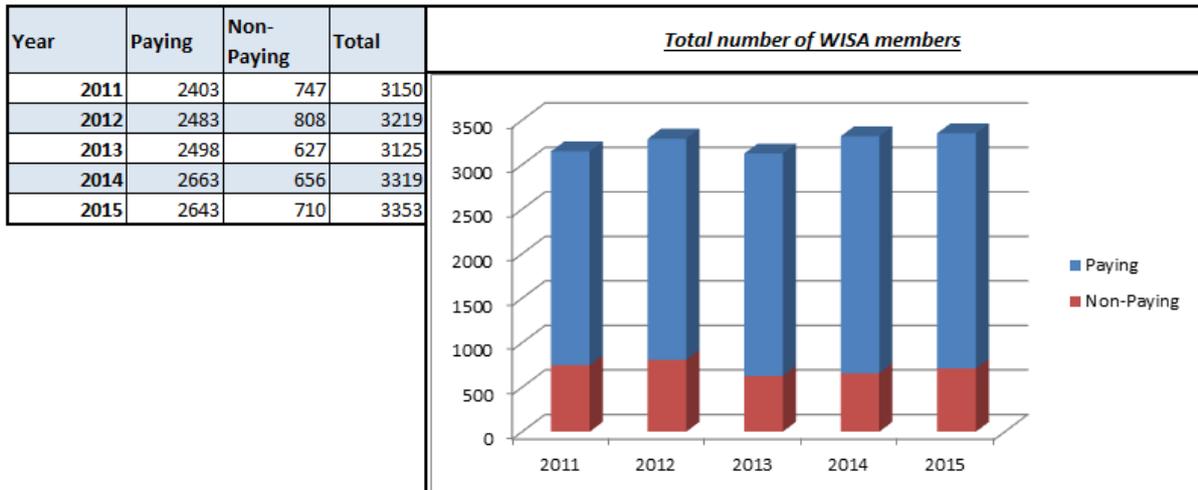
WISA takes pride in developing its staff and pays for all related training and further studies.

## Employee Wellness Program

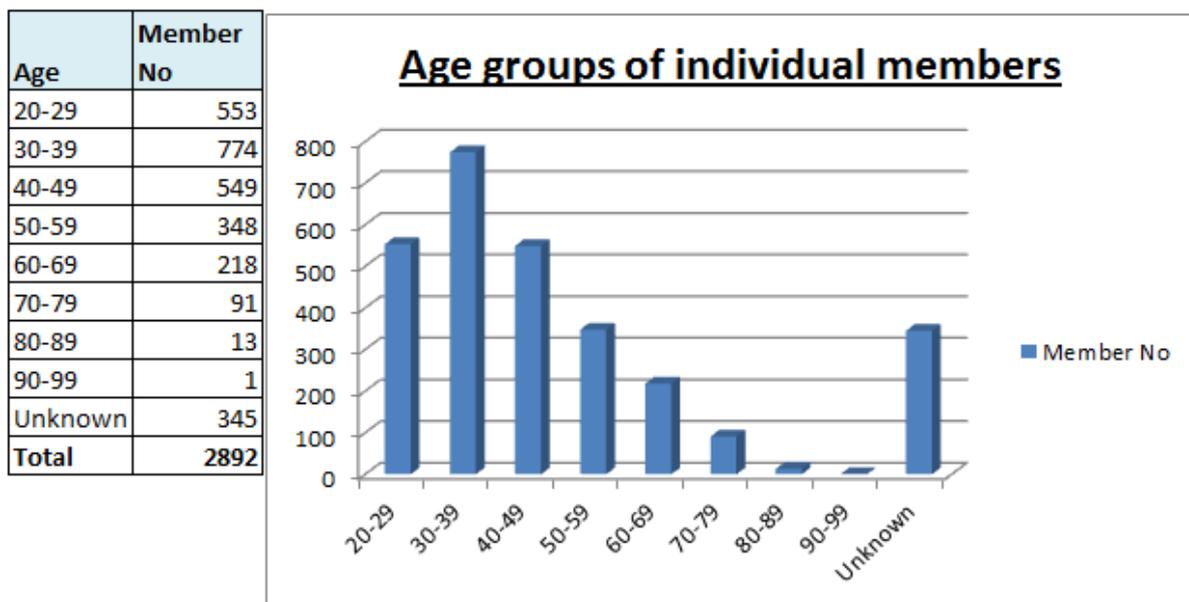
Employee wellness is highly valued and in this regard WISA provides access to an outsourced employee wellness program for its entire staff. WISA is also mindful of the importance of having work-life and health balance and encourages and subsidizes programs in this regard.

# Summary of WISA Membership Statistics

The number of WISA members has been increasing for the each year for the last five years. This increase in membership is in line with WISA’s growth strategy plan to increase membership.



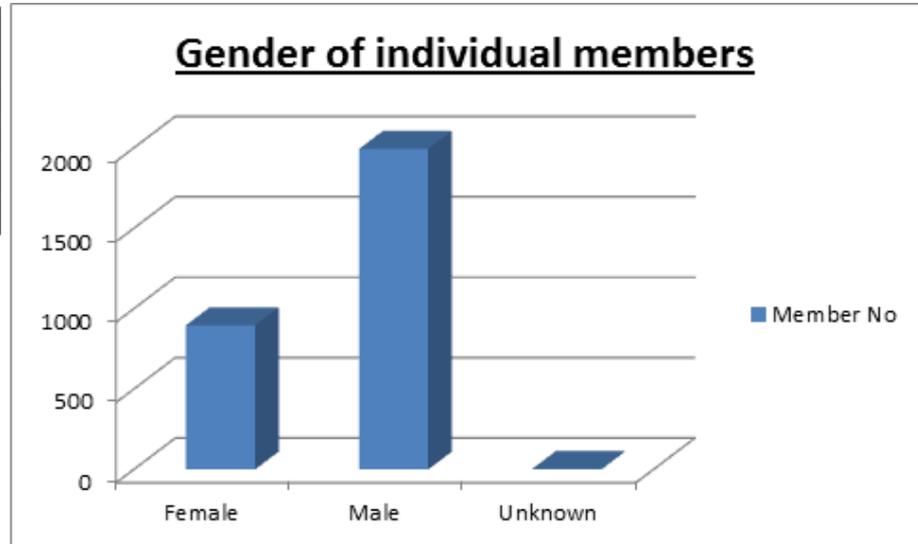
The breakdown of the current membership is shown below:



Ethnicity	Member No
Asian	1
Black	1260
Coloured	20
Indian	95
Other	5
White	1270
Unknown	241
<b>Balance</b>	<b>2892</b>



Gender	Member No
Female	896
Male	1993
Unknown	3
<b>Balance</b>	<b>2892</b>



# **Annual Financial Statements 2015**