



SOUTH AFRICAN SOCIETY OF ANAESTHESIOLOGISTS

CHIEF EXECUTIVE OFFICER REPORT

By Lezelle Britz

6 April 2024

REPORT FROM THE DESK OF THE CEO

Note from the CEO

Inspired by our most recent travel to the World Congress of Anaesthesia held in Singapore, I dedicate this report to the continued improvement and desire for excellence within the SASA home and the impact this has on our ability to connect and impact across country borders and for the recognition of our individual and collective achievements. As SASA representative I often enjoyed the pastime of observing how our members' contributions were received, which was almost always with a pause, followed by the slow nod of recognition and a keen interest to connect and engage.

Excellence and Community both compete in this space to be the true product of Societal culture and while both are equally celebrated, it is important to reflect that our strong sense of SASA-belonging, the community of professionals and those associated with them, drive a fierce pride for our own, our country and the change/difference we are passionate to make.

As I therefore reflect, I am even more convinced that both these, Excellence & Community have become brand values of our Society which has made SASA aspirational, has increased our influence and given us the well-earned place next to all our other colleagues across the globe.

COMMON ISSUES GROUP – SOUTH AFRICA THE HOST

I was given the opportunity at the most recent Common Issues Group (CIG) meeting in Singapore, hosted by the Australian Society of Anaesthetists, to position SASA as the host to the Common Issues Group Meeting to take place during the Western Cape Congress in 2025.

During these meetings CEOs and Executives from the different participating Societies come together to exchange thoughts on global matters and leverage the collective.

This will be a very first for South Africa as we were not previously included as hosting Society. We were included in the Common Issues Group in 2013 although never offered the opportunity to host. The Memorandum of Incorporation was amended on 7 March 2024 and adopted on 8 March 2024 (see excerpt below with reference to Clause 1.4).

The CIG Scope

Patient safety and guidance, the advancement of anaesthesia, workforce, training, education, science, national conferences, publication of scientific journals, physician wellbeing, international aid and relations, healthcare, economic advancement, industry, and Government relations

Participating Societies

American Society of Anesthesiologists (ASA-US)
Association of Anaesthetists Association (AoA)
Australian Society of Anaesthetists (ASA-Aus)
Canadian Anesthesiologists' Society (CAS)
New Zealand Society of Anaesthetists (NZSA)
South African Society of Anaesthetists (SASA)

Common Issues Group Memorandum of Incorporation Background:

- 1.1. *This Memorandum of Understanding (MoU) reflects the desires of the organisations listed above to exchange information on issues common to the six organisations, their members and their patients, for the promotion and advancement of anaesthesia in their respective nations and globally.*
- 1.2. *The Common Issues Group (CIG) was established in June 1997 in Vancouver as the "Common Issues Discussion Group" to facilitate communication between the Association, ASA-US, ASA-Aus, CAS and the International Anesthesia Research Society (IARS). The title of the group has subsequently varied slightly but has now coalesced into the Common Issues Group. The IARS withdrew from the CIG in 2005, leaving its membership at four.*
- 1.3. *In 2013, an invitation was extended to the Presidents and senior executives of the NZSA and SASA to attend the meeting. It was agreed that this would be a standing invitation, although there is no expectation that either of these organisations will host a CIG meeting.*
- 1.4. *In 2024, it was affirmed that all Member Societies are equal members and have the ability to host a CIG meeting.*

We look forward to hosting the CIG Meeting in September 2025 during the Western Cape hosted SASA Congress.

SASA SMART

Our SASA Constitution positions our Societal objective as per the following.

2.2. The objective of the Society is to promote the common interests of the members of the Society, through ensuring the efficient functioning of the key business units of the Society, namely.

2.2.1. Education;

2.2.2. Private Practice;

2.2.3. Public Sector;

2.2.4. Regulation; and

2.2.5. Special Interest Groups and Branches.

SASA has fulfilled and continues to fulfil the objective of representing the interest of its members as core intention & purpose which has led to a number of priorities. Our SASA Council, through the representation of Council Members in these Business Units, have continued to service these objectives with the support of the SASA Secretariat. The list of priorities often needs evaluation and assessment to determine continued relevance and feasibility with specific reference to resources, which in turn allows Society to act dynamically while enabling new priorities to be added as the landscape shapes and needs are highlighted.

As we enter into a Council term with 6 new members being elected to Council and the roll-over of leadership in the Executive, Caroline Corbett to Sean Chetty, we finalise the very last part of this review as the Executive and have tabled this finding for discussion in the Council Meeting 6 April 2024.

The basis of this review adopted the strategy of S-M-A-R-T Goals/Priorities.

S	Specific - goals should be clear & well-defined, addressing the who, what, where, when, and why
M	Measurable - goals should be quantifiable, allowing progress to be tracked and evaluated
A	Achievable - goals should be realistic and attainable, considering available resources and constraints
R	Relevant - goals should be aligned with broader objectives and contribute to the overall mission or purpose
T	Time-bound - goals should have a clearly defined timeline or deadline for completion

The Benefit of S-M-A-R-T Goals:

Clarity and Focus: SMART goals provide a clear understanding of what needs to be achieved, reducing ambiguity, and allowing individuals or teams to focus their efforts on specific objectives.

Measurability: SMART goals are measurable, which means progress can be tracked and evaluated objectively. This measurability helps individuals stay on track and monitor their performance effectively.

Achievability: SMART goals are realistic and attainable, ensuring that individuals are not setting themselves up for failure. This increases motivation and confidence as progress is made towards achievable targets.

Relevance: SMART goals are aligned with broader objectives and priorities, ensuring that efforts are directed towards activities that contribute to overall success. This relevance makes goals more meaningful and motivating.

Time-bound: SMART goals have a defined timeframe for completion, creating a sense of urgency and accountability. This time-bound aspect helps prevent procrastination and encourages consistent effort towards goal attainment.

Enhanced Planning and Decision Making: Setting SMART goals requires careful planning and consideration of resources, timelines, and priorities. This process improves decision-making and resource allocation, leading to more effective use of time and resources.

Motivation and Engagement: SMART goals provide a clear roadmap for success, motivating individuals or teams to stay committed and engaged in their work. The sense of progress and achievement derived from reaching milestones fuels further motivation.

Improved Communication and Collaboration: SMART goals provide a common understanding of expectations and priorities, facilitating better communication and collaboration among team members. This alignment fosters a shared sense of purpose and teamwork.

As we continue to build and maintain the value of SASA, those that serve, both Council and Secretariat, need to have the capacity to onboard dynamically what becomes an urgency or a long-term objective and applying the SMART approach will provide for the necessary framework to balance needs against available resources.

To service this model, a structure is being proposed that places each priority under the constitutionally described Business Units, offering each priority a formal structure which can support and drive the necessary changes while ensuring the focus to be SMART.

We believe this structure will protect SASA objectives, will increase our priority to success ratio and speak to a more sustainable SASA which will allow SASA to seamlessly service the structure of changing leadership.

SASA STRUCTURE

GOVERNANCE AND FIDUCIARY OBJECTIVES

A significant amount of time was spent over the last 13 months since the AGM to prepare for the very important process related to SASA's fiduciary obligation and protect the tax exemption provided to the Society, as a Common Purpose Association, on an annual basis by SARS.

The preparation for the management of the fiduciary process within the SASA environment required many layers of communication and consultation across various structures and whilst we all want what is best for SASA, it did require an intentional approach to introduce the objectives and the solutions.

Our external consultation with Nicole Copley from NGO Law, who owns a Masters in Tax Exemption Laws, provided an opinion which opinion was applied to engage our Societal structures. As a start it aims to reassure that SASA has elected to formulate itself under the correct structure. It further indicates that the now improved governance and controls eliminate all risks to SASA if these controls and processes are correctly applied.

To access the detailed opinion please find [here](#) (NGO Law Opinion - SASA Legal Entity Tax Status 4 October 2023)

SASA AS ENTITY

- SASA is established under common law as a voluntary association and in terms of its constitution;
- no further registration or accreditation is required for it to exist or function;
- Certain clauses in SASA's constitution establishes SASA as a separate legal entity and its members and board are protected from personal liability for the debts and obligations of SASA;
- SASA is not registered as a Non-Profit Organisation;
- Registration as a NPO is a voluntary extra accreditation that is available to qualifying voluntary associations, charitable trusts and NPCs;
- NPO status is not a type of legal entity but an extra accreditation;
- There is no legal necessity for SASA to apply for a NPO number. It is not connected to its tax status in any way and its donors have not asked for it.

SASA BRANCHES

UNITARY ENTITY

- The overriding legal structure of SASA is that of a unitary structure with internal local branches which are component parts of SASA;
- The people and organisations which are members of SASA are members of SASA central;
- Their application for membership is made to SASA and the membership fees are invoiced by SASA and paid to SASA;
- SASA has tax registration and tax exempt status;

FIDUCIARY OBLIGATION OF UNITARY STRUCTURE – SASA NATIONAL

- On the question of risk, the general principle of governance that those who are accountable and who carry certain duties must also be those who have the tools to properly carry out their duties, is important;
- Separation of accountability from the ability to act is a factor for increased risk for the organisation and those who govern it.

CHANGE

- Reference in the SASA constitution to branch “constitutions” be amended to refer to branch ‘rules’ or branch ‘terms of reference’;
- The standard set of rules used by branches be similarly amended;
- The set of rules for branches should be clear on the extent of authority (including any financial authority) delegated to the branches;

BENEFIT

- The Council of SASA and SASA EXCO carry the legal responsibility for all financial transactions of SASA;
- Including transactions for branches, would decrease risk to the organisation;
- It will reduce the costs and local burden of administration, for all SASA transactions to be carried out through SASA Central;
- Consistent management of taxation and VAT to avoid exposure to risk of SARS penalties;
- Any branch funds deposited into the central SASA transactional account will be credited to the relevant branch internal ledger account;
- All SASA invoices will be issued by SASA central;
- Branch Funds which are intended to be set aside as investments will be ring-fenced for the relevant branches in separate investment accounts for each branch.

SASA SPECIAL INTEREST GROUPS

UNITARY ENTITY

- Clause 9.2 of the SASA constitution permits the establishment of SASA Special Interest Groups (SIGs) which must abide by the SASA constitution and shall consist of SASA members;
- The fact that voting members of SIGs are SASA members and that SASA must approve SIG constitutions and has the right to close them down, points to SIGs being component parts of SASA and not independent legal entities.

CHANGE

- Reference in the SASA constitution to SIG “constitutions” be amended to refer to SIG ‘rules’ or SIG ‘terms of reference’;
- The standard set of rules used by SIGs be similarly amended;
- The set of rules for SIGs should be clear on the extent of authority (including any financial authority) delegated to the SIGs;
- Where a SIG is operating fairly autonomously and to the extent that SASA has no proper control of key financial or operational matters, total independence of the SIG should be considered by SASA if the lack of SASA controls places SASA at risk.

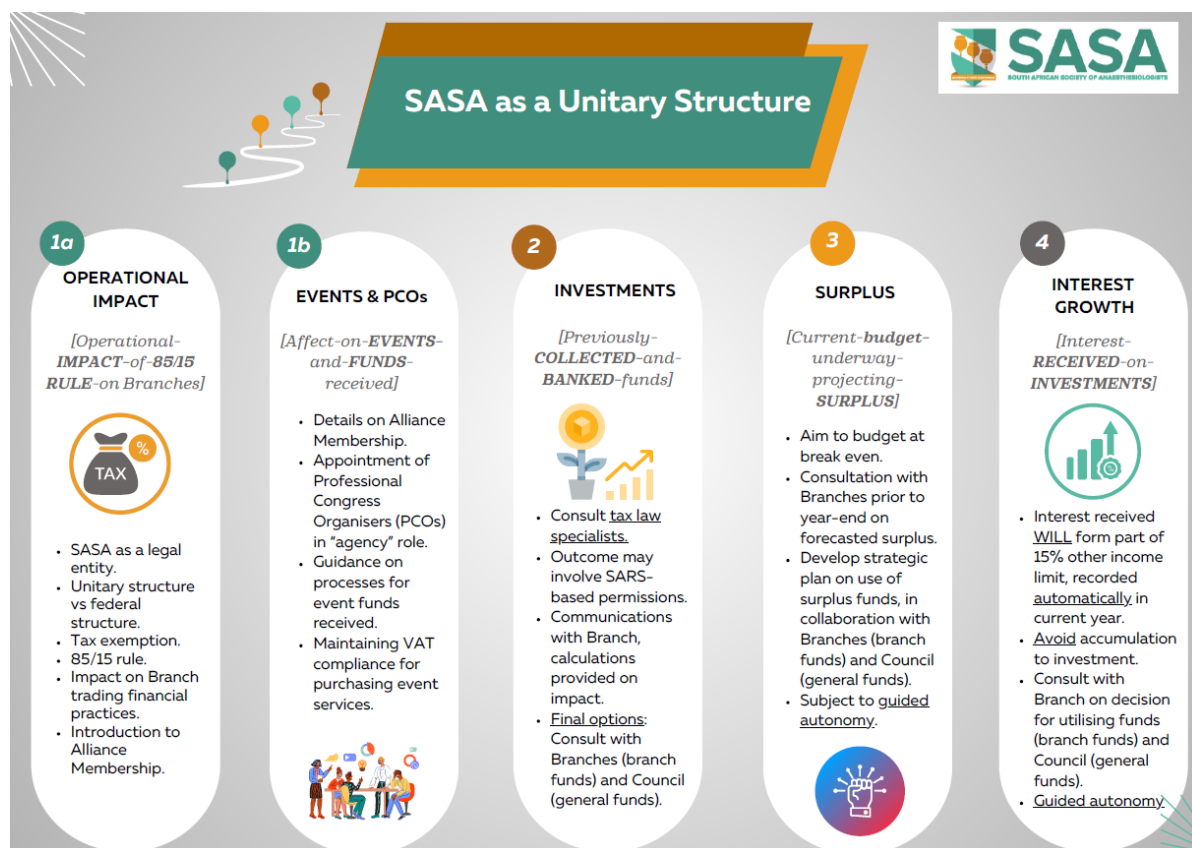
BENEFIT

- The Council of SASA and SASA EXCO carry the legal responsibility for all financial transactions of SASA;
- Including transactions for SIGs, would decrease risk to the organisation;
- It will reduce the costs and local burden of administration, for all SASA transactions to be carried out through SASA National;
- Membership fees for SIGs should be invoiced by and paid to SASA;
- The financial records of SASA will incorporate all SIG transactions;
- SASA will be responsible for VAT administration and reports, as well as tax returns.

SASA TAX EXEMPT STATUS

- SASA has tax-exempt status as a common-purpose association under Sections 10(1)(d) and 30B of the Income Tax Act, 58 of 1962;
- It is a status granted by SARS to SASA based upon the type and focus of the work of SASA and not upon the type of legal entity which SASA is;
- This status is not the same as ‘public benefit organisation’ (PBO) status;
- PBO status could only be obtained by completely changing the work and impact of SASA and would not be possible;
- PBO status also would not be beneficial, as it is a partial tax exemption, and SASA may end up paying tax;
- ‘Common purpose’ exemption is advantageous as it is (unlike other exempt status) a complete exemption;
- ‘Common purpose’ exemption has this one requirement: To attain and retain the exempt status 85% or more of all receipts and accruals must be derived from annual or other long-term members;
- Interest and income on investments (even investment amounts made up of member fees) is classified by SARS as non-member source income;
- With this compliance requirement in mind the Constitutional amendment to the membership category (Clause 3) were made: Clause 3.6 was added which is a category of ‘Alliance Members’ who are strategic allies and supporters of SASA;
- Donations or sponsorships from corporate supporters may be classified as being received from members through the Alliance Membership category;
- The loss of the exempt status because of non-compliance with all SARS requirements is nothing short of catastrophic for an organisation. It is required to donate all of its funds, assets and reserves to an organisation which is tax exempt and carries on the same sorts of activities;
- If it does not give away all of its assets, the value of those assets is then deemed to be taxable income of the organisation in that year, and tax levied at 27%.

SASA UNITARY STRUCTURE AND THE VISION OF CHANGE



Most of the focus in the last 6 months has been to manage communication and change in terms of **1a – OPERATIONAL IMPACT** and **1b – EVENTS & PCOs** illustrated in the above infographic.

INVESTMENTS AND THE CHANNEL THROUGH NON-PROFIT COMPANY (NPC)

We have now consulted widely, not just with Nicole Copley who has consistently been involved but also with our auditors, BGR Consulting and Martin Fourie from Fourie + Botha Auditors and on the matter of **2 – INVESTMENTS**, as illustrated in the infographic above, we now have completed our consultation and have presented the following solution to Council during an Extraordinary Council Meeting held on 27 February 2024. The second half of YE2024 will see the implementation and effect of this approach.

In an attempt to protect our tax exemption status we need to continue to maintain the 85/15% rule (where 85 constitutes member derived and 15 non-member derived income) and while we have improved our governance in line with our Constitution there remains the matter of investment income which as inflow into SASA is noted as Other Income and although, earned on previously collected Member Fees in years prior, the interest on such funds are deemed NON-MEMBER DERIVED and will contribute to the 15% side of the ratio. In an environment where the 85/15% is not maintained, SASA will fall risk to tax at 27% as mentioned above.

It is therefore important to minimize this impact on SASA as Common Purpose Organisation and to reduce the investment income declared in SASA as entity by re-directing a calculated amount of investments, which will allow SASA to safely earn investment income not exceeding the 15%.

This requires careful consideration of entity type, which has been extensively consulted on, into which such re-directed funds will be channelled.

The newly registered entity, a Non-Profit Company set up solely for the purpose of funding SASA agreed objectives against registered PBA (Public Benefit Activities), is the solution that is proposed.

NPC AS PBO

The NPC is highly esteemed and trusted by donors and gives stakeholders a high degree of comfort, in that the existence and directors of an NPC are verifiable online at any time. The NPC also has the very useful detail of the Companies Act as a resource and guide for corporate behaviour and governance.

The new NPC will also register for Public Benefit Activities (PBAs) which would give the NPC Public Benefit Organisation (PBO) status and offer it Tax Exemption.

The Public Benefit Activities currently being considered:

1(j) The promotion or advocacy of human rights and democracy.

1(k) The protection of the safety of the general public.

3(d) Building and equipping of

(i) clinics ... for the benefit of the poor and needy.

4(i) Training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government.

4(o) 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 new NPC would be established with clear PBAs and, unlike SASA, it would be able to attain PBO status and also, based upon the PBAs we have in mind, the coveted "18A" status, which allows for tax deductible receipts to be issued to donors

18A STATUS

In terms of section 18A of the Income Tax Act, people and businesses who make bona fide (real and true) donations to an organisation which has 18A status may claim a deduction against their taxable income subject to a maximum of 10% of the taxable income of the donor. The ability to issue 18A receipts gives an organisation a real competitive advantage when raising funds from local donors who are taxpayers (individuals or corporates).

The application for 18A status is made at the same time as the application for PBO status. If the PBO status for the new NPC is granted under one or more of the PBAs we have extracted above, the NPC will also be granted 18A status.

THE TIES THAT BIND: SASA & NPC

The new NPC could be linked to and associated with SASA. The Memorandum of Incorporation would give to SASA as named Founder:

- powers to appoint and remove the board of directors; and
- veto powers on any special resolutions (such as to amend the MOI, or change the name or close the NPC down);

The MOI would set out the size of the board, how the board is appointed, terms of office for board members and could also include specific direction on skill sets or stakeholders to be included on the board. It should be noted that the board of this NPC need not mirror the leadership of SASA then in office. SASA will appoint replacement directors from time to time, but these should be appointed with a view to a tenure of service which is of useful duration in terms of the projects and programmes of the NPC.

To access the detailed opinion please find [here](#) (NGO Law Opinion - SASA as PBO NPC 26 February 2024)

Our comprehensive consultation on this matter and the subsequent de-risked environment this will provide SASA, against the backdrop of a formally governed new entity as enabler of the solution, is the final step in the improvement of fiduciary controls which will not only provide for a sustainable Society but enable SASA through the channel of the NPC to focus on the Greater Good SASA can achieve in the Anaesthesia landscape.

CONCLUSION

Much has changed but even more has remained the same. Reflecting on the significant fiduciary shifts already mastered and still proposed, we have to ask ourselves the question as to whether this changes the identity of SASA. And if it does, if this enhances and endorses our own Constitutional objective, our SASA Mission “SASA empowers, supports and enables our members to practice the profession of anaesthesiology optimally, to create and facilitate opportunities to optimise the environment that our members practice in, resulting in a strong, cohesive and inclusive profession of anaesthesia that collectively, through our strength of voice, leads, advocates for and enables our members to improve healthcare for South Africa.”

Let us continue to inspire through Excellence & Community and let us embrace the change that takes us towards this place of excellence, even if that requires drastic shifts, but let us never forget what will remain the constant, the intrinsic value of SASA - its community and what we stand for.

Developed by: Lezelle Britz

SASA Chief Executive Officer

14 March 2024