



DIRECTORATE FOR REGISTRATION AND RECOGNITION

**EVALUATION REPORT FOR THE RECOGNITION OF PROFESSIONAL BODIES AND
REGISTRATION OF PROFESSIONAL DESIGNATIONS**

Name of Professional Body	Turnaround Management Association Southern Africa [TMA-SA]
Statutory or Non-Statutory Body	Non-Statutory
Sector	Finance, Economics and Accounting
Physical Address	Unit A, 363 Surrey Avenue, Ferndale, Randburg
Application Approved by Board/Council	Yes
Application Signed by CEO / Registrar/ Board Chairperson	Yes
Number of Designations Applied for	3
Date of Site Visit	16 May 2017.
Date of Gazette Notice	09 June 2017



PROFESSIONAL BODY RECOGNITION AND PROFESSIONAL DESIGNATION REGISTRATION

EVALUATION REPORT

1. NAME OF BODY: TURNAROUND MANAGEMENT ASSOCIATION SOUTHERN AFRICA [TMA-SA]

- 1.1. TMA-SA applied to SAQA for recognition as a professional body and for the registration of three (3) professional designations on the NQF in terms of the NQF Act, Act 67 of 2008.
- 1.2. This formation of the professional body for business turnaround and business rescue practitioners came into being when the Memorandum of Incorporation (MOI) was adopted by the Special Resolution passed by the members of the Association on 14 April 2015 in substitution for the existing memorandum and articles of association. The TMA-SA was incorporated as a Section 21 company under the Companies Act, 1973, and was converted to a non-profit company in accordance with the resolution passed by the members.

The Companies Act Chapter 6 [section 138-143] stipulates the need for professionals in this area. The Companies and Intellectual Property Commission [CIPC] has reached out to professional bodies operating in this space to be registered as professional bodies with SAQA and to also register suitably aligned designations to meet and or exceed the requirements of the Act [for which the Act holds CIPC accountable]. TMA-SA is one of the professional bodies approached by CIPC and was requested to be SAQA recognised

2. CRITERIA FOR RECOGNISING A PROFESSIONAL BODY

DRR evaluated the application against the *Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF Act*. The TMA-SA was found to meet all the criteria for recognising a professional body listed below:

2.1. Legally constituted entity

The Turnaround Management Association Southern Africa (TMA-SA) is a non-profit association registered with the Companies and Intellectual Property Commission (CIPC) with the registration number 2005/3033371/08.

2.2. Human resources

- TMA-SA has one full-time permanent staff member and two staff members on part-time basis who manage the day to day running of the professional body.
- It conducts its operations from offices situated at Unit A, 363 Surrey Avenue, Ferndale, Randburg.

2.3. Financial resources

- TMA-SA keeps full and proper financial records of its business as a professional body.
- The audited financial statements of TMA-SA as at 31 December 2015 affirm the organisation as going concern.

2.4. Good corporate governance practices

- TMA-SA is governed by a Memorandum of Incorporation and a Board of Directors Charter as recommended in the Companies Act 71 of 2008 (as amended) and the King Report on Governance in South Africa (King III) respectively.
- Although the tenure of Board members is not specified in the Memorandum of Incorporation, the principles of King III are applied and tenure of members is limited to three years.
- The responsibility of the Board of Directors is in general to provide leadership and guidance to TMA-SA as a whole on strategic and policy level, and to oversee the responsible management and operations of the Association.
- Members of the Board of Directors are elected at the Annual General Meeting.
- The Board shall comprise of no less than three members and no more than the maximum allowed in terms of the Act. Currently there are ten members.
- The governance structures observe high ethical standards when dealing with disciplinary matters involving general members and Board members.

2.5. Protection of the public interest

- The public are protected in terms of Section 6 of the TMA Memorandum of Incorporation [MOI].
- Over and above this the TMA is fully supported by CIPC which has the regulatory authority of the Companies Act.
- Alleged breaches of the professional code are dealt with in accordance with a fair and impartial disciplinary procedure.
- Any person who is aggrieved by any decision of the Board may appeal against such decision.

2.6. Membership and affiliations

TMA-SA membership

- TMA-SA's existing electronic database provides for the following data fields: contact details and professional profile of the members / affiliates in terms of demographics, qualifications, designations, CPD credits, good standing.

National affiliations:

- None as yet

International affiliations:

- TMA [Southern Africa] is a duly licenced member of TMA Global. Part of the global turnaround management community

2.7. Education and Training

TMA-SA complies with Section 19 of the policy and criteria to the extent that it:

- is not accredited as an education and training provider by a Quality Council;
- is not registered as an education and training provider with the Department of Higher Education and Training;

Optional

- may, but does not register its employees on learnerships or act as a workplace provider for the delivery of learnerships;
- may, but does not act as a workplace provider for the delivery of learnerships
- may, but does not recognise suitable workplaces and is not involved in the assessment of workplace experience
- recognises suitable education and training providers and is involved in the development of learning programmes offered by training providers.
- sets and administers its own Board examinations

2.8. Continuing Professional Development (CPD)

- CPD criteria for retaining the professional designation are administered in terms of the TMA-SA CPD policy.
- TMA-SA has made the necessary efforts to promote optimal participation in CPD activities by members with designations.

2.9. Unfair Exclusionary Practices

- The TMA-SA professional body acknowledges the past imbalances that existed and has a transformation policy in place to address the transformation agenda.
- TMA-SA runs a program called Next generation “NextGen” for young professionals from disadvantaged backgrounds keen to enter the turnaround profession.

2.10. Proliferation of professional bodies

- There is no additional professional body in the sector that has been established through an Act of Parliament.
- TMA-SA is the only body specialising in turnaround and business recovery that has been approached by the Companies and Intellectual Property Commission (CIPC) to form a professional body.
- The TMA-SA application for recognition is the outcome of a broad consultation with and support from the industry.

3. CRITERIA FOR RECOGNISING A PROFESSIONAL DESIGNATION

3.1. Designation(s) to be Registered

Designation Title: Associate Turnaround Practitioner (ATP)

CRITERION	DESCRIPTION
Underlying NQF Registered Qualification/Part-Qualification	Any cognate BCom or equivalent
Experiential Learning / Practical Experience	Candidates must have 1 to 4 years experience. An Associate Turnaround Practitioner [ATP] is licenced to consult to clients with a Public Interest Score of less than 100
Board / Admission Examination / Assessment	CRA plus a panel interview
Continuing Professional Development (CPD) Requirements	Candidates must accrue 20 CPD points per year
Application of Recognition of Prior Learning (RPL)	<p>The TMA-SA designation policy requires designee candidates to have a cognate bachelor’s degree and to pass the CRA board course and exams as managed by University of Pretoria or any other university on behalf of TMA-SA.</p> <p>However, the TMA-SA does recognise that a TMA-SA designee candidate may through alternative prior learning have acquired the knowledge, skills and attributes that are specified in a cognate Bachelor’s degree and the CRA. Should this appear to be the case, TMA-SA candidate designees may opt to compile a portfolio of evidence for either or both the bachelor’s degree and the CRA.</p> <p>The portfolio of evidence in each case must incorporate documentary proof that is relevant [cognate – NQF level and subject domain], sufficient [substantial], current [within reason] and valid [authentic].</p>

CRITERION	DESCRIPTION
	<p>The portfolio/s will then be evaluated by the accreditation subcommittee of the board. Should the cognate bachelor's degree competencies portfolio of evidence meet the requirements of the committee, the candidate will be allowed to be granted the designation applied for, if all other designation requirements are met.</p>
<p>Designation competences:</p> <p>Accounting, Finance & Tax</p> <p>The TMA designated professional must have the ability to understand and analyse the financial affairs of the client and to determine the risks, weaknesses and strengths of the underlying business. In addition, the professional will be able to drill down and review the profitability, gross profit margins, costings, overhead structure of the business. Following this independent business review, the professional will then be in a position to recommend a restructuring strategy which will encompass recapitalizing the business, raising new finance and regularizing the company's tax affairs.</p> <p>Legal (Business and Commercial Law)</p> <p>The TMA designated professional must understand, have a detailed knowledge of the relevant laws (Labour Law, Insolvency Law, Law of Contract, etc.) and must be able to implement Chapter 6 of the Companies Act, no 71 of 2008. The professional must have the ability and experience to review and investigate all relevant contracts entered into by the client checking that there are no irregularities, fraud or undue preferences. Following this legal review, the professional will then be in a position to suspend any or all contracts in terms of the powers given to him/her by Chapter 6.</p> <p>The professional must also review all staff contracts and liaise with the relevant trade unions to ensure that the maximum number of jobs is saved during the turnaround or business rescue process.</p> <p>If in the review and investigation of the company's affairs the professional finds out any fraud or other irregularities then he must report these findings to the relevant regulatory authorities.</p> <p>The professional must be able to prepare a liquidation valuation of the business showing the preferential sequence of claims in terms of the Insolvency Law. He/she must then prepare a distribution statement in terms of the proposed business rescue plan. This enables all affected parties to decide whether business rescue or liquidation is a better option.</p> <p>Turnaround Management / Strategy</p> <p>The TMA designated professional must have the ability to formulate a turnaround strategy to reverse business decline and under performance, which hopefully will result in the business and jobs being saved. As part of the strategic review the professional must be able to identify the causes of distress which could include internal and external market factors. This independent business review will also cover such factors as market identification of opportunities and threats and operational issues.</p> <p>The implementation of the Turnaround Rescue Process</p> <p>The TMA designated professional must have the ability to understand, articulate and implement the various stages of the negotiated and agreed turnaround strategy. He/she must also make an early call (business case) whether or not formal business rescue will result in a better outcome for all affected parties than a liquidation. Particular emphasis must be placed on job retention.</p> <p>The TMA designated professional must also have the necessary management skills and</p>	

CRITERION	DESCRIPTION
<p>relevant experience (planning, organizing, directing and controlling) to effectively manage the turnaround process. Particular emphasis must be placed on instituting tight financial controls, role clarification and accountability of the turnaround team, including client staff.</p> <p>Professional Skills</p> <p>The TMA designated professional must have the understanding and ability to implement Corporate Governance best practice. During the tenure of his/her appointment the professional must constantly display the higher standards of business ethics and professionalism in every single decision made to turnaround the business. Risk management and compliance are skills that are essential to the professional. It is absolutely essential that the professional displays empathy, is an excellent communicator to all the affected parties and at all times remains professional during his/her tenure</p>	

Designation Title: Certified Turnaround Practitioner (CTP)

CRITERION	DESCRIPTION
<p>Underlying NQF Registered Qualification/Part-Qualification</p>	<p>Any cognate B.Com or equivalent</p>
<p>Experiential Learning / Practical Experience</p>	<p>Candidates must have 1 to 4 years. A Certified Turnaround Practitioner [CTP] is licenced to consult to clients with a Public Interest Score of between 100 and 499</p>
<p>Board / Admission Examination / Assessment</p>	<p>CRA plus a panel interview</p>
<p>Continuing Professional Development (CPD) Requirements</p>	<p>Candidates must accrue 20 CPD points per year</p>
<p>Application of Recognition of Prior Learning (RPL)</p>	<p>The TMA-SA designation policy requires designee candidates to have a cognate bachelor's degree and to pass the CRA board course and exams as managed by University of Pretoria or any other university on behalf of TMA-SA.</p> <p>However, the TMA-SA does recognise that a TMA-SA designee candidate may through alternative prior learning have acquired the knowledge, skills and attributes that are specified in a cognate Bachelor's degree and the CRA. Should this appear to be the case, TMA-SA candidate designees may opt to compile a portfolio of evidence for either or both the Bachelor's degree and the CRA.</p> <p>The portfolio of evidence in each case must incorporate documentary proof that is relevant [cognate – NQF level and subject domain], sufficient [substantial], current [within reason] and valid [authentic].</p> <p>The portfolio/s will then be evaluated by the accreditation subcommittee of the Board. Should the cognate Bachelor's degree competencies portfolio of evidence meet the requirements of the committee, the candidate will be allowed to be granted the designation applied for, if all other designation requirements are met.</p>
<p>Designation competences: Accounting, Finance & Tax</p>	
<p>The TMA designated professional must have the ability to understand and analyse the</p>	

CRITERION	DESCRIPTION
	<p>financial affairs of the client and to determine the risks, weaknesses and strengths of the underlying business. In addition, the professional will be able to drill down and review the profitability, gross profit margins, costings, overhead structure of the business. Following this independent business review, the professional will then be in a position to recommend a restructuring strategy which will encompass recapitalizing the business, raising new finance and regularizing the company's tax affairs.</p>
	<p>Legal (Business and Commercial Law)</p>
	<p>The TMA designated professional must understand, have a detailed knowledge of the relevant laws (Labour Law, Insolvency Law, Law of Contract, etc.) and must be able to implement Chapter 6 of the Companies Act, no 71 of 2008. The professional must have the ability and experience to review and investigate all relevant contracts entered into by the client checking that there are no irregularities, fraud or undue preferences. Following this legal review, the professional will then be in a position to suspend any or all contracts in terms of the powers given to him/her by Chapter 6.</p>
	<p>The professional must also review all staff contracts and liaise with the relevant trade unions to ensure that the maximum number of jobs is saved during the turnaround or business rescue process.</p>
	<p>If in the review and investigation of the company's affairs the professional finds out any fraud or other irregularities then he must report these findings to the relevant regulatory authorities.</p>
	<p>The professional must be able to prepare a liquidation valuation of the business showing the preferential sequence of claims in terms of the Insolvency Law. He/she must then prepare a distribution statement in terms of the proposed business rescue plan. This enables all affected parties to decide whether business rescue or liquidation is a better option.</p>
	<p>Turnaround Management / Strategy</p>
	<p>The TMA designated professional must have the ability to formulate a turnaround strategy to reverse business decline and under performance, which hopefully will result in the business and jobs being saved. As part of the strategic review the professional must be able to identify the causes of distress which could include internal and external market factors. This independent business review will also cover such factors as market identification of opportunities and threats and operational issues.</p>
	<p>The implementation of the Turnaround Rescue Process</p>
	<p>The TMA designated professional must have the ability to understand, articulate and implement the various stages of the negotiated and agreed turnaround strategy. He/she must also make an early call (business case) whether or not formal business rescue will result in a better outcome for all affected parties than liquidation. Particular emphasis must be placed on job retention.</p>
	<p>The TMA designated professional must also have the necessary management skills and relevant experience (planning, organizing, directing and controlling) to effectively manage the turnaround process. Particular emphasis must be placed on instituting tight financial controls, role clarification and accountability of the turnaround team, including client staff.</p>
	<p>Professional Skills</p>
	<p>The TMA designated professional must have the understanding and ability to implement Corporate Governance best practice. During the tenure of his/her appointment the professional must constantly display the higher standards of business ethics and professionalism in every single decision made to turnaround the business. Risk management and compliance are skills that are essential to the professional. It is absolutely essential that the professional displays empathy, is an excellent communicator to all the</p>

CRITERION	DESCRIPTION
	affected parties and at all times remains professional during his/her tenure.

Designation title: Professional Turnaround Practitioner (PTP)

CRITERION	DESCRIPTION
Underlying NQF Registered Qualification/Part-Qualification	Any cognate BCom or equivalent
Experiential Learning / Practical Experience	Candidates must have 1 to 4 years. A Professional Turnaround Practitioner [PTP] is licenced to consult to clients with a Public Interest Score of 500 and above
Board / Admission Examination / Assessment	CRA plus a panel interview
Continuing Professional Development (CPD) Requirements	Candidates must accrue 20 CPD points per year
Application of Recognition of Prior Learning (RPL)	<p>The TMA-SA designation policy requires designee candidates to have a cognate bachelor's degree and to pass the CRA board course and exams as managed by University of Pretoria or any other university on behalf of TMA-SA.</p> <p>However, the TMA-SA does recognise that a TMA-SA designee candidate may through alternative prior learning have acquired the knowledge, skills and attributes that are specified in a cognate Bachelor's degree and the CRA. Should this appear to be the case, TMA-SA candidate designees may opt to compile a portfolio of evidence for either or both the bachelor's degree and the CRA.</p> <p>The portfolio of evidence in each case must incorporate documentary proof that is relevant [cognate – NQF level and subject domain], sufficient [substantial], current [within reason] and valid [authentic].</p> <p>The portfolio/s will then be evaluated by the accreditation subcommittee of the board. Should the cognate bachelor's degree competencies portfolio of evidence meet the requirements of the committee, the candidate will be allowed to be granted the designation applied for, if all other designation requirements are met.</p>

Designation competences:

Accounting, Finance & Tax

The TMA designated professional must have the ability to understand and analyse the financial affairs of the client and to determine the risks, weaknesses and strengths of the underlying business. In addition, the professional will be able to drill down and review the profitability, gross profit margins, costings, overhead structure of the business. Following this independent business review, the professional will then be in a position to recommend a restructuring strategy which will encompass recapitalizing the business, raising new finance and regularising the company's tax affairs.

Legal (Business and Commercial Law)

CRITERION	DESCRIPTION
	<p>The TMA designated professional must understand, have a detailed knowledge of the relevant laws (Labour Law, Insolvency Law, Law of Contract, etc.) and must be able to implement Chapter 6 of the Companies Act, no 71 of 2008. The professional must have the ability and experience to review and investigate all relevant contracts entered into by the client checking that there are no irregularities, fraud or undue preferences. Following this legal review, the professional will then be in a position to suspend any or all contracts in terms of the powers given to him/her by Chapter 6.</p> <p>The professional must also review all staff contracts and liaise with the relevant trade unions to ensure that the maximum number of jobs is saved during the turnaround or business rescue process.</p> <p>If in the review and investigation of the company's affairs the professional finds out any fraud or other irregularities then he must report these findings to the relevant regulatory authorities.</p> <p>The professional must be able to prepare a liquidation valuation of the business showing the preferential sequence of claims in terms of the Insolvency Law. He/she must then prepare a distribution statement in terms of the proposed business rescue plan. This enables all affected parties to decide whether business rescue or liquidation is a better option.</p>
	<p>Turnaround Management / Strategy</p> <p>The TMA designated professional must have the ability to formulate a turnaround strategy to reverse business decline and under performance, which hopefully will result in the business and jobs being saved. As part of the strategic review the professional must be able to identify the causes of distress which could include internal and external market factors. This independent business review will also cover such factors as market identification of opportunities and threats and operational issues.</p>
	<p>The implementation of the Turnaround Rescue Process</p> <p>The TMA designated professional must have the ability to understand, articulate and implement the various stages of the negotiated and agreed turnaround strategy. He/she must also make an early call (business case) whether or not formal business rescue will result in a better outcome for all affected parties than a liquidation. Particular emphasis must be placed on job retention.</p>
	<p>The TMA designated professional must also have the necessary management skills and relevant experience (planning, organizing, directing and controlling) to effectively manage the turnaround process. Particular emphasis must be placed on instituting tight financial controls, role clarification and accountability of the turnaround team, including client staff.</p>
	<p>Professional Skills</p> <p>The TMA designated professional must have the understanding and ability to implement Corporate Governance best practice. During the tenure of his/her appointment the professional must constantly display the higher standards of business ethics and professionalism in every single decision made to turnaround the business. Risk management and compliance are skills that are essential to the professional. It is absolutely essential that the professional displays empathy, is an excellent communicator to all the affected parties and at all times remains professional during his/her tenure.</p>

3.2. Awarding and retention of professional designations

A successful designation applicant needs to have a cognate B degree or equivalent, the associated experience, sign a declaration of ethics and good standing, have passed the CRA board exam and be successful in the panel interview. A candidate

Public Interest Score [PIS]

- The concept of a Public Interest Score was introduced in terms of Regulation 26 of the Companies Act no 71 of 2008.
- Under this system, a company is allocated points according to the number of its employees, its annual turnover, its stakeholders and the level of third party liabilities at the end of the financial year
- The Public Interest Score is calculated thus:
 - 1 point for each employee or the average number of employees throughout the year.
 - 1 point per million rand of third party liability. This is the money owed in terms of loans, debentures, and other financing.
 - 1 point for each million rand of turnover during the financial year. If the turnover is half a million rand, score ½ point.
 - 1 point for every individual who, at the end of the year, is known to have a direct or indirect beneficial interest in the company. This will include shareholders, beneficiaries of a trust where a trust is a shareholder and other stakeholders.
- The PI Score of a company determines whether or not the company requires an audit or an independent review and whether or not the review has to be conducted by a registered auditor, chartered accountant or an accounting officer.
- Companies scoring 350 points or more are required to have an audit.
- Companies scoring between 100 - 350 points must have an independent review conducted by a registered auditor or a chartered accountant.
- Companies scoring less than 100 points are required to have an independent review conducted by anyone who qualifies as an accounting officer, unless circumstances indicate otherwise.
- The impact of the Public Interest Score of a company in business rescue proceedings

The company's PI Score also dictates the level of seniority of the business rescue practitioner to be appointed. Regulation 127 of the Companies Act distinguishes between different categories of companies for the appointment of business rescue practitioners.

Senior Practitioner – 10 years' experience

A person will be appointed as a senior practitioner if immediately before being appointed as a practitioner, he or she actively engaged in business turnaround practice before the effective date of the Act or as a business rescue practitioner in terms of the Act, for a combined period of at least 10 years.

A senior practitioner can take appointment for a medium company (company with public interest score between 100 and 500) or of a large company (company with a public interest score of 500 or more).

An experienced practitioner – 5 years' experience

A person is classified as an experienced practitioner who immediately before being appointed as a practitioner, actively engaged in business turnaround practice before the effective date of the Act or as a business rescue practitioner in terms of the Act, for a combined period of at least five years.

Such person can take appointment for a small company (company with a public interest score of less than 100) or for a medium company (company with a public interest score between 100 and 500).

A junior practitioner – less than 5 years experience

A junior practitioner is one who immediately before being appointed as a practitioner either (i) has not previously engaged in business turnaround before the effective date of the Act or acted as a business rescue practitioner in terms of the Act; or (ii) has actively engaged in business turnaround practice before the effective date of the Act or as a business rescue practitioner in terms of the Act for a combined period of less than five years.

Such person can take appointment for only small companies (company with a public interest score of less than 100) or as an assistant to an experienced or senior practitioner.

4. RECOMMENDATION

It is recommended that:

- TMA-SA be recognised as a Professional Body for the purposes of the NQF Act, Act 67 of 2008.
- The following Professional Designation of TMA-SA be registered on the NQF.

Designation Title
Associate Turnaround Practitioner (ATP)
Certified Turnaround Practitioner (CTP)
Professional Turnaround Practitioner (PTP)

Cleo Radebe
Deputy Director: Registration and Recognition