



Diocese of Johannesburg

**FROM THE OFFICE OF THE ANGLICAN
BISHOP
DIOCESE OF JOHANNESBURG**



Our Vision is: To Achieve the Practice of the Ministry of All Believers

09 March 2022

Dearly beloved in Christ

Please find attached an update from Mr Siviwe Dongwana for your attention.

I would like to thank him and his finance and the diocesan teams for the work they have already done, and you must know that much more is going on behind the scenes that will be relayed in due course.

I remain positive that in this new space we find ourselves in, much good fruit will be borne, to put us on a clear and confident path for the future of the Diocese.

Thank you to those who have already submitted Vestry reports. These are being reviewed as they come in and I am appreciative of all who have committed to stand as Wardens and Councillors for this year. Except for one or two parishes who were allocated verifiers late in the day we hope to have the balance of reports in by the end of the month.

As the Diocesan Office prepares for Audit, may we all as a Diocese prepare for an audit of our own lives during this time of Lenten preparation, that we will also bear much fruit in lives of worship and service.

Yours in partnership with Christ, the True Vine and our Father the Gardener,

The Right Reverend Dr Steve Moreo
Bishop of Johannesburg



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Update on the Diocesan Financial Turnaround Process **Report by Mr Siviwe Dongwana (Turnaround Strategist)**

We are pleased to provide you with the following update following the presentation provided at the last Churchwardens and Treasurers meeting which was held at St. Michael's and All Angels, Weltevreden Park on 22 January 2022.

1. Diocesan Budget and forecast

- The overall Diocesan budget for 2022 was completed in February 2022.
- Because cash remains very tight, there are ongoing discussions with the bank to secure liquidity to meet certain immediate obligations.
- Concerns remain regarding the reasonability and accuracy of many individual parish budgets.
- Even though parishioner giving has improved, for which we are most grateful, support for the Diocese needs to increase if cost cutting is to be kept to a minimum.

2. Audit 2021

- There is a process underway to prepare the Diocesan accounting records for the 2021 audit.
- This process is very important to ensure that the accounting records of the Diocese are both accurate and up to date before the audit so that the Diocese derives the maximum benefit from an audit without incurring unnecessary expense.
- Additional resources have been brought in to assist with this process given that the financial manager left during 2021.
- Because of the essential additional work that is underway, it is unlikely that the audited financial statements will be published by 30 April 2022, the due date per the Diocesan Rules. Although the delay is regrettable, it is unavoidable and will be far less than was the case with the 2019 and 2020 financial statements.

3. Standard Bank overdraft(s)

- An agreement has been reached with the bank to cap the overdrafts for those parishes whose bank balances are overdrawn and to work towards paying them off over a reasonable period of time.
- At the same time, the bank has agreed, in principle, to provide limited liquidity to enable the Diocese to deal with certain emergency cash calls including the preservation costs for the Bishop Bavin School property.
- The bank however requires a level of suretyship¹ from the Diocese before providing the liquidity.
- There are ongoing engagements with the bank on the nature and form of such suretyship required by them.

4. Deposit Fund

- As part of preparing the records for the 2021 audit there is a process underway to confirm the accuracy of the Deposit Fund² accounts.
- In addition, there have been several emergency cash calls from the Deposit Fund hence the negotiations with the bank for limited liquidity to meet these calls.
- A process is also underway to establish a way forward with providing post-retirement medical aid to retired clergy.
- A number of engagements are scheduled with certain organisations and guilds to provide them with an update on their specific balances.

5. Bishop Bavin School

- The Bishop Bavin School was set up as a company that was a separate legal entity from the Diocese that operated on premises ultimately owned by the Diocese. The company operating the school was liquidated and that process continues under the direction of the appointed liquidator.
- However, there are ongoing costs associated with the preservation of the property including security and maintenance because the property did not form part of the liquidation.
- There are engagements ongoing and planned with key stakeholders to ensure that any decisions made regarding the property are in the best interests of all parties involved.

¹ Suretyship is form of guarantee to pay back borrowed money

² Deposit Fund: An internal money market fund used by a few parishes, most Diocesan organisations and several associated charitable operations. Since 2018, the vast majority of parishes no longer use the Deposit Fund but have their cash in accounts at Standard Bank.

Conclusion:

This process is dependent on the co-operation of all stakeholders, and we wish to recognise and thank all those who continue to support this process.

We also wish to recognise the efforts of parish councils in managing the finances of their parishes.

Kindly address any inquiries relating to the above to Petru Harrison at the Diocesan Office.