



# CENTRAL ADMINISTRATION OFFICE ANGLICAN DIOCESE OF JOHANNESBURG



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

## INFORMATION LETTER TO ALL PARISH COUNCILS & ORGANISATIONS IN THE DIOCESE OF JOHANNESBURG FROM MR SIVIWE DONGWANA

**24 November 2021**

Dear People of the Diocese,

Reference is made to the Communique of the Bishop to the Diocese concerning the financial turnaround strategy dated 16 November 2021.

The purpose of this communique is to provide the following:

1. Set out the broad objectives of the turn-around process for the Diocese
2. Outline the key actions for the turn-around process
3. Set out the immediate communication channels
4. Guiding values
5. Our ask from all members

### **1. Objectives**

The turn-around strategy is premised on resolving the following key issues which have individually and in aggregate contributed to the financial distress of the Diocese:

- a) Resolve the issues surrounding the Bishop Bavin school and property.
- b) Eliminate the Standard Bank overdraft.
- c) Resolve the Deposit Fund obligations.
- d) Address the outstanding debt on the Diocesan Centre and that of various parishes
- e) Resolve the affordability question of Post-Retirement Medical Aid.
- f) Restore the balance sheet to suit the work and mission of the Diocese.
- g) Improve financial controls and governance processes.

Diocese of

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## 2. Key actions of the turnaround plan

The key actions of this turn-around plan as highlighted in the Bishop's Communique include the following:

- a) Development of a short-term budget based on critical expenditure for the Diocese and identifying any shortfalls that may exist between expected income and expenditure;
- b) Development of a long-term sustainable cash forecast based on the repayment of major liabilities including the overdraft;
- c) Identification of any unfunded parochial expenditure and make proposals for dealing with it sustainably;
- d) The obtaining of actuarial advice regarding Post-Retirement Medical Aid and make proposals for either its continuation in a sustainable manner or its phasing out, and
- e) A comprehensive review of the Diocesan property portfolio.

The short-term cash forecast (November 2021 to January 2022) involves a determination of the following buckets of expenditure:

- a) Core business comprising the total minimum cost of
  - 75 parishes
  - The Diocesan Office
  - The School for Ministries training budget
- b) Deposit Fund withdrawals
- c) Unfunded obligations.

The key factors for the long-term cash forecast and sustainability of the Diocesan finances are the following:

- a) Raising of adequate capital, through property sales, to eliminate the significant indebtedness;
- b) Developing a sustainable funding strategy to support unfunded costs; and
- c) Implementing of sound and robust financial controls and governance processes.

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## 3. Communication Channels

It is our intention to maintain the following communication channels:

- Regular updates to be sent to all parishes
- Meetings with churchwardens and treasurers
- Meetings with Diocesan structures and organisations

## 4. Guiding Values

It is our experience that organisations experiencing financial distress also experience several unintended and unanticipated factors including uncertainty and delays in decision-making.

To this end, we wish to highlight that all our decisions will be guided by seeking to achieve a common good whilst at the same time balancing competing interests. It is a fact that there will be some tough, if not unpopular, decisions to be made, however, we will always err on the side of the common good.

## 5. Our ask from you

We must accept that we cannot fix the past, however, we can build a better future, and so blaming each other is not going to yield positive results. We must also accept that in resolving our problems we will be making choices in the real world and so we may not always land on a perfect solution. However, with everyone's support and co-operation we can deliver outcomes that work for the greater good.

To this end we ask of you the following:

- The basics – Kindly participate, read all communication, ask direct questions and be open to change.
- The attitude – Please be patient, positive and collegial – we must take the heat out of the system.
- The money – It is the lifeblood of all organisations and life itself - we need it. So please continue to:



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

- Pay your Diocesan Contributions
- Manage your parish finances well
- Ask for help if you need it
- Look out for each other.

With all of the above, and more, we will turn the corner for the better.

Yours in Christ

Mr. Siviwe Dongwana

Diocese of

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St. Joseph's Diocesan Centre, Cnr Good & Herman Street, Sophiatown, 2092, P O Box 39, Westhoven, 2142,  
Telephone: +27 11 375 2700, Fax No. +27 11 4771337,  
Web: [www.anglicanjoburg.org.za](http://www.anglicanjoburg.org.za), Email: [bishops.office@anglicanjoburg.org.za](mailto:bishops.office@anglicanjoburg.org.za), PBO 930018128