

## **GOVERNANCE ADDRESS**

### **REPORT BACK– 2015**

#### **ON REFLECTION**

When I took on the role of Head of Governance two years ago I analysed the problems we faced as an organisation.

It was apparent that complaints submitted by buyers to SAIA went by unabated and without consequence as our fellow auctioneers were doing nothing to address complaints levelled against them.

Before the implementation of our code of conduct, the public and fellow auctioneers have had no recourse to misconduct or unethical behaviour carried out by some unscrupulous colleagues as no structure was in place to account for malpractice

These challenges presented a gateway towards changes and improvements in an arena that has become infected by elements of corruption and malpractice. We were told by stakeholders that we should be self-regulated whilst legislation of the auction industry is deliberated.

We approached this proactively by initiating a procedural process acknowledging receipt of the complaint and at the same time notifying the auctioneer in question, to submit a written response within 72 hours from notification.

SAIA then elected a Disciplinary Counsel to address unresolved complaints to determine the veracity of each unresolved matter and mete out the appropriate consequences for transgression.

Although there is a lot of work to be done in this department we have made significant strides in correcting previous unprofessional conduct.

We have received various opinions on what measures should be implemented and we would be interested to hear your views on consequences and disciplinary action. All contributing ideas are warmly welcome

The public needs to feel comforted by the call to action from SAIA and auctioneers who are guilty of misconduct need to be accountable for their actions. The introduction of procedures and disciplinary action so far are showing positive results.

For us auctioneers these challenges are daunting as it confronts our legal, moral and ethical values in a demanding and competitive business environment.

The Auction Industry Code of Conduct has evolved as the industry's chaperone towards achieving our objectives. In accordance with our values, the implementation of the code intends to clean up an industry scarred with an unsavoury past.

## **REPORT BACK ON COMPLAINTS**

I am pleased to report that we introduced a formal structure to handle complaints. In 2014 we replied to all written complaints received within a few days

The majority of these complaints were the result of misunderstandings or misinterpretations, some of them valid and some without substance.

In 2014 SAIA received 48 written complaints levelled against our auctioneers

- 43 complaints were resolved with the assistance of SAIA following the due process that was introduced
- 5 remain unresolved, one of which the buyer has elected to seek legal counsel.

### **"These outcomes we achieved are a 'SAIA of relief"**

Auctioneers are encouraged to address queries and or complaints directly with the complainant in the attempt to finding amicable resolutions

SAIA is also exploring procedural ways of monitoring and streamlining auction methods of approach wherein the message which the auctioneer delivers to buyers at the start of the auction is clearly defined and conforms to our industry standards.

Methods of approach and documentation can be tailored to avoid historical misunderstandings and misrepresentations.

We must explore ways to avoid disputes. We auctioneers no doubt have experienced buyer's discontent, often the result of buyer's remorse and that is why it is of utmost importance that we embrace buyers and explain clearly the terms of engagement at the outset of an auction.

It is so important to engage our audience in an atmosphere where trust is delivered before the auction. This will encourage Buyers to become more involved and will dispel fear based participation.

The very nature of auctions is emotive where financial decisions are made in record time and when transacting at high speed it's not uncommon for errors in judgment to be made. That's when buyers become disgruntled and tend to look for blame with the auctioneer or the auction house.

We should remember that SAIA is the industry's Sheppard and not a legal body and whilst it endeavours to provide guidance and assistance to all parties. SAIA is not mandated to make legal decisions.

However should an auctioneer be found guilty of misconduct, malpractice, unethical behaviour or transgression of our code of conduct, The Disciplinary Counsel of SAIA will institute the appropriate consequences.

In broadening our objectives, a Disciplinary Counsel has been formulated from Exco members under the stewardship of Governance. Complaints brought against member auctioneers are now being dealt with in a swift and decisive manner.

Note:SAIA is the recognised mouthpiece of the auction industry, and it is our intention to ensure that our public profile is not only intact, but where our presence is felt across the board as the industry's regulator and the benchmark for skilled professionals.

We need to revisit the Constitution by simplifying a sometimes outdated and cumbersome medium.

## **GOING FORWARD**

Whilst we have made noticeable progress, there is still much to be done if we are to achieve our objectives. For this to happen we need the 'buy in' of the entire industry in support of our goals under SAIA'S custodianship. I welcome the opportunity to share your views.

SAIA'S vision is to change the perception in the market place and make the auction industry as a whole a desirable way to transact with comfort of knowing that the industry operates with **integrity**

As my term of office draws to an end it is my wish that SAIA continues to be recognised by all stakeholders in our industry as the custodian of good

governance. It is my hope that the board will be enhanced a dynamic group of individuals who will join us and who will be the flag bearers of our industry and who take ownership by being committed to re uniting our guild and achieving our goals with determination and passion

If we **ALL** move in the same direction we **WILL** get to where we want to be.

I thank you and wish you all success

Philip Powell