

FINAL REPORT
**OF THE MINISTERIAL COMMITTEE APPOINTED TO
INVESTIGATE ALLEGED IRREGULARITIES OR
MALPRACTICES IN THE GOVERNANCE AND
MANAGEMENT OF THE SOUTH AFRICAN SPORTS
CONFEDERATION AND
OLYMPIC COMMITTEE (SASCOC)**



**TO THE
HONOURABLE MINISTER OF SPORT AND RECREATION,
MS TOKOZILE XASA**

DATE: 21 AUGUST 2018

Appointment of the Committee

1. In terms of Government Gazette No. 41186 which was published on 20 October 2017, the then Minister of Sport and Recreation, Thembelani Waltermade Thulas Nxesi, in terms of section 13(5)(a) of the National Sport and Recreation Act 110 of 1998 (“the Act”) read with the Public Finance Management Act 1 of 1999 (“PFMA”) and the Treasury Regulations (issued in terms of the PFMA), appointed the Committee which comprised of Judge Ralph Zulman, a retired Judge, as Chairperson, Ms Shamima Gaibie, a practicing attorney as a member and Dr Ali Bacher as the other member (“the Committee”), following a consultation with the Minister of Justice and Correctional Services.
2. Soon after the Committee was appointed, and pursuant to various discussions of the Committee, relevant and interested parties were invited to make written submissions to the Committee. Once these were received, the hearings of the Committee were publicised and public hearings were held at a venue at the Emirates Airline Park Stadium (formerly known as the Ellis Park Stadium) during the course of February and March 2018.
3. Various individuals¹ provided the Committee with written submissions (in the form of documents, information, memoranda, affidavits and statements) and or oral testimony.
4. These individuals included:

¹ In excess of 40 individuals.

- 4.1. representatives of national federations, associations, provincial structures and entities involved in sport;
- 4.2. members of the SASCOC Board;
- 4.3. third parties or interested individuals; and
- 4.4. employees and members of the management of SASCOC.

Submissions from Federations, Associations, Confederations and Entities

5. We received submissions from:
 - 5.1. the South African Equestrian Federation (SAEF), and parties external to this federation who are or were involved in equestrian sport directly or indirectly;
 - 5.2. Mind Sport South Africa;
 - 5.3. the South African Sport Aerobics and Fitness Federation;
 - 5.4. the Western Province Sports and Fitness Federation;
 - 5.5. Athletics South Africa;
 - 5.6. The South African Football Association;
 - 5.7. South African Natural Bodybuilding Association;

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- 5.8. the South African Wrestling Federation;
- 5.9. Volleyball South Africa; and
- 5.10. Western Cape Karate.
6. In light of the submissions made by member federations and provincial confederations, by entities who are not recognized by SASCOC, as well as those persons who are involved in the various sports in one form or another, our findings are as follows:
- 6.1. There was widespread unhappiness or disagreement with SASCOC's decision to impose one federation for all sporting disciplines in a particular sport on the basis of one common denominator and nothing more, and that there is a need to reassess or revisit this decision in line with international norms and the requirements of the IOC, in the interest of managing sport in general and high performance sport, in particular.
- 6.2. SASCOC's failure to appoint a National Colours Board in terms of *the Act*, its Constitution and internal regulations², and to manage the process of the award national colours to athletes is irrational and arguably unlawful;
- 6.3. SASCOC's award of national colours to athletes through its executive management and or the CEO, is irregular and unlawful;

² This is a reference to its internal policy.

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- 6.4. SASCOC's failure and or refusal to: consider the Pullinger report, and other similar reports produced in consequence of investigations conducted at its behest, and to determine the appropriateness or otherwise of implementing some or all of its findings is inexplicable and irrational;
 - 6.5. SASCOC's liaison with ASA's attorneys about matters relevant to that federation during the course of 2013 was unprofessional and unethical;
 - 6.6. SASCOC's interference in the internal affairs of SAFA during the course of 2012 and 2013, was unprofessional and unethical; and
 - 6.7. SASCOC's internal dispute resolution processes is not only inappropriate but is not applicable for the purposes of mediating or determining disputes between federations and between federations and other sporting entities, especially in circumstances in which SASCOC or its officials are involved or where the dispute relates to or concerns the decisions made by SASCOC.

Submissions by Third Parties or Interested Individuals

7. There were a number of submissions made by various third parties. These included:
 - 7.1. Wessel Oosthuizen, a writer, photo journalist and sports photographer, amongst other things, who was previously contracted by SASCOC to take photographs of athletes at international events;

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- 7.2. Lorraine Lane, an athletics coach who was formally employed by Athletics South Africa, a federation of SASCOC;
 - 7.3. Christiaan Mostert, whose daughter was involved in an Olympic sport;
 - 7.4. Graeme Joffe, a journalist;
 - 7.5. Leonard Chuene, the former president of Athletics South Africa and a former member of the SASCOC Board;
 - 7.6. Phindiwe Kema, a private individual who has a business interest in an entity known as Africa Race Group (Pty) Ltd; and
 - 7.7. Raymond Hack, a senior attorney who rendered legal services to SASCOC from time to time.
8. In light of the fact that the issues raised by this category of individuals were, in the main, raised in the submissions made by members of the Board or by the staff and management of SASCOC, we make no findings in relation thereto.

Submissions made by members of the Board

9. Several members of the SASCOC Board provided the Committee with written and oral submissions. They included:
 - 9.1. Natalie du Toit, a former Olympic athlete, who was appointed by the Board as the representative of the Athlete's Commission since February or March 2017;

- 9.2. Merrill King;
 - 9.3. Muditambi Ravele;
 - 9.4. Hajera Kajee, the Deputy President of SASCOC;
 - 9.5. Kaya Majeke;
 - 9.6. Kobus Marais;
 - 9.7. Barry Hendricks, the Deputy President of SASCOC;
 - 9.8. Les Williams; and
 - 9.9. Gideon Sam, the President of SASCOC.
10. In light of the submissions made by members of the Board, we find that:
- 10.1. the issues of the eligibility of members to the Board was raised and dealt with in the context of factionalism within the Board rather than in the interest of the organisation and in the interest of sport. Nevertheless, and in light of the principal established by the Supreme Court of Appeal in *Oudekraal Estates (Pty) Ltd v City of Cape Town*³, it is our view that the election of Board members and their existence as a Board is both lawful and valid until set aside by a court of law;

³ 2004 (6) SA 222 (SCA) at para [26].

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- 10.2. in the absence of compliance with appropriate governance and procurement processes and policies, an inordinate amount of SASCOC resources have in fact been spent on legal fees both in relation to disputes relating to the management of SASCOC and in relation to disputes that emanate from and between federations, provincial bodies or confederations and the like;
 - 10.3. there is in our view both a manipulation and a deliberate exclusion of some Board members as opposed to others in relation to the flow of information which is controlled by some and only released to others when it is considered appropriate or convenient to do so;
 - 10.4. there is a lack of consultation of Board members by the President of SASCOC on key issues including communications from and to the Minister;
 - 10.5. a miniscule amount of time of the Board is in fact spent on the statutory mandate given to SASCOC to promote and develop high performance sport;
 - 10.6. there is no compliance with the basic principles of ethics, transparency, accountability, good governance, or with policies and procedures for the purposes of managing the affairs of SASCOC, including its financial affairs;
 - 10.7. in light of the factionalism within the Board, it is a Board that is essentially dysfunctional;

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- 10.8. there is a significant lack of corporate governance in the management of SASCOC and especially in the management of its financial resources;
 - 10.9. there has been a complete mismanagement of funds used for costs associated with international travel for members of the Board and senior management;
 - 10.10. the excessive travel and subsistence perks for Board members, and for members of the management of SASCOC, amount to an abuse of SASCOC monies, and therefore of public funds, and such benefits are in our view are out of sync or incongruous with the principal of the efficient and effective use and management of public monies; and
 - 10.11. members of the Board who are in fact members of other Boards where money is raised or generated for SASCOC or for any of the federations, represents in our view a conflict of interest.

Submissions from Employees and Members of the Management

11. Several senior employees of SASCOC provided the Committee with their submissions, including:
 - 11.1. Desiree Vardhan, the Manager: Coaches Development ('Ms Vardhan');
 - 11.2. Patience Shikwambana, the Chief Operating Officer who is currently the Acting Chief Executive Officer of SASCOC ('Ms Shikwambana');

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- 11.3. Ezra Tshabangu, the General Manager: High Performance Department of SASCOC ('Ms Shabangu');
 - 11.4. Tubby Reddy, the former Chief Executive Officer of SASCOC until his dismissal in January 2018 ('Mr Reddy' or 'the CEO');
 - 11.5. Vinesh Maharaj, the former Chief Financial Officer of SASCOC until his dismissal in January 2018 ('Mr Maharaj'); and
 - 11.6. Jean Kelly, who was Mr Reddy's executive PA, until her dismissal in January 2018 ('Ms Kelly').
12. For convenience, we include in this section of the summary the contribution made by Gideon Sam, the President of SASCOC ('Mr Sam').
 13. In relation to this category of individuals, we find that –
 - 13.1. the Board dealt with Ms Vardhan's allegations of sexual harassment in a lackadaisical fashion;
 - 13.2. the management of SASCOC dealt with the 'hacking' of Ms Vardhan's computer inadequately, and failed to undertake an enquiry or an investigation aimed at establishing the circumstances in which the hacking occurred; who was responsible or culpable for such conduct, and whether the organisation (and its systems or information) was at risk in consequence thereof;

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- 13.3. the number of hours spent by the Board in Board meetings, was wholly inadequate and was not conducive for the purposes of carrying out its statutory mandate;
- 13.4. the CEO's exercise of the function of awarding colours contrary to *the Act*, is not only open to manipulation, it was unlawful;
- 13.5. the Board's acceptance of the CEO's exercise of the function of awarding colours contrary to *the Act*, constitutes a dereliction of the duty of the members of the Board;
- 13.6. the expenditure of SASCOC's finances on international trips⁴ for members of the Board⁵, and for members of the management of the SASCOC –
- 13.6.1. constitutes a complete mismanagement of and an abuse of SASCOC's financial resources; and
- 13.6.2. in the absence of appropriate policies and procedures to govern the details and limitations of such expenditure, contravenes the principles of transparency, accountability, good governance, and efficient and effective expenditure that is required of public institutions;
- 13.7. Mr Sam's exercise of the casting vote in relation to the members co-opted onto the Board in 2016 was irrational and arguably unlawful, although the

⁴ Including attendance at international events and other more general international trips.

⁵ Including but not limited to flight and related costs, changes in flights, accommodation and per diem expenditure etc

retention of Mr Sigwaba as opposed to Mr Skhosana, as a member of the Board must be governed by the *Oudekraal principle*;

13.8. Mr Reddy's conduct in relation to –

13.8.1. the appointment SS Griffin, his manipulation of the Griffin Report, and his submission thereof to the Minister constitutes: a contravention of the policies of SASCOC; unethical and dishonest conduct; and amounts to a fraudulent misrepresentation; and

13.8.2. his allegations concerning payment to SS Griffin (from his monies and from VSA) for services rendered by that entity to SASCOC was not substantiated, and appears to be inappropriate and irregular;

13.9. Mr Maharaj's conduct in using SASCOC's service providers for personal favours for himself and for other members of the Board, constitutes conduct akin to corruption;

13.10. Ms Kelly's conduct in relation to the Griffin Report is similar to that of Mr Reddy, and her conduct suffers the same fate as his;

13.11. Mr Sam's mode of operation as the President of SASCOC, and leadership style and function is highly inappropriate and not suited for a public institution like SASCOC. His unilateral approach to the management of SASCOC is almost dictatorial in nature, lacks consultation, is not

transparent and does not comply with the basic principles of accountability. Without derogating from the generality of this finding, we find in particular that –

- 13.11.1. he refused and or failed to consult with Board members prior to making and effecting decisions on behalf of SASCOC;
- 13.11.2. he refused and or failed to comply with the policies of SASCOC for the appointment of service providers, and this often resulted in astronomical costs for SASCOC;
- 13.11.3. he approved benefits for members of the Board in contravention of SASCOC's policies;
- 13.11.4. his lack of leadership in considering the outcomes of investigations held at the behest of SASCOC was profound and resulted in irrational conduct; and
- 13.11.5. his receipt of commissions from being on a number of Boards (the detail of which he claimed he did know at the hearing) raises worrying concerns about the principle of conflict of interests, and must be investigated.

Pertinent Issues

14. During the Committee's hearings, there were in our view four pertinent themes that emanated from the submissions made by various individuals ("the four themes"), and two additional issues that emanate from a construction of *the Act* ("the two additional issues").
15. *The four themes* include: a) the issues raised in the 2016 election of Board members; b) the perks provided to members of the Board and to select members of the management of SASCOC; c) the procurement of services or service providers by SASCOC; and d) the 'conflict of interests' raised by the position of certain members of the SASCOC Board who sit on other boards, and their receipt of commissions or dividends in consequence thereof. We deal with each of these issues below:

The 2016 election of Board members

16. During the 2016 elections which saw the appointment of a new Board for a period of 4 years, issues relating to the eligibility of membership of the Board were raised. We raise this issue for two purposes: first, to highlight the legal issues raised by that event; and second to recommend an overhaul of the SASCOC constitution, despite its recent revision, to take into account amongst other things, a proposed new structure for the promotion and development of sport, to cater for advisory services, to emphasize the criteria for members, and co-opted members of the Board, and to provide for matters ancillary thereto for the effective, transparent and accountable management of the affairs of SASCOC.

17. The relevant provisions of the previous SASCOC Constitution, particularly articles 12.2 and 12.8 thereof were the subject of two opinions from senior counsel.

18. In an opinion dated 27 October 2016, Advocate D N Beasley SC, concluded, with reference to the SASCOC Constitution that:

“Whilst every member has the right to put forward nominees for the various positions, such nominees are limited to members of a sporting federation. In other words, associate members, special organisational members, IOC members etc are not eligible to stand for election to the SASCOC Board”.

19. In a further opinion dated 14 November 2016, Advocate Matthew Chaskalson SC opined as follows:

“In terms of Article 12.8 any member may nominate a person for election to the Board under that article, but the person so nominated cannot be drawn from any member of SASCOC, they must be drawn only from Federations.

This requirement of Article 12.8 applies to the election of President, the Deputy President, the Vice President and the five additional Board members contemplated by Article 11.2.1.4.”

20. Despite these opinions, and at the SASCOC QGM in 2016, members of the Board were appointed pursuant to an election process which included nominations from national federations and provincial confederations. The issue that was raised by Mr Reddy and certain members of the Board that were effectively in his faction, was that the 2016 election should be declared null and void as it contravened the provisions of the SASCOC Constitution. It is the Committee’s view that despite the

interpretation of the two senior advocates, the Council of the QGM decided otherwise and the question is whether the appointment of the Board in November 2016 must in the circumstances be regarded as unlawful and invalid? Put another way should the appointment of the Board in November 2016 be disregarded? The answer to that question is 'no' and the appointment of the Board must be regarded as a factual consequence in terms of the *Oudekraal principle* established by the Supreme Court of Appeal in *Oudekraal Estates (Pty) Limited v City of Cape Town and Others* [2004] 3 ALL SA 1 (SCA) at para 26.

21. The same principle must also be applied to any allegations of invalidity or unlawfulness in relation to the appointment of the co-opted members of the Board and the reversal of that decision in relation to Mr Alex Skhosana.
22. As indicated in the Report, SASCOC undertook a revision of its constitution and adopted a revised constitution whilst the investigative work of the Committee was still on going. The revised version of the relevant articles are as follows:

22.1. Article 12.2:

Only nominees of who are in good standing with both SASCOC and their National Sport Federation and who are citizens and permanent residents of the Republic shall be eligible for election as a member of the Board. Such National Sports Federations shall also be in good standing.

[The amendments are highlighted and underlined]

22.2. Article 12.8

*Any Member in good standing shall be entitled to submit the names of nominees from any **National** federation for the positions of President, Deputy President, Vice President and the Board members referred to in articles 11.2.1.1, 11.2.1.2 and 11.2.1.3. It is recorded that no more than one person per Federation shall be entitled to be elected to serve as a Board member as contemplated in articles 11.2.1. and 11.2.2. **Such nominee must be endorsed by the relevant National Sports Federation.***

22.3. The definition of 'Member' which was article 4.3.5 in the previous Constitution, and is article 2.40 in the revised Constitution has not been amended, and the definition of 'National Sports Federation' which was article 4.3.8 of the previous Constitution and article 2.43 of the revised Constitution remains essentially the same except for the addition of the following sentence at the end of the definition:

An approved Composite Federation for such a sport shall be regarded as a National Federation for the purposes of SASCOC membership, privileges and obligations.

23. At a cursory glance of these revisions, it is apparent that –

23.1. the deletion of the term 'members' in article 12.2 in the revised Constitution and the substitution in its stead of the word 'who' does not achieve the consequence that representatives of confederations can also

be members of the Board, because the balance of the article requires a nominee to be –

*in good standing **with both SASCOC and their National Sport Federation** and who are citizens and permanent residents of the Republic shall be eligible for election as a member of the Board. **Such National Sports Federations shall also be in good standing;***

- 23.2. the link between the nominee for a position on the Board and a National Federation is reinforced in the latter part of that article; and
- 23.3. both Adv Beasley SC and Chaskalson SC also relied on the provisions of article 12.8 to reach the conclusion that only members of National Federations may be members of the SASCOC Board, and that provision has not been altered in the revised Constitution.
24. It is necessary, despite the *Oudekraal principle*, to point out that there are numerous other sections of the revised SASCOC constitution that require revision. Amongst others, the provisions dealing with the co-option of members of the Board, the decision-making process in the event that there are more members co-opted than anticipated by the Constitution, as well as the criteria for the eligibility of the Board requires careful and thorough scrutiny. In addition thereto, it is our view that the provisions in the Constitution that deal with SASCOC's powers and duties, such as its ability to inquire into the administrative and or financial affairs of

members, and other similar provisions, are highly intrusive, questionable and require statutory alignment and or regulation⁶.

Policies

25. During the course of the Committee's hearings, we received evidence of the application of and sometimes the transgression of the SASCOC policy with respect to two main themes: a) the benefits that members of the Board receive, including travel perks and excessive stipends; and b) the procurement of services by SASCOC without any adherence to its policies. It is necessary therefore to look at the relevant policies in relation to these matters:

Travel perks for Board members

26. We find that the travel perks for members of the Board and for senior management require revision.
27. We also find that both the 2014 and the 2016 policies do not indicate when travel on the relevant class will be permitted, nor does it provide for any limit on the duration of the trip. And although both policies indicate that the *per diem* benefit is applicable for 'international duty', it does not define that term. However, it appears from both policies that the term 'international duty' is associated with 'multi-coded games'. That term is also not defined and one must assume that these benefits, particularly the *per diem* benefit is applicable for attendance at international sporting events.

⁶ See in particular article 11 to the revised Constitution.

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28. In the context of these policies we were informed that it has been practice at SASCOC in relation to international sporting events, that SASCOC covers the costs of travel and accommodation for all Board members usually for the duration of the event or otherwise for half of the period of the event, whether or not such Board members are involved in high performance sport which are usually showcased at such events.
29. These perks are in our view excessive by any standard that applies in the public service. In addition thereto, both the 2014 and the 2016 policies are wholly inadequate in setting out the parameters and the limitations of such benefits.

Procurement of services

30. On a cursory glance of the applicable policies, it is our view that the SASCOC policies on the procurement of services are woefully inadequate.
31. The 2016 Policy, much like that of the 2014 Policy is extremely sparse in content or detail. It does not provide for appropriate checks and balances, the threshold for expenditure is too high and the limitations are too weak. In short, the 2016 Policy does not provide for clear, simple and comprehensive processes which are aimed at ensuring that those who spend SASCOC monies are accountable, and those who are appointed as SASCOC's service providers are appointed equitably, transparently and objectively, in circumstances where SASCOC's interests are protected.
32. It is not surprising then, that Mr Sam's appointment of the legal teams that rendered services to SASCOC for the purposes of the disciplinary proceedings

and for the constitutional review process did not meet these basic principles. It is also not surprising that Mr Reddy's appointment of SS Griffin for the debugging process was done in the absence of any Board knowledge and without securing three quotations. It is in these circumstances that we recommend a thorough analysis of all of SASCOC policies with the view to ensuring that any future policies are compliant with the requirements of the Public Finance Management Act 29 of 1999, the treasury regulations, and labour legislation, amongst others.

Conflict of Interest

33. During the course of the Committee's hearings, we were informed that several members of the SASCOC Board sat on the boards of other entities, some of whom were invariably linked with the interests of SASCOC. In this regard, it was brought to our attention that one or more members of the SASCOC Board were at one stage or another –

33.1. members or trustees of the NLDTF Distributing Agency or the NLDTF Fund, and the Thoroughbred Horseracing Trust;

33.2. members of Boards of other entities including but not limited to Grinde Investments (Pty) Ltd and Phumelela Gaming and Leisure Limited; and

33.3. in consequence of such external appointments received commissions and or dividends.

34. Although the committee requested further information in relation to these matters, none was forthcoming. These issues, in our view, give rise to potential conflicts of interest and warrant a separate and forensically audited investigation.

The two additional issues

Delineation of roles between the Department and SASCOC

35. We have, in the Report dealt with the relevant provisions of the *Act* that set out the respective roles of the Department and SASCOC. What emerges from that brief analysis is the Department's profound role in determining the general policy to be pursued with regard to sport and recreation, and SASCOC's obligations (as well as those of the national federations) in implementing and complying with such policy.
36. What is less clear in the *Act* are the details of the parameters of the obligations assigned to the Department on the one hand, and SASCOC on the other hand. One must therefore ask the obvious question: where do the obligations of the Department and the Minister start and end, and where precisely do the obligations of SASCOC begin and end? Put differently, *the Act* is less clear on precisely what the nature of the oversight role is of: the Department and of the Minister in relation to SASCOC, and the other entities involved in sport; and of SASCOC in relation to the federations and the other entities involved in sport.

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37. These and other provisions in *the Act* are less clear of the parameters of the oversight role played respectively by the Department and SASCOC.

Dispute resolution processes in the Act

38. It is our view, that section 13 of *the Act* only provides for SASCOC's involvement in the resolution of disputes that emanate between members of a sport and recreation body (such as a federation), or between such members and the governing body of such an entity. Section 13 accordingly does not give SASCOC the power to resolve disputes between federations or between a federation and SASCOC.

39. In addition to this weakness, it is the view of the Committee, that in light of the public nature of the functions assigned to both the Department and SASCOC, *the Act* must at the very least provide for –

39.1. the establishment of SASCOC as an entity, accountable for its functions and obligations to the Department, and for its financial obligations to the Minister or the Department of Finance⁷;

39.2. clarity of the precise roles of the Department and SASCOC in the administration and management of sport;

⁷ A comparison can for instance be drawn between the obligations of a Municipal entity and the relevant Municipality in terms of the Local Government: Municipal Systems Act 32 of 2000 (the MSA). In terms of the MSA, although the Municipal entity is an independent entity, it has certain defined obligations to the Municipality particularly in respect of financial matters.

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- 39.3. an external and independent dispute resolution process for disputes between: member federations⁸; federations and other entities involved in sport; and such parties in relation to the conduct and decisions of SASCOC; and
- 39.4. criteria for membership, and composition of the Board of SASCOC, including an independent specialist advisory body made up of experts in sport; law, marketing and fundraising to be accessible to the Board and to the Department.

Recommendations

40. In the light of our findings we make the following recommendations, in the interest of sport:
41. The Act
- 41.1. We recommend that *the Act* should be amended to include:
- 41.1.1. the details of a revised structure of SASCOC, which is set out in detail in paragraph 42 below;
- 41.1.2. clarity about the roles of the Department, SASCOC and the entities that fall into the definition of a 'sport and recreation body', as well as their respective oversight roles;

⁸ And similar entities that fall within the definition of a sport and recreation body in terms of the Act.

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- 41.1.3. SASCOC's powers and duties, and its obligations to the Department, and to each and every *sport and recreation body*;
 - 41.1.4. an external and independent dispute resolution body in terms of *the Act*, for disputes: between sport and recreation bodies and between the latter and SASCOC; and
 - 41.1.5. the details of what should be contained in SASCOC's Constitution, including: criteria for the eligibility of members to the Board; a prohibition on the receipt of commissions from other entities in prescribed circumstances, as well as other issues relevant to the principle of 'conflict of interest';

42. SASCOC, the revised structure and mode of operation:

42.1. In the light of our findings it is our view that there should be an organizational structural and strategic review and change management process in order to ensure that SASCOC –

- 42.1.1. understands its vision, its mission and its role in the development of sport in South Africa;
- 42.1.2. delineates clearly its strategy for sport in general, and high performance sport in particular; and

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- 42.1.3. understands its obligations in relation to corporate governance, financial governance and responsibility, and the development and administration of sport.

The Board

- 42.2. We recommend that the Board must be representative of sport and recreation bodies, and must include specialists in the field of corporate governance; company and commercial law; sports law; finance, accountancy and auditing; amongst others ('the specialist members'). In particular:

- 42.2.1. the following three positions on the Board⁹ must be occupied by persons who are independent and who have no affiliation to any sport and recreation body:

42.2.1.1. the President of SASCOC;

42.2.1.2. an accountant; and

42.2.1.3. a commercial lawyer;

[Collectively referred to as the 'independent and specialist members']

- 42.2.2. the *independent and specialist members* of the Board should:

⁹ These positions will be in addition to those that already exist in the SASCOC Constitution.

- 42.2.2.1. be appointed by an independent committee, pursuant to a fair and transparent process;
 - 42.2.2.2. be persons of high stature and impeccable reputation; with appropriate experience and qualifications; and should demonstrate a passion or a love of sport;
 - 42.2.2.3. be representative of the different genders and peoples of the country
- 42.2.3. members of the Board who are appointed in consequence of their membership or affiliation with any *sport and recreation body*, must relinquish such membership or affiliation upon their appointment;
- 42.2.4. members of the Board must serve no more than two 4 year terms in their respective posts on the Board; and
- 42.2.5. the President of the Board, because of the expected increase in responsibility should be paid a monthly retainer, and all other members of the Board should be paid for meetings that they attend, including Board and subcommittee meetings.

The Management Structure

42.3. The management structure of SASCOC, should consist of, amongst other things: a CEO, a CFO, a COO and a Director of Communications. In particular –

42.3.1. each of these posts must be advertised and must be filled pursuant to a fair and equitable recruitment process by an independent committee;

42.3.2. the appointees must not have any links with a *sport or recreation body*, or must relinquish such links, if any, upon appointment; and

42.3.3. the appointments must be confirmed in a contract of employment, on a fixed term basis and subject to a probationary period, job description and key performance areas;

CEO (Chief Executive Officer)

42.3.4. the CEO must be subject to the direction and control of the President of the Board and the chairperson of the Finance Committee;

CFO (Chief Financial Officer)

42.3.5. the CFO must be subject to the direction and control of the CEO and the chairperson of the Finance Committee;

COO

42.3.6. the COO must report to the CEO; and

Director of Communications

42.3.7. the Director of Communications must report to the President of the Board and to the CEO.

42.4. At the first meeting of the Board –

42.4.1. a process for the revision of all policies and procedures must be determined; and

42.4.2. travel benefits and allowances for the President, the members of the Board and the CEO should be discussed, and a process for the determination of such benefits should be decided, subject to the approval of an independent external auditor.

42.5. Administrative matters related to the operation of the Board, including the holding of meetings, agendas, the distribution of minutes and matters ancillary to the functioning of the Board should be determined on an urgent basis.

43. Pending the implementation of the above recommendations, we make the following further recommendations:

43.1. SASCOC must, pending the process set out above:

- 43.1.1. read and consider the Pullinger Report, and any other Reports received pursuant to investigations conducted at its behest, and determine the appropriateness and the rationality of implementing some or all of its recommendations;
- 43.1.2. appoint a National Colours Board in terms of *the Act*, its Constitution and internal regulations, for the purposes of determining any and all issues relevant to the awarding of national colours to athletes;
- 43.1.3. ensure that there is complete transparency, accountability and consultation in relation to all decision-making processes;
- 43.1.4. ensure that international travel is limited and in line with a revised interim policy, and that the procurement of services is approved by a sub-committee of members of the Board specially constituted for this purpose;
- 43.1.5. undertake a complete and thorough audit of its financial transactions for at least the last five years, including travel and other benefits and the procurement of services, and that any irregular or wasteful and fruitless expenditure is dealt with, and if possible, recovered;
- 43.1.6. investigate the payments made to SS Griffin; and

43.1.7. ensure that all members of the Board, who receive commissions payable to them from other entities, declare the details thereof to the Board for further investigation.

21 August 2018
R Zulman
A Bacher
S Gaibie



The image shows three handwritten signatures in black ink. The top signature is 'R. Zulman'. Below it, there are two more signatures: 'A Bacher' and 'S Gaibie', which are written in a cursive style.