



SASCOC's INPUTS AND RECOMMENDATIONS ON THE MINISTERIAL INQUIRY REPORT

15 October 2018

A. Background

The South African Sports Confederation and Olympic Committee received correspondence from the Honourable Minister of Sport and Recreation, Minister Tokozile Xasa on Wednesday, 19 September 2018 addressed to the President of SASCOC, Mr Gideon Sam. The report was then circulated to the Board Members on 19 September 2018 for their perusal and to provide inputs in this regard. The Board also had an opportunity to further discuss the report in a Board Meeting held on Wednesday, 10 October 2018.

The erstwhile Honourable Minister of Sport and Recreation, Minister Thulas Nxesi announced the establishment of a Ministerial Committee of Inquiry to investigate alleged irregularities or malpractice in the corporate governance and management of SASCOC. The Board of SASCOC welcomed the announcement and committed to cooperate.

The Board takes note of all issues raised and recommendations provided and commend the work done by the Committee.

SASCOC would have acted irresponsibly not to mention its associations with global organisations. The organisation has to align to government prescripts; however it has also to comply and abide to the following international rules and regulations such as IOC Charter, IPC Constitution, CGF Constitution, ANOC (Association of National Olympic Committees) and World Games Association. It is therefore our obligation to inform these organisations about the current inquiry and the report as presented.

B. Recommendations from Ministerial Inquiry Report and SASCOC Inputs

SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE
(AN ASSOCIATION DULY CONSTITUTED)
Tel +27 87 351 2082 | Fax +27 86 673 5884,
P.O. Box 1355, Houghton 2041 | Olympic House, James & Ethel Gray Park, Atholl Oaklands Road, Melrose
www.sascoc.co.za

Herewith follows the Board responses to the Honourable Minister's Recommendations as requested.

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 'sport and recreation body', as well as their respective oversight roles;*

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';*

The Board Agrees

"The Board notes what has been proposed and understand that it will be a lengthy process to conclude the amendments of the Sport Act. The Board will always endeavour to comply with the Act as amended in harmony with IOC, IPC, CGF, ANOC and World Games Association."

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 structure 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*

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

"The Board is in agreement with the recommendation"

The Board

42.2 *We recommend that the Board must be representative of sport and recreation bodies and must include specialist in the field of corporate governance; company and commercial law; sports law; finance, accountancy and auditing: amongst others (“the specialist members”)*

“The Board agrees with the principle of incorporating independent specialists.”

42.2.1 *the following three positions on the Board 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*

The Board recommends,

“The President is elected by the General Assembly and may not serve in any National Executive of SASCOC Members as per the Constitution.”

42.1.1.2 *an accountant; and*

The Accountant will be appointed through Labour Law and HR policy and the Board recommends that the individual be an ex officio member of the board

42.2.3 *a commercial lawyer;*

{Collectively referred to as the independent and specialist members}

“The Commercial lawyer will be selected via the Nomination Committee process”

“All members of the Board will not be compelled to relinquish their membership/ affiliation from sport and recreation bodies”

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

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 gender and people of the country*

“In this regard the Board recommends that it be executed by a Nomination Committee.”

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:

“All members of the Board will not be compelled to relinquish their membership/ affiliation from sport and recreation bodies”

42.2.4 members of the Board must serve no more than two 4 years terms in their respective posts on the Board and

“The Board recommends that we adhere to SASCOC Constitution to maximise consistency” (Clause 11.2 Board Members: 11.2.3, 11.2.4)

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 Board agrees with retainer for the President based on international trends. The Board recommends that the current policy remains as approved by the General Assembly.”

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 Communication. 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 appointment 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 in 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 Communication

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

“The CEO, CFO, COO and the recommended Director of Communication, will not be compelled to relinquish their membership/ affiliation from sport and recreation bodies but may not serve in any National Executive of SASCOC Members as per the Constitution.”

“Noting and funds permitting and subject to restructuring and operational requirements.”

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*

“This is done in line with SASCOC Constitution and Policies and Procedures”

42.4.2 *travel benefit 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.*

“The Board recommends that the travel benefits and allowances policy be annually reviewed and approved by the Remuneration Committee in line with the annual budget approval process.”

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.*

“The Board agrees”

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;*

“This matter was referred to SRSA as per the Board resolution and the Board awaits SRSA’s directive”

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 colour to athletes;*

“The Board awaits for the directive from SRSA as per the inputs previously submitted”

43.1.3 *ensure that there is complete transparency, accountability and consultation in relation to all decision-making processes;*

“The Board agrees”

43.1.4 *ensure that international travel is limited and in line with a revised interim policy; and that the procurement of service is approved by a sub-committee of members of the Board specially constituted for this purpose;*

“The Board agrees and such a policy is being implemented”

43.1.5 *undertake a complete and thorough audit of its financial transitions for at least the last five years, including travel and other benefit and the procurement services, and that any irregular or wasteful and fruitless expenditure is dealt with, and if possible recovered;*

“The Board agrees and has complied. The AFS has been submitted to SRSA and await any further directive.”

43.3.6 *investigate the payments made to SS Griffin; and*

“This process has been executed and in operation at CCMA”

43.3.7 *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.*

“The Board agrees where it is only sport and recreation related.”

Approved

Mr Gideon Sam



President of SASCOC

DATE: 15 October 2018