

Special General meeting of the Council of Western Province Athletics held on Thursday 15 October 2020 at 19:30 at the River Club, Liesbeek Parkway, Observatory

Present: President : Jakes Jacobs (in the Chair)
Vice President : Achmat Jacobs
Chairperson – Cross Country : Russell Mehl
Chairperson – Track & Field : Sharief Jefferies
Acting General Manager : Malcolm Salida

WPA Representatives : Pearl Schouw
Barbara Davis
Bianca Ferreira
Harold Johannes

Attendance: ARD, ATC, Atlantis Harriers, Bellville, Bonteheuwel, Brimstone Itheko, Capricorn, Carbineers, Celtic Harriers, Central, Century City, CPUT, DRDLR, Durbanville, Edgemoed, Eersteriver, Fish Hoek, Fit 2000, Hewat, Kenfac, Khayelitsha, K-Way VOB, Mazars, Melkbos, Metropolitan, Midas Spartans, MSA Multisports, MP Titans, Murray & Roberts, Nantes, Observatory, Old Mutual, Ommiedraai Friends, Phoenix, Pick n Pay, Pinelands, Ravensmead, RC Langa, RCS Gugulethu, Sanlam, South Peninsula, Spartan Harriers, Strand, Tygerberg, Ultra, UWC, Walmers, West Coast, WP Cricket Club.

Apologies: Malikah Meyer (Chairperson RR), Norma Nonkonyana (Second Additional), André Rix (First Additional), Morris Kaplan (Bellville), Wild Runner

Absent: Airports, Adventist, Afrika Tikkun, Asics, Atlantic, Aurecon, Bishops, Blue Downs, Bo Kaap, Born2Run, Bottelary, Boxer, Brackenfell, Cape Multisport, Chaeli Sports & Rec, Cliffe Dekker Hofmeyr, Correctional Services, Elsies River, Easterns Kraaifontein, Farnese, Foresters, Goodwood Harriers, Groot Constantia, Harfield Harriers, Herbalife, Hout Bay, In Touch Walk/Run, Kuilsriver, Lwandle, Mandela Park, Mates, Multisports Maniacs, Mamre, My Training day, Nedbank, Ogilvy & Mather, Open Box, Parliament, Resbank, Run/Walk for Life, SACS Old Boys, SANDF, SAPS, Satori, Southern Striders, Stragglers, Thomas Mbiza, Top Form, UCT, Velocity, Vodacom Striders.

Guests: Fatima Jakoet

Pearl read the notice of the meeting.

Special General Meeting called to discuss:

- (1) WPA Finance update
- (2) Approval of the new auditors

The minutes of the Special General Meeting held 6 February 2020 were handed out as delegates arrived. The reason for their not being circulated prior to the meeting was to prevent jeopardizing the court case while the police investigation is under way. There was one correction: UWC was marked as absent but had emailed their apologies. Proposed by Conrad Greer (K-Way VOB) and accepted by the meeting.

Office Manager, Zena Erasmus resigned from her position effective 29 February 2020. She handed in her laptop and correspondence linked to her email address was closed. In March 2020, Salma Alexander and WPA signed a mutual separation agreement. Salma made a statement with regards to the investigation into Mr Barnes. Statements handed over to SAPS were for the sums of 1st R250 000, 2nd R 829 000 and 3rd R1 098 million.

The court date for Mr Barnes due to take place on 29 April was delayed till 27 July 2020. He will appear again tomorrow, 16 October. The Police are currently looking into the transaction list from FNB covering everything ever captured on WPA accounts. A new QuickBooks system has been put in place. The finance team are going back to 2018 accounts and Clubs have been requested to itemize all payments. The Board understands their frustration in doing this.

WPA's financial statements reviewed by Campbell and Co in 2017 were approved by Council in 2018. The 2018 financial statements reviewed by 4C Accountants were approved in 2019. We need to appoint an auditing company and would like to use BKF Chartered Accountants.

WPA submitted a SARS return on 28 June 2020. The previous one was sent in for the 2015/16 tax year. Thanks to clubs who have made full payment. The Two Oceans event for 2020 was cancelled. Their levies are not paid to date. TOMA's outstanding amount from 2019 was paid in September 2020.

Athletes have received their incentives following a donation of R25 000 in vouchers from Spar Western Cape and WPA donated R10 000. Elite athletes will receive vouchers of either R500 or R250 each. The Chairman invited clubs who know of athletes in need, to add them to the list of those receiving assistance. In order to pay staff, WPA successfully claimed against Ters.

Candyce Hall (Carbineers) expressed doubt about the use of QuickBooks stating the system can be manipulated. Malcolm Salida responded that it is no more or less tamper-proof than Sage's Pastel system. He is using an on-line system which is shared with Fincom in order to be transparent. Candyce also expressed doubt as to the validity of adding amounts owing by clubs two years after the fact. Lionel Samuels (Phoenix) agreed, stating that there is a policy in place that licences are paid C.O.D. and no club may buy licences if their account is not paid to date. We must assume therefore that the accounts were up to date.

Adoption of auditors BKF Accountants. Lionel Samuels (Phoenix) said the AGM should have been held on 16 October 2020 at the latest. Further, WPA needs auditors who are in no way associated with any member of the WPA Board. He said it was previously agreed that the credentials of an auditing company would be circulated prior to the AGM. The President responded that the COVID-19 lockdown had not allowed for business as usual. BKF is a blue chip company whose credentials are available for anyone who looks them up. WPA needs a full audit and BKF is the same company that was appointed to investigate allegations against the Two Oceans Marathon Association. The Board has followed due process having obtained four quotes and deliberated at length. Campbell and Co. no longer wish to continue any association with WPA.

Glen Bentley (UWC) moved to accept and Conrad Greer (K-Way VOB) seconded.

The Special General Meeting closed.

The General Meeting was called to:

- (1) Report back from the interim committee appointed in February 2020
- (2) Briefing on return to play

The Interim Committee took their places: Lionel Klassen (Durbac), Fatima Daniels (Brimstone ltheke), Lionel Samuels (Phoenix). Morris Kaplan (Bellville) sent apologies.

Mr Klassen thanked the President for the opportunity to put the committee together. He thanked Fatima for her valuable contribution.

He pointed out that the forensic investigation into Allen Barnes was specifically excluded from the terms of reference of the committee. The *Ad hoc* committee was mandated to perform a short-term scope of work and report the results to Council. They were allowed full access to documents and records and met with former and current members of staff. They reviewed financial control procedures and will recommend areas of improvement. A copy of the full report will be supplied to the WPA Board.

The committee spoke to Malcolm Salida, Sue Forge, Zena Erasmus, Pearl Schouw, Salma Alexander, auditor Peter Heger, Lester Cameron, Jakes Jacobs and Michael Schouw. The committee also invited submissions from previous Board members.

Schedule D of the WPA Constitution: Following the resignation of Sue Forge, the Mancom decided to run the office and perform the tasks of the General Manager. This is in violation of the Constitution. Further, Sue Forge continued to work with the finances of WPA for months after she left. When Zena Erasmus was employed as Office Manager, her role specifically excluded overseeing financial matters. It was the intention to eventually hand over to her, but this never happened. The previous GM and Finance Officer, Allen Barnes, could load and approve payments on the banking

system. Mr Barnes would approve payments without seeing supporting documentation. Employees did not receive regular pay slips. WPA's books were subject to independent review as opposed to an audit, due to cost considerations. Not having an audit is in violation of the Constitution. Mr Barnes had unfettered power over WPA's finances.

Schedule E of the WPA Constitution was not complied with.

The previous Board appears to have abdicated their responsibility over finance. Mr Barnes had an electronic signature of past President, Lester Cameron, and it was used on awards and similar documents. Mr Cameron was aware of this. The signature was also sent to FNB.

The interim committee recommends:

- (1) The Constitution be reviewed to ensure role clarity between Financial Manager and Office Manager.
- (2) Improve governance at WPA
- (3) Adhere to corporate Governance laws
- (4) 2018 Annual Financial Statements be withdrawn and redone
- (5) Bank approval levels be reviewed
- (6) Council to decide whether steps should be taken against previous Board members

VOB thanked Mr Klassen and the interim committee for the work they have done to give clarity to an unpleasant chapter in WPA's history.

ARD said the Committee should look at the amount of money that can be dispersed before the Financial Manager needs approval from someone else.

Clause 27.14 of the Constitution recommends that any document required to affect a payment on behalf of WPA requires two signatories, either the President or the Deputy, assisted by the General Manager. There was a clear violation of the Constitution. A key issue was that Mr Barnes was allowed to load a payment and make a payment without recourse and it is this that allowed the embezzlement. The previous Board seldom, if ever, interrogated the financial statements. There was no discussion before presenting to Council. This has since been corrected and is the responsibility of the Board.

Denzil Rykliff (Hewat) asked what the ex-Board's responsibility is. Mr Klassen said it is up to Council to make those decisions once they have seen the report which will be circulated.

UWC's Glen Bentley wants Council to have time to consider its decision. They have not had a chance to go through the report and think things through before a pronouncement is made. Lionel Klassen said all must acknowledge that decisions made were approved by Council so we cannot wash our hands of any responsibility. Let things be carefully considered. Fatima Daniels pointed out that the interim committee has made recommendations that are fixable.

Following discussion, Conrad Greer (K-Way VOB) proposed and Andy Campbell (Fish Hoek) seconded that the previous WPA Board members should not be held accountable for what Mr Barnes did. We are all sportsmen. Let's move forward.

The President thanked the interim committee for their report. The report will be distributed to the Constitution Committee, the Finance Committee and the General Manager who will feed back to Council what has been done. Lionel Samuels said the report cannot be left hanging indefinitely. He wanted specifics regarding when it might be determined whether the previous Boards abdicated their fiduciary duties. There is too much money involved. The President assured the meeting the matter will not be swept under the carpet. Achmat Jacobs said the outcome of the report and its recommendations lies solely in the hands of Council. Council must decide what the role of the new Board will be. We are grateful to have someone like Malcolm Salida who is governance-orientated which keeps us on the right path. It is Council's duty to take the matter forward and the Board will focus on athletics.

Return to play: During Sept/ October there was a request for current events on the calendar to continue. T&F provided a new calendar. The Department of Education has not allowed school sport to continue. Can the current RR calendar events continue as normal with 400 people? We will only run 10km and 15km events with 400 people. At the Fixtures meeting on 21 October, we will decide which events can happen with 400 athletes, plus marshals, plus officials and

then we must submit for approval. RR can continue by breaking up the events so one is run in the Northern suburbs, one in the Eastern suburbs and one Southern. Since traffic is our biggest cost, places like Youngs field, Wingfield and Durbanville Racecourse are good. Apply as soon as possible. No events over 400 mean we could have four 10km events in one weekend. Be creative. The President said we must stick to 10, 15, 21km events. there is still a challenge for all events into the beginning of 2021.

VOB said thousands of runners want to get back to RR. If we are not careful, we will be stuck in our gardens again. The public are already complaining about runners and cyclists not wearing masks. One big event could trigger the virus. Race costs will increase because of PPEs. The CoCT doesn't want two events right after each other. Candyce Hall (Carbineers) suggested that risky events be put on hold and we focus on athletes who are aiming at the Olympics and other big competitions. Glen Bentley (UWC) suggested checking with CoCT before submitting any applications.

There was discussion regarding 2020 licences that people have paid for and not been able to use for most of the year. As things stand, they expire at the end of the year. The office will look into it.

New COVID-19 documentation came out today. It will be distributed to the clubs. Small groups running may continue but we must be careful not to break the law. Jakes asked clubs to email Bianca and come to the meeting on 21 October if they would like to host an event.

ATC displayed their new kit. There were no adverse comments.

The provisional calendar for the first six months of 2021 will come out after the meeting. We don't know what lockdown will allow. Once that is approved, we will draw up the calendar for the following six months. Calendars should include T&F fixtures. Sharief Jefferies (T&F Chairperson) sent out emails to coaches but not to the clubs. Glen Bentley (UWC) requested that it go to clubs too.

There being no further business to discuss, the meeting closed at 21:20