

# **PRESENTATION TO PORTFOLIO COMMITTEE ON SPORT, ARTS AND CULTURE**

**Presentation by Chess EXBO led by Joe Mahomole**

**Virtually (Zoom/MS Teams); 09:00**

**03 November 2020**



# CONTENT

- Background
- Challenges in Chess South Africa
- Financial Report
- Progress Report
- Recommendations
- Closing Remarks



# BACKGROUND – 1

- We requested for your intervention in the challenges faced by Chess SA, but in your response you asked us to prepare and answer on financial situation of Chess SA.
- While we appreciate your response and the action you took in calling us to account on finances, we felt it was important and necessary to:
  - Indicate that challenges in Chess SA are not only **financial** but mainly about governance and administration; and
  - to give you a background to the situation Chess SA is in now;
- It all started with the contestation for the January 11, 2018 elections (which never took place);
- There were three groups that contested the elections. For purposes of this presentation and for your clarity, I'll call the three groups:
  - Winton Dalpat group (WDG) (Acting President at the time);
  - Hendrik du Toit group (HTG) (President of Gauteng Chess at the time); and
  - Joe Mahomole group (JMG) (Vice President at the time)

# BACKGROUND — 2

- All the three groups were vying and competing for 20 votes from 10 members (9 provinces + 1 special member, Players Commission);
- On the day of the election, 11 January 2018, it emerged that JMG had the support of **5 members** (10 votes), HTG had the support of **3 members** (6 votes) and WDG had the support of **2 members** (4 votes). The AGM was disrupted due to technicalities. The re-convened one on 01 February 2018 also was disrupted by chair of the meeting (Winston Dalpat) by just announcing that the meeting was dismissed! The election never took place!!
- The 5 members supporting JMG (Limpopo, Mpumalanga, Northwest, Northern Cape and KZN), following clauses 21.1.2 – 21.1.4 of Chess SA wrote to the General Secretary requesting for a Special General Meeting (SGM). Instead of acceding to their request those members were instead summarily **suspended** by the Executive Board (EXBO)! I must stress that the suspension was not done according to the constitution. This was because the EXBO itself was biased towards WDG and HTG because majority of them were candidates in those groups (e.g. Shanks Naidoo and Yolanda Prinsloo were nominated in HTG as candidates)



# BACKGROUND – 3

- After suspending the 5 provinces, some members of EXBO (Shanks Naidoo, Yolanda Prinsloo and Dina van de Walt) resigned to collapse EXBO.
- In order to help resuscitate the collapsed EXBO, SASCOG called the remaining members of EXBO in a meeting where a decision was taken:
  - to lift the suspension of suspended members (5 provinces); and
  - for EXBO to convene SGM at which members of Chess SA would elect some people to fill the positions in EXBO in order for EXBO to prepare for proper election
- The SGM was convened for 01 July 2018. All the 10 provinces participated in the meeting (SGM). Gauteng Chess (led by Mr. du Toit as its President) objected to and abstained from every resolution that the members took in the SGM
- The SGM elected new people to fill vacancies in EXBO and also changed the Acting President from Winston Dalpat to Joe Mahomole;



# BACKGROUND – 4

- Some days later Gauteng Chess approached the Western Cape Division of High Court on urgent basis to:
  - declare the meeting (SGM) of 01 July 2018 and its decisions null and void because some members who participated in the meeting were suspended and the EXBO that convened it had no authority to because it had no quorum;
  - ask the court to disband the non-quorating EXBO and replace it with a 3-member Interim Committee consisting of Shanks Naidoo, Yolanda Prinsloo and Dina vd Walt (those 3 members who resigned to collapse EXBO)
- The reconfigured EXBO (of 1 July 2018) opposed Gauteng Chess Court application but offered that the Interim Committee consists of 5 members and be elected by members of Chess SA instead of being appointed by Court, The court agreed with this and the court order of 17 August 2018 was issued in terms of which a meeting (SGM) of Chess SA was convened on 25 August 2018



# BACKGROUND – 5

- The reconfigured EXBO (of 1 July 2018) opposed Gauteng Chess Court application but offered that the Interim Committee consists of 5 members and be elected by members of Chess SA instead of being appointed by Court, The court agreed with this and the court order of 17 August 2018 was issued in terms of which a meeting (SGM) of Chess SA was convened on 25 August 2018;
- At the SGM of 25 August 2018 Mr. Du Toit and Joe Mahomole contested and Joe Mahomole won by 14 votes to 7 and the following 5 members were elected to the Interim Executive Board (IEB) to run the affairs of Chess SA in the interim and to prepare for proper elections of Chess SA:
  - Joe Mahomole (JM) (Male) – LP (current Vice President)
  - Erick Takawira (ET) (Male) – KZN
  - Keabaka Dipale (KD) (Female) – NW
  - Geraldine Engelman (GE) (Female) – GP
  - Liezel Ahjum (LA) (Female) – NC
- The IEB set the elections date for 08 December 2018 and prepared a detailed document for accrediting members for the AGM of 08 December 2018;
- The document (hereto attached) was purely based on the constitutional requirements and had 13 criteria to be met and examples of means of verification (MoV) to satisfy those criteria. The document was distributed more than 3 months in advance for members to attend to in order to be in good standing for the AGM of 08 December 2018.

# BACKGROUND – 5

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- In terms of the document every member (9 provinces + Players Commission) should submit documents (online using Google Form) for accreditation by a given time in order to be declared in good standing/accredited for AGM. All provinces submitted (some 100% submission (e.g. NC and GP) and others less than 100%);



# BACKGROUND – 6

- The submitted documents had to be verified by IEB. On verification it was found that GP submitted documents which were ade-up (here are examples) and NC dis not sign one of its submissions. IEB requested for original documents from GP and GP refused to submit them claiming that they no longer had those originals and that the constitution did not require original documents. Based on the verification, the IEB declared all members not in good standing for the AGM;
- Gauteng Chess immediately approached Gauteng Division of High Court on urgent basis to challenge thee IEB report and praying for the Court to declare them in good standing and force the IEB to allow them to participate in the AGM which was postponed till further notice. IEB did not oppose Gauteng application on the grounds that:
  - We referred Gauteng dispute to SASCO and SRSA (then) for intervention;
  - IEB was running an international event at the time; and
  - It was a waste of financial resources

# BACKGROUND – 6

- Gauteng Chess obtained a default judgment which they wrongly used to elect themselves were only two members (themselves (Gauteng Chess ) and Players Commission) to “elect themselves” into what they claim was EXBO headed by Mr. Du Toit as President;
- Their excitement was short-lived by another High Court judgment off 25 March 2019(Judge Yacoob) which rescinded their December default judgment and declared null and void all the decisions the decisions of their so-called 08 December 2018 A.G.M;
- Currently Mr. Du Toit and his colleagues have lodged an appeal as individuals, before the full bench of High court which has not being heard and hearing date has not been set as we speak
- Using the narrative of being an elected EXBO and that of having lodged an appeal Mr. Du Toit and group approached the legal section of FNB and irregularly obtained access to the bank accounts of Chess SA, the act of which we did not prioritise to challenge in court because once again it requires us to use financial resources to do so, which financial resources could better be used to support the needy players and administrators. We left the bank issue until after the court cases. As we speak now we can only provide financial report on the period for which we had access to the bank accounts!



# CHALLENGES IN CHESS SOUTH AFRICA – 1

- Lack of funding from government for the last three years (2017/18; 2018/19; 2019/20) and we are also going to miss the 2020/21 with the result that players and administrators from disadvantaged communities (most of whom are Black) suffer and are systematically excluded from mainstream chess;
- No proper accountability
- Confusion and division created and perpetuated by this artificial ‘parallel Executive Boards’ of Chess SA
- Continual threat of court action by the other side should things not go their way – this is not only unfair and bullish, but also critically undermines the principles of democracy and openness in a national public structure like Chess SA



# CHALLENGES IN CHESS SOUTH AFRICA – 2

- Chess community held ransom by unending court cases which started in 2018. We view this as nothing else but an act of:
  - self preservation of self proclaimed ‘leadership’;
  - perpetuating discrimination, elitism and racism in Chess SA;
  - blocking transformation and systematically marginalizing and excluding the poor, majority of whom are Blacks – this should not be allowed to exist in chess or any other sport (e.g. in the SAJCC where more than 2000 young players and administrators (arbiters, managers and coaches) participate only 15% are Black) – this is unacceptable!



# FINANCIAL REPORT – 1

- Chess South Africa has been plagued for several years not producing audited financial years;
- As indicated the Interim Executive Board (IEB) was elected in August 2018 as per the Western Cape High Court;
- Spearheaded by its Acting Treasurer, the IEB attempted to clean-up the finances of the Federation in order to apply for LOTTO funding and also funding from the DSAC. They implemented the following:
  - Engaged an auditor pro-bono to perform an audit of the 2017 and 2018 financial statements;
  - It was noted that the appointed auditors by the previous Executive Board only compiled the financial statements and did not audit the financial statements
  - As such they did not express an audit opinion as required by the Chess South Africa Constitution;
  - Due to financial difficulties and lack of complete and accurate information received from the previous Executive Board, the “pro-bono” auditor could not complete auditing the financial statements for 2017/2018 financial years and were unable to express an opinion;

# FINANCIAL REPORT – 2

- The “pro-bono” auditor completed a financial health check review of the Federation in August 2018 on request from the IEB. The health check revealed the following:
  - The personnel executing the finance function were not adequately qualified nor had the sufficient experience;
  - Accounting policies such as Revenue Recognition and Bad Debts were not in place or outdated raising the possibility of incorrect recognition and accounting of several accounts;
  - Travel expenses for an organisation of this size are high;
  - Several payments were made for food, shopping and cell phone expenses;
  - There were several withdrawals with no clear descriptions;
  - There are several recurring payments with no clear descriptions;
  - The financial statements for prior years provided by the previous auditors had accounting inconsistencies and incorrect accounting application of certain transactions such as VAT adjustments being accounted for in owner’s equity. It did not appear as though the previous auditors applied the International Financial Reporting Standards (IFRS)
- The “pro-bono” auditors made the following qualifications:
  - Based on the financial “health check review” it was noted that it would be virtually impossible for the Treasury Team of the IEB to reconcile information from prior periods and create accurate and complete financial reporting;
  - As such it was recommended that the mentioned Treasury Team is to focus on performing financial reports for the 2019 financial year and engage with independent auditors to audit the 2017 and 2018 financial information as a qualified opinion will be the most likely outcome

# FINANCIAL REPORT – 3

- The ongoing court cases led to several disruptions to the treasury function such as lack of access to Chess South Africa bank accounts and the acting treasurer has been unable to provide complete and accurate management accounts as at December 2018;
- The “pro-bono” auditors could not place any reliance on information provided and could not provide an overview of the financial performance of Chess South Africa as at December 2018;
- As such it was recommended that the mentioned Treasury Team is to focus on performing financial reports for the 2019 financial year and engage with independent auditors to audit the 2017 and 2018 financial information as a qualified opinion will be the most likely outcome;
- However, this could not be done by Chess South Africa since individuals, who were not voted for by the membership of Chess South Africa, has taken the court judgement won by the then IEB, on review and due to legal technicalities gained access to the Chess South Africa bank accounts and are still in control of these accounts;
- Since December 2018 to date none of the members of Chess South Africa has seen any financial statement (let alone audited financial statements) even though the above indicated individuals has conducted a “so-called” Annual General Meeting (A.G.M.) and has not tabled these audited financial statements which is a constitutional requirement for a legally constituted A.G.M.;



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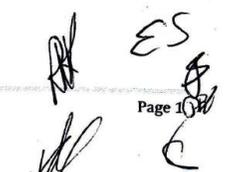
# FINANCIAL REPORT – 5

## Overdue FIDE Account – July 2020

 GENS UNA SUMUS	
<b>FEDERATION INTERNATIONALE DES ECHECS</b> Recognized by the International Olympic Committee Avenue de Rhodanie 54, 1007 Lausanne, Switzerland Email: <a href="mailto:accounts@fide.com">accounts@fide.com</a> <a href="http://www.fide.com">www.fide.com</a>	
1 July 2020	
INVOICE No: 148 SOUTH AFRICA	
Balance due	EUR 22,160.28
Discount that can be deducted if invoice is paid in full by 15 September 2020 (refundable deposit fees are excluded from this calculation)	EUR 75.00
Payments may be made in Euros, US Dollars or Swiss Francs to the following accounts:	
Bank: CaixaBank S.A. Address: Av. Diagonal, 621 - 629, 08028 Barcelona, Spain BIC / SWIFT: CAIXESBBXXX	
Account name: FEDERATION INTERNATIONALE DES ECHECS	
EURO Account number: 2100-0555-31-0700285124 IBAN: ES32 2100 0555 3107 0028 5124	
USD Account number: 2100-0555-38-7200659381 IBAN: ES69 2100 0555 3872 0065 9381	
CHF Account number: 2100-0555-32-7200659494 IBAN: ES09 2100 0555 3272 0065 9494	
Reason for payment: Invoice number – Name of federation	

## Bailout – 4Knights (Overdue FIDE Account 2014)

<b>SAJCC PURCHASE AGREEMENT</b>
entered into by and between
<b>4KNIGHTS INTERNATIONAL EVENTS COMPANY (PTY) LTD</b> (a company to be formed)  herein represented by Judy-Marie Steenkamp  (hereinafter referred to as "4Knights")
AND
<b>CHESS S.A.</b> (a sports federation)  herein represented by  Eldo Smart and Shanks Naidoo  in their capacity as President and Vice President, duly authorised by virtue of a resolution of its Council and Exbo  (hereinafter referred to as "Chess S.A.")
SAJCC Purchase Agreement 2015 (Final) Page 1 of 1



# PROGRESS REPORT - 1

## Resumption of Activities (Non-Contact Sport)

- Received approval to resume normal activities
- 3 of the 9 Provinces have received approval from Chess South Africa to resume activities based on their COVID-19 Operational Plan (Gauteng, KwaZulu-Natal, Northern Cape)
- Mostly still virtual tournaments

## Team SA Performance

### Africa Zonal 4.3. 2020 Continental Tournament

- South Africa achieved second place
- Head Coach, International Master Kobese received award for best player on Board 1

### World Cadets 2020

- 10 South African players automatically qualified for the prestigious event based on their continental performance

### African Youth 2019

- Last over the board international tournament (Physical)
- South Africa achieved first place with 3 gold medals, 4 silver and 3 bronze medals and all of them achieved international FIDE Titles

 Chess Zone 4.5 - Southern Africa  
21 Oct · 🌐

Leading by example# South Africa's chess virtuoso IM Watu Kobese ( 2340 Elo) won the board one award after scoring 5.5 out of 7# only got punched by Malawi's CM Razorblade Petros Mfune in the last round# proved his tank is still full##. Zone 4.5 Online Team Chess Championship##



## 2020 FIDE Zone 4.5 Team Champions!

by admin | Posted on October 20, 2020

Angola are the 2020 Zone 4.5 Champions after edging out South Africa with a tie-break. It was a close contest. Congratulations Angola!

In actual fact Angola dominated the tournament. They beat their opponents with heavy scores. They only lost against South Africa, the runner-up, and South Africa was bitten by Botswana, the bronze medalist!

The top 4 teams are:

1st : Angola

2nd : South Africa

3rd : Botswana; and

4th : Zambia



# PROGRESS REPORT

## Training

- 86th Internet based FIDE Arbiters' Seminar (ACC)
- Arranged under the auspices of Chess South Africa
- Very prestigious and a scarce skill
- 6 South Africans wrote the exam and 5 of them passed

## Improve Corporate Governance

- Developed a number of Standard Operating Procedures which did not exist before, i.e. Criteria for the Good Standing of Members, Appointment of Team Managers for SA Teams, Disciplinary Procedure, etc.
- Extensive exercise to "compile" financial statements for 2017/18 financial year for auditing purposes
- Planned King IV Training for provincial executive committees

86th Internet Based FIDE Arbiters' Seminar  
(Chess South Africa)  
From 14<sup>th</sup> to 18<sup>th</sup> September, 2018



FIDE ID	Name (as on FIDE Profile)	FED
1901486	Guimaraes, Rui	POR
14330482	Malatji, Happy Tebogo	RSA
25999001	Jayshree Amol Dangche	IND
45029130	Kalyankar Vaishnavi	IND
25632256	Shinde Saumil	IND
13207458	Seong, Jinsoo	KOR
14321564	Minnies, Wayne	RSA
5009847	Kulkarni, Vikramaditya	IND
14316331	Maluleke, Pfumelani	RSA
25998986	Shradharani C Vaity	IND
25932900	Lohana Yash	IND
25125761	Swati Kumbhalkar	IND
16000382	Karuhanaga, James	RWA
15202631	Dumbura, Michael	NAM
14341271	Peter, Mniawa	RSA
25798529	Jaimal Singh Rathore	IND
46603247	Monimala Sinha	IND
14348250	Lubabalo, Radebe	RSA

SECRETARIAT: Ms. Lizeal Anjum, 79 Hercules Street, Herbar, Kimberley, 8301  
Telephone: (+27) 2782 308 8000  
Email: secretary@chessa.co.za | Website: www.chessa.co.za

**CRITERIA FOR GOOD STANDING**  
FOR MEMBERS/PROVINCES OF CHESS SOUTH AFRICA  
10 September 2018

**\* Important Notes**

- All criteria for good standing listed in the table here under, are based on specific sections in the Constitution of Chess South Africa. Due to the nature of these sections of the Constitution, compliance to them is mandatory.
- Members/Provinces must satisfy all the criteria listed here under in order to be in good standing with Chess South Africa and to be eligible to exercise their voting rights at the upcoming elections on 08 December 2018.
- Members/Provinces must satisfy all the criteria listed here under in order to be in good standing with Chess South Africa and to be eligible to make nominations for office bearer positions for the upcoming elections on 08 December 2018. Members who wish to make such nominations for the vacant positions in the upcoming elections, should have complied with the criteria before making nominations on 24 October 2018.
- Members/Provinces must provide all the necessary documents as proof that each of the relevant criterion, listed here under, has been satisfied in order to be in good standing with Chess South Africa.
- Members/Provinces must submit the required documents to the secretary of the Interim Executive Board/Management Committee of Chess South Africa, Ms. Lizeal Anjum, at the email address: [secretary@chessa.co.za](mailto:secretary@chessa.co.za).
- Requests for clarification on any part of the content of these criteria for good standing can be directed to the Interim Executive Board of Chess South Africa.

RULES AND REGULATIONS  
STANDARD OPERATING PROCEDURE  
Appointment of Team Managers and Team Coaches

www.chesssouthafrica.co.za  
VERSION: FINAL  
29/06/2019  
COMPILED BY: THE INTERIM EXECUTIVE BOARD OF CHESS SOUTH AFRICA

VERSION HISTORY	
VERSION NO.	1
CURRENT VERSION DATE	29 June 2019
EFFECTIVE DATE	29 June 2019
EXPIRATION DATE	2021 (LAFS)
RESPONSIBLE PERSON	Ms. Lizeal Anjum (President)
APPROVED BY	Ms. Lizeal Anjum (Secretary)
APPROVAL DATE	29 June 2019

REVIEW PROCEDURE  
This Standard Operating Procedure should be reviewed, if necessary, every two years by the outgoing Executive Board for approval by the National Council in the ensuing election ACAG.

RULES AND REGULATIONS  
Disciplinary Procedure

www.chesssouthafrica.co.za  
VERSION: FINAL  
29/06/2019  
COMPILED BY: THE EXECUTIVE BOARD OF CHESS SOUTH AFRICA

VERSION HISTORY	
VERSION NO.	Final
CURRENT VERSION DATE	29 June 2019
EFFECTIVE DATE	29 June 2019
EXPIRATION DATE	2021 (LAFS)
RESPONSIBLE PERSON	Ms. Lizeal Anjum (President)
APPROVED BY	Ms. Lizeal Anjum (Secretary)
APPROVAL DATE	29 June 2019

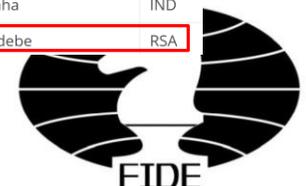
REVIEW PROCEDURE  
This Disciplinary Procedure should be reviewed, if necessary, every two years by the outgoing Executive Board for approval by the National Council in the ensuing election ACAG.

RULES AND REGULATIONS  
STANDARD OPERATING PROCEDURE  
Conducting of Transparent Elections for Executive Board Officer Bearer Positions

www.chesssouthafrica.co.za  
VERSION: FINAL  
29 JUNE 2019  
COMPILED BY: THE EXECUTIVE BOARD OF CHESS SOUTH AFRICA

VERSION HISTORY	
VERSION NO.	Final
CURRENT VERSION DATE	29 June 2019
EFFECTIVE DATE	29 June 2019
EXPIRATION DATE	2021 (LAFS)
RESPONSIBLE PERSON	Ms. Lizeal Anjum (President)
APPROVED BY	Ms. Lizeal Anjum (Secretary)
APPROVAL DATE	29 June 2019

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# RECOMMENDATIONS

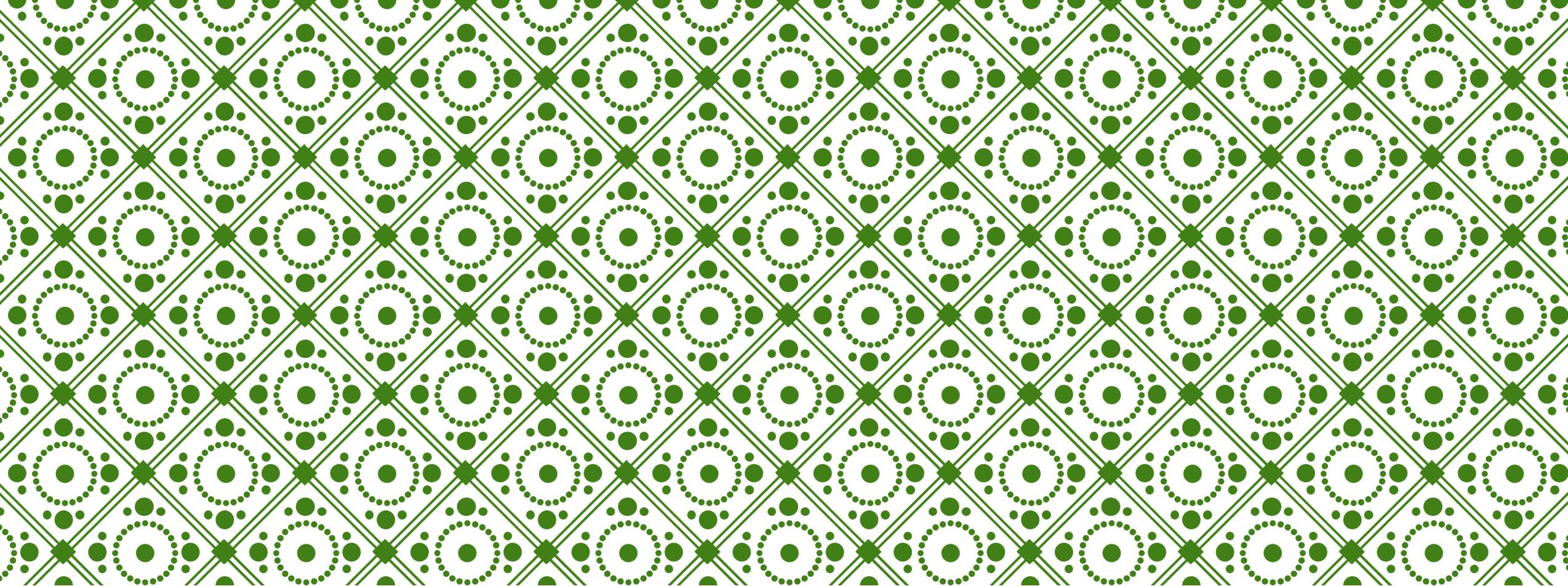
- Commission of Inquiry
  - World Youth Chess Championship 2014
  - Conflict of Interest
  - Financial Irregularities
  - Good Governance
- Development Intervention
  - Introduction of chess to the formal school's curriculum
  - Development Support
  - National Tournaments (SA Open, SA Closed, SA Junior Closed, SA Junior Teams – SAJCC)
- Legal Assistance
  - Constitutional Expert (Sport)



# CLOSING REMARKS

- Our turning to the Portfolio Committee for intervention was because we felt that both SASCOG and DSAC are not doing anything to attempt to resolve the situation in Chess SA. For example:
  - There was never a meeting where we were called to explain our case in spite of our numerous requests in writing requesting same to happen. Instead SASCOG held a meeting with other party without us;
  - Currently on DSAC's contact list of national federations, Mr Du Toit and Ms Bridget Burger are listed as President and Secretary respectively (see screenshot and link) in spite of their (DSAC's) view that they would not intervene as long as the case is in court. Now the question is: what made them to choose to recognize (if they really do) the other side?
- We accept that DSAC and/or SASCOG or even Parliament will not intervene in a court case, but will not allow **injustice, unfairness, discrimination** and **racism** to prevail in a public national federation like Chess SA unattended – it is unacceptable!
- We want to thank the Portfolio Committee for giving us the opportunity to explain our situation and believe that the Committee will use all available avenues to resolve the situation in Chess





**Please contact us for any questions/queries**

**Mr. Joe Mahomole**

[president@chesssouthafrica.co.za](mailto:president@chesssouthafrica.co.za)

Mobile number: **+27 72 828 1063 / +27 71 475 9660**